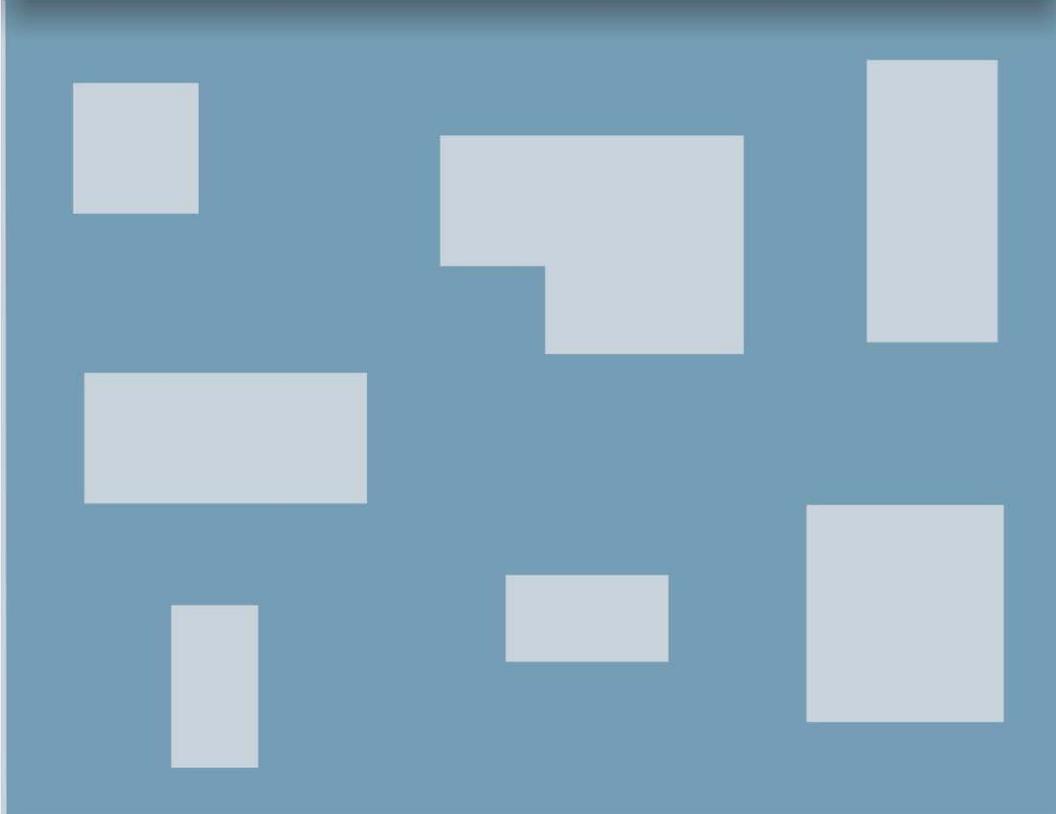


Reinventing UNCTAD

*A Chronological Account of the
Debate on the Future of UNCTAD
at the CUTS Trade Forum*



Reflections

...I think that the outcome document will not be of much help in making UNCTAD an effective defender of developing country interests. Only a deep and thorough reform of the organisation has any chance of doing that. And since the UN system has proved, over a 60-year period, that it is essentially unreformable, we will end up with donors increasingly turning away, the organisation sinking into oblivion, and its member-delegates increasingly indulging in the displacement behaviour of arguing about language that, in the end, does little to change reality.

Mark Halle

Executive Director

*International Institute for Sustainable Development, Geneva,
Switzerland*

If we want to make UNCTAD into an organisation with impact then it needs a practical function in the trade and investment policy and multilateral development areas. These potential roles all seem to be taken, which is a bit of a problem to add to the size and diversity of the membership!

Even improving its performance on the restricted scale of becoming an effective think tank for developing countries seems needs a way to change the relationship between the membership and the secretariat so that outputs are seen to be directly relevant to members.

Jim Rollo

Professor, University of Sussex, Brighton, UK

...there is much to be said for an international funded think-tank like UNCTAD to provide relatively unbiased research and policy options. Though still very narrowly read or headed, such intellectual effort does contribute to a climate of opinion. The chances of a dissenting view from the wider world are greater in UNCTAD and also within that UN family. And therefore UNCTAD fulfils a very useful function.

Michael Hindley

Former Vice President

External Relations Committee, European Parliament

...UNCTAD has intellectual independence. By the way, UNCTAD's analysis since its creation reflects exactly a set of policies followed by all current developed countries during their early stage of development process. These policies are still relevant now! But this is another debate.

Edouard Bizumuremyi

Permanent Mission of Rwanda, Geneva, Switzerland

...about a quarter of the staff in UNCTAD do not do any substantial work, and many pursue their own interests in developing programmes which are tangential to the main goals of UNCTAD...let us not condemn UNCTAD, but seek its reform and strengthen it to do better than what it is doing. It is an essential element of our global economic order...there is a strong need for reforming UNCTAD, particularly its human resources policy which has a clear link to its work programme.

Pradeep S Mehta

Secretary General, CUTS International, Jaipur, India

In the past UNCTAD has done many good quality policy research and should continue that role...UNCTAD should increase the involvement of civil society and the private sector in its work, giving particular attention to "grassroots" NGOs and small and medium-sized enterprises in developing countries. Furthermore, UNCTAD should consider establishing a global network of think tanks specialised in development policy advocacy and strategy-setting in different countries, with a view to exchanging views, experiences and best practices.

Bipul Chatterjee

Deputy Executive Director, CUTS International, Jaipur, India

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Abbreviations

ADB	Asian Development Bank
AGOA	African Growth and Opportunity Act
AfT	Aid-for-Trade
ASYCUDA	Automated System for Customs Administration
BITs	Bilateral Investment Treaties
BRICS	Brazil Russia India China and South Africa
CEPR	Centre for Economic Policy Research
CSO	Civil Society Organisation
COMESA	Common Market for Eastern and Southern Africa
CSEND	Centre for Socio-Eco-Nomic Development
CVD	Countervailing Duty
DDA	Doha Development Agenda
EAC	East African Community
ECOSOC	Economic and Social Council
FAO	Food and Agriculture Organisation
GSP	Generalised System of Preferences
GDP	Gross Domestic Product
ILO	International Labour Organisation

IMF	International Monetary Fund
IISD	International Institute for Sustainable Development
IIA	International Investment Agreements
IPRs	Intellectual Property Rights
ITC	International Trade Centre
LDCs	Least Developed Countries
MDG	Millennium Development Goal
MFN	Most Favoured Nation
MTS	Multilateral Trading System
NTMs	Non-Tariff Measures
OECD	Organisation for Economic Cooperation and Development
ODA	Overseas Development Assistance
RTAs	Regional Trade Agreements
SADC	Southern African Development Community
UNCTAD	United Nations Conference on Trade and Development
UNEP	United Nations Environment Programme
UNFSS	UN Forum on Sustainability Standards
UNIDO	United Nations Industrial Development Organisation
UNCTAD	United Nations Conference on Trade and Development
USTR	United States Trade Representative
VERs	Voluntary Export Restraints
VSS	Voluntary Sustainability Standards

Introduction

The 13th quadrennial conference of the United Nations Conference on Trade and Development (UNCTAD) was held in Doha, Qatar during April 21-26, 2012. The theme of was “development-centred globalisation”.

A CUTS delegation led by Pradeep S. Mehta, Secretary General, CUTS International, took an active part in UNCTAD XIII by presenting its views on several high-level panels on contemporary issues of trade, development and regulations and organising events on a number of issues including on interaction between trade and competition policy.

The following events were organised:

- Future Challenges of Global Economic Governance and Role of the Emerging South
http://cuts-international.org/CUTS@UNCTADXIII/pdf/Report-Future_Challenges_of_Global_Economic_Governance_and_Role_of_the_Emerging_South.pdf
- Climate Change, Food Security and Trade: Challenges and Opportunities
http://cuts-international.org/CUTS@UNCTADXIII/pdf/Report-Climate_Change_Food_Security_and_Trade_Challenges_and_Opportunities.pdf
- Trade, Competition and Pricing of Commodities
http://cuts-international.org/CUTS@UNCTADXIII/pdf/Report-Trade_competition_and_pricing_of_commodities.pdf

A joint publication by CUTS and Centre for Economic Policy Research entitled “Trade, Competition and the Pricing of Commodities” (http://www.voxeu.org/reports/CEPR-CUTS_report.pdf) was launched by Hassan Qaqaya, Head, Competition and Consumer Policies Branch of UNCTAD.

The Civil Society Declaration to UNCTAD XIII (http://cuts-international.org/CUTS@UNCTADXIII/pdf/Final_Statement_of_Civil_Society_on_the_Outcome_of_UNCTAD-XIII.pdf) called upon UNCTAD to continue to provide critical analyses of the root causes of financial and debt crises including inadequate financial regulations, on contemporary trends in the global economy that affect developing countries, and to promote solutions to avoid new crises.

Reacting to the Civil Society Declaration to UNCTAD XIII, CUTS Secretary General said: “UNCTAD has a historically significant role to provide necessary checks and balances to the global economic governance system. This role is under stress. I am particularly happy to see that many former UNCTAD staff has taken the cudgel for this cause.”

In his editorial to CUTS Newsletter on UNCTAD XIII (http://cuts-international.org/CUTS@UNCTADXIII/pdf/CUTS_in_Action_UNCTAD_April2012.pdf), he reminded the world community what Raul Prebisch, the founding father of UNCTAD, said in 1986: “To renew our ideas is an imperative. UNCTAD should progress by critical enquiry through its own critical research.” “It is UNCTAD’s publicly stated credo to work with civil society in every which way, as indeed other intergovernmental organisations like WTO and the World Bank, and governments in many countries work closely with the civil society.”

CUTS produced daily bulletin from UNCTAD XIII and they were circulated through ‘CUTS Trade Forum’ which is an e-platform to exchange views and opinions on

contemporary issues on international trade, trade-related regulations and economic development.

CUTS' views on the relevance and effectiveness of UNCTAD triggered an intense intellectual debate on "Reinventing UNCTAD". Many reputed commentators on economic issues from around the world joined in this debate. Their views and opinions on the future of UNCTAD are captured in this volume. A key message is: *UNCTAD needs to bring in efficiency and coherence in its organisation and work methods, which can live up to Prebisch's vision.*

The Debate

Guy de Jonquières (*May 01, 2012*)
*Senior Fellow, European Centre for International
Political Economy, London, UK*

Excerpts from the UNCTAD XIII draft statements are both accurate and capture their main points. Since CUTS is an organisation of unquestioned integrity, I assume that to be the case.

As a veteran of innumerable international meetings, I have learned from hard experience to be sceptical of what they promise and of what they achieve. However, I can honestly say that in four decades as a journalist covering such events, I have never read a communiqué as utterly vacuous, self-serving and pointless as the one from which you publish excerpts. To call it a vast amount of hot air would be a disservice to ballooning. There is, quite literally, absolutely nothing of substance in it.

Furthermore, the statement says that “UNCTAD should, through the three pillars of its mandate – consensus-building, policy-oriented analysis and technical cooperation – continue to deliver meaningful results”. The only definition I know of “meaningful results” is concrete and tangible outcomes that have a measurable impact on the course of events. Can anyone name just three instances of actions instituted by UNCTAD in the past decade that come even close to meeting that criterion?

Of course, there are many international organisations that lack relevance, purpose and effectiveness. However, in UNCTAD's case, the deficiency is especially reprehensible. It is an organisation that purports both to represent developing countries and to advance the interests and wellbeing of their citizens.

Judging by its communiqué, the only evident way that UNCTAD did this was to enable thousands of public sector employees from around the world to fly to Jaipur, stay in comfortable hotels and gather in air-conditioned conference rooms for a week. This, at a time when public expenditure budgets, in developed and in an increasing number of developing countries, are under severe pressure. That scarce public funds should be wantonly squandered in this way, when they could be spent far better on that genuinely in need, is, to put it bluntly, obscene.

Lest anyone accuse me of being someone from the developed world with an axe to grind against developing countries, I would like to say that I am genuinely concerned about the fate of the poorest and donate money from my own pocket to organisations that seek to relieve their plight. I sincerely believe that it is a responsibility of those of us who can afford it to contribute to the provision of essential public goods, such as schooling and health care, and to the creation of economic opportunities.

The reported non-outcomes of UNCTAD XIII leave me wondering, however, whether those participating in it really share those beliefs. They also make me very, very angry. Not simply because of the amount of money wasted on this empty exercise; but because they make it that much harder for those of us who believe that helping developing countries develop is a noble cause to defend it against those who do not.

If UNCTAD is genuinely committed to advancing the objectives that it claims to espouse, perhaps it should start by

cancelling all further exercises of this kind until its members are confident that they have something to show for them.

Pradeep S Mehta (*May 01, 2012*)

Secretary General, CUTS International, Jaipur, India

Guy has raised some fundamental issues which need to be debated so as to enable UNCTAD to become a lean and mean organisation.

But to say that such events are a waste of money is very unfair, though indeed the costs should be rationalised. For example, the meeting could have been held over 2-2.5 days rather than such a long period. Many sessions were of a repetitive nature and could also have been merged. I suspect the organisers have to try and cater to protocol requirements so that every possible VIP can be on the dias. At the same time some of the sessions were conducted in a round table manner, rather than a theatre style and thus were able to accommodate VIPs also.

However, the benefit of having face to face meetings can never be substituted by video conferencing or blogs or whatever. Other than meetings many issues are discussed in the lobbies and cafeteria, which cannot be done at all through electronic means. They serve a huge purpose and I have often found them to be more valuable than listening to speeches.

In terms of saving the money and using it for poverty eradication efforts, one agrees that the costs could be brought down, but it is somewhat like the unfair criticism and scorn that one faces from the crowd which goes somewhat like: 'people discussing poverty in five star hotels'. As if the discussions could be held in slums or villages to arrive at solutions to eradicate poverty. Another populist comment:

unless one is poor one cannot understand the pains of being poor. Very irrational argument!

In so far as the content of UNCTAD's communiqués are concerned, one has to be aware that they do what is the best under the circumstances they are in. Even the outcome document/declaration was debated vigorously and negotiated for days and nights at Doha, and is something what I have seen at all such past conferences.

I have often wondered as to whether the outcome document/declaration will bind all the member states to whatever is contained in them....not at all, and members states often do what they feel is their best interest, which may be entirely different than what they have agreed under the UNCTAD declarations. Even under WTO agreements, member states often do not do what is required of them to do in spite of its binding nature.

For instance on one issue which I have followed closely is on the matter on investment policy. At Midrand in June, 1996, UNCTAD IX adopted a statement under which *inter alia* the issue of a multilateral investment agreement was not favoured at all. The rich member states did not bother about what was agreed in June, 1996 in Midrand and launched a campaign at both WTO and OECD to push developing countries to take forward discussions soon after in 1996 in Geneva and Paris respectively.

The OECD negotiations fell flat on their face due to stiff opposition by the civil society and some of the OECD members. Whatever was agreed at Singapore, December, 1996, and Doha, November, 2001 fell flat at Cancun in September, 2003. In a manner of sort, the issue of 'the words: 'policy space' in the context of liberalisation too had become an extremely contentious issue at the UNCTAD XI in Sao Paulo in June, 2004 and it also occupied huge time of all the participants.

If the developing world need exemptions from international commitments to protect their policy space to allow domestic enterprises and their impoverished economies to flourish, what is wrong with that. Even the rich countries are exercising their policy space rights in the area of agriculture (and had done it for textiles and clothing until 2005). And what the developing countries, struggling with the impasse ridden Doha Round, have been able to do? But that is another story.

Therefore let us not condemn UNCTAD, but seek its reform and strengthen it to do better than what it is doing. It is an essential element of our global economic order.

Anwarul Hoda (*May 01, 2012*)

Professor, Indian Council for Research on International Economic Relations, New Delhi and Former Deputy Director General, WTO

I have great sympathy with the line of thinking of Guy de Jonquières. However, I would propose that the next step for UNCTAD should be to carry out an evaluation of all the work it has done in the past and examine how much of it has proved to be of lasting benefit to developing countries.

Some of it may have fallen by the wayside (Common Fund, Integrated Programme on Commodities, Convention on Code of Conduct for Liner Conferences etc.) but others have proved to be of enduring value (GSP, The Set of Multilaterally Agreed Equitable Principles and Rules for the Control of Restrictive Business Practices etc.).

Oliver Morrissey *(May 02, 2012)*

*Professor, School of Economics, University of Nottingham,
UK*

Following Professor Hoda's suggestion, perhaps somebody in UNCTAD could devote time to preparing a short brief summarising and updating the main findings from UNCTAD (2004), *Beyond Conventional Wisdom in Development Policy: An Intellectual History of UNCTAD 1964-2004*.

Jean-Pierre Lehmann *(May 01, 2012)*

*Founding Director, The Evian Group at IMD, Lausanne,
Geneva, Switzerland*

I do not disagree with Guy about the vacuousness of the UNCTAD communiqué. However, while I may be less an intrepid veteran of international meetings than you are, my question would be: "so what else is new"? How many of the countless international meetings of the last decades, say, have achieved real outcomes? Could one get to the fingers of just one hand? So what do we do?

I strongly publicly suggested that the climate change meeting in Cancún (after Copenhagen) should be cancelled as it would achieve nothing and ditto the Geneva WTO Ministerial in 2011. And indeed nothing was achieved. These events are extremely expensive both economically and ecologically and further erode the credibility and legitimacy of the international organisations concerned. Should we not try to stop the impending farce at Los Cabos in June 2012? Another idea is we could have a "vacuousness prize". Over a given year take all international meetings and award them a mark on a vacuousness scale for which the winner would be rewarded by holding a hugely expensive international event!

Mark Halle (*May 01, 2012*)

Executive Director, International Institute for Sustainable Development Geneva, Switzerland

I attended the UNCTAD conference in Doha and tried hard to understand what was going on. In the end, it all depends on what value you attribute to language, and specifically the language in the outcome document. The conference preparations all revolved around a huge squabble over language, with the developing countries seeking to preserve and where possible expand UNCTAD's mandate to suggest alternatives to the economic orthodoxy coming from the IMF and World Bank, and the developed countries trying to keep the mandate within reasonable bounds.

In that context, words and phrases took on huge symbolic value. Weeks of precious and expensive diplomatic time were devoted to whether the mandate that emerged from UNCTAD XII was "reaffirmed" or "built upon". In the end, in a predictable compromise, the members decided both to reaffirm and to build upon the Accra mandate. The fundamental question, of course, is whether this or the other contentious language matters at all, or whether it was all just a set-piece minuet that everybody went through because, well, that's what they do.

My own feeling is that it does not actually matter very much. In all likelihood the mandate will not be looked at again until UNCTAD XIV, when we will all go to battle to ensure that the Doha mandate is reaffirmed ... and built upon.

My own view is that it is UNCTAD's performance that will determine whether they serve the developing countries well, and not their mandate. I was in Doha as a member of the Civil Society Steering Group which I joined because I believe that deep reform of UNCTAD is an urgent priority. I went in with two specific suggestions: the first is that UNCTAD limit

extra-budgetary funding from OECD countries to 25 percent and insist that, if developing countries want an agency that represents their interests, they should pay for it.

The second suggestion was that UNCTAD adopt the practice followed in the International Energy Agency, namely to limit the service of any individual to a set period of five or seven years, at all levels. This is the only way that I can see to clear out the accumulation of dead wood in UNCTAD that, at present, could profitably supply a major sawmill for decades.

Nor is my criticism of UNCTAD's abysmal performance a lonely stand. The Joint Inspection Unit of the UN has recently put out a report that is devastating in its criticism of UNCTAD's leadership, personnel policies, governance and internal communications. And yet my insistence that the civil society declaration at least urge UNCTAD to take the recommendations seriously was met with a response familiar to me from my student days in the 1970s – if we criticise UNCTAD, we play into the hands of the enemy.

So, in conclusion, I think that the outcome document will not be of much help in making UNCTAD an effective defender of developing country interests. Only a deep and thorough reform of the organisation has any chance of doing that. And since the UN system has proved, over a 60-year period, that it is essentially unreformable, we will end up with donors increasingly turning away, the organisation sinking into oblivion, and its member-delegates increasingly indulging in the displacement behaviour of arguing about language that, in the end, does little to change reality.

Adrian Hewitt (*May 02, 2012*)

*Senior Research Fellow, Overseas Development Institute,
London, UK*

Of Mark Halle's two recommendations to make sure UNCTAD does something effective between its XIII and XIV, I warm to the second (term limits, elimination of timeservers/placepersons - if the former would in fact eliminate the latter) slightly more than his first (getting Qatar, UAE etc. to cough up). That was tried, alas, before - at the end of the 1970s after the second OPEC price hike, when UNCTAD did have the beginnings of some power over commodity negotiations (and so potentially multilaterally over supply management).

They blew it precisely by allowing themselves to become beholden to those sectional interests within the G77; or put another way, the G77 failed to seize the opportunity of making UNCTAD broadly its representative body for such negotiations, beyond that on all matters of trade and development (obviously not excluding finance) and arguably beyond the UN system too: all things were possible then. I cannot see it now, but a broad-based and broadly-financed movement back in this direction would not go amiss in 2012.

Pradeep S. Mehta (*May 02, 2012*)

Secretary General, CUTS International, Jaipur, India

And I would like to react to what Mark Halle has written. Indeed there is a strong need for reforming UNCTAD, particularly its human resources policy which has a clear link to its work programme. I am not sure whether an IEA type approach will be good, because one does need continuity for committed people to deliver their agenda.

In my own opinion, about a quarter of the staff in UNCTAD do not do any substantial work, and many pursue their own interests in developing programmes which are tangential to the main goals of UNCTAD. There is a strong need to do a performance and organisational audit by an independent reviewer. The Joint Inspection Report can be a good starter, but it has not questioned the fundamentals.

On Mark's point about the fact that rich countries are funding it, is something which I take issue with. No one is doing any favours, and the contributions are made according to what they can afford and do it because of their moral responsibility. Let me also disabuse Mark that developing countries should contribute more than what they are already doing. Even if the contributions are not in cash, they do contribute hugely in kind and through cerebral resources.

One cannot ignore the realpolitik of running any big intergovernmental organisation, like with all multilateral issues, so there is no point in getting entangled with that. However, no one is preventing UNCTAD from becoming a lean and mean organisation. This is something which the UNCTAD secretariat has to address themselves.

Sachin Chaturvedi (*May 02, 2012*)

*Senior Fellow, Research and Information System for
Developing Countries, New Delhi, India*

On the funding issue Pradeep you are right: the developing countries must step-up their support. As you may recall, the recently held BRICS Summit in Delhi specifically called upon its members to collectively step up support for UNCTAD.

Craig VanGrasstek *(May 02, 2012)*

Lecturer Harvard Kennedy School, Publisher of the Washington Trade Report, Washington DC

I can well understand how the tone and content of what is discussed at most international meetings on development, and perhaps especially at UNCTAD, can move one to polemics. I think nonetheless that it is also important to recognise the real accomplishments of UNCTAD in such unflashy but solid areas as creation and dissemination of the Automated System for Customs Administration (ASYCUDA), and the technical assistance that it extends to countries in their accessions to and participation in the WTO.

I too was at Doha, and have written an analysis of what was at stake there in the April 30 issue of the Washington Trade Report. I would agree with Pradeep regarding the repetition of events and the length of the conference, but also that there is value to these engagements – if for no other reason than they show us just how far apart countries are in that other Doha.

Jane Drake-Brockman *(May 02, 2012)*

Director, Australian Services Roundtable, Australia

I want to report that some positive things emerged from one of the UNCTAD pre-Forums, namely the very well-organised Global Services Forum. A considerable number of business representatives happily attended this event, services-oriented events being after all too few and far between. There is no doubt that some of what the industry representatives had to suffer hearing at that event from various government representatives would lead the average business-man to Guy-

like absolute despair. But constructive messages were very much in evidence as well.

On balance, the negatives were sufficiently threatening and the positives sufficiently encouraging to galvanise the business community into a small piece of concerted action, which, when it comes to the multilateral institutions, tends in my experience to be a good thing. I attach the media release put out by the Global Services Coalition. This media release reconfirms determined industry interest in new services negotiations.

Inye N Briggs (*May 03, 2012*)

*Regional Trade Policy Adviser, African Union,
Addis Ababa, Ethiopia*

First, I want to thank CUTS for keeping this forum alive with thought provoking issues.

Following the discussions on the current topic, sometimes, one is however wont to think things are taken too far. Before we drive this issue too far, I think the starting point should be asking a number of fundamental questions which can bring us back to what may be considered the home truths we seem to be overlooking.

What is the UNCTAD all about? Who drives the UNCTAD, the member states or the secretariat? If the outcome document from Doha is vacuous, should we blame the secretariat? If time is wasted in meaningless debates at the conference, who is engaged in the debates, the Secretariat? Since time immemorial that the UNCTAD was established and it seem not to have shown clear measurable outcomes, who should we blame?

Shall we make the UNCTAD an International Policeman that has the power to whip all member states (both developed and developing) into line, for recommendations made at the

successive conferences to be implemented? Oftentimes, the discussions tended to forget that the major problem lies with the member states and not the Secretariat, so why whip the Secretariat instead of the member states?

So much resources are wasted organising conferences which either fail outright even before they are convened or whose outcomes at the end of the day are considered meaningless: the WTO; climate change, UNCTAD, name them. Who attends these conferences? Who are those engaged in the debates? Who prepares for these conferences? Who even decides that these conferences should even hold at all? Who approves the budgets for these conferences? The simple answer: Member states! So if those who have primary responsibility in deciding the fate of the conference do not see anything wrong with their actions, shall we then put the blame on the secretariat? How should that then translate into holding staff of the organisation accountable for failures of the membership?

One would have no problems with the proposals for reforming the organisation and this can be welcome, whether we want a lean secretariat; weeding out non-performers or dead woods or by whatever name they can be called. But the question I ask is: how does that fundamentally change the fact that ultimately no matter what the secretariat does, the member states must first of all agree, apply and implement recommendations of policy nature that emanates from analyses done by the Secretariat.

So my point is that, if we replace from the top man (the Secretary General) to the least Admin Assistant in the UNCTAD, with first-rate Harvard, Oxford and Cambridge trained people, we still need the member states to apply the policy measures they will propose. Now for me that is the fundamental point. and ofcourse when you have a situation in which there is a very tangible, palpable divide between

developing and developed countries, how far can the work of the organisation, not least the secretariat go?

Conclusion: I agree that some form of reform is necessary but I also agree with those who say the UNCTAD is still relevant (here Prof Hoda has given clear indicators) and indeed all developing countries in the UNCTAD strongly believe so. It will take going beyond reform of the secretariat, to getting member states to make UNCTAD function more effectively: free of the developed-developing country polemics; free from the attitude of he who pays the piper dictating the tune; and for a more objective, purpose-driven, targeted and result-oriented atmosphere to prevail at the UNCTAD, in order to achieve the kinds of result those who are currently lampooning the Organisation, would desire. As for the quadrennial conferences are they really necessary?

My answer would be yes, they are; as somebody in this forum has earlier alluded to the much that takes place on the margins, side lines, lunch breaks, restaurants and elsewhere around the conference.

Pradeep S Mehta (*May 04, 2012*)

Secretary General, CUTS International, Jaipur, India

Inye Briggs' contribution is bang on dot, constructive and forward looking. We need a healthy debate rather than blaming the Secretariat for all the ills of UNCTAD, but not forgetting that many in the Secretariat indulge in dirty politics and hurt the organisation.

Jim Rollo (*May 05, 2012*)

Professor, University of Sussex, Brighton, UK

Pradeep is right not to blame the Secretariat but only because the membership of any organisation gets the secretariat it deserves and the secretariat behaviour it (the membership) allows even if not encourages. If you allow the agent to become de facto the principal then poor performance of the organisation will follow.

The key problem for UNCTAD is to decide what it is for. Confusion over purpose is a sufficient condition for vacuous communiques. It is not a necessary condition as Jean Pierre has pointed out; but the difference in the case of the WTO and the climate change negotiations is that they are in pursuit of objectives that will regulate and/or mandate policies and policy instruments that will affect the day to day behaviour of individuals and firms so the vacuous statements are cover for disagreements over substance that will have real effects once (if) agreement is reached.

UNCTAD's outputs on the other hand are largely analytical and advisory and above all are not mandatory. And there are many competing providers (the WTO, the IMF, World Bank and regional development banks, UNIDO, UNDP, UN Regional Economic Commissions, private and public sector research organisations, NGO, some of which carry either big sticks (the IMF) or big carrots (the World Bank and the regional banks).

The nearest equivalent organisation to UNCTAD that I can think of is the OECD Secretariat. It also has long lost a large practical task (all the way back to the Marshall Plan) and now has largely advisory and analytical functions. The difference is that the membership is both much smaller and much more economically homogeneous than UNCTAD so common objectives and work programmes are easy (if not that easy) to agree.

But it too has its problems. It also is (as far as can see) much more driven by the membership committees that oversee the work of the individual directorates than is UNCTAD where no doubt the huge membership allows Secretariat to divide and rule. Nonetheless there are regular bouts of existential soul searching and refocusing in Paris (see OECD's failed grab to become the secretariat of the G20) usually driven by the membership. But if the size and diversity of the membership is the problem then the OECD may have no useful lessons for UNCTAD.

I am tempted to say that if UNCTAD is mainly harmless (the financial cost being the main negative) and may do some good as:

- a forum for airing developing country interests and views on the management of the world economy in particular (albeit without changing anything),
- a parking place for senior people out of favour at home but who can't be sacked,
- the producer of some useful analysis, data (trade, investment and tariffs) and services (ITC)

Then perhaps we should be more relaxed than any affronted taxpayers of North London allow. Maybe we could reduce the cost/increase the relevance by moving it to a developing country and cutting back on huge jamborees every 5 years.

If we want to make UNCTAD into an organisation with impact then it needs a practical function in the trade and investment policy and multilateral development areas. These potential roles all seem to be taken, which is a bit of a problem to add to the size and diversity of the membership!

Even improving its performance on the restricted scale of becoming an effective think tank for developing countries seems needs a way to change the relationship between the membership and the secretariat so that outputs are seen to be

directly relevant to members. I am insufficiently knowledgeable on the governance of UNCTAD to make practical suggestions but I am sure others on the CUTS Blog will have that knowledge.

National Association of Nigerian Traders

(May 05, 2012)

I think Inye Briggs has laid the whole matter bare. In simple language, calling for the heads of the leadership and members of Secretariat of UNCTAD cannot help in any way. The rot is from the docility of member states and until the table is turned – in the sense that the commitment of member states is actuated by the understanding that they own the organisation, nothing would work for development.

This is exactly the same thing that happens at the various regional institutions (RECs) where the Secretariat is always blamed or at the receiving end for every failure in the region instead of member states owning up to their docility in taking the stirring and driving the process. It is only when we recognise the true ownership of the process, who sets the rules, who enforces implementation, and perhaps who monitors to ensure accurate/effective implementation that the destination becomes shorter.

For me, even if we agree that there may be need for some changes at the Secretariat, I still hold on to the fact that the member states themselves must first awake and recognise their position as the driver. And this is one critical position civil society must begin to canvass- true and responsive ownership which translates into active participation.

Mark Halle (May 05, 2012)

Executive Director, International Institute for Sustainable Development, Geneva, Switzerland

Inye Briggs raises a good point – when UNCTAD stumbles, is it the fault of the members or the Secretariat? The circular blame game goes on in every intergovernmental organisation in the world. The Secretariat complains, with considerable justification, that their hands are tied by the members; the members complain, with considerable justification, that the Secretariat is inadequately preparing clear policy options for their ease of decision-making.

The truth is that, behind every effective international organisation, there is an effective Secretariat. And behind most chaotic organisations there is a chaotic Secretariat. But even the most effective Secretariat cannot completely neutralise the political posturing, game-playing and sheer bloody-mindedness of the member governments.

My earlier post calling for reform of the UNCTAD Secretariat is based on the premise that it is easier to reform the Secretariat than the members.

Any governing body will complain that the Secretariat is overstepping its bounds as a servant of the membership. And yet it is inconceivable that the vast bulk of members are capable, without the help of the Secretariat, to exercise the order and discipline required for an organisation to move resolutely towards fulfilling its mandate. The problem with UNCTAD is that the Secretariat is dysfunctional (as explained in the Joint Inspection Unit report), and so it is not able to manage the governance arms of the organisation to the best effect.

Sure we need more than the reform of the Secretariat, but it strikes me as a realistic place to start.

Michael Hindley *(May 08, 2012)*

*Former Vice President of External Relations Committee
European Parliament*

Of course the problem with UNCTAD, like any other international body (UN, WTO etc.) is the unwillingness of the more powerful nation states to cede power to any supranational body. When a large nation state (US, Japan) but nowadays also China and India can get what it wants through bilateral realpolitik it will do so.

International bodies simply do not and cannot command the necessary visceral, popular identification which a nation state can. The most successful supranational body in history, the European Union is already bumping hard against the limits of the power any well-meaning, well-intentioned supranational enterprise can exert.

The problem has been that many discontents with the current domination of world economics by a small number of countries have falsely seen “supranationalism” as a means of subverting or circumventing vested national interests. It simply is not going to happen.

The EU has always cultivated one concept which is useful in this debate and that is “subsidiarity” a term taken from Catholic Social philosophy – that is taking decisions at the lowest and most appropriate level. It must be remarked that the EU has got into trouble by not practising that theory. The current euro crisis is a classic example of unelected elite imposing a financial system on an unwilling and unready population.

In the longer view things are getting better, the number of actual nation states who truly influence global economic policy has increased from the few Western powers to now including parts of Asia and Latin America. The number of actual

intellectuals influencing that process has also grown exponentially but only in the range of their origins.

One of the great sadness, however, has been that many of those intellectuals from without the magic circle of countries have only succeeded in gaining “influence” and acceptance has been by mimicking their “masters voice”. But for all their mastery of the right language, they remain like Caliban, enchained.

A non-Anglo-Saxon Alpha male running a major world investment bank or corporation, or WTO, International Monetary Fund (IMF), World Bank, has not and will not make the slightest difference to the imbalances in the world’s economy.

That said, there is much to be said for an international funded think-tank like UNCTAD to provide relatively unbiased research and policy options. Though still very narrowly read or headed, such intellectual effort does contribute to a climate of opinion. The chances of a dissenting view from the wider world are greater in UNCTAD and also within that UN family. And therefore UNCTAD fulfils a very useful function.

But as to power, that remains elsewhere. Personally, I have no optimism that the “emerging” powers, particularly, China, will act in any other way than the selfish narrow view taken by the political elites of the western powers whom they seek to counter.

Uka Ezenwe (*May 08, 2012*)

Professor, University of Abuja, Nigeria

I want to associate myself with the views expressed by my good friend, Inye Briggs of Africa Union on Reinventing UNCTAD. In my view, the problem with the organisation in

terms of producing measurable results has to do with lack of sincerity of purpose on the part of powerful member countries. Why has WTO failed to date to agree on certain major issues? Is it largely the fault of the Secretariat? Member countries of these organisations are simply reaping what they sowed. Change of heart should replace the current blame-game.

Mehmet Ogutcu (*May 08, 2012*)

Chairman, Global Resources Corporation, London, UK

That is an excellent analysis to which I fully subscribe as a former OECD executive and now a businessman.

When there is lack of a clear vision, purpose and tangible deliverables befitting the needs by member governments and the political will to steer it effectively, the gap will be filled by the secretariat, naturally keen on justifying its survival.

No matter how skilful the Secretariat is its staff's needs effective governance and performance measurement by political masters (in addition to some discretionary space for stimulating innovation, fresh perspectives and initiatives beyond politically correct common denominators).

The duplication of efforts by mushrooming multilateral organisations is a reality and can only be rationalised/streamlined by pay-master member governments perhaps on the basis of recommendations a powerful wisemen group.

Edouard Bizumuremyi (*May 08, 2012*)

Commercial Counsellor, Permanent Mission of Rwanda, Geneva, Switzerland

I was part of the negotiating process leading to Doha. Let me clarify some issues/language and their background so to

understand why negotiators had to discuss the whole night and to reach a consensus at 6 o'clock morning of the last day in Doha.

Also, I wish to underline that such dialogue among UN member States is important and necessary - we cannot hope to bring about changes by simply sitting on our desks, writing papers and wishing the world to change. We need to meet face-to-face, discuss, iron out our differences and see if we can come up with policy solutions. Such 'multilateralism' is particularly needed in times of crisis and weak economic performance.

The focus on language is very critical. In the negotiations of the Doha Mandate, we had the language, "Building upon" or "reaffirming" the Accra Accord (remember that Accra accord provides UNCTAD with full mandate on all the three pillars!); "delivering measurable results"...; "UNCTAD to work under the existing resources, etc. all those wordings had a motive and a driving policy behind.

Hence, the negotiations were relevant from both parties (developed and developing countries). It does have to do with UNCTAD's mandate particularly on macro-economic analysis. Some OECD countries (not all by the way!) wanted to deny UNCTAD to continue its policy analysis on finance and the current financial crisis as well as other macro-economic issues; on all multilateral outcomes such as WTO Agreements; on WIPO-development-related issues; on Free-Trade agreements (particularly between developed and developing countries) etc. Hence the proposal that UNCTAD should focus its work on areas where it can deliver tangible and measurable results. These relate to technical assistance, for instance in helping countries in simplifying and streamlining domestic regulations in doing business (it's very simple to achieve measurable outputs, where you can simplify from 10 steps to only 3 steps in starting business).

This is just one example among others. So, by turning UNCTAD into a simple organisation delivering on technical assistance and denied to make any analysis on key macro-economic issues such as the issue of debt; finance and financial crisis where UNCTAD has been ahead of the curve, this would have been a success (from this perspective) in eliminating from the scene one of the key organisations that have been challenging the neo-liberal paradigm and offering alternative views. So, we need to be careful in considering some criticism against UNCTAD.

We need to separate the right ones from the biased ones driven by a purpose. Otherwise, I totally agree to making UNCTAD an effective organisation. In any case, it has to keep and strengthen its policy analysis and intellectual independence. Both in theory and policy advice, UNCTAD has been useful in putting some water in the Washington Consensus (wine) policies. UNCTAD has demonstrated some anomalies of the paradigm; and has proposed recommendations which were adopted by other key stakeholders.

Indeed the recent economic crisis has shown once again the intellectual independence of UNCTAD and the relevance of its policy advice. UNCTAD has strongly rejected the austerity measures proposed/applied in some developed countries (Greece and others) and proposed alternative policies for growth and job creation. In this context, UNCTAD's work is no longer relevant to developing countries only. Developed countries also need UNCTAD's help. The victory of François Hollande who rejected austerity measures reaffirms the relevance of UNCTAD for all. This victory also illustrates that the

Orthodoxy has got many challenges, not only from the theoretical point of view but also from the policy making perspective. In conclusion, by reaffirming and building upon the Accra Accord, UNCTAD has been recognised as a strong

organisation in policy analysis on relevant macro-economic issues with legitimacy to advice developing countries on right policies for trade development, growth, job creation and development as a whole.

But let me assure the advocates and supporters of the dominant orthodoxy. The paradigm is still very strong. It is backed by a very influential academic publication and commentators. Nor UNCTAD, neither any policy change in some major economies will threaten the paradigm. But let's recognise the importance of pluralism in policy analysis. UNCTAD has the right to offer an alternative view on macro-economic issues. And it has competence.

In particular, UNCTAD has intellectual independence. By the way, UNCTAD's analysis since its creation reflects exactly a set of policies followed by all current developed countries during their early stage of development process. These policies are still relevant NOW! But this is another debate.

Anonyms (*May 09, 2012*)

Former Senior Staff, UNCTAD

The developed countries have written UNCTAD off and see their involvement there purely in terms of damage limitation. Efforts were made to get them more constructively involved but very, very few responded positively. More usually they were very dismissive.

While this polarisation between developed and developing countries exists, while parts of the UNCTAD Secretariat are running their own agendas, and while mismanagement persists, it's going to be difficult for the organisation to realise its undoubted potential. One truly believes it has a lot to offer, especially in the current vacuum, but it seems at present unable to drag itself out of the mire. This is not however to say that parts of UNCTAD do not do excellent work.

Sol Picciotto (*May 10, 2012*)

Emeritus Professor, Lancaster University, London, UK

As an academic who has had a few relatively minor involvements with UNCTAD's work perhaps I can make a couple of observations. UNCTAD was created in a very different era when (i) the broad gap between developed and under-developed or developing countries was a major concern, and (ii) it was possible to propose the creations of new intergovernmental organisations, within the UN system.

In some ways it supplanted the role of the Economic and Social Council (ECOSOC). Today we see (i) a great disparity among the 'developing' countries, and (ii) a great reluctance to create new organisations or even provide adequate resources where they are sorely needed.

I am thinking in particular of the issue of international taxation, where the Organisation for Economic Cooperation and Development (OECD) countries have blocked even the provision of extra resources to the UN Tax Committee (which has a tiny Secretariat), let alone the creation of an International Tax Organisation, for which a strong case can be made.

The strategy of the developed countries seems to be to expand the role of the OECD in areas of economic governance, by expanding its membership, as well as creating Global Forums bringing in non-members. This has certainly occurred with taxation.

Ideally, the dissolution of UNCTAD could be a positive step if the resources so released could be redirected, perhaps by enhancing the role of ECOSOC and its Commissions, allowing creation of a properly resourced Commission on International Taxation, as well as perhaps others taking over the best parts of UNCTAD.

Bureaucracies do become sclerotic and need shaking up now and then. Is there any realistic perspective of working

towards such a strategic solution? Or am I being far too naive and idealistic?

Mark Halle (*May 10, 2012*)

Executive Director, International Institute for Sustainable Development, Geneva, Switzerland

Following on from the comment by Professor Picciotto, the reason why it is almost impossible to set up anything new in the UN family is that it is almost impossible to get rid of anything that already exists. Even Trusteeship Council Secretariat was kept alive for years after the last Trust territory attained independence!

One way to solve this would be a “cap-and-trade” system for international posts within the UN family, where no new posts may be created without an existing post being cut. This would create an international market in which those proposing a new organisation or programme could compete with an existing one, with even-handed mediation guaranteed by an independent international team. A variant would allow the UN civil service to grow slowly, with all new proposed posts subject to global competition under the same arrangement.

I see no way of dealing with the inertia without a system like this. We need institutional innovation but it is virtually impossible while the self-interest of existing Secretariats – including but by no means limited to UNCTAD – rules supreme.

Guy de Jonquières *(May 10, 2012)*

Senior Fellow, European Centre for International Political Economy, London, UK

I am glad to have provoked such a lively discussion that has attracted so many responses, including an excellent one from a distinguished superannuated professor on the south coast of England.

I would like, in due course, to make comments of my own. But meanwhile, a true story I was told recently by a young person who worked for a spell as an intern with the UNCTAD Secretariat before being offered a permanent position there (which he politely declined). One of his tasks was to write the regular assessment of UNCTAD's performance that was supposed to have been written by the African countries, but which was passed to the secretariat after none of them could be bothered to produce. Needless to say, it was a glowing tribute.

This is only one small incident. But that it could have happened at all – and, apparently, not for the first time – seems to me both to be symptomatic of seriously deficient institutional governance and to suggest that UNCTAD's problems are not due only, as some have argued, to indifference and lethargy among the developed countries.

Grant Aldonas *(May 10, 2012)*

Senior Advisor (Non-resident), Centre for Strategic and International Studies, Washington DC

I have been reading this long running exchange with interest and feel compelled to add something at this stage simply to remind everyone that UNCTAD owes its very existence to a thesis – Singer-Prebisch – that was to be proved spectacularly

wrong and, in fact, immiserating for millions of people globally. Indeed, the progress of the developing world in the past 30 years has paralleled the widespread adoption of basic institutions that support the basic human instinct to engage in exchange and the deeper engagement of the developing world in the global economy. In short, a direct contradiction of UNCTAD's basic operating premise.

One need look no further than Latin America's trade with China to illustrate the poverty of UNCTAD's approach and its operating assumptions about the terms of trade. Latin America owes its current success to commodity trade with China and China's growth, which, of course, began with Deng's trip south in 1979 and the gradual opening of China's economy to the world. None of that fits with the dependency theory that provided the reason for UNCTAD's existence and the rationale for its many, many harmful proposals over the years.

Of those ideas, none has proved more insidious than the idea of trade preferences. I am always shocked by the string defence that so many mount in support of preferential trade of this sort, while decrying truly trade-liberalising plurilateral, regional or bilateral trade agreements as trade-distorting perversions of the MFN principle. In fact, I would think they would all have suffered whiplash from the head-snapping hypocrisy that position implies.

Having managed the implementation of our Caribbean Basin Initiative while at United States Trade Representative (USTR) in the 1980s, overseen its expansion in the 1990s while serving as chief trade counsel on our Senate Finance Committee, and concluded negotiations with our Central American trading partners on the knottiest political problem of textile trade, I can attest that none of what we did on CBI made as much of a difference economically as our free trade arrangement with the same trading partners.

The value, if at all, was only to create a constituency for full trade liberalisation, which has not been the case with India, Brazil, or South Africa in the case of Generalised System of Preferences (GSP) and African Growth and Opportunity Act (AGOA).

It is not simply that UNCTAD's time is past, it is that UNCTAD's time never was in terms of a positive contribution to development and poverty reduction. The money would all have been better spent in strengthening the developing world's engagement in international institutions that matter, particularly, the WTO, and on creating institutions that actually helped an individual in the developing world start a business, improve the productivity of his or her farm, or invest in their own human capital by acquiring an education.

That, or better still, return the money to taxpayers in both the developing and developed world and let them make their own choices as consumers, producers, savers and investors within a framework of rules that empowers them to engage in the simple and very human activity of exchange, from which specialisation, rising productivity, and a higher standard of living all ultimately flow.

T K Bhaumik (*May 10, 2012*)

Economic Advisor, JK Paper Limited, New Delhi, India

Many thanks for the debate you have generated around the outcome mandate of UNCTAD XIII. As I can see it from responses from various participants, the debate is more about the relevance of UNCTAD. Do we need it? And if we need it, what kind of recasting that needs to be done to make UNCTAD, a relevant and constructive multilateral body. I agree that there is no point in blaming the Secretariat. If UNCTAD has lost its sheen, it is the member governments

who are responsible for it. The Secretariat will behave the way the Masters would want them to.

When it was established in the early 60s, it was very appropriate in the context of the time, and the world economic order that was prevailing at that point of time. Moreover, UNCTAD was modelled along Prebisch-Singer idea of development economics. Before that, people were not talking of development economics.

In my view, UNCTAD was going along with the mandate and the objectives for which it was established. But with the onset of globalisation, the institution began to lose its relevance, mainly because the member governments failed to guide it according to needs of the changing time.

Lot of things have happened in the global economy since the 1980s. There was need for a re-think on the role and relevance of UNCTAD immediately after the establishment of the WTO, if not earlier. I am not at all surprised, therefore, that the outcome documents of UNCTAD XIII is nothing but a cluster of English words with vague meanings, and that there is no substance in the mandate. I found a very interesting phrase in this mandate “development-centered globalisation”. I simply could not understand what exactly this means.

It seems to me that the ministers assembled there had something like a duck with two heads, both speaking different languages. Naturally, the body and the heart of UNCTAD is suffering from great contradictions. What exactly it wants to do, it does not know. Certainly, one cannot blame the Secretariat for this. In its present form, it cannot deliver anything except wasting huge money of the member countries. We should merge UNCTAD with WTO as its development wing, which should be focusing on capacity building and other needs of the member countries.

We also do not need the kind of analysis and research reports that UNCTAD come up with from time to time,

because UNCTAD Secretariat is not very competent. The Secretariat comprises of bureaucrats from member countries whose services are not so much required in their own home countries. The member states have converted UNCTAD into a parking lot for such people.

For research, analysis and policy guidance, if necessary, we need to strengthen the competitive institutions such as the World Bank, IMF, OECD, etc. Further, it is my experience that UNCTAD usually holds ideological perspectives on issue rather than pragmatic and realistic approach. Most of the member states, particularly those from the developing countries are ideologically confused. I am sorry, the UNCTAD cannot emerge as an effective think-tank for developing countries, nor can it emerge as an Advisor Body.

Guy de Jonquières (*May 14, 2012*)

Senior Fellow, European Centre for International Political Economy, London, UK

Pradeep entitled this debate “Re-inventing UNCTAD”. But I think the real issue is this: if UNCTAD did not exist, would anyone bother inventing it? Judging by the numerous contributions so far, my conclusion is no – or at least that nobody has yet come up with a valid reason that would justify doing so.

There seems to be widespread, if not universal, agreement that the organisation: a) lacks any clear mission; b) is poorly governed and managed; and c) has failed, at least in recent years, to deliver any value to its members, other than as a talking shop. Nobody, as far as I can see, has been able to answer my request to name three worthwhile tangible outcomes that it has produced in the past decade.

I have certainly seen no evidence to support the claim that, for example, UNCTAD’s statements criticising austerity

policies have had any impact on those implementing them, be they in Berlin, Brussels, London, Athens or Madrid. Indeed, I should be surprised if decision-makers in those capitals even know that UNCTAD had pronounced on the issue or, if they do, could care less about it.

The arguments I have read in UNCTAD's defence fall broadly into six categories:

- 1) That UNCTAD does no harm. This is not only a feeble justification for keeping any organisation in existence; it is powerfully challenged by Grant Aldonas's well-argued submission that UNCTAD actually damaged the welfare of many developing countries by acting as cheerleader-in-chief for the misguided Prebisch-Singer policies that many of them have since wisely consigned to the dustbin of history.
- 2) That UNCTAD is not the only international organisation lacking a clear *raison d'être* or effectiveness. While undoubtedly true, that is simply to say that all of them should be kept in business, regardless. Surely, nobody really thinks that that is a great idea. If you are going to shake up sprawling international bureaucracies that lack any real purpose, you have to start somewhere.
- 3) That UNCTAD meetings provide useful opportunities for informal conversations at the margins. First, if true, it is far from obvious that that justifies the cost of holding them; second, there are plenty of other venues in which they could equally well take place, not least the WTO which, incidentally, holds ministerial twice as often as does UNCTAD. Since the WTO is the pre-eminent institution for managing the international trade system, discussions between developing countries on how best to promote their interests would be more likely to yield tangible results if they took place there, rather than in what is at best purely an advisory organisation.

- 4) That UNCTAD provides a dumping ground for poorly performing officials whom governments want to get rid of. If this is a case for the defence, God help us.
- 5) That the blame lies with lack of commitment by developed-country members. But how many developing countries have demonstrated by their actions that they really value whatever it is that UNCTAD does and work hard to support and strengthen it? The case of the African countries leaving it to the secretariat to write their evaluation of the secretariat's own performance, mentioned in my last email, hardly suggests that they take the organisation or their responsibilities towards it very seriously, either.
- 6) That the UNCTAD Secretariat generates useful research. This is, in my experience, decidedly questionable. During my 10 years as the FT's world trade editor, I had access to all the sources of research on trade policy. I cannot recall more than a couple of occasions when I found anything coming out of UNCTAD worth reporting. The one exception is the World Investment Report (declaration of interest: I edited it one year). This is useful chiefly as a compendium of facts and figures about global FDI. But there is no particular reason why it needs to be part of UNCTAD and it might well benefit from being hived off as a separate unit where it would be free from the editorial and bureaucratic constraints imposed by its current affiliation.

To put it bluntly, what exactly is the problem to which UNCTAD is the solution? Unless a clear and compelling answer to that question can be found, there seems no good reason for its continued existence. That is not to say that it will be wound up: the world is littered with organisations, both national and international, that either perform poorly or long ago outlived their usefulness but

which stubbornly defy both reform and extinction. The more likely future for UNCTAD, as Mark Halle suggests in his informative posting, is a continuing steady drift into marginalisation and irrelevance.

Bipul Chatterjee (*May 17, 2012*)

Deputy Executive Director, CUTS International, Jaipur, India

There is a dearth of good policy research in many developing and least-developed countries, particularly on possible impact of global economic changes on their development concerns. In the past UNCTAD has done many good quality policy research and should continue that role. In this context, it is worth noting the recommendations of a 2006 Report of the Panel of Eminent Persons: Enhancing the Development Role and Impact of UNCTAD.

One of their recommendations was: “UNCTAD needs to be a leader in identifying and analysing key emerging issues, such as “Aft”, skills availability and “brain drain”, and an investment-for-development framework, and to advocate pragmatic solutions to today’s and tomorrow’s most salient development challenges.”

Another recommendation was: “UNCTAD should strategically position itself based on three principal criteria: comparative advantages; differentiation and complementarity; and strategic and catalytic intervention, so as to put the organisation’s strengths to the best use in achieving development results.”

It was also recommended that “UNCTAD should increase the involvement of civil society and the private sector in its work, giving particular attention to “grassroots” NGOs and small and medium-sized enterprises in developing countries.” Furthermore, “UNCTAD should consider establishing a global

network of think tanks specialised in development policy advocacy and strategy-setting in different countries, with a view to exchanging views, experiences and best practices.

These recommendations should be revisited in the light of a fast-changing global economic situation so as to reinvent UNCTAD to enhance its development role and impact.

Read this Report of the Panel of Eminent Persons: http://cuts-international.org/pdf/Enhancing_the_Development_Role_and_Impact_of_UNCTAD.pdf

Annexure 1: Daily Bulletin from UNCTAD XIII

Bulletin 1: April 21, 2012

The XIII United Nations Conference on Trade and Development (UNCTAD) was inaugurated in Doha, Qatar on April 21, 2012. Its theme was “Development-led globalisation: Towards sustainable and inclusive development paths”. There were four sub-themes dealing with issues of enabling economic environment; cooperation and partnership for trade and development; addressing persistent and emerging development challenges; and promoting investment, trade, entrepreneurship and related development policies, respectively.

World Leaders Investment Summit was held as part of the three-day World Investment Forum organised by UNCTAD’s Division on Investment and Enterprise in collaboration with the government of Qatar. Political and business leaders addressing the World Leaders Investment Summit concurred that the business should look beyond profits and play its role in promoting sustainable and inclusive development.

The business leaders on their part emphasised that most businesses now look beyond their shareholders to create value for the wider group of stakeholders. It was highlighted that it makes business sense to improve the living conditions of the people where the businesses invest as it improves productivity of their labour. Similarly, the dependence of businesses on

relevant inputs and raw materials require them to be conscious of the limits on exploitation of these resources and develop and adopt more sustainable practices. The business leaders felt that all – political leaders, businesses, and NGOs need to work together to find solutions to the problems of under development.

Also, a need for coherence between government policies on the one hand and business needs and practices on the other. With concrete examples from their own work, they demonstrated that governments and businesses can and should work together.

In a retrospect, the issue of generating jobs and employment remained a key highlight of the day. In a retrospect, some of the issues that were highlighted and merits utmost attention include:

- It is still difficult for many developing countries to align investments with their national strategies. Their development needs vary and the level and quality of existing investment is far from sufficient
- The least developed countries (LDCs) are facing great difficulties in realisation of Millennium Development Goal (MDG). There is a need to mobilise internal resources in LDCs
- Overseas Development Assistance (ODA) toward LDCs is declining and also becoming more selective and is not enough to meet the level of investment required for sustainable development
- There is a need to establish a balance between domestic and foreign investment
- Investment is necessary to ensure the diversification of economy. It should be meant for export-oriented production and capacity building
- Multilateral approach to rule-making is crucial for managing sustainable investment flows

- Development partnerships should be based on win-win situation signifying equality of partnership and that which can share risks and benefits
- There is a need to review the conceptualisation of foreign direct investment (FDI) should and make it more multilateral in nature, instead of bilateral
- A pertinent question remains whether investment leads to development, and whether it can create employment for all
- Enabling environment is crucial for inclusive development and also for strengthening country systems to create employment

The official Opening Ceremony of UNCTAD XIII took place on April 21 capping the activities of a busy day. It started with a wonderful cultural programme based on the theme of bridging the divide between the rich and the poor and also depicting the concern and the active role played by the State of Qatar in promoting human values in a multicultural environment. H.H. Sheikh Hamad Bin Khalifa Al-Thani, Emir of Qatar delivered the inaugural address. Also, there were addresses by Heads of the States and other Dignitaries.

Some of the observations that emanate from this session include:

- The world is facing unprecedented and comprehensive challenges, and the solutions to them will have to be comprehensive as well
- Human values and domestic stability should be the foundation of international trade and investment agreements
- The new MDGs should be formed keeping in mind the current problems and nations should strive together to achieve these
- The world is in a fragile state right now and UNCTAD should step up to play a bigger role

- We should avoid making mistakes like protectionist measures and excessive internal focus
- The LDCs and developing countries must have a bigger say and better representation in global for a
- The faith in the multilateral process should be maintained and reaffirmed
- Rio+20 provides us a generational opportunity to take measures to bring back sustainable growth
- UNCTAD XIII should lay the foundation of future efforts

Bulletin 2: April 22, 2012

The second day of UNCTAD XIII had several sessions discussing various aspects of trade and development. After the opening ceremony, topped with an excellent late evening reception by the Government of Qatar in the exclusive Diplomatic Club, the deliberations started today with the International Investment Agreements (IIA) Conference and other parallel sessions including at the Civil Society Organisation (CSO) Forum.

The IIA Conference comprised of distinguished speakers who presented their views and deliberated on issues ranging from country experiences on IIAs to the way forward for UNCTAD.

The key issues which were highlighted and solicit global attention include:

- There is a need to make the IIA's more comprehensive in scope and coverage by including issues like competition policy, intellectual property rights (IPRs), environmental protection regulations, legal framework for managing capital risks, public health and safety, employment conditions and worker's rights, among others, under its ambit

- Developing countries should focus on building capacities to negotiate these agreements
- There is a need to focus on core things that parties (desirous of entering into an investment agreement) agree to instead of making it unnecessarily complex by incorporating contentious issues
- Many speakers pondered whether Bilateral Investment Treaties (BITs) create stable environment for investment, whether BIT can lead to more FDI flows, whether they are a means to promote economic governance, and also whether countries need BITs, given the fact that many developing countries are getting FDI inflows from such countries with whom they do not have any investment agreement
- There should be consistency between investor protection and right to regulate
- Investment flows should drive domestic reforms
- Some of the problems associated with BITs in developing countries include issues related to national treatment, most favoured nation (MFN), transfer of funds, and also risks associated with international arbitration
- For developing countries, it is important that they proceed for BIT only when they have some compelling economic reason for it
- The IIAs should not constrain domestic policy space
- The new investment regulations should reflect stakeholder consultations, shared best practices, cost-benefit analysis and include socially-sensitive sectors like labour standards, which will broaden the coverage of IIAs
- Domestic policies should be evolved to make business climate more conducive for foreign investments
- The concept of sustainable development should not be confined to environment alone. Besides environment, the other two pillars which constitute it include economy and equity

- Governments need to play a pivotal role in ensuring transparency of investment agreements
A Roundtable was organised on the theme of Enabling Environment at all levels in support of inclusive and sustainable development.

The issues flagged by the panellists include:

- There has been growth without development in many African countries
- There is a need for private sector to focus on infrastructure development
- Conclusion of Doha Development Agenda (DDA) is critical. Special focus on LDCs and big push to employment in poor countries is highly desired to avoid turbulence which led to Arab Spring
- There is a need to focus on Aid-for-Trade (AfT) and technology transfer
- ODA is declining and therefore focus on development cooperation is becoming all the more necessary
- Creating enabling environment for a development-led globalisation is an utmost necessity and countries should focus on it

CSO Forum too resumed after the break of one day and several events were organised by CSOs. A session on WTO Accession: Costs and Opportunities for Development focused on understanding relative costs and opportunities for membership of the WTO.

Some of the issues highlighted in the session include:

- Lot of countries which consider joining the WTO are not being able to assess the complete package of accession and its negative and positive impacts on the economy. This is an important issue as it affects future growth and development prospects

- In the last ministerial of the WTO new guidelines for the accession package of the LDCs were proposed. These guidelines are a forward looking step but they are not binding.
- The assessment framework provided by these guidelines should be authentic. The guidelines also are not applicable to many countries which are not LDCs such as Algeria, Iran, Iraq and others.
- The Panellists discussed different approaches to evaluating the potential impact on an economy of a proposed accession package including different strategies for ensuring that trade strategy preserves adequate policy space for development. Different experiences were shared from countries going through current negotiations.

A discussion was organised by CUTS International on Future Challenges of Global Economic Governance and Role of the Emerging South.

The key highlights include:

- Increasing role of emerging economies like Brazil Russia India China and South Africa (BRICS) in the global governance system is not a function of economic growth only
- Strengthening cooperation among these countries significantly contributes to their increasing influence
- Over the last few years these countries have been broadening and deepening their coordination in various policy spheres and trying to strengthen the Southern voice
- The emerging South can play significant role in enhancing South-South and Triangular Cooperation

Later, the UNCTAD Committee of the Whole, consisting of all member governments of UNCTAD, held its first plenary meeting amid continuing differences among UNCTAD members regarding the focus of UNCTAD work in the next four years.

Highlights include:

- Secretary General of UNCTAD made an impassioned appeal to forge unity and give a comprehensive and focused mandate to UNCTAD to continue working on issues related to trade and development to assist developing countries in a challenging and changing global economic environment
- His opening statement was followed by statements from several important groups of countries including, G-77 and China, EU, Asia Group, Africa Group, Group of Latin American and Caribbean countries and the EU: all reiterating their commitment to reach an agreement regarding UNCTAD mandate during this Conference
- However, they also underlined that the differences were substantial and will require consistent efforts and innovative solutions
- Developing countries in particular argued that UNCTAD mandate should include work on issues such as: the financial and economic crisis, global economic governance, technology transfer and IPR, policy space, climate change, social protection, unilateral measures, programme of assistance to Palestinian people, triangular cooperation, food security, and migration and remittances
- It was emphasised that the objective should be not to weaken but enhance and strengthen UNCTAD. CSO Declaration adopted at the CSO Forum on 20 April was also presented to member countries during the plenary

The General Debate organised in the evening stressed that Doha impasse has resulted in surge in RTAs which does not benefit all countries. It was also discussed that globalisation cannot take place unchecked. We need to keep in mind that globalisation is a means to an end not the end in itself. UNCTAD should ideally play role in ensuring it. It was also stressed that ground realities of developing countries should

be taken into account rather than their growing gross domestic product (GDP) to get a true picture of development therein.

Bulletin 3: April 23, 2012

The three spheres of activities – general debate, negotiations, and side events – continued on the third day of UNCTAD XIII at Doha. While the ministers and heads of delegations delivered their statements in the general debate, diplomats got fully engaged into the negotiations to finalise an agreed outcome document.

As reported in CUTS Daily Bulletin 2, UNCTAD member countries have a number of substantial differences regarding the final contents of the outcome document. These differences have been divided into two categories:

1. The first category includes what are perceived to be more contentious issues (e.g. continuing with current UNCTAD mandate on work on macroeconomic issues which some developed countries are opposing) which will be negotiated in small groups. They should focus on their core mandate.
2. The second category includes the rest of the outstanding differences to be negotiated in the Committee of the Whole.

TWN, Public Citizen and OWINFS event at the CSO Forum titled ‘Safeguarding development and the public interest from investment provisions in trade and investment agreements’ discussed many issues concerning IIAs and BITs.

Main points in the presentations and discussion were:

- The main problems with current BITs and IIAs are: imbalanced rights and obligations of investors, host countries and home countries; imprecise language and broad definitions of investment and investors; investor-state dispute settlement through international arbitration panels which lack transparency, do not prohibit conflict of interest

for panellists, are costly, and do not have appeal provisions; and regulatory standstill that constrains policy space

- Not only developing countries, but also developed countries are increasingly at the receiving end of investor-state disputes and have to pay substantial compensations to investors
- The time is not ripe for an international agreement on investment either at the WTO or even at UNCTAD
- Developed and developing countries should take a strategic and not ideological approach towards BITs and IIAs. For example, Brazil despite not having investor-state dispute settlement provisions is one of the most attractive countries for investors.

An event at the CSO Forum organised by CSEND was titled ‘Linking human capital development with employability, organisational and national competitiveness for sustainable growth and social cohesion’. Presentations were based on research findings at the national, regional and organisational levels.

Main points presented and discussed included:

- Wealth is created by a nation’s policies and competition; monopolies are not conducive for wealth creation
 - National competitiveness requires appropriate policies to build on existing advantages. These should focus on “trade in tasks” and “trade in value creation”
 - Studies show a mismatch between unemployment and skills in developing countries, thus a need to revamp and reform their educational systems
 - Qatar Foundation is focusing on unlocking human capital
- The ‘Trade and Development Report 1981-2011: Three Decades of Thinking Development’ was also launched today.

An event on Women in Development focused on the following aspects:

- Women are quite critical for driving societal change. We have seen that in examples from Egypt, Iraq etc. Women also played a big role in the Arab spring revolution
- The role of women in revolutions for social change is not unique. We have precedence of women playing pivotal role throughout the history
- We should build on the success stories of womens' leadership and push forward their development
- Role of women should be defined as women see them not as others see them.
- Representation of women in government should increase, and women participation in politics should be encouraged

A Panel Discussion on 'The Rise of South' discussed the following points:

- The rise of poor people in developing countries should be seen as the rise of South
- Threats need to be tackled to keep the growth robust and on track for emerging economies. Some of these threats are: rise in commodities prices, declining fiscal health problems related to social inclusion and infrastructure development. Development banks like the one being considered by BRICS can be a possible solution
- Investment in Africa by countries like Brazil, India and China should not be seen as a point of friction with traditional western partners, but in addition to it. Much of the funding is going into infrastructure projects, which will help all countries in Africa
- For engaging in industrial policy emerging countries do not have to be technically the most sound, rather employment-creation has to be the central idea, said Dr Rob Davies, South Africa's Minister for Trade & Industry. "Also,

wisdom to withdraw strategies that do not work well should be encouraged”

- In South-South Cooperation, investment projects have to be looked from the development dimension as well. They should not be selected purely on the basis of return on investments.
- India is contributing hugely to capacity and institutional building in Africa, so that they can develop on their own, said Anand Sharma, Commerce & Industry Minister from India. “We have been doing this from the 1960s, even when the Indian economy was not so strong. This programme has been strengthened and enhanced since the last two decades, because India’s economic growth has been very high”.
- Calls were also made to promote South-South and South-North triangular cooperation, which will involve three parties to implement development projects, the donor, the recipient and a technical assistance provider, including NGOs.

Bulletin 4: April 24, 2012

Many thought-provoking sessions took place on the 4th day of UNCTAD XIII at Doha. Several of these were at the CSO Forum that is peaking after a rather quiet start.

ITUC organised a session on ‘Rights in trade, Rights for trade: Securing States’ policy space for development’. Some key points emerging from this session were:

- Gender and trade relationship can be better understood in the context of entitlements as trade impacts on entitlements can be differentiated on gender basis
- Export sectors generally create less but better paying jobs as these sectors attempt to adopt more and better technology to improve competitiveness and productivity

- Financial sector should be properly regulated to allow trade to play its role for growth and development
- Trade openings create vulnerabilities and hence should be preceded by social protection floors

In a Round Table discussion on ‘Strengthening all forms of cooperation and partnerships for trade and development, including North-South, South-South and Triangular Cooperation’ the following issues were highlighted:

- It is important for Africa to trade within the continent. Regional integration must become a reality
- Policies for assistance need to be revised and focus should be on providing technical assistance rather than financial
- The issue of subsidies cannot be ignored. Trade in agriculture is distorted by export subsidies
- The focus of cooperation has to be on South-South cooperation. A modality of development cooperation between South and the East should also be looked at. This is important to enhance competitiveness in developing countries and to increase their participation in global trade
- Pascal Lamy, DG WTO asserted that bilaterals will eventually phase out and give way to multilateral process which will become the more prevalent form of trade. He also emphasised that a new global economic structure is underway

CUTS International and SAWTEE organised a joint event on ‘Climate change, food security, and trade: Challenges and opportunities’. Key points of the session included:

- The challenge for developing countries is to increase agricultural productivity while adapting to climate change
- The issues of trade, climate change and food security are symptomatic of the need for greater global cooperation. However, the multilateral processes and negotiations in these areas remain stalemated because of the lack of equity

- Global food chains that are led by multi-national corporations should find ways for equitable integration of small farmers in these chains
- Knowledge-creation and capacity building on trade-climate change-food security linkages is urgently needed

A Report entitled 'Twenty Years of India's Liberalisation: Experiences and Lessons' jointly done by UNCTAD and Centre for WTO Studies, New Delhi was launched today.

Another Round Table discussion was held on 'Reflections on the international trading system and inclusive development'. Key highlights include:

- The import content of exports is increasing. Countries should focus on what they need to import so that their comparative advantage translate into more value addition in their participation in international trade
- Tariff escalation, trade-distorting subsidies, and customs procedures are still a problem. The list of issues which we had 10 years ago and the list of issues which we have now are the same
- Multilateral Trading System is in no need for reform
- Global value chains are not a new phenomenon; what has changed is their magnitude, but the concept remains the same
- We need address new 21st century issues like trade and climate change, trade and food security and trade and exchange rates
- The broad-based agenda with Single Undertaking may be overloading the negotiating capabilities of countries
- We are witnessing rise in new generation of RTAs
- We need to focus on how can we make RTAs contribute to economic and sustainable development
- The focus should also be on strengthening South-South cooperation, and also on integrating EAC, COMESA & SADC for development cooperation in Africa

- There is a need to collaborate with international organisation to promote research on global value chain
- It is time to start talking about internet trade related multilateral agreement
- We must preserve international trading system. One of the consequences of Doha Round stalemate is rising protectionism
- Trade and employment is also emerging as an important 21st century issue
- ‘Trading system is indeed at a cross road. Both WTO and UNCTAD are facing crisis in one way or the other’, said Pradeep S Mehta
- Since Cancun, the whole geopolitical and geo-economic system has changed
- The exports of LDCs have grown up
- Lot of trade takes place because of gravitational factors and not necessarily trade agreements. Capacity building and consensus building are necessary
- A major challenge facing the Multilateral Trading System is unequal trade barriers. Pradeep Mehta pondered why we can’t address these inequities on negotiating tables
- There has to be a neutral panel of scientists to work on rule-making on SPS measures

A Special event on ‘Industrialisation and Productive Employment: New Perspectives on the industrial policy debate’ was organised by UNCTAD and ILO.

Highlights of the discussion include:

- The discussion focused on the challenges of industrial policy. Many countries are stuck in early and middle income stages of development and are facing stagnant per capita income growth which can be turned around through industrialisation

- Robert Wade, London School of Economics said that the international experts from the likes of the World Bank have preconceived and standard notions about what countries should do in order increase their industrial output and productivity
- Jayati Ghosh, Jawaharlal Nehru University, India opined that Industrial policy should take productivity into account. We should pay attention to upgradation of widespread low grade technology to address the masses
- It was also emphasised in order to get desirable outcomes from the industrial policy we need to pay ample attention to skill building and education

Bulletin 5: April 25, 2012

UNCTAD XIII entered into its fifth and penultimate day with greater hopes of reach an agreed final outcome document. Country delegates have been working tirelessly and several of the contentious issues are either resolved or close to resolution.

Many impressive side events were organised during the day. A Panel discussion on ‘Mainstreaming Sustainability into Trade and Development Policies: Towards the Rio+20 Summit’ discussed the following key points:

- Sustainability considerations are crucial and important in trade. There is no one definition of green economy: countries should share best practices for enhancing green economy initiatives
- Climate change should be mainstreamed into public policy
- There is a need to create enabling environment for ensuring low-carbon economy
- There is need for more coherence for reinforcing institutional norms for better defined objectives and clear indicators to meet our objectives for sustainability

- UNCTAD should provide non-negotiating forum for dialogue to reduce trade frictions
- It is crucial to position BioTrade as a means to develop products based on social, environmental and economic substantiality criteria. The focus should be on high quality standards for BioTrade products and to develop R&D according to market needs
- BioTrade Congress will be held at Rio+20. There is a need for further promotion of BioTrade through multilateral cooperation and south-south cooperation
- UNCTAD can play a key role by continuing its effort to assess the BioTrade potential and support the development of selected bio-diversity-based sectors

A Panel Discussion on ‘The Future international trade agenda on non-tariff barriers’ highlighted the following key points:

- Scarce knowledge of Non-Tariff Measures (NTMs) in international trade is particularly troublesome for policy makers
- A better understanding of the cost-benefit of NTMs will help policy makers in making inclusive and sustainable policy decisions
- Specific implications that NTMs have for market access for developing countries need to be studied
- Inter-agency cooperation and better allocation of resources to avoid duplication of efforts between UNCTAD and WTO
- Voluntary Export Restraints (VERs) may be coming back: Mexico persuaded China to limit footwear exports to avoid countervailing duty (CVD)
- Trade is impacted when countries’ policies for the same purpose differ

- International organisations need to ensure transparency in NTMs, to facilitate efforts at national and international levels, and to strengthen partnership among agencies

The UN Forum on Sustainability Standards (UNFSS) was launched. Five UN organisations (FAO, ITC, UNCTAD, UNEP, UNIDO) have come together to provide an Information Platform to share analysis and assessments of Voluntary Sustainability Standards (VSS), taking into their development constraints and benefits.

A lunchtime seminar titled “Competition and Consumer Policies for Development” discussed various issues related to competition and consumer protection. Main points emerging from the seminar were:

- Collective efforts are needed for appropriate regulatory framework in the areas of competition and consumer protection
- Few donor countries were interested in funding competition work earlier but that scenario is now changing. Their programmes now often include multi-stakeholder approach. Work by CUTS International is an example
- Several agencies in developing countries have done good work
- Valuable lessons can be learnt by sharing of experiences among countries
- Policy research and advocacy is needed to build the capacity of all relevant stakeholders

CUTS International organised an event on issues related to trade and competition in primary commodity markets. A joint publication by CUTS International and Centre for Economic Policy Research (CEPR) titled “Trade, competition and pricing of commodities” was also launched on the occasion by Pradeep S Mehta, Secretary General CUTS International and Hassan Qaqaya, Head, Competition and Consumer Policies Branch, UNCTAD.

Main points of CUTS event include:

- Developing countries often lack the resources and capacity to deal with export cartels in primary commodity markets. They need technical assistance from WTO, UNCTAD and CSOs like CUTS International to build the required capacity
- Many developing countries are heavily dependent on primary commodities but receive only a small part of the total value chain
- Export cartels are exclusionary and exploitative. Their actions wipe out the benefits of trade liberalisation through collusive behavior
- There is need to improve cross-border cooperation and intelligence-sharing among national competition agencies. In this regard, lessons can be drawn from the experience of national consumer protection organisations
- It was also recognised that individual countries have less incentive to prohibit export cartels within their respective jurisdictions for fear of losing out to other countries which do not do so. This clearly indicates the need for coordinated international action
- Some ideas for way forward include: an agreement on information sharing on cartels; capacity building and technical assistance to developing countries; diversification of exports away from primary commodities; establishment of an International Competition Fund; strict WTO disciplines on export restrictions; other possible WTO remedies against injury caused by export cartels, e.g. reverse antidumping; formation of countervailing buyer cartels; a multilateral agreement on competition; and creation of an international competition authority.

Bulletin 6: April 26, 2012

After five daily bulletins straight from Doha starting April 21, this bulletin covering the final day of UNCTAD XIII has been issued by CUTS International from Jaipur, India with excerpts from two unofficial press releases by UNCTAD: 1. Closing Plenary: UNCTAD XIII adopts two outcome documents at conclusion of Thirteenth Ministerial Meeting, Doha, 26 April 2012; and, 2. UNCTAD XIII quadrennial conference concludes with mandate affirming organisation's core activities, declaration of member states' solidarity in quest for "a prosperous world", Geneva 26 April 2012.

On the last day, that is Day 6, UNCTAD XIII adopted two outcome documents namely:

1. Doha Mandate (a 15-page, 64-paragraph document which gives guidelines for the organisation's activities for the next four years), and
2. Doha Manar (the closing declaration of UNCTAD XIII on behalf of 194 member States)

The highlights/excerpts of the **Doha Mandate** are:

- Member States noted that the global financial crisis had struck in 2008 shortly after UNCTAD XII, and that its effects had spread very rapidly and widely. Its ripple effects had impacted, among other things, efforts to ensure food security, combat climate change and stabilise energy and other commodity prices
- Several challenges have to be met to realise development-centred globalisation. In this regard, finance should support the real economy in support of sustained, inclusive and equitable economic growth and sustainable development. All countries, developed and developing alike, can pay serious political, economic and social costs from financial shocks

- Another challenge is eliminating hunger and achieving food security. Securing adequate access to food – one of the most basic human needs – is a priority
- Issues related to energy must be addressed including volatile prices and access, including access to renewable energy
- Development-centred globalisation sets the stage for inclusive growth and development, and contributes towards reducing poverty and creating jobs
- Discussions on globalisation should be balanced, highlighting its benefits, acknowledging its risks and addressing its challenges
- Other matters noted in the text are that UNCTAD should continue its research and advisory work on issues of public debt and on the dissemination or diffusion of technology to developing countries
- Development-centred globalisation sets the stage for inclusive growth and development and contributes towards reducing poverty and creating jobs. Development strategies should be inclusive and designed to meet human needs.
- People have similar needs and aspirations, including freedom, human rights, in particular the right to development, decent work [and] all aspects of affordable health care and good governance at all levels. Since those ends were closely interconnected, development strategies should be based on an integrated and holistic approach, if the desired policy options were to emerge
- UNCTAD should, through the three pillars of its mandate – consensus-building, policy-oriented analysis and technical cooperation – continue to deliver meaningful results, within available resources, while enhancing synergies and promoting collaboration with the efforts of other international organisations, according to the Mandate

- UNCTAD should contribute to global efforts to transition towards a green economy; continue to monitor and assess the evolution of the international trading system and its trends from a development perspective; and continue to support the specific needs of least developed countries, Small Island developing States, middle-income countries and those with economies in transition.
- For trade to serve as an engine of inclusive growth and development, the multilateral trading system must remain open, transparent, inclusive, non-discriminatory and rules-based. The successful conclusion of the Doha Development Agenda negotiations was crucial to the creation of new trade flows that would generate economic growth and development
- In a time of fragile economic recovery, trade protectionism remained a risk, and efforts to fight all forms of protectionism should continue. Meaningful trade liberalisation would also require addressing non-tariff measures and aim to reduce and eliminate other arbitrary or unjustified trade barriers
- The Conference should also continue its work on commodities so as to help those countries achieve strengthened and more sustainable agricultural production, food security and export capacity. This work should also take into account the needs of small-scale farmers, as well as the empowerment of women and youth.

Following the Mandate's adoption by the Committee of the Whole, UNCTAD Secretary General Supachai Panitchpakdi thanked participants for embracing the organisation's "capacious mandate and ambitious programme of work", and for working intensively to chart the way forward for the next four-year period until its next ministerial meeting.

The closing declaration of UNCTAD XIII, called the **Doha Manar** – an Arabic word meaning a strong light visible from a distance that serves to direct travellers – came out on behalf of 194 member States. The highlights/excerpts of the Doha Manar are:

- We commend UNCTAD as the focal point of the United Nations system for the integrated treatment of trade and development and interrelated issues in the areas of finance, technology, investment and sustainable development.
- We recognise the need to make our common economic life more conducive to progressive structural change, more productive of inclusive and sustainable growth and development and more effective in fostering broad-based inclusion in a new and more robust social contract
- The winds of change blowing in many parts of the world today attest to the desire of populations for responsive policies that foster participatory and inclusive approaches to development towards achieving prosperity for all
- Together, as a collection of sovereign nations, we have endeavoured to construct a shared, interdependent and prosperous world through increased economic, political and social processes.
- By working to maximise the opportunities arising from globalisation in international trade and investment, we have sought to promote economic growth and development with particular attention to reducing the inequalities between us and within our nations, and to improving our capacities to fulfil common purposes and exercise more effective and responsible stewardship of our natural and planetary resources.

Above all, we have sought to fulfil, individually and collectively, our peoples' aspirations to live in peace and to enjoy in fullness lives that are rich and diverse, and ever more stable and secure.

Annexure 2: Civil Society Declaration to UNCTAD XIII

CUTS' Submission

1. From 21st to 26th April 2012, the 13th quadrennial conference of the United Nations Conference on Trade and Development will be held in Doha, Qatar. Its theme is “development-centred globalisation”.
2. A Civil Society Declaration will be presented to the UNCTAD Member States at UNCTAD XIII and it will be adopted as an integral part of the Conference Outcome. A Draft Civil Society Declaration has been prepared and it will be finalised at the UNCTAD XIII Civil Society Forum which will be held on 17th to 19th April 2012 and from 22nd to 25th April 2012.
3. CUTS International has a permanent NGO Observer Status at the UNCTAD. We understand that the Draft Civil Society Declaration has been prepared by a Steering Committee of Civil Society Organisations for UNCTAD XIII.
4. We regret to note the exclusive process followed in regard to the formation of this Steering Committee of CSOs to UNCTAD XIII and that the proceedings of the meetings of this Steering Committee which has not been

communicated to all NGOs having a permanent Observer Status with the UNCTAD, CUTS International being one such organisation.

5. We have some serious reservations on some parts of the substance of the Draft CSO Declaration. This Draft Civil Society Declaration to UNCTAD XIII is neither balanced nor reflects the collective views of the civil society on the issues covered in the Draft Civil Society Declaration to UNCTAD XIII.
6. We convey our reservations on the process for and the content of the Draft CSO Declaration and that the current Zero Draft cannot and should not be treated as a consensus-based document.
7. Taking into account our observations about the opaque process toward preparing the Draft Civil society Declaration to UNCTAD XIII, conveying our reservations on some parts of the substance of the Draft Civil Society Declaration to UNCTAD XIII, and giving a call that this Draft Civil Society Declaration to UNCTAD XIII should not be treated as a consensus-based document, CUTS International places the following submission to civil society organisations participating in UNCTAD XIII and otherwise to prepare a new Civil Society Declaration for its presentation to the UNCTAD Member States at UNCTAD XIII.
8. CUTS International urges the UNCTAD XIII Civil Society Forum to thoroughly discuss a new Civil Society Declaration to UNCTAD XIII and, based on explicit consensus among the civil society organisations participating in UNCTAD XIII, adopt the Civil Society

Declaration to UNCTAD XIII including with square brackets where explicit consensus may not be reached at the concluding session of the UNCTAD XIII Civil Society Forum on 25th April 2012.

9. CUTS International requests UNCTAD to allow the presentation of the Civil Society Declaration to UNCTAD XIII at the Closing Ceremony on 26th April 2012. 10. Except 'Introduction' and 'The role of UNCTAD', this Submission is made as per subsections of this Zero Draft of the Civil Society Declaration to UNCTAD XIII.

1. Introduction: the current global economic and development context: challenges, threats and opportunities

- 1.1 The Draft Civil Society Declaration has highlighted the growing disconnect between the financial economy and the real economy. CUTS International calls upon UNCTAD to conduct a comprehensive study on the linkages between the financial economy and the real economy, and how effective regulation of the financial economy as well as the real economy can help the poor not just to insulate them from future financial crisis but to put in place a rapid response mechanism to deal with new challenges that could emanate from future financial crisis.
- 1.2 The Draft Civil Society Declaration has identified several causes of the global food crisis. While they are important and must be addressed, a major factor behind the price volatility in agricultural commodity markets is anti-competitive practices. CUTS International calls upon UNCTAD to conduct studies on the interaction between trade and competition policy in the primary goods sectors

to better understand the importance of a multilaterally agreed competition in addressing the global food crisis, and arrive at pragmatic recommendations to ameliorate the adverse impacts.

- 1.3 CUTS International supports the call for a new global social contract, taking into account the paradigm shift in global economic governance. Representing various interests from among its Member States UNCTAD should set up a Working Group on Global Economic Governance.

2. The way forward

CUTS International disagrees with the use of the article 'The' in the title of this Section, because it means as if the recommendations are the only ones.

2.1 Enhancing the enabling economic environment at all levels in support of inclusive and sustainable development

2.1.1 The role of democratically-accountable developmental states

- Adopting inclusive policy making processes at national, regional and international level with grassroots linkages is an imperative for democratic accountability of states. This also requires investment in capacity building and resourcing of all stakeholders to enable their informed and meaningful participation.

2.1.2 Rethinking macroeconomic policies

- Social, economic and environmental issues facing this globalised world are interlinked and so should be the policies to effectively address them. Understanding these linkages and taking them into

account is essential to face the current global economic crisis, and to address them in the future.

- The bedrock for the cohesion and inter-play of all macroeconomic policies should be inclusive and sustained growth. At the national level, there should be periodic social, economic and environmental sustainability impact assessment of all major macroeconomic policies.

2.1.3 Transforming the global financial architecture

- The international monetary system should be reformed to reduce exchange rate volatility, allow for regional/South-South exchange rate stability arrangements, and discourage manipulation of exchange rates.
- National and global efforts to regulate financial markets should be coordinated and strengthened. These should also be taken into account and made compatible with bilateral and regional trade and investment agreements. The provisions of the General Agreement on Trade in Services of the World Trade Organisation are quite clear regarding the right of governments to regulate and liberalise their financial markets based on a request-offer method and positive list approach. Taking into account the principles of reciprocity, these provisions should guide the negotiations on financial services liberalisation in all fora.
- Keeping in view the dependence of a large number of developing countries on primary commodities, and to shield them against large fluctuations in commodity prices, commodity derivatives markets should be strictly regulated.

2.1.4 Reviewing inappropriate investment and trade rules

CUTS International disagrees with Paragraphs 37 and 38 of the Draft Civil Society Declaration to UNCTAD XIII. This sub-section should be redrafted by taking into account the following points.

- A development-friendly trade and investment policy regime can address many development challenges that poor countries are facing, particularly those in social sectors. International investment agreements should be negotiated by taking into account their social, economic and environmental impacts in host countries. There should be better balance between investor rights and responsibilities, particularly relating to the national policy space.
- UNCTAD has an impressive track record of capacity building of developing countries to negotiate trade and investment agreements and it should be strongly supported with adequate resources in continuing this effort.
- Civil society organisations with track record of objective work on trade and investment policies and agreements should also be involved in building capacities of developing country negotiators and stakeholders on trade and investment negotiations.

2.2 Strengthening all forms of cooperation and partnerships for trade and development, including North?South, South?South and triangular cooperation

“Triangular cooperation” has not been given due attention in the Draft Civil Society Declaration to UNCTAD XIII. There should be a separate sub-section on “triangular cooperation”

in the Civil Society Declaration to UNCTAD XIII.

2.2.1 South-South cooperation

- There is a need to recognise the ability and constraints of poor countries to be able to translate their long-term development planning into operational initiatives based on national priorities.
- South-South cooperation should be based on the principles of reciprocity and policy coherence.
- The emerging Southern economies, who enjoy a relatively higher level of development and possess the potential to support development initiatives of other poor countries, should increase their participation in development cooperation efforts in which poor countries are engaged.

2.2.2 New regional financial and monetary architectures

- The Paris Declaration on Aid Effectiveness, Accra Agenda for Action and Busan Partnership for Effective Development Cooperation should be followed in letter and spirit so as to rationalise the process of funding and resource mobilisation as per the principles of ownership alignment and harmonisation.
- There should be empowerment of regional economic and development organisations in the delivery of financial and monetary assistance to poor countries and coherence between the agenda of regional bodies and the international financial and monetary architectures.

2.2.3 Rethinking Aid-for-Trade

- There should be mutually agreed measures and standards of performance evaluation in

determining the imperative and effectiveness of aid for trade.

- There should be encouragement to foster South-South cooperation on aid for trade, particularly in developing the necessary infrastructure including soft skills to address supply-side constraints to trade.

2.2.4 Triangular cooperation (*a new sub-section*)

- “Triangular cooperation” should be defined as development cooperation between a Northern or Southern donor country, a Southern implementing country and a Southern recipient country. There should be a broad definition to include non-governmental organisations in all three pillars of “triangular cooperation”.
- UNCTAD should conduct studies on challenges and effectiveness of “triangular cooperation” including lessons that traditional development cooperation initiatives can draw from triangular cooperation and vice-versa.

2.3 Addressing persistent and emerging development challenges as related to their implications for trade and development and interrelated issues in the areas of finance, technology, investment and sustainable development

2.3.1 Sustainable Development and safeguards around the ‘Green Economy’ concept

- The “green economy” concept should not be used as a means to undermine the right to opportunity to development. The green economy framework should not create conditionalities for determining aid and trade flows. Rich countries should commit

themselves by keeping away from unfair trade restrictions in their national policies to promote greening of other economies.

- There should be a multilaterally agreed consensus on the “green economy” concept and this concept should be based on balancing social, economic and environmental principles of sustainable development.
- There should be active civil society participation at the national and international level in regard to the development of the concept of “green economy” so as to make the process more inclusive and balanced.

2.3.2 Review trade and investment agreements that undermine sustainable development at multilateral, regional and bilateral levels
CUTS International disagrees with Paragraphs 57, 58 and 59 of the Draft Civil Society Declaration to UNCTAD XIII. This sub-section should be redrafted by taking into account the following points.

- Linkages between trade and investment agreements and sustainable development should not be based on a sanctions-based approach.
- Trade and investment agreements should be based on the principles of reciprocity and gradual liberalisation. Their impact on sustainable development should take into account trade adjustment costs and there should be obligatory provisions directed to rich countries to address trade adjustment costs of the poor. And specific care needs to be taken so that obligatory provisions on the part of rich countries do not become

nontariff barriers and/or other protectionist measures.

- UNCTAD should support national policy efforts such as green procurement in order to address national sustainable development concerns.

2.3.3 Technology assessments in line with precautionary principle

- Technology assessments should be done by taking into account larger development goals of a country and communities' need to procure and adapt new technologies.
- "Precautionary principle" should not be the only criteria for technology assessments and it should be balanced with communities' right to opportunity for development and this right should be assessed on the basis of the principles of inter-generational equity.

2.3.4 Scaling up agroecology and the rights of small farmers

- In partnership with other inter-governmental organisations, particularly the United Nations Food and Agriculture Organisation, UNCTAD should empower regional economic and development organisations to gather knowledge on climate change adaptation practices and foster cross-fertilisation of farmers' knowledge and experience on such practices between and among different agro-climatic zones.

2.3.5 Transformative social protection

- "Transformative social protection" initiatives should be based on a multilaterally accepted

definition of the process and content of inclusive growth.

- UNCTAD should call upon its Member States to initiate effective legislation and regulations on public service delivery guarantee with an in-built mechanism for the participation of non-state actors in its process of adoption and implementation so as to ensure better governance and more accountability in “transformative social protection” initiatives.

2.4 Promoting investment, trade, entrepreneurship and related development policies to foster sustained economic growth for sustainable and inclusive development

2.4.1 Making the private sector (including TNCs) accountable to human rights

2.4.1.1 *Private sector in development*

- It’s time for moving from loose, voluntary guidelines at the international level to stronger normative rules that can be enforced (multilateral discussions, negotiations).

2.4.1.2 *Transnational Corporation (TNCs)*

- Home country governments should ensure that TNCs follow the same regulations in Host countries as are applicable in Home countries – especially, in cases where such a differential approach leads to significant impacts on people, society, environment in Host countries. If this principle is violated there should be adequate provisions in multilateral laws to punish the perpetrators.

- TNCs should, during the process of establishment of their business submit a ‘list of measures’ that they would be taking towards protection of human rights, ensuring community well-being (including environmental resources), contributing to the local economy, etc. – and their performance would be reviewed annually on the basis of this list and publicised, so as to encourage the good enterprises to do better or to shame poor performers.
- Transfer of technology is an extremely critical element – and should form integral part of national/international measures, processes for assessing performance of TNCs. For this purpose, host country governments of technology producers should have suitable incentive schemes to encourage sharing at reasonable costs.

2.4.1.3 *The Role and Responsibilities of Governments*

- National governments need to evolve environments that promote responsible business conduct, starting with ‘critical sectors’. International development partners and other agencies should catalyse the initiation of this process in ‘emerging economies’ and then gradually roll out to the other developing countries.
- National public procurement legislations should be so implemented that they promote responsible business conduct.

3. The role of UNCTAD

CUTS International disagrees with Paragraph 85, including its sub-paragraphs, of the Draft Civil Society Declaration to UNCTAD XIII.

- 3.1 UNCTAD should espouse the cause for “development-centred globalisation” and analyse its effects through a consensus-based approach and strictly in terms of identified and agreed sources of “development-centred globalisation”. Some of these sources are cross-border trade and investment, financial transactions, and migration.
- 3.2 UNCTAD should inform the world about the virtues of trade and investment liberalisation appropriate and effective safety nets and regulations.
- 3.3 UNCTAD should play a proactive role in the G-20 group of countries which is emerging as an important platform for global economic governance.
- 3.4 Paragraph 85 of the Draft Civil Society Declaration to UNCTAD XIII should be redrafted by highlighting the role that UNCTAD should play in assisting its Member states in providing technical assistance on international investment agreements.
- 3.5 CUTS International believes that some parts of UNCTAD are functioning relatively more efficiently than some other parts of the organisation. In particular, UNCTAD’s role in providing technical assistance to developing and least developed countries, especially on trade, commodities and investment issues are functioning well. UNCTAD should draw lessons from this success and also and relatively speaking non-success in delivering its role in case of some other parts of the organisation, particularly in delivering its technical assistance responsibilities on competition and consumer protection issues. In order to improve the overall function of UNCTAD, success and non-success in delivering its role should be discussed among UNCTAD’s Member States and with civil society organisations having permanent NGO Observer Status at the UNCTAD.

Executive Summary of the Final Declaration

1. The following is the executive summary of a more comprehensive Civil Society Declaration adopted by acclamation by the UNCTAD XIII Civil Society Forum on 19 April 2012 in Doha. It has been crafted in consultation with, and is delivered on behalf of, a wide range of civil society organisations, and reflects the diversity of views within the civil society community. In this Declaration, we present our collective analyses, calls and proposals to UNCTAD XIII. We invite member States and the international community to consider them at Doha and beyond, to ensure that we collectively build an equitable and sustainable future.
2. UNCTAD XIII is a decisive United Nations conference on global economic issues and development in 2012. It cannot be “business as usual”. The conference must live up to the challenge of its theme of “Development-centred globalisation: towards inclusive and sustainable growth and development.”
3. [We are very concerned that throughout the negotiations, developed countries have unanimously attempted to silence UNCTAD’s vital work on finance and macroeconomic issues in relation to trade and development.]¹ The importance of UNCTAD’s work has been highlighted by the global financial and economic crisis and its continuing catastrophic effects on peoples and economies. While the Bretton Woods institutions have consistently promoted unbridled liberalisation and deregulation of markets and finances that produced the crisis, UNCTAD’s analyses have pointed out the dangers of these policies. The turmoil provoked by the crisis makes strengthening UNCTAD’s work in these areas imperative.

I. The current global economic and development context: challenges, threats and opportunities

4. The world is experiencing a confluence of interrelated crises that are driving humanity and ecosystems to the brink of global disaster. Rather than a sustained quest for a 1 The content of this bracketed sentence may change depending on the outcome of the UNCTAD XIII negotiations truly transformative agenda, across the world, and especially in developed countries, we see the continuation of the same policies that fostered these crises, with only a few positive reforms so far agreed to.
5. The ongoing **financial crisis** reflects a growing disconnect between deregulated finance and the real economy. It has entered a new, perhaps even more dangerous phase than that experienced during the crisis of 2008–2009, which was predicted by civil society at the Civil Society Forum at UNCTAD XII.
6. The return to the crudest forms of neoliberal policies is largely the result of the massive influence of the financial industry – which is richly resourced despite relying on public bailouts. These policies have devastating impacts on the lives of people and families and especially on women-headed households in the countries concerned, with knock-on effects in other countries and regions including in Africa and the least developed countries (LDCs).
7. A key underlying cause of the financial crisis – besides deregulated financial markets – is fast-rising inequalities. The current wave of austerity is deepening this trend to alarming proportions.

8. The build-up of unsustainable debt is a crucial concern, and with developed economies accumulating the highest levels of debt since the Second World War, it is clearly no longer a problem exclusive to developing countries. While many claim that developing countries were not so strongly impacted by the financial crisis, many developing countries are at risk of – or actually now experiencing – increased debt distress.
9. The growing “**global decent work deficit**” (including persistent mass unemployment and stagnant or declining household incomes) especially among youth and women, is a key factor in global inequalities. Despite the commitment by world leaders in 2009 to a Global Jobs Pact to counter the deflationary spiral, many are practising the opposite. They are cutting minimum wages, deregulating labour markets, and failing to meaningfully rein in finance to make it work for people and the real economy.
10. Livelihoods are further challenged by continued global food insecurity and poverty. The **global food crisis** was at its peak when we met at UNCTAD XII. We noted that among its multiple causes were decades of neglect in smallholder agriculture support and investment, unilateral trade liberalisation in the South, increased financialisation of the food and commodity markets, and monopolistic practices. Smallholder agriculture is the backbone of many countries’ economies: smallholder farms produce over half of the world’s food supply, and many families’ livelihoods depend on it. Global fuel and food price increases mean that the number of people at risk will only rise.

11. The above-mentioned negative trends are compounded by a growing **climate and ecosystem crisis**. We have already exceeded the carrying capacity of the Earth's ecosystem, yet developed countries have failed to deliver on their historical responsibility and legally binding commitments and obligations to halt climate change, biodiversity loss, and other ecological catastrophes. Unsustainable and inequitable production and consumption patterns are placing the very survival of humanity at risk.
12. The disconnect between these multiple crises and the apparent "business as usual" attitude of political elites around the world is provoking a **political and legitimacy crisis**. This is reflected in the wave of democratic movements witnessed since the beginning of 2011. Movements from the "Arab Spring" to the "indignados" to the "occupy" movements are each expressing discontent with political and economic systems and calling for justice and equity.
13. The international community failed to offer comprehensive alternatives in 2009. We cannot afford to delay the fundamental **overhaul of economic governance** required at all levels, including of the international financial, monetary, and development cooperation architectures.
14. Only a **paradigm shift in development** will save future generations from global social and environmental chaos. We must develop more holistic visions and measures of progress than economic growth and gross domestic product (GDP). We must craft a **new global social contract**, based on universal human rights and on social

and environmental justice, to rejuvenate the one that is fast unravelling. We must also find alternative ways of organising social and economic relations. There are many sources of inspiration that can take us in the right direction – from feminist economics, to alternative conceptions of wellbeing such as “Buen Vivir”.

II. Ways forward

A. Enhancing the enabling economic environment at all levels in support of inclusive and sustainable development

1. Democratic, accountable developmental States

15. We stress the key role that democratic, accountable developmental States should play in leading the pursuit of sustainable, equitable and inclusive development.
16. Developmental States are those which recognise their obligation to ensure their people’s well-being, quality of life and fulfilment of human rights within the carrying capacity of the planet and in harmony with sustainability of ecosystems.
17. This means ensuring that growth is accompanied by progressive redistribution of income and by a shift to more sustainable systems of production, distribution and consumption – rather than equating development with growth as it has traditionally been measured. It means ensuring that economic forces, including the private sector, contribute to building productive capacities and decent jobs and livelihoods for all. It means recognising women’s role and contribution to the economy and ensuring access and control over resources so that gender justice and women’s empowerment is at the heart of

development. It means respect for and protection and fulfilment of human rights. Human rights can only be fully exercised if States and institutions are democratically accountable.

18. Developmental States are those which recognise the important role of civil-society organisations and movements, and promote inclusive policymaking processes with grassroots linkages and women's participation, as well as investment in capacity-building, to enable meaningful participation by civil society and other stakeholders. This also means taking heed both of civil-society warnings about unjust economic policies, and of proposals for alternative local and national development strategies.
19. Development States recognise their obligations to guarantee prosperity, sustainability, and the human rights and security of their citizens. These obligations cannot be fulfilled without promoting gender equality and women's empowerment. There should be effective implementing and monitoring mechanisms for progress in this regard.
20. We call on governments to ensure the active, meaningful and effective inclusion and participation of civil society in policymaking and policy implementation. This means setting up clear and effective mechanisms for this purpose. The inclusion and input of civil society is essential for ensuring ownership and effectiveness in the design of development and economic policies, processes and institutions, and in the elaboration and implementation of international cooperation.

21. We call on civil society to work across sectors to promote alternative national development strategies based on redistribution, for reduction of inequality, self-reliant growth, women's rights, and ecological justice, and based on innovative work.
2. **Rethinking macroeconomic policies**
22. We urge a rethinking of macroeconomic and social policies and their interconnections. This would offer developing countries the opportunity to reverse the negative effects of years of economic orthodoxy. Such a rethinking should involve thorough social, economic, and environmental sustainability impact assessments.
23. Governments that have pursued innovations in their economic and social policies have been rewarded for departing from "safe" orthodox models. Unfortunately, many countries have relied on a repetition and intensification of failed policies to try to climb out of the crisis.
24. We urge governments to move away from export-led growth strategies whose measure of success is increases in the volume of exports and the constant expansion of market access. This has been especially disastrous for LDCs. There should be a renewed vision that sees the link between trade and financial resilience, and that promotes fiscal, monetary, investment and financial policies – at national, regional and global levels – that ensure that trade supports development.
25. There must be a rebalancing of the "global" and the "local", with greater emphasis given to the survival and development of the local economic fabric rather than to

the interests of foreign investments and the free movement of finance capital. Financial reregulation has a role to play in tipping the balance of policies, rules and regulations in favour of inclusive local development.

3. Transforming the global financial architecture

Removal of constraints on policy space

26. We call for a removal of the constraints embedded in financial arrangements by bilateral and international financial institutions, as well as in trade and investment agreements. Constraints on policy space mean that developing countries are not able to rethink their economic and social policies, even if they want to. These constraints undermine sustainable development.

Monetary reform

27. We call for thoroughgoing reforms in the monetary system and in monetary policies.
28. We call for reforms of the monetary system that address the challenges of (a) reducing exchange rate volatility; (b) enabling mechanisms for the generation of development and climate finance; and (c) rebalancing and coordinating trade deficit and surplus countries; ensuring that adjustments are non-recessionary, and reducing developing countries' "carry cost" associated with acquisition of the United States dollar.
29. Exchange rate volatility has consequences for food security and the balance of trade, by affecting the prices of essential imports such as food and energy. It impacts on trade performance by constricting levels of domestic investment, destabilising relative prices of export

products, increasing the price of access to finance for production, and shifting the value of market access concessions.

30. We call on developing countries to intensify steps towards regional monetary and financial cooperation. Such arrangements can anchor South–South trade to more stable exchange rates.
31. Pathways for an orderly transition towards a universal, supranational currency system should be adopted at the global level, but complemented and counterbalanced by new financial and monetary architectures at the regional level.

Re-regulating finance and capital movements

32. We call for re-regulation of capital flows to enable governments to direct capital to serve the needs of society, human rights and sustainable development. Re-regulation of financial markets should be coordinated and strengthened at national, regional and global levels, and should be designed with participation of all those who have a stake in the performance of the financial sector.
33. Re-regulation should cut across all financial markets and financial actors. Leaving some segments of the market unregulated, presumably to allow them to test higher-risk strategies and spur innovation, has instead been used to make profits from arbitrage *vis-à-vis* the regulated segments.
34. The International Monetary Fund (IMF) should drop its opposition to capital controls and stop interfering with the right of countries to use capital controls as stated unambiguously in IMF's Articles of Agreement.

35. We call on governments to establish processes for the immediate revision of the rules on liberalisation of financial services at all levels. Countries' space and capacity to prevent and alleviate crises and pursue alternative fiscal and monetary policies has been greatly compromised by bilateral, regional and multilateral trade and investment agreements including provisions on capital management and dispute settlement.
36. We urge governments of both developed and developing countries to adopt new and stronger regulations on commodity derivative markets. Commodity price fluctuations have destabilising consequences and reduce potential for diversifying into other sectors. Allowing food grains to be traded in commodity markets has led to speculative trading, resulting in steep increases in prices and worsened violations of the rights of small-scale farmers. Thus, many civil society groups demand an outright ban on the speculative trading of food grains in commodity markets.
37. Regulation of commodity derivative markets should enable developing countries to use trade as an instrument for capital accumulation and its equitable distribution, and to obtain real risk protection. The regulation should especially target major financial centres and should restrict socially useless financial products and financial speculation.
38. Developing countries should adopt alternative macroeconomic policies that allow them to better cope with the macroeconomic impacts of commodity price fluctuations in their economies, such as countercyclical taxation policies.

Global taxes and international tax cooperation

39. We support the introduction of financial transaction taxes – where feasible, on a cooperative, multilateral basis, but where not, on a unilateral basis. We see these taxes covering, in principle, all types of financial transactions, whether in derivatives, shares, bonds, currencies, or other financial instruments.
40. Financial transaction taxes will improve progressivity and redistribution in the taxation system, limit the incentives for damaging short-term speculation in financial markets, reduce systemic risk and the likelihood of future crises, and align the incentives of the financial sector with those of the real economy. They also constitute an innovative mechanism to generate revenues for development and for climate-change mitigation and adaptation needs.
41. The United Nations must play a pivotal role in political determinations as to the governance and management arrangements for global taxes.

Domestic taxation and the mobilisation of domestic resources

42. We urge developing countries to develop effective systems and infrastructure to ensure efficient and fair taxation. This will facilitate the move away from aid and debt “dependency”. The emphasis must be on progressive tax policies rather than on an overreliance on value-added taxes and other indirect taxes, which are often regressive.
43. We call on governments to ensure that the corporate sector is effectively taxed. One major challenge is taxing multinational corporations. Many developing countries become locked in a “race to the bottom” in terms of tax incentives to attract foreign direct investment, even as

the incentives reduce its potential benefits to these countries.

44. We urge governments and intergovernmental organisations to decisively address the problem of illicit flows of capital. Developing countries' capacity to increase their domestic resources is under threat because of illicit flows which drain resources from developing countries and diverting them to tax havens. Tackling the challenge of illicit financial outflows will generate significant resources to finance development and facilitate investments for poverty eradication and sustainable development. The key to achieving success is adopting laws, regulations and policies that ensure transparency in financial transactions, and tighter oversight of international banks and offshore financial centres. We urge a review of the existing international financial reporting standards, improvement of international tax cooperation, and stronger and better forms of information exchange, notably "automatic" information exchange between jurisdictions on a multilateral basis.

Addressing the debt problem

45. We call on governments to commit to developing, implementing and promoting responsible, transparent and democratic lending and borrowing policies and practices. Civil society groups and UNCTAD have been working on developing guidelines along these lines, based on lessons from the accumulation of unjust and unsustainable debt in the South, the predatory and reckless behaviour of banks and financial institutions exposed in the recent financial crisis, and the "moral hazard" feature of private finance.

46. We call for fair, transparent, effective debt-crisis resolution mechanisms in place of lender-dominated processes. Further, we call for policies, including regulatory mechanisms, to address the systemic threats posed by large and complex financial institutions and to prevent the transfer of the burden of their risks and losses to the public sector and consequently to the people.
 47. We call for comprehensive, transparent and participatory government audits on public debt – on the legitimacy of debt claims, the identity and co-responsibilities of lenders and borrowers, the origins of the capital lent, and the impacts of the loans and projects and policies that have been financed. We call on governments and the United Nations to encourage, cooperate with, and support independent audits by citizens groups.
 48. We call for renewal of debt cancellation initiatives without conditions, beginning with all unjust and illegitimate debts, and the debt of countries in crisis.
- 4. Reviewing trade and investment rules**
49. We call for a comprehensive review, evaluation and revision of existing trade and investment agreements towards making these agreements consistent with equitable and sustainable development, human rights, climate and environmental obligations, and the requirements for addressing the global multiple crises.
 50. Trade and investment policymaking and decisions should be consistent with development objectives, human rights obligations and environmental sustainability, and should guarantee the rights of labour, farmers, fishers, women and indigenous peoples, and should not restrict

environmental and social policy choices. Social, economic and environmental impacts should be taken into account.

51. Agreements must stipulate the obligations of investors to workers, consumers, affected communities and the environment. There should be a better balance between investor rights and responsibilities. Agreements should not supersede or invalidate national laws, and should not restrict a country's ability to enact new laws to support and reinforce development policies or protect people and the environment
52. Agreements should not lead to an increase of the trade imbalance in knowledge goods and services between developing and advanced countries, nor to a reduction of public access to cultural, educational and scientific works. Agreements should not pose obstacles to the rapid deployment of technologies needed for climate adaptation and mitigation programmes and should instead be consistent with the obligations of rich industrialised countries to provide the means necessary for developing countries to deal with the climate crisis.
53. Existing trade agreements including provisions on intellectual property must be made consistent with human rights, climate and environmental obligations, and the World Intellectual Property Organisation (WIPO) development agenda, and, in particular, should make adequate provision for the preservation of the public domain, and maintain all flexibilities in applicable agreements.

4. **Social partners and civil society organisations with expertise and interests at stake in investment and trade agreements should be involved in building the capacities of the developing-country officials negotiating them.**
- B. **Strengthening all forms of cooperation and partnerships for trade and development**
 1. **South-South cooperation**
 55. We urge governments to rethink regional cooperation and South–South cooperation outside the mainstream model of liberalisation.
 56. South–South cooperation should use trade and investment to support productive and decent-job-generating growth and not predatory trading and investment. As noted in the UNCTAD *Least Developed Countries Report 2010*, economic relations with major developing-country partners can pose a number of challenges and threats similar to those that may affect North–South ones.
 57. South–South cooperation should be understood in terms of policy coordination and cooperation built around a development vision that is democratic and inclusive, and rooted in the normative principles of equity, social progress, complementarity, solidarity, mutual benefit, sharing of resources, policy coherence and innovation among developing countries, and respect for sovereignty and human rights.
 58. South-South cooperation must serve to foster more virtuous development paths and prevent the replication of the biases and asymmetries associated with North-South relations.

59. We call on governments of stronger developing-country economies to increase their participation in development cooperation efforts in which more impoverished countries are engaged.

2. New regional financial and monetary architectures

60. The pursuit of alternative development strategies is greatly strengthened by alternative sources for finance that not only supplement domestic resources but are free from the burden of policy conditionalities.

61. We call on governments to develop regional institutions and regional financial and monetary initiatives that support sustainable and equitable development strategies. These may include

- (a) Alternative regional development banks;
- (b) Alternative regional payments systems and currency arrangements; and
- (c) New common reserve funds.

One core objective is to redeploy resources (i.e. foreign currency reserves that each country needs to hold as a buffer against external macroeconomic shocks) into job-creating productive investments and environmental and social programmes.

3. South–North cooperation and triangular cooperation

62. We call on governments to move away from traditional “donor”/“recipient” relationships in North–South development cooperation, and instead establish relationships of parity and genuine solidarity. All development cooperation programmes should be based on the principles of mutual accountability, democratic ownership, and other internationally agreed standards of development and aid effectiveness.

63. There should be a broad definition to include non-governmental organisations in all three pillars of “triangular cooperation”.

4. Rethinking Aid for Trade

64. We call on governments to refocus “aid for trade” away from technical assistance that induces policymakers in developing countries, particularly LDCs, to adopt the liberalisation agenda and opening of markets. Instead, “Aid for Trade” should be directed towards supporting trade policies directed at building productive and employment-generating sectors.
65. Aid-for-trade funds should be new and additional. They should follow the international commitments on development effectiveness as well as international standards on transparency and accountability.
66. The international governance of the Aid for Trade initiative should be revised in favour of more democratic mechanisms and processes.
67. There should be encouragement to foster South-South cooperation on aid for trade, particularly in developing necessary infrastructure, including soft skills to address supply-side constraints to trade.

5. The private sector in development cooperation

68. The private sector has been increasingly present in development cooperation work worldwide as the target, partner and leader of programmes and projects. Private-sector actors can potentially contribute to sustainable development, in terms of job creation, improved living wages and transfer of technologies, but governments must

ensure that private-sector involvement in development cooperation is consistent with equitable and sustainable development goals, and not result in the violation of human rights, or be used as an opportunity to expand markets and scale up profits at the expense of people and the environment. Governments must further ensure that the private sector complies with international agreements and principles pertaining to development cooperation, such as the Paris Declaration, the Accra Agenda for Action, the Busan Partnership for an Effective Development Cooperation, and others.

C. Addressing persistent and emerging development challenges with implications for trade and development, and interrelated issues in the areas of finance, technology, investment and sustainable development

1. The climate crisis and the challenge of sustainability

69. The climate crisis is having devastating effects globally, with people from developing countries carrying the brunt of the impacts but deprived of the means to respond. In the meantime, the crisis is escalating and the window for preventing the crisis from reaching planetary catastrophe is rapidly closing. The world must move decisively and immediately to drastically reduce global greenhouse gas (GHG) emissions and to shift to low-carbon, equitable and climate-resilient systems, and at the same time enable people and communities to deal with the impacts and irreversible changes brought by the crisis. All these factors mean major changes in the global trading system and consequently in international and bilateral trade agreements, and in national trade policies.

70. Governments must ensure that those principally responsible for the climate crisis – the rich, industrialised countries – meet their corresponding obligations and deliver on the existing international legally binding agreements and commitments. (a) This means ambitious and equitable country targets to reduce GHG emissions, based on historical and differentiated responsibilities, and fulfilled through direct domestic measures without loopholes and offsets;
- (b) It also means developed countries covering the full cost of enabling people of developing countries to deal with the impacts, and for developing countries to shift to sustainable systems. This climate finance must be new and additional, not in the form of loans and debt-creating instruments, not treated as aid, or as investments to generate profit from. It also means developed countries providing low-carbon climate-resilient technology as part of their obligations.
71. Governments must ensure that the transition to low-carbon and climate-resilient systems is socially just, rather than an opportunity for further expansion of finance capital and commodification of nature and life. Social protection schemes and local economic diversification programmes must be put in place to ensure that workers are secure in that transition. Investment in low-carbon technologies should be accompanied by the equitable redistribution of economic resources and benefits and by the creation of green and decent jobs. Processes must be democratic and transparent, with governments, employers' organisations and trade unions discussing the economic and industrial changes to be made.

2. Sustainable development and the “green economy”

72. Many voices within civil society who advocate a major overhaul of unsustainable production and consumption patterns are highly sceptical of the “green economy” that is being promoted and is taking centre stage in the Rio+20 Conference process. There is no consensus on the definition of the term, and use of the term may mean legitimising concepts that reinforce inequalities among economies, rationalise trade protectionism, involve new forms of conditionalities, promote further commodification and financialisation of nature, and push new supposedly “green” technologies that do not conform to the Precautionary Principle established at the Earth Summit.
73. A meaningful Rio+20 outcome requires a deeper understanding of the original, full meaning of sustainable development, the resolve to address unsustainable production and consumption patterns, and acknowledgement of the centrality of human rights, equity, fairness, poverty eradication, and common but differentiated responsibilities.
74. This term “green economy” should be conceptualised solely within the framework of accepted and consensual definitions of sustainable development. The “green economy” concept should not move us backwards from the comprehensive agenda of Sustainable Development from the 1992 United Nations Earth Summit and the initial commitments to Agenda 21 addressing the challenge of maintaining global sustainability. It should be one that reinforces the role of the developmental State, ensuring redistributive measures to democratise access to and stewardship of productive resources and nature, re-

orienting investment, trade, and finance policies to focus on development objectives including harnessing regional cooperation towards increasing sustainable production and inclusive demand. It should be one that calls for alternative measures of development to replace the indicators currently being used.

3. Trade and investment agreements and sustainable development

75. We call for a thorough review of trade and investment agreements at multilateral, regional and bilateral levels. Trade and investment rules that undermine sustainable development and act as barriers to pursuing low-carbon development paths should be suspended in their application and revised without concessions. Such provisions should be excluded in future agreements.
76. Policy discussions must resolve growing controversies around “green protectionism” and carefully distinguish between, on the one hand, trade policies that reinforce asymmetries between economies, and, on the other hand, domestic policies of developing countries aimed at building cleaner production systems and “green” productive capacities.
77. Regional trade and investment agreements should not be one-size-fits-all. They should take into account trade adjustment costs, and there should be obligatory provisions directed to rich countries to address trade adjustment costs of the poor countries. Specific care needs to be taken so that obligatory provisions on the part of rich countries do not become non-tariff barriers and/or other protectionist measures.

78. The approach to addressing the linkages between trade and investment agreements and sustainable development should not be based on automatically triggered sanctions. This means that (a) countries and investors should not be able to penalise other countries when they take measures that are designed and applied for sustainable development (in its economic, social and environmental dimensions); and (b) labour and environment provisions in trade and investment agreements should be supported with sufficient capacity building resources – for example, to undertake labour and environmental inspections – by the richer partners first, before sanctions are considered.
 79. We call on governments to regulate the promotional practices of trade and industry. Aggressive advertising via the electronic media has greatly contributed to unsustainable lifestyles and levels of consumption.
4. **Technology assessments in line with the Precautionary Principle**
 80. The United Nations should develop the technical and legal capacity to undertake social and environmental technology assessments in line with the Precautionary Principle to protect people and nature from high-risk technologies. A number of new technologies presented as “green” – including geo-engineering, nanotechnology, synthetic biology and biotechnology – compromise progress towards sustainable development.
5. **Scaling up agroecology and the rights of landless and small-scale farmers and women in the agricultural work force**
 81. Transnational agri-businesses and other corporations have taken monopolistic positions on the means of food

production and distribution. Landless farmers, women in the agricultural sector, and smallholder producers are the first victims of violations of the right to food, despite small farms producing the majority of the staple crops needed to feed the world's rural and urban populations, and women being a substantial majority of the agricultural producers who produce most of the food consumed locally.

82. Governments must ensure that the rights of landless farmers, women in the agricultural sector, and smallholder farmers are protected. Governments need to invest in programmes supporting landless and smallholder farmers and women in the agricultural sector to develop sustainable and climate-resilient livelihoods, including agrarian reform and accompanying support services.
83. We call on governments to pursue the scaling up of sustainable agriculture based on agroecology, and to promote locally controlled, ecologically and socially sustainable production systems, in both developed and developing countries. Supported by appropriate public goods and laws, sustainable agriculture can create resilient local economies and diversify the livelihoods of impoverished farmers. Governments should lead the move away from conventional industrial agriculture, including the phasing out of input subsidy schemes for agrochemicals. There should be a fundamental shift from mere food security to food sovereignty, which is a rights-based approach.
84. Bottom-up, horizontal, and participatory extension services and “knowledge hubs” that build upon

smallholder farmers' sustainable agriculture practices should be fully supported to maximise their food security and food production.

85. Extension services must facilitate the process of building bridges between local and scientific knowledge and new technologies that help local communities innovate and reduce dependency on external inputs and that promote site-specific sustainable production systems.
86. Governments should ensure that agricultural policies and programmes empower women and promote a fairer sharing of the work burden and benefits between women and men.
87. We support the recommendation in the final report of the United Nations Human Rights Advisory Committee, which proposes the adoption of an international legal instrument on the rights of farmers and other people working in rural areas.

6. Transformative social protection

88. The State has the obligation to guarantee the sustainability and security, as well as the well-being and the prosperity, of the society that it governs. The State should thus provide public services and social protection and establish redistributive mechanisms, including progressive taxation, which should be politically and socially negotiated.
89. We call on governments of countries that lack a social protection floor to take the political decision to create fiscal space for this and to gradually improve the provision of transformative social protection that would enhance the well-being of all.

90. Transformative social protection not only provides the means and security that enables the improvement of livelihoods; it also catalyses a change in power and ensures that citizens are better able to transform their lives following the intervention and ensures that in future crises they are no longer so vulnerable.
91. Transformative social protection reduces multiple inequalities, empowers marginalised communities, supports economic activity, enhances social mobility, contributes to the valuation of domestic work, and addresses the unequal division of labour burdens between women and men, particularly in the reproductive sphere.
92. Transformative social protection is realisable even in conflict-torn countries, fragile and unstable States, and countries lacking social cohesion. Indeed, in these contexts it has even greater value. It promotes nation-building, as well as solidarity between people who have wealth and those who do not, between generations, and between different ethnic and religious groups.
93. The fiscal feasibility of transformative social protection can be greatly enhanced by reallocating resources away from defence and military budgets, which in many instances take up a big share of public funds. This will not only free up resources for social spending, it will also contribute to the demilitarisation and democratisation of societies towards social justice and sustainable peace.
94. The International Labour Organisation (ILO), social partners, and representative organisations from civil society, including women's organisations, must be included in the design, delivery and management of social

protection and public services schemes to respond to people's priorities, rights and entitlements.

7. The private sector and transnational corporations

95. Governments should establish clear and effective monitoring of the application and implementation of internationally agreed principles and conventions by private-sector actors. These include international conventions and standards on human rights, gender equality, labour rights and decent work, disability, environmental sustainability, consumer protection, the ILO principles and labour standards, the United Nations Guidelines for Consumer Protection, the Guiding Principles on Business and Human Rights: Implementing the United Nations "Protect, Respect and Remedy" Framework, and international transparency and accountability standards.
96. We call on governments to strengthen regulation of transnational corporations (TNCs) and ensure their adherence to human rights and corresponding obligations. Obligations should include (a) due diligence obligations throughout the process of operation, including over any horizontal supply chain, with support offered to impacted groups; (b) the submission of a "list of measures" that the TNC will be taking towards protection of human rights, ensuring community well-being (including environmental resources), promoting transfer of technology, and the fulfilment of tax responsibilities; and (c) reporting on environmental and human rights impacts.
97. There should be adequate provisions under multilateral and domestic laws that cover the punishment of perpetrators of human rights violations. The host country

of a multinational company should ensure that practices by its investing companies are proactive in avoiding any social damage.

98. We call on governments to protect and encourage the development of local small and medium-sized enterprises (SMEs) as well as social economy entities (such as cooperatives). Local procurement should be given priority when implementing sustainable development programmes. An integrated approach for an enabling environment for sustainable enterprises should be promoted and developed at the country level.
99. We call for the critical evaluation of public-private partnerships (PPPs), which are now being promoted as engines for development. Frequently PPPs are part of programmes for the privatisation of public services or infrastructure, many of which have had negative impacts on access by – and the rights of – the impoverished and marginalised. In many cases, PPPs help the private sector to transfer costs to the State while keeping the profits for itself.

III. The role of UNCTAD

100. UNCTAD should be more proactive in addressing the challenges of globalisation and of the multiple crises, and in bringing about systemic reforms. It should be at the forefront of a thorough and critical review of trade and development policies and agreements in light of the multiple crises, and in developing analyses and proposals for alternative options and appropriate development strategies for developing countries, taking into account the need for policy space and flexibility and the different needs and circumstances of different developing

countries. UNCTAD should support national policy addressing national sustainable development concerns.

101. A strengthened UNCTAD should be given a greater role in global economic governance and should contribute to the transformation of global economic governance institutions. This requires more diverse perspectives to be brought to the table, including UNCTAD's "ahead of the curve" analyses and proposals, increasing developing-country voice, and ensuring effective and full developing-country participation. Taking into account the need for a paradigm shift in global economic governance, UNCTAD should set up a Working Group on Global Economic Governance, representing various interests from among its member States and ensuring the full participation of civil society.
102. UNCTAD's role should extend beyond being an incubator of ideas. It has a vital role to play in assisting developing countries to address the diverging agendas and international legal frameworks governing trade, finance, macroeconomic policy, investment, transnational corporations, sustainable development, technology (including intellectual property rules), and consumer protection and competition policy. UNCTAD should keep and strengthen its mandate to give advice on policies related to these issues at national, regional and global levels.
103. In light of UNCTAD's pioneering role in the identification of the Group of the Least Developed Countries (LDCs), thus establishing itself as the focal point within the United Nations system for tackling LDC-specific issues, UNCTAD's continued role towards addressing the special

needs of LDCs and defending LDCs' specific interests should be strengthened. UNCTAD's role in enhancing the capacity of LDCs and civil society in its thematic areas of priority and concern should be reinforced.

104. UNCTAD should play a bigger role at regional levels, especially where this is less well covered such as in the Arab region. In the case of the Arab region, UNCTAD should address the development gap resulting from the recent political upheavals.
105. UNCTAD should have stronger capacity to conduct analytical and technical assistance work in support of regional and subregional integration among developing countries, consistent with equitable and sustainable development goals.
106. UNCTAD should conduct a comprehensive study on the linkages between the financial economy and the real economy, and on how effective regulation of the financial economy as well as the real economy can help the impoverished not just to insulate themselves from future financial crisis but to put in place a rapid-response mechanism to deal with new challenges that could emanate from future financial crises.
107. UNCTAD should continue and expand its contributions to developing and promoting the principles of responsible, accountable and democratic lending, borrowing and related financial policies, fair and transparent debt resolution mechanisms, and debt cancellation initiatives. It should promote the call for comprehensive debt audits and should extend assistance to these processes.

108. UNCTAD should conduct studies on issues, challenges and effectiveness in the area of development cooperation – South–South, North–South and triangular cooperation – including lessons that can be drawn from traditional development cooperation initiatives.
109. UNCTAD should conduct studies on the primary commodities sector to promote better understanding of the issues of commodity speculation, the interaction between trade and competition policy, and others, with the aim of developing proposals that address the global food and commodity crisis. It should work on the strengthening of multilateral arrangements to minimise commodity price volatility and other related problems.
110. UNCTAD should apply to become an observer organisation of the International Organisation of Securities Commissions (IOSCO) and its technical committees, so that UNCTAD can advise its members on the financial and commodity market rules of IOSCO members and can contribute UNCTAD views on IOSCO consultation papers.
111. UNCTAD should carry out one or more surveys of its developing-country members on their experiences with using risk management tools for interest rates, commodity prices (exports and imports), exchange rates, bond rates etc. The survey would be designed to enable UNCTAD to determine whether and/or how it might support both governments and the private sector with technical assistance and training programmes for asset class-based risk management in developing countries.

112. In the past, UNCTAD facilitated and promoted investment agreements, including by means of the seriously questionable but no longer occurring bilateral investment treaty (BIT) “negotiating rounds”. UNCTAD has also recommended that investor-State arbitration clauses be included in developing countries’ domestic investment laws. In light of developments in investment treaty arbitration, UNCTAD should now actively inform and warn developing countries of the risks of these Agreements, and more generally of investor-State arbitration.
113. Any investment work by UNCTAD should:
- (a) Reflect the economic evidence that foreign direct investment is primarily attracted by market size, natural resources, infrastructure, peace and stability, human capital etc., rather than the presence of investment protection agreements or the level of intellectual property protection;
 - (b) Ensure that foreign investment and investment protection agreements serve sustainable development and that any investment provisions retain maximum policy space for developing-country governments;
 - (c) Recognise that investment agreements and their resulting disputes have caused and continue to cause significant problems for developing and developed countries and that as a consequence, countries across the globe are increasingly refraining from signing investment agreements, withdrawing from them, or avoiding investor-to-State dispute settlement provisions.
114. Where UNCTAD provides technical assistance, it should refrain from promoting traditional investment protection agreements or their equivalent provisions in free trade

agreements or domestic law. Instead, it should ensure that all technical agreements focus on the goals of sustainable development, that national policy space is retained, that developing countries are provided with options for alternatives to such investment agreements, including cooperation agreements, innovative domestic mechanisms, political risk insurance and well-balanced investment contracts between the investor and the host government. Investor rights should be well circumscribed and balanced against investor and home State obligations.

115. UNCTAD should continue efforts to ensure that intellectual property systems contribute to the promotion of technological innovation and to the transfer and dissemination of technology to:
- (a) Meet the requirements of addressing climate change and meeting the goals of sustainable development;
 - (b) Ensure the mutual advantage of producers and users of technological knowledge; and
 - (c) Balance rights and obligations.
116. UNCTAD should continue to undertake research and analysis on trade and development aspects of intellectual property, including on the protection of traditional knowledge, genetic resources and folklore and fair and equitable sharing. UNCTAD's research and policy advice should ensure that developing countries and LDCs make full use of the flexibilities currently available to them under international agreements and do not in any way undermine those flexibilities. It should undertake capacity-enhancement activities for making full use of these flexibilities.

117. UNCTAD should conduct analysis, consensus-building and technical assistance on the promotion and operationalisation of technology transfer for development from developed to developing countries, consistent with existing multilateral commitments, including a revival of the intergovernmental discussions on the UNCTAD Draft International Code of Conduct on Transfer of Technology.
118. UNCTAD should find constructive ways to effectively mainstream human rights – especially the right to development – in its work. Human rights principles (such as progressive realisation, non-retrogression and maximum available resources) can be effective empowering tools in economic policy discussions and should not be used as instruments of conditionality or protectionism or conversely for forcing the opening of markets.
119. Building on its work on organic agriculture, UNCTAD should promote increased attention to the findings of the IAASTD and encourage international cooperation on the identification, documentation, dissemination and adoption of agro-ecological practices and their relation to trade, finance, investment and technology.
120. In partnership with other intergovernmental organisations, particularly the United Nations Food and Agriculture Organisation, UNCTAD should empower regional economic and development organisations to gather knowledge on climate-change adaptation practices and foster cross-fertilisation of farmers' knowledge and experience on such practices between different agro-climatic zones.

121. UNCTAD should continue to mainstream the Decent Work Agenda in its analytical and policy work and deepen analysis of social and environmental dimensions of alternative economic paradigms.
122. UNCTAD should call upon its member States to initiate effective legislation and regulations on public service delivery guarantee with built-in mechanisms for the participation of non-State actors in its process of adoption and implementation to ensure better governance and more accountability in “transformative social protection” initiatives.
123. UNCTAD should work in favour of adopting an international legal instrument on the rights of peasants and other people working in rural areas. It should provide institutional support to networks of small-scale producers in the South, especially small enterprises run by women.
124. UNCTAD should promote consumer rights as part of its mandate over competition and consumer protection issues. Consumers have rights to the satisfaction of basic needs, to safety, to choice, to redress, to information, to consumer education, to representation, and to a healthy environment. It should lead the revision of the United Nations Guidelines for Consumer Protection in light of recent trends including the increased exposure of consumers to new products and marketing strategies, increased cross-border commerce in consumer products, and technological changes that affect consumers.
125. We therefore call on all UNCTAD member States to reaffirm the Accra Accord, and to strengthen the mandate of UNCTAD to carry out its work (research,

intergovernmental discussion, and technical assistance) in the full range of issues for which it already has a mandate, and to further expand implementation of this mandate into new areas that are required by the global situation.

126. To fulfil its mandate and maintain its independence, the UNCTAD secretariat should receive adequate funding. Other funding mechanisms have to be explored to limit UNCTAD's extra budgetary dependence on OECD countries and increase its capacity to respond to developing countries' needs and demands.
127. UNCTAD should expand mechanisms for greater civil society participation and inputs in all its processes. The UNCTAD secretariat has been very supportive of civil society participation in UNCTAD activities, but there is an urgent need to make UNCTAD negotiations much more open and transparent. UNCTAD should examine and adopt best practices of civil society participation in intergovernmental negotiations.
128. We, the civil society organisations involved in the UNCTAD XIII process and working on the issues within UNCTAD's mandate, reaffirm our commitment to continue to work for the realisation of the proposals and demands contained in this Declaration. We pledge to work together to expand CSO engagement with UNCTAD and its outreach to wider circles of civil society and social movements to enhance and strengthen its capacity to fulfil its mandate in the pursuit of equitable and sustainable development.

Annexure 3: UNCTAD XII Outcome Documents

The Doha Mandate

- I. **Theme – Development-centred globalisation: Towards inclusive and sustainable growth and development**
 - A. **Policy analysis**
 1. In the period since UNCTAD XII in Accra in 2008, there have been changes in the global economy, while persistent challenges remain. Policymakers are therefore looking for more effective ways to build more inclusive and sustainable development outcomes, and to set the course for development-centred globalisation.
 2. The financial crisis that struck shortly after UNCTAD XII ushered in the first contraction in the global economy since the 1930s. Its effects spread very rapidly and widely. The world's poorest countries were not spared. Despite the policy efforts of leading economies, both developed and developing, the global economic recovery remains fragile.
 3. In the face of this fragility, several challenges have to be met to realise development-centred globalisation. In this regard, finance should support the real economy in support of sustained, inclusive and equitable economic

growth and sustainable development. All countries, developed and developing alike, can pay serious political, economic and social costs from financial shocks.

4. Another challenge is eliminating hunger and achieving food security. Securing adequate access to food – one of the most basic human needs – is a priority. The high volatility of food prices since UNCTAD XII has been a source of concern which in some cases, inter alia, has contributed to serious social and political consequences in some countries, particularly in net food-importing developing countries.
5. A further challenge has arisen around energy price volatility and access to energy, including renewable energy. The bulk of energy infrastructure has yet to be built in many developing countries, leaving energy services undersupplied and expensive. Meeting this need is essential for building inclusive development.
6. An additional challenge is climate change and its adverse impact on inclusive and sustainable growth and development for developing countries, especially least developed countries (LDCs) and small-island developing States (SIDS). The frequency and number of natural disasters and other adverse effects on the environment are adding to their concerns about growing environmental challenges. Responding to their varying needs and capacities in adapting to these challenges will be critical.
7. Development-centred globalisation sets the stage for inclusive growth and development, and contributes towards reducing poverty and creating jobs. Discussions on globalisation should be balanced, highlighting its

benefits, acknowledging its risks and addressing its challenges.

8. Due account should be given to cross-cutting issues such as good governance at all levels, freedom, peace and security, respect for human rights, including the right to development, gender equality and women's empowerment, youth, and an overall commitment to just and democratic societies, which are essential to all countries to attain sustainable and equitable growth and development.
9. Development strategies should be inclusive and designed to meet human needs. The role of the Millennium Development Goals (MDGs) and other internationally agreed development goals is still instrumental in achieving such needs by 2015. People have similar needs and aspirations, including freedom, human rights including the right to development, decent work, secure homes, all aspects of affordable health care, education, a safe environment, a better future for their children and good governance at all levels. Since these ends are closely interconnected, development strategies should be based on an integrated and holistic approach if the desired policy options are to emerge.
10. Achieving sustainable growth and development calls for environmentally compatible patterns of production and consumption that safeguard the biosphere and the capability of its ecosystems to support human activity.
11. Development strategies can be furthered by partnerships and cooperation among all stakeholders.

12. Each country has the primary responsibility for its own economic and social development, and national development efforts need to be supported by an enabling international economic environment. The State, having an important role to play, working with private, non-profit and other stakeholders, can help forge a coherent development strategy and provide an enabling environment for productive economic activity.
13. Sustained and inclusive growth and development are enabled, among others, by the mobilisation and effective utilisation of all sources of financing for development, as reaffirmed in the Doha Accord and the Monterrey Consensus. To this end, an enabling economic environment at all levels is essential, as inclusive economic development contributes to global peace, security, stability and prosperity.
14. Industrialisation is a priority for developing countries and some countries with economies in transition, because it promotes positive structural transformation and promotes mutually supportive linkages between investment, productivity and employment. A diversified economy largely depends on an industrial development that identifies comparative advantages in a wide range of productive sectors in order to promote sustainable economic growth and development.
15. Robust economic growth can make the adjustments associated with structural transformation easier to manage. Inclusive and sustainable growth and development also require social protection to protect vulnerable populations and address inequality, including between men and women, and across national regions.

This can contribute to a smoother and more predictable development process. It also contributes to protection against shocks and crises that can accompany rapid growth and transformation towards a more open and integrated economy. The balance between growth, fairness and social protection can only be determined in light of prevailing local conditions and constraints.

16. Effective multilateral cooperation depends on the support of, and enhanced synergy among, a range of international institutions that have evolved over the past six decades. Globalisation calls for broadened and strengthened participation of developing countries and countries with economies in transition in international economic decision-making and norm-setting.

B. The role of UNCTAD

17. The Accra Accord pursued a constructive trade and development agenda, and was anchored by the three pillars of UNCTAD: policy analysis, consensus-building and technical cooperation. The outcomes of UNCTAD XIII reaffirm and build upon the Accra Accord, which remains valid and relevant.
18. UNCTAD remains the focal point in the United Nations for the integrated treatment of trade and development, and interrelated issues in the areas of finance, technology, investment and sustainable development. UNCTAD should continue to work within its mandate – through its three pillars, delivering meaningful results, utilising available resources, while enhancing synergies and promoting complementarities with the work of other international organisations. In this regard, UNCTAD should:

- (a) Continue to play its role in the evolution of a stronger global consensus on issues falling within its mandate, as UNCTAD's mandate and its universal membership make it a valuable forum for development dialogue;
- (b) In line with paragraph 17 of the Accra Declaration, contribute to discussions within the United Nations system on green economy and other models in the context of sustainable development and resilience to climate change;
- (c) Continue, as a contribution to the work of the United Nations, research and analysis on the prospects of, and impact on, developing countries in matters of trade and development, in light of the global economic and financial crisis;
- (d) Continue to monitor and assess the evolution of the international trading system and its trends from a development perspective;
- (e) Enhance the effectiveness of its contributions to the Enhanced Integrated Framework, including working with others to mainstream trade in LDCs' national development plans – and contribute to the effective implementation of Aid for Trade through UNCTAD's lead role in the United Nations Inter-Agency Cluster on Trade and Productive Capacity;
- (f) Place specific attention on the special needs of developing countries, particularly LDCs;
- (g) Strengthen its special focus on the needs of the LDCs across all areas of its mandate in accordance with the Istanbul Programme of Action;
- (h) Continue to address the special concerns and needs of Africa, including as articulated in the New Partnership for Africa's Development;
- (i) Further address the special trade, investment and development needs of landlocked developing countries (LLDCs), including through continuing its support for

- effective implementation of the Almaty Ministerial Declaration and the Almaty Programme of Action: Addressing the Special Needs of Landlocked Developing Countries Within a New Global Framework for Transit Transport Cooperation for Landlocked and Transit Developing Countries, and its review in 2014, taking into account the challenges of the transit developing countries in this programme of action;
- (j) Continue its work in helping SIDS to address persistent trade, investment and development challenges that they encounter, including by contributing to ongoing United Nations-level discussions on the further implementation of the Barbados Programme of Action and the Mauritius Strategy for the sustainable development of SIDS;
 - (k) Continue to give focus on the special needs and problems of structurally weak and vulnerable small economies in order to foster sustained economic growth and sustainable and inclusive development;
 - (l) Continue to support the development effort of middle-income countries, according to their needs, in facing specific challenges of sustainable economic development and poverty reduction;
 - (m) Continue to support countries with economies in transition in addressing their specific trade and development challenges; and
 - (n) Implement and follow up, as appropriate, relevant outcomes from global conferences and summits on development.
19. In strengthening UNCTAD, efforts should be made to enhance its efficiency, effectiveness, transparency and accountability, including through effective results-based management and ensuring a member State-driven process through the intergovernmental machinery.

II. Sub-theme 1 – Enhancing the enabling economic environment at all levels in support of inclusive and sustainable development

A. Policy analysis

20. In the light of recent developments, efforts to strengthen and improve the functioning of the global economy continue to be important. This can help to better prevent financial and economic shocks, effectively promote development, and serve the needs of member States, particularly of developing countries.
21. A number of developing countries have, over the past three decades, increased their integration into the global economy, and collectively in these countries, growth has been on an upward trend. Those efforts have, in many cases, been accompanied by rising trade, investment and capital flows.
22. While sustained economic growth is important, it is also necessary to broaden the basis of growth so that more people can benefit from and contribute to growth. An enabling environment at all levels is a necessity for this. The MDGs and other internationally agreed development goals are a basis for promoting inclusive and sustainable development.
23. For trade to serve as an engine of inclusive growth and development, the multilateral trading system must remain open, transparent, inclusive, non-discriminatory and rules-based. The effective integration of developing countries, in particular LDCs and countries with economies in transition, into the multilateral trading system should remain a priority.

24. The successful conclusion of the Doha Development Agenda negotiations is crucial to create new trade flows that generate economic growth and development, and should deliver, inter alia, development-related outcomes, in accordance with its mandates. Moreover, in a time of fragile economic recovery, trade protectionism remains a risk, and efforts should continue to be made to fight all forms of protectionism.
25. States are strongly urged to refrain from promulgating and applying any unilateral economic, financial or trade measures not in accordance with international law and the Charter of the United Nations that impede the full achievement of economic and social development, particularly in developing countries, and that affect commercial interests. These actions hinder market access, investments and freedom of transit and the well-being of the populations of affected countries. Meaningful trade liberalisation will also require addressing non-tariff measures including, inter alia, unilateral measures, where they may act as unnecessary trade barriers.
26. Non-tariff measures and non-tariff barriers are gaining attention in international trade. International efforts should be made to address non-tariff measures, and aim to reduce and to eliminate arbitrary or unjustified non-tariff barriers.
27. The commodities price boom since 2002 has revived the potential role of commodity revenues in contributing to economic growth and poverty reduction. Furthermore, the volatility of commodity prices remains a challenge to commodity-importing and -exporting developing countries, many of which are LDCs. It is important for

policymakers to identify and implement appropriate policies, at national, regional and international levels, to address the impacts of volatility of commodity prices on vulnerable groups. It is important to support commodity-dependent developing countries in formulating sustainable and inclusive development strategies, including those that promote value addition and economic diversification.

28. Effective macroeconomic and debt management policies play an important role in fostering debt sustainability and economic development, and debt crisis prevention. Many countries have managed to sharply reduce their overall debt-to-gross domestic product (GDP) ratio, in some cases assisted by the Debt Management and Financial Analysis System (DMFAS) Programme, and relevant initiatives such as the Heavily Indebted Poor Countries Initiative and the Multilateral Debt Relief Initiative. Progress is needed on restructuring public debt.
29. The global economic crisis has highlighted the importance of prudent fiscal policies. Some developing countries had the fiscal space to respond to the global recession with countercyclical policies. In this context, the importance of fiscal buffers should not be underestimated, as fiscal stimulus is one of the tools for stabilising macroeconomic conditions. However, many developing countries still have little fiscal space, and a number of African and least developed countries are at a high risk of debt distress.
30. Adequate regulation and supervision of financial markets, debt management, and promotion of responsible sovereign lending and borrowing can play important roles with regard to promoting financial stability as well as with respect to crisis prevention and resolution mechanisms.

B. The role of UNCTAD

31. In accordance with paragraph 18, UNCTAD should:

- (a) Continue to provide analytical and technical support in the evolving concept of social protection floors within its mandate for developing countries, particularly those that are emerging from political crisis and conflicts, especially in Africa and LDCs;
- (b) Assist regional cooperation organisations to better address economic challenges and opportunities, including with regard to globalisation;
- (c) Continue analytical work on how issues of debt and its impact on mobilisation of resources can be addressed more effectively, and providing technical assistance and support for developing countries in building national capacities through the DMFAS Programme, in cooperation, where appropriate, with the International Monetary Fund, the World Bank, and other stakeholders;
- (d) Determine how to achieve the effective integration of developing countries, in particular LDCs, as well as countries with economies in transition, into the multilateral trading system;
- (e) Devise approaches to stimulating economic diversification and promoting value added production, including through investment, with a view to providing equal economic opportunity for all, particularly aiming at women and youths;
- (f) Address the trade and development impact of non-tariff barriers;
- (g) In collaboration with the World Trade Organisation (WTO), the International Trade Centre and other relevant partners, consolidate its work on databases on non-tariff measures and continue its analysis on the impact of non-tariff measures on trade and development prospects of developing countries, in particular LDCs,

and continue its participation in the Transparency in Trade Initiative;

- (h) Continue technical assistance to developing countries, in particular LDCs, in the area of international trade in goods and services;
- (i) Continue to support commodity-dependent developing countries, particularly in Africa and LDCs, through policy reviews, dialogues and technical assistance in maximising development benefits from commodity production and trade, including promotion of diversification and integration of natural resources policies into their national development strategies;
- (j) Continue to assist developing countries to improve their statistical capacity in the area of trade and development;
- (k) Intensify its interaction with academic and research institutions, especially through the Virtual Institute and the Global Network of Development Think Tanks, to strengthen the development of local teaching and research capacities in member States and foster links between researchers and policymakers;
- (l) Continue technical assistance, research and analysis, and dialogue on trade facilitation, transport and related issues;
- (m) Continue to assess the economic development prospects of the occupied Palestinian territory and examine obstacles to trade and development, and should strengthen its programme of assistance to the Palestinian people with adequate resources and effective operational activities, as part of the international community's commitment to building an independent Palestinian State, and with a view to alleviating the adverse economic and social conditions imposed on the Palestinian people, in line with the Accra Accord; and
- (n) Assist developing countries to analyse the important connection between social safety nets, trade and development.

III. Sub-theme 2 – Strengthening all forms of cooperation and partnerships for trade and development, including North–South, South–South and triangular cooperation

A. Policy analysis

32. Given the changes and dynamism in the global trade and economic landscape, the international community must encourage all forms of cooperation, and renew and strengthen approaches to partnerships for trade and development. Cooperation in support of inclusive and sustainable growth and development can help focus the national and international efforts on the challenges of building productive capacities and structural transformation, as well as promoting accelerated stable economic growth and greater openness. Partnerships for development should enhance collaboration between the private and public sectors.

33. International trade can contribute to fostering cooperation and building new partnerships by linking production processes across borders, disseminating know-how and contributing to shared economic growth. International trade can also support achievement of the MDGs in developing countries, especially in reducing poverty and inequality. However, it has yet to realise its full potential. Timely implementation of duty-free quota-free market access on a lasting basis for all LDCs, consistent with the Ministerial Declaration adopted by WTO in Hong Kong, China, in 2005, can be a useful tool in this regard. There is also a need to better understand how the benefits of international trade could be harnessed to achieve the MDGs, especially for the vulnerable sectors of society.

34. It is important – through effective development cooperation and development finance, including official development assistance (ODA) – to assist developing countries’ efforts, in particular Africa and LDCs, in moving to a position where they can mobilise their own resources for sustainable development, create new productive capacities and diversify their economic structure. Development cooperation and development finance, including ODA, should be tailored to country-specific priorities, peculiarities and needs. In this respect, effective development cooperation makes important contributions.
35. ODA continues to provide an important source of assistance and financing for many developing countries, in particular LDCs, in their pursuit of the MDGs. ODA also plays an important catalytic role in leveraging financing for development from other sources. Donors should respect their ODA commitments, as reaffirmed in the relevant United Nations conferences and meetings, including in the outcome of the 2010 High-Level Plenary Meeting on the Millennium Development Goals.
36. The Aid for Trade initiative has gained prominence in the international aid discourse since it was introduced by WTO in 2005, and mobilised resources for trade-related assistance. This initiative recognises that, to fully benefit from international trade, developing countries, especially LDCs, need targeted financial support for trade-related technical assistance, building productive capacity and infrastructure, and trade-related adjustment support. In this regard, adequate, efficient and outcome-oriented aid for trade, as well as its greater prioritisation in overall development strategies, is needed. Reaching

these objectives requires that recipient countries mainstream trade issues in their overall national and regional development strategies to ensure coherence between trade and development. In this regard, the Enhanced Integrated Framework is important to LDCs.

37. Regional integration, complemented by interregional cooperation, can help developing countries harness closer trade links in support of inclusive and sustainable growth and development. Initiatives include regional trade and investment arrangements in Africa and Latin America, and the creation of regional production networks across Asia, including some LDCs. Regional integration, including regional trade agreements (RTAs), should bolster productive integration and support economic diversification, especially in the LDCs and LLDCs. RTAs should be consistent with the multilateral trading system to improve market access.
38. Regional cooperation can support national development strategies and reduce external vulnerabilities, and in some cases can complement the global economic governance system. By deepening economic integration, a series of mutually beneficial ties can be built across economies at different levels of development within a geographic region to promote and accelerate development.
39. South–South cooperation, as a complement but not a substitute for North–South cooperation, is a positive aspect of international cooperation for developing countries to expand their growth and development potential and, in addition to triangular cooperation, increase the efficiency and quality of international cooperation.

40. Many developing countries have varied progress towards achieving the MDGs. It is thus important to effectively harness all forms of cooperation and partnership for trade and development and to share best practices of these varied experiences to accomplish the internationally agreed development goals, including the MDGs, and to foster beneficial integration into the world economy.

B. The role of UNCTAD

41. In accordance with paragraph 18, UNCTAD should:
 - (a) Conduct research and analysis and disseminate best practices on all forms of cooperation, including North–South, South–South and triangular cooperation;
 - (b) Assess on a regular basis and promote consensus on how development cooperation and partnerships, including those involving South–South cooperation, can further contribute to enhancing the achievement of the MDGs, especially in the case of LDCs and Africa;
 - (c) Work on how South–South cooperation, including other regional and other cooperation arrangements, as well as other cooperation agreements can optimise development gains of developing countries, particularly LDCs;
 - (d) Continue to support South–South trade cooperation initiatives, including the Global System of Trade Preferences;
 - (e) Analyse regional and subregional integration efforts and their contribution to development, diversification of national economies, and building up of infrastructures within and between developing countries;
 - (f) Continue analysis and research on how regional trade arrangements can be used to optimise development gains;
 - (g) Continue to provide research and analysis and facilitate the sharing of best practices to help enhance the effectiveness of triangular cooperation, among others, in promoting trade and development;

- (h) Address the opportunities and challenges of the growing South–South cooperation, in a way that assists national development strategies;
- (i) Enhance cooperation with other relevant trade capacity-building organisations, including through the United Nations Inter-Agency Cluster on Trade and Productive Capacity;
- (j) Explore ways to maximise the development impact of the trade-related assistance that UNCTAD provides and play an active role in the Aid for Trade Initiative;
- (k) Undertake analyses and consider developing, where appropriate, related tools on national and international efforts to enhance the impact of development cooperation including on the alignment of ODA with national development priorities;
- (l) Undertake research and analysis on public–private partnerships in the development context, with the aim of mapping out best practices as well as evaluating models of public–private partnerships that can help to establish linkages between local producers in developing countries into global supply chains;
- (m) Assist the LDCs in assessing progress towards resource mobilisation, economic diversification and competitiveness in support of their national development strategies;
- (n) Support the implementation of the Istanbul Programme of Action, in trade, development and interrelated issues in the areas of finance, technology, investment and sustainable development which resulted from the Fourth United Nations Conference on the Least Developed Countries;
- (o) Assist LDCs to face the challenges of graduation from the LDC category, including strategies for facilitating smooth transition, a clear understanding of the post-

graduation environment, better focus of efforts on promoting their development, and creating suitable and robust economic and legal frameworks and institutional capacity in the field of trade and investment; and

- (p) Continue to monitor progress of LDCs towards graduation thresholds with a view to identifying challenges ahead for action at national and international levels in coordination with the Office of the High Representative for the Least Developed Countries, Landlocked Developing Countries and Small Island Developing States.

IV. Sub-theme 3 – Addressing persistent and emerging development challenges as related to their implications for trade and development and interrelated issues in the areas of finance, technology, investment and sustainable development

A. Policy analysis

- 42. The world economy faces a series of persistent and emerging challenges to stable and strong economic growth and inclusive and sustainable development. This calls for policies and actions that address these challenges, promote trade and investment, and foster development-centred globalisation. Such measures have to be tailored to local capabilities, conditions and needs, as there is no universal blueprint. Also, integrated approaches to development in an interdependent and open world economy would be required at national, regional and international levels. A stable and conducive policy and institutional environment that promotes entrepreneurship, competitiveness, productive capacity-building, structural transformation, technological improvement and job creation would also be important.

43. Accession to WTO is an integral part of the development strategies of most countries aiming to benefit fully from the international trading system. It is also important for the further integration of developing countries, in particular LDCs, and countries with economies in transition, into the rules-based multilateral trading system. In this context, acceding countries, particularly LDCs, before and in the post-accession period, could need technical assistance. Obstacles should be addressed, so as to facilitate the accession process, in order to achieve an early conclusion. Concerning acceding LDCs, WTO members have agreed to implement the decision on the guidelines for accession of LDCs adopted by the WTO General Council on 10 December 2002 and further build on the decision of the Eighth Ministerial Conference on accession of LDCs.
44. Development of, and access to, services, supported by adequate regulatory and institutional frameworks, are important for sound socio-economic development.
45. Development of infrastructure, physical and soft, has a strong impact on production and trade and on attracting foreign direct investment (FDI). In this regard, in recent years, the participation of the private sector has increased. Governments continue to play an essential role as both providers and regulators of infrastructure and other public services. New approaches should be explored to help tackle persistent challenges facing many developing countries, particularly LLDCs, including high transport and commercial transaction costs, and weak logistical capacities. These challenges, many of which are also shared by some countries with economies in transition, are compounded by other factors, such as volatile energy prices.

46. In order to achieve food security and promote sustainable economic development, it will be important to strengthen agricultural production capacity, as well as facilitate greater integration of farmers into local, regional and international markets.
47. LLDCs usually pay the highest transport and transit costs, as recognised in the Almaty Programme of Action. Lack of access to the sea, remoteness from major markets, inadequate transit facilities, cumbersome customs and border-crossing procedures, regulatory constraints, as well as weak legal and institutional arrangements, undermine the efforts of LLDCs to build their productive capacities and to be competitive in world markets. These structural and geographical handicaps preventing LLDCs from fully harnessing the potential of trade as an engine for sustained economic growth and inclusive development need to be addressed, including through continued international and national efforts to implement the Almaty Programme of Action. Attention should also be paid to the challenges of transit developing countries, in particular in the development and maintenance of efficient transit and transport systems. Implementing trade facilitation measures regionally and multilaterally can also play a major role in helping LLDCs and other developing countries overcome these challenges.
48. When it comes to transport and trade logistics, SIDS are also disadvantaged due to their remoteness and geographical isolation. In a globalising world, logistics costs and non-tariff barriers have become key factors in the overall competitiveness of SIDS. Low transport volumes and long distances typically add up to high freight and logistics costs and low frequency of services, in terms of both maritime and air transport.

49. Many countries are negotiating an increasing number of RTAs. RTAs should not be a substitute for the multilateral trading system. Flexibilities for developing countries and countries with economies in transition in RTAs should be analysed while assessing development implications.
50. The objective of competition policy is to create and maintain a competitive environment by eliminating anticompetitive practices. States are encouraged to consider establishing competition laws and frameworks in coherence with their national development strategies.
51. The empowerment of women is of crucial importance, among others for harnessing the potential for inclusive growth and development. Women's engagement in trade and economic opportunities, employment in export sectors, production of cash crops, and the creation of new business, especially by women entrepreneurs, enables them to make productive investments and reduce poverty. Obstacles to women's empowerment include gender bias and income inequality, which should be tackled through appropriate measures.
52. Development of a strong science, technology and innovation (STI) capacity is key to addressing many of the persistent and emerging trade and development challenges that developing countries face. Governments in developing countries should consider formulating and implementing STI policies as a central feature of their development strategies. Developing countries, especially LDCs, and some countries with economies in transition, and their small and medium-sized enterprises (SMEs), experience difficulties in technological upgrading. For

countries to upgrade their technological capacities, domestic absorptive capacity – which requires strong collaboration among the private sector, research institutions and other relevant actors – and an enabling environment for investment are needed. International trade and investment policy frameworks should be supportive of development in developing countries.

53. Information and communications technology (ICT) has become an important feature of the increasingly globalised and knowledge-based economy. The Internet and other ICTs can contribute to job creation, enhance access to information, enhance interaction through social networks, and enable transparent and efficient commerce between customers and suppliers. The wider diffusion of ICTs, improved access to the Internet and the development of ICT-related infrastructure are essential to bridging the digital and broadband divide. Developing countries can maximise their benefit from ICTs by formulating and implementing national ICT policies.
54. The multifaceted economic and development implications of changing environmental conditions, including climate change, pose major policy challenges, as well as opportunities, at national, regional and international levels. Of special significance for developing countries are the economic aspects, and costs, of mitigation and adaptation. International cooperation under existing multilateral instruments should contribute to supporting developing countries, particularly the most vulnerable countries, in addressing challenges and opportunities.
55. Natural disasters can wipe out the gains by small and medium-sized firms and the livelihood of people who

depend on them. To build up the resilience of these firms and enable them to maintain sustainable involvement in trade and investment, developing countries need, *inter alia*, support to develop capacities that would enable greater use of catastrophic insurance risk coverage.

B. The role of UNCTAD

56. In accordance with paragraph 18, UNCTAD should:

- (a) Provide developing countries, in particular LDCs, and countries with economies in transition that are acceding to WTO with technical assistance and capacity-building prior to, during and in the follow-up to the accession process, depending on their level of development and needs;
- (b) Monitor all forms of protectionism in cooperation with WTO and other relevant institutions;
- (c) Continue its work on services;
- (d) Support, through its research and policy dialogue, efforts to improve access to finance for and delivery of financial services to SMEs, microenterprises and individuals in developing countries;
- (e) Complementing the work of other organisations, continue its research and analysis within its mandate on the impact of migration on development, considering its challenges and opportunities;
- (f) Continue its work on research and analysis, within its mandate, on enhancing the impact of migrants' remittances on development, including their social and economic benefits, reducing their transaction costs and expanding access to financial services, while respecting their character as private funds;
- (g) In collaboration with the Food and Agriculture Organisation of the United Nations, which has the lead in agricultural issues in the United Nations system:

- (i) Continue its work in the area of agriculture in the context of commodities to help developing countries achieve more sustainable and strengthened agricultural production, food security and export capacity. This work should take into account the needs of small-scale farmers, and empowerment of women and youths;
- (ii) Continue its work on organic agriculture; and
- (iii) Continue work on commodities, food security and investment in agriculture, taking into account the special needs of Africa, LDCs and net food-importing developing countries, in cooperation with other relevant organisations;
- (h) Assist developing countries, particularly LLDCs and transit developing countries, and some countries with economies in transition, to address challenges affecting their participation in trade from geographical constraints, with a view to improving transport systems and connections, designing and implementing resilient and sustainable transport systems, and enhancing transit infrastructure and trade facilitation solutions;
- (i) Continue its work in the field of trade facilitation, including the ASYCUDA programme;
- (j) Advise SIDS on the design and implementation of policies addressing their specific trade and trade logistics challenges linked to their remoteness and geographical isolation;
- (k) Support and assist structurally weak, vulnerable and small economies to generate policies to achieve sustainable development;
- (l) Provide assistance for developing countries and countries with economies in transition on regional trade arrangements, in collaboration with United Nations regional commissions and other relevant institutions;

- (m) Conduct analysis and research and help developing countries and countries with economies in transition to formulate and implement competition and consumer protection policies, promote the sharing of best practices, and carry out peer reviews with regard to the implementation of such policies;
- (n) Reinforce its work on the links between gender equality, women's empowerment, and trade and development, without prejudice to other programmes;
- (o) In collaboration with the International Labour Organisation, WTO and other relevant organisations, continue its work on the impact of trade on employment and inclusive and sustainable development, with special focus on the poor and youth;
- (p) Maintain efforts in research and analysis in the area of STI, focusing on making STI capacity an instrument for supporting national development, helping local industry become more competitive, and for developing export diversification efforts of countries;
- (q) Undertake research and provide technical assistance to developing countries on ICT and implementation of relevant action lines from the World Summit on the Information Society and as secretariat to the Commission on Science and Technology for Development;
- (r) Continue capacity-building activities including TrainForTrade and in the framework of paragraph 166 of the Bangkok Plan of Action;
- (s) Conduct analysis, foster international dialogue and consensus-building, and provide capacity-building on the links among trade, environment and sustainable development, as well as on making use of resource-efficient approaches to promote sustainable consumption and production patterns; and

- (t) Continue to provide policy analysis and capacity-building on insurance regulatory frameworks and risk management for developing countries that are particularly vulnerable to catastrophic risks.

V. Sub-theme 4 – Promoting investment, trade, entrepreneurship and related development policies to foster sustained economic growth for sustainable and inclusive development

A. Policy analysis

- 57. International trade can be an engine of economic growth and socio-economic development. All developing countries can benefit from world trade, including through greater trade flows, that help promote sustainable development and the eradication of poverty.
- 58. In order to contribute to development, efforts should be made by all stakeholders to promote FDI in a way so as to complement the development priorities of host countries. FDI requires a stable, predictable and enabling investment climate. It is important to enhance the development impact of foreign investment, including by strengthening the productive sector and contributing to job creation. National capacities of developing countries should be strengthened in this regard. Investment policies should have a strong focus on sustainable development and inclusive growth.
- 59. Building productive capacity is key to fostering sustained economic growth and inclusive development. It can be expanded through a balanced policy mix approach, which, among others, include cost-effective and appropriate incentives to encourage investments in wealth-creating

activities, as well as in the provision of education, training, improving levels of health and nutrition, and increased research and development capacity that helps to build knowledge base.

60. Industrial policies play an important role in establishing dynamic and sustainable development in many countries. These need to be complemented with other policies in relevant areas if they are to have their full and intended effect. This includes economic diversification, improving international competitiveness and realising more sustainable and inclusive outcomes.
61. In recent years, certain developing countries moved away from primary commodities to producing more skill- and technology-intensive manufactures and services. In a number of cases, this has been supported by a gradual integration of developing countries into global supply chains. Many commodity-dependent developing countries, particularly those in Africa and LDCs, are still in the process of – and face challenges in – building a more diversified economy.
62. Technology can provide new opportunities that will contribute to the enhancement of know-how and to the raising of the level of competitiveness.
63. Maintaining the balance and effectiveness of the international intellectual property rights system, as well as promoting and protecting traditional knowledge, genetic resources, innovation and practices continue to be important, in line with the agreed recommendations of the World Intellectual Property Organisation (WIPO) Development Agenda. National and international efforts

are needed to preserve, protect and promote the sustainable use of traditional knowledge, folklore and genetic resources and to ensure the fair and equitable sharing of their benefits.

64. Some middle-income countries still face significant challenges in poverty eradication, inequalities and diversification of their economies. Efforts to address those challenges in those countries most in need can be supported.

B. The role of UNCTAD

65. In accordance with paragraph 18, UNCTAD should:

- (a) Continue its work on investment policy review and enterprise development as well as research and policy dialogue on the impact of FDI and other private international capital flows, the interaction of FDI and domestic investment, the relationship between ODA and FDI, as well as the link between FDI and regional integration, to achieve inclusive growth and sustainable development. UNCTAD should continue its consultation with private-sector actors and assist developing countries to improve their performance in attracting private domestic and foreign investment in order to identify key barriers to investment;
- (b) Continue its research on issues related to the impact of FDI and other private international capital flows on inclusive growth and sustainable development, including through the World Investment Report, on the interaction of FDI and trade in global value chains, non-equity modes of production, trade promotion, infrastructure, job creation, public services, ODA and regional integration;
- (c) Continue to undertake research on the impact of transfer of technology on trade and development;

- (d) Assist developing countries, in particular LDCs, and countries with economies in transition, in designing strategies and policies for attracting and benefiting from foreign investment. These policies should contribute to their sustainable development and inclusive growth, including through their effective participation in global value chains;
- (e) Provide an operational methodology and policy guidelines on how to mainstream productive capacities in national development policies and strategies in LDCs so that productive capacities are placed at the centre of national and international efforts to address the specific needs and challenges of LDCs. In this regard, UNCTAD should continue to further develop quantifiable indicators and related variables to measure economy-wide productive capacities in LDCs;
- (f) Support trade capacity-building in developing countries, particularly LDCs;
- (g) Provide analytical work and technical assistance to developing countries, particularly LDCs and countries with economies in transition, in the areas of trade and economic diversification and structural transformation to enhance growth and development; including sectors related to creative economy, entrepreneurship and others that generate more value addition;
- (h) Continue to assist structurally weak and vulnerable small economies in their efforts to promoting investment and building productive capacity;
- (i) With the support of development partners, contribute to build national databases and statistical capacities in LDCs;
- (j) Acknowledging that WIPO has the lead in IPR issues in the United Nations system, UNCTAD will continue its work on IPR as it relates to trade and development;

- (k) Undertake analytical work on international investment agreements, weighing the interests of all stakeholders, and continue to provide technical assistance, as well as fostering the international sharing of experiences and best practices on key issues relating to their negotiation and implementation;
- (l) Continue its work in the area of International Standards of Accounting and Reporting; and
- (m) Continue its work, in synergy with relevant organisations, on enterprise development, particularly related to SMEs and entrepreneurship.

The Doha Manar¹

We, the member States of the United Nations Conference on Trade and Development, gathered in Doha, Qatar, from 21 to 26 April 2012, for the thirteenth session of the Conference, agree on the following declaration, hereinafter referred to as the Doha Manar:

1. Together, as a collection of sovereign nations, we have endeavoured to construct a shared, interdependent and prosperous world through increased economic, political and social processes. By working to maximise the opportunities arising from globalisation in international trade and investment, we have sought to promote economic growth and development with particular attention to reducing the inequalities between us and within our nations, and to improving our capacities to fulfil common purposes and exercise more effective and

¹ A manar is a source of strong, shining light that can easily be recognised from a distance and that helps to guide travellers, whether their means of travel is by sea or land. The word “manar” is also used to identify persons or institutions that disseminate knowledge and enlightenment to others. The word, no matter where it is used or how it is used, refers to guidance and direction.

responsible stewardship of our natural and planetary resources. Above all, we have sought to fulfil, individually and collectively, our peoples' aspirations to live in peace and to enjoy in fullness lives that are rich and diverse, and ever more stable and secure.

2. We commend UNCTAD as the focal point of the United Nations system for the integrated treatment of trade and development and interrelated issues in the areas of finance, technology, investment and sustainable development. It has made a substantial contribution over half a century, from 1964 to 2012, through its three pillars, to advancing discourse on development and to enhancing the beneficial integration of developing countries into the global economy. We reiterate our commitment to UNCTAD.
3. We share the belief that through ever deeper economic cooperation we can make a better world by overcoming the divisions, while respecting the differences, that have marked us in the past; that we can and we must unleash new productive forces in order to raise living standards everywhere and to eradicate extreme poverty, particularly in the most vulnerable communities and countries; and that we can best inspire hope for the future by creating opportunities, capacities and decent jobs for people everywhere, especially youth and women, to realise their full potential. The winds of change blowing in many parts of the world today attest to the desire of populations for responsive policies that foster participatory and inclusive approaches to development towards achieving prosperity for all. We also see the contribution of the private sector as important in this regard.

4. Thanks in part to globalisation, we have at our disposal the capacities and the resources to eradicate extreme poverty everywhere. Therefore, it is a shared moral responsibility to take action as we have committed to in the United Nations Millennium Development Goals (MDGs). We are also aware of the risks associated with globalisation. Recent experience in the global economy – especially the economic challenges and the fragile recovery as negative impacts of the international financial and economic crisis – has reminded us that globalisation and its impact on development remains a work in progress. The successes, and risks, of globalisation have sensitised us to new concerns about the capacity of our institutional framework for economic governance, the quality of development, the sustainability of our consumption of global resources, and our capacity for production and stewardship of global public goods. We affirm our commitment to work together to continue to address these challenges and concerns in order to build a more development-centred globalisation towards more inclusive and sustainable growth and development.
5. We wish to thank the Secretary-General of UNCTAD for his report to the Conference. It has contributed to our discussions, and in articulating our common cause in going forward towards placing primacy on the development impact of globalisation.
6. Our deliberations at Doha have clustered around four major themes relating to development-centred globalisation. Firstly, we agree on the need to enhance the enabling economic environment at all levels in support of inclusive and sustainable growth and development. In this regard, international trade is an engine of economic

growth and socio-economic development. The multilateral trading system must remain open, rules-based, transparent, non-discriminatory and inclusive to serve especially as a bulwark against all forms of protectionism. The successful conclusion of the WTO Doha Development Agenda remains crucial. Accession to WTO by developing countries, in particular the least developed countries (LDCs), and countries with economies in transition, enhances the universality of the trading system. A robust and development-oriented multilateral trading system is essential. In addition, the efforts towards appropriate reform and continued improvement of the international financial system are, we recognise, as difficult as they are urgent, and are the shared responsibility of all.

7. The elaboration of appropriately targeted and calibrated national development objectives and strategies, that mainstream trade and investment policies, remains an enduring concern. In this direction, promoting value addition and economic diversification, especially in commodity-dependent developing countries, is central to development strategies for building resilience. Also, effective macroeconomic and debt-management policies contribute to fostering debt sustainability and economic development. Likewise, effective domestic resource mobilisation is needed together with international financial flows; at the same time, it reduces countries' dependence on and exposure to such external flows.
8. Secondly, we concur on the need to enhance all forms of cooperation and partnership for trade and development. Partnerships can help focus national and international efforts, including between the public and private sectors,

on enhancing the participation of developing countries in international trade in goods and services. It can also help build productive capacities, link production processes across borders, disseminate know-how, and promote structural transformation. In this regard, effective development cooperation, including development finance and related initiatives such as Aid for Trade and the Enhanced Integrated Framework for LDCs, can make important contributions. Furthermore, regional and interregional cooperation and integration among developing countries, including South–South cooperation, and among developing countries and countries with economies in transition, while complementing North–South cooperation, can enhance the quality of development cooperation and create opportunities for linking up with global supply chains.

9. Thirdly, we affirm that the world economy faces a series of persistent and emerging challenges, and that remedial policies and actions, tailored to local capabilities and conditions, are required in order to address these challenges. Globalisation both enables and is enabled by profound changes in the technological basis and structure of productive activity. Hence, the development of a strong science, technology and innovation capacity, together with effective information and communications technology, are important aspects of capabilities for mobilising gains from the globalised and knowledge-based economy of the twenty-first century. In addition, the development of physical and soft infrastructure, including transport and trade logistics, is particularly important in developing countries and countries with economies in transition to facilitate production and trade and to attract investment.

10. Among the challenges, the myriad economic and development effects of changing environmental conditions – including climate change – underline the necessity and urgency of sustainable development policies. The protection and preservation of our common environment, including addressing climate change, is a major global challenge for today’s generation to create a better future for tomorrow’s generation. Also, non-tariff barriers are gaining importance in international trade, and therefore concerted efforts are needed to address them. The development of competition policies remains important for fostering a competitive environment and preventing anticompetitive practices. Promoting gender empowerment is a major priority so as to harness the full potential of our population in support of fuller human, economic and social development.

11. Fourthly, we agree that promoting investment, entrepreneurship and related development policies helps to build productive capacities and foster sustained economic growth. We must make investment, including foreign direct investment, more productive and conducive to development by ensuring that growth is accompanied by progressive structural transformation and economic diversification. Addressing the challenges of poverty, of food and energy insecurity and of global warming without a significant rise in productive investments will be unsuccessful. To that end, stable and predictable investment climates that, *inter alia*, promote entrepreneurship, competitiveness, and the growth of small and medium-sized enterprises are imperative. In addition, technological improvement, including through the diffusion of technology, can provide new opportunities for businesses to improve their competitiveness.

12. We also reiterate our commitment to continue to engage in the efforts of our parent body, the United Nations General Assembly, to enhance the development work of the United Nations system. This includes contributions to and follow-up on outcomes of relevant United Nations conferences, including the implementation of the Istanbul Programme of Action for LDCs, the United Nations Conference on Sustainable Development (Rio+20), and a future post-MDG 2015 framework for development.
13. Development is a universal concern today, and development-centred globalisation is our common cause. We recognise the need to make our common economic life more conducive to progressive structural change, more productive of inclusive and sustainable growth and development, and more effective in fostering broad-based inclusion in a new and more robust social contract. We are also cognisant of the differences in capabilities and resources available to nations in different development circumstances, which mean that nations will have different roles in building our common future. But we must all participate equitably in shaping the global economy to support this new consensus for development-centred globalisation.
14. It is our firm conviction that the UNCTAD beacon for development since 1964 will be continued in the next four years with the Doha Manar for inclusive and sustainable growth and development. This consensus is based on the foundations of our common aspirations, as well as our common concerns and responsibilities, and our resolve to work together in a renewed spirit of partnership, drawing on empirical evidence and peer-reviewed analysis, open to the diversity of national

experiences and values, and cognisant of recent events and emerging challenges. We also recognise the need to strengthen UNCTAD and the impact of its work by enhancing its efficiency, effectiveness, transparency and accountability, and building partnerships and promoting greater synergy and complementarity with other relevant international organisations. Let us move forward together towards UNCTAD XIV with this consensus on development-centred globalisation as our guide.

...there are many international organisations that lack relevance, purpose and effectiveness. However, in UNCTAD's case, the deficiency is especially reprehensible. It is an organisation that purports both to represent developing countries and to advance the interests and wellbeing of their citizens...If UNCTAD is genuinely committed to advancing the objectives that it claims to espouse, perhaps it should start by cancelling all further exercises of this kind until its members are confident that they have something to show for them.

Guy de Jonquières

Senior Fellow

European Centre for International Political Economy, London, UK

I would propose that the next step for UNCTAD should be to carry out an evaluation of all the work it has done in the past and examine how much of it has proved to be of lasting benefit to developing countries.

Anwarul Hoda

Professor, Indian Council for Research on International Economic Relations, New Delhi and Former Deputy Director General, WTO

... I also agree with those who say the UNCTAD is still relevant and indeed all developing countries in the UNCTAD strongly believe so. It will take going beyond reform of the secretariat, to getting member states to make UNCTAD function more effectively: free of the developed-developing country polemics; free from the attitude of he who pays the piper dictating the tune; and for a more objective, purpose-driven, targeted and result-oriented atmosphere to prevail at the UNCTAD, in order to achieve the kinds of result those who are currently lampooning the Organisation, would desire.

Inye N Briggs

*Regional Trade Policy Adviser, African Union
Addis Ababa, Ethiopia*

It is not simply that UNCTAD's time is past, it is that UNCTAD's time never was in terms of a positive contribution to development and poverty reduction. The money would all have been better spent in strengthening the developing world's engagement in international institutions that matter, particularly, the WTO, and on creating institutions that actually helped an individual in the developing world start a business, improve the productivity of his or her farm, or invest in their own human capital by acquiring an education.

Grant Aldonas

*Senior Advisor (Non-resident)
Centre for Strategic and International Studies
Washington DC*