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RECENT AND UPCOMING EVENTS

Supachai Panitchpakdi appointed to head UNCTAD

The UN General Assembly confirmed the appointment of Dr. Supachai Panitchpakdi, current head of the World Trade Organization, as the new Secretary-General of UNCTAD, effective 1 September, for a four-year term. Dr. Supachai, who has spent most of his career in government, diplomacy, finance and trade, is no newcomer to UNCTAD, having served as President of UNCTAD X in Bangkok five years ago.

Dr. Supachai's experience in international finance issues stems from his work with the Bank of Thailand (1974-1986). He later chaired the sub-committee that drew up Thailand's Seventh National Economic and Social Development Plan, and in 1992 he was appointed Deputy Prime Minister of Thailand responsible for economic and trade policy. He also served as Minister of Commerce (1997-2002).

During his three-year tenure at the WTO, which began on 1 September 2002, Dr. Supachai played a key role in implementing the Doha Work Programme. He is also an internationally respected academic, with a doctorate in Economic Planning and Development from the Netherlands School of Economics (now Erasmus University), and he has published widely on trade issues.

Dr. Supachai follows Rubens Ricupero, a Brazilian national, who was UNCTAD's Secretary-General from September 1995 to September 2004. Carlos Fortin (Chile) has been serving as Officer-in-Charge of UNCTAD since Mr. Ricupero's departure.

Consultation with civil society

The UNCTAD-Civil Society Consultations were held in Geneva on 20 May. The one-day meeting, organized by UNCTAD's Civil Society Outreach unit, was an opportunity for representatives of civil society organizations to discuss major developments and trade-related issues and exchange views and information with UNCTAD staff members. Opening remarks by Mr. Carlos Fortin, Officer-in-Charge of UNCTAD, were followed by discussions on the following topics:

- reconciling foreign investment and sustainable development in trade and investment agreements
- services liberalization and sustainable development
- intellectual property and technology transfer
- commodities and agricultural liberalization
- the Millennium Development Goals: trade and poverty, trade and gender, official development assistance (ODA) and debt

The secretariat briefed civil society representatives on the upcoming expiry of a number of bilateral investment treaties, on increased South-South cooperation, and on the increasing number of investor-state dispute settlement cases. The challenges for developing countries that UNCTAD is addressing with regard to reconciling foreign investment and sustainable development in trade and investment agreements relate to three sets of issues:

- How to factor the development dimension into treaty making and host countries' policy objectives
- How to manage treaty making (including topics such as ensuring coherence of obligations under multilateral and bilateral instruments, managing investor-state disputes and negotiating investment agreements in the pursuit of development goals)
- How to balance the rights and obligations of the investor and the home and host countries

The discussions on reconciling foreign investment focused on services liberalization and sustainable development, especially GATS Mode 3 (services and investment) and Mode 4 (movement of natural persons). Regarding Mode 3, there was consensus that FDI in services is more sensitive than FDI in goods and therefore requires more policy space in developing countries. On Mode 4, civil society representatives expressed interest in learning more about developing countries' priorities for the upcoming WTO Ministerial Conference in Hong Kong (China).

The debate on services liberalization focused on UNCTAD's activities relating to intellectual property and technology transfer, which relates mainly to the joint Capacity Building Project on IPRs (with the International Centre for Trade and Sustainable Development); the interplay between IPRs, technology transfer and investment; and WTO issues (in particular public health).

With regard to commodities, concerns were expressed about prices. Despite the recent surge in prices, caused partly by the declining value of the US dollar, real prices remain low from a long-term point of view. In response to questions about what UNCTAD is doing to respond to the low price situation, it was explained that both the levels and fluctuations of prices were being closely followed. Studies were underway to evaluate compensatory financing schemes and price risk management instruments.

The dialogue on the Millennium Development Goals (MDGs) focused on trade and poverty, trade and gender, and ODA and debt. UNCTAD's work on trade and poverty evolves around policy analysis and research, resulting in such products as The Least Developed Countries Report. In the case of LDCs, where poverty is widespread, there is a need for sustained and inclusive economic development that increases average household incomes and consumption. For this to happen, aid, debt relief and trade must all work together. Despite a recent increase in ODA, UNCTAD is still concerned about the level and composition of ODA.

In addition, rising levels of ODA do not necessarily equal additional development assistance if the ODA comes in the form of non-cash technical assistance and debt relief. Such forms of aid are important but must be combined with other forms of financing that allow countries more flexibility to design and implement development programmes necessary for pursuing the MDGs. For a debt strategy to be effective, debt sustainability should not be judged exclusively on the performance of macroeconomic and debt indicators and projections of economic variables; any evaluation should be expanded to incorporate broader development objectives.

On trade and gender, participants suggested that gender issues be mainstreamed into UNCTAD's activities. They requested that appropriate resources be made available to address gender and trade work and to follow up on the trade and gender event held at UNCTAD XI.

Regarding competition policy issues, the discussions focused on the question of the distribution of value along the chain from developing-country farmers, suppliers of farming inputs, commodity trading houses, food processing companies and large supermarket chains. Competition issues relating to commodities had been covered in the UNCTAD report "Market Entry Conditions Affecting Competitiveness and Exports of Goods and Services of Developing Countries: Large Distribution Networks" (TD/B/COM.1/EM.23/2), taking into account the special needs of LDCs.

For further information, please contact csso@unctad.org.

World Confederation of Labour representatives meet with UNCTAD officials

Earlier this year, the CSO team organized a meeting (on February 22) with delegates from the World Confederation of Labour. Mr. Carlos Fortin, Officer-in-Charge of UNCTAD, gave an overview of the organization's activities related to labour standards and equality, policy space for development, capacity building, competitiveness of developing countries and the current situation surrounding commodities.

The delegation was also briefed on UNCTAD's history and current mandate, specifically relating to the Millennium Development Goals; possible development gains in trade; the relationship between commodities and development, issues of dependence, declining prices, supply-side obstacles and market entry problems, their consequences for developing countries and the recommendations of the international community; and special treatment for the least developed countries in the global context.

Participants from both organizations welcomed the opportunity for dialogue and agreed to explore ways to collaborate further on issues falling within UNCTAD's mandate.

Reviewing debt management: UNCTAD's Fifth Interregional Conference on Debt Management

Held in Geneva on 20-24 June, the meeting focused on management of debt burdens, the long-term sustainability of external debt, the extent to which debt relief addresses development prospects in these countries, and how much such nations can reasonably borrow.

The conference included the third and final round of the multi-stakeholder consultations on sovereign debt for sustained development organized by the UN Department of Economic and Social Affairs (DESA) as a follow-up to the Monterrey Consensus of 2002. Overall, some 250 participants attended the meeting, at which 83 countries were represented. Participants included civil society, government debt officials, representatives of international and regional organizations, bilateral donors, the private sector and academia.

Issues on the agenda included debtor-creditor relations; practical ways to contain risk and reduce uncertainty; information and transparency; relations between debt managers and policy makers; recent experiences in setting up national debt offices; the changing role of the debt manager; and debt crisis management. Country cases were reviewed, including those of Argentina, Iraq, Mexico, Nigeria and Panama.

No negotiated outcome was sought, but a report of the multi-stakeholder consultations on debt will be submitted to the UN General Assembly, along with the results of other consultations in the series undertaken in 2004-2005. An issues paper on sovereign debt for sustained development prepared by DESA in cooperation with UNCTAD, the International Monetary Fund and the World Bank provided background material for the consultations.

For more information, please consult <http://r0.unctad.org/dmfas/>.

UNCTAD study proposes new trade "Marshall Plan" for least developed countries

It is nearly 60 years since the Marshall Plan saved millions of people across a war-ravaged Western Europe from hunger, poverty and desperation by creating an international consensus for the "principle of solidarity" against the threat of poverty and political instability. At no time have our civilization and the principle of solidarity been tested more than today, when one sixth of the world's population lives in abject poverty and 50 countries, big and small, are categorized as least developed and caught in a seemingly endless poverty trap.

An UNCTAD study (authored by Ms. Lakshmi Puri, Director of the Division on International Trade in Goods, Services and Commodities) sets out a new and comprehensive vision for a trade-related support plan for LDCs, which at present are unable to profit from trade liberalization and integrate beneficially into the international trading system and the global economy. UNCTAD estimates that if an initiative similar to the Marshall Plan were to be envisaged for LDCs today, it would entail an infusion of \$62.5 billion per year of additional resources. Drawing on historical experience with the Marshall Plan (whereby the United States reconstructed a war-devastated Europe from the ground up), the UNCTAD calls for practical and concrete commitments, policies and measures in favour of LDCs.

The plan's arguments rest essentially on three pillars. The first pillar is WTO-bound duty-free and quota-free treatment by developed countries for LDC exports. The second is a liberalization package in services including measures to operationalize LDC priority areas. The third pillar is the creation of a \$1 billion Aid-for-Trade Fund. In its entirety, the plan could deliver a large part of the initial amount (around \$40 billion). For LDCs, the resources generated could be used to cushion adjustment shocks; build productive capacity, competitiveness and critical infrastructure; generate employment; and lift millions of people out of poverty by integrating them productively into the global economy.

Why now? There is today a happy confluence of a strong moral imperative in the context of poverty alleviation, political consensus on achieving the Millennium Development Goals, economic justification and legal viability to make such a trade "Marshall Plan" for LDCs a reality. The concept of "trade justice" has emerged and is increasingly supported not only by civil society but by the leaders of numerous developed countries.

Development, security and human rights are considered to be closely linked, and there is a perception that achieving each of these goals depends on pursuing the other two in parallel.

When could such a plan materialize? The UN summit in New York this September and the Sixth WTO Ministerial Conference in Hong Kong (China) in December are opportunities to show that the political will exists to address in a comprehensive and timely way the main problems faced by the LDCs.

For further information, please consult

http://www.unctad.org/en/docs/ditctabpov1_en.pdf or contact lakshmi.puri@unctad.org or simonetta.zarrilli@unctad.org.

UNCTAD report highlights challenges posed for developing countries by genetically modified organisms

Developing countries pondering whether or how much to use genetically modified agricultural crops must balance concerns ranging from battling domestic starvation and malnutrition and ensuring health and safety to preserving the environment, fulfilling multilateral trade obligations and protecting and enhancing trade opportunities, a recent UNCTAD study says. The study, *International Trade in GMOs and GM Products: National and Multilateral Legal Frameworks (UNCTAD/ITCD/TAB/30)*, reports that genetically modified crops pose especially difficult choices for the world's poorer nations.

The worldwide agricultural area given over to genetically modified crops has grown 47-fold since 1996, but the use of such crops by developing nations has been limited. Only 17 countries grow genetically modified crops, led by the United States, which accounted for 59% of the 81 million hectares used for genetically modified agriculture in 2004, Argentina (20%), Canada and Brazil (6% each), China (5%), Paraguay (2%), and India and South Africa (1% each).

Agro-biotechnology, or farming based on genetically modified organisms (GMOs), may allow higher yields, improve profits for farmers, ease domestic food shortages and facilitate the production of new quality products. But at the same time it involves technology that might be inadequate for the needs of developing countries and that could disrupt traditional agricultural practices, limit access to seeds, pose unpredictable environmental and health problems, have a negative impact on biodiversity, and raise ethical and religious concerns.

An additional worry is that international trade flows of conventional agricultural products may be jeopardized, the report states. While economically advanced nations set policy on GMOs based largely on domestic concerns and attitudes, developing countries often depend heavily on agricultural exports and may feel constrained to bend domestic priorities in order to meet the demands and expectations of their main trading partners.

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UNCTAD's E-Tourism Initiative: Helping developing-country destinations become more autonomous



Generating 11% of global GDP and over 200 million jobs (9% of the global workforce), tourism is one of the world's largest sectors. For many developing countries, and particularly LDCs, tourism holds significant potential for poverty reduction, economic growth and development, and can contribute to the realization of the Millennium Development Goals. But despite tourism's key role in many developing countries' export revenues, most of these countries have been unable to capture a sizeable percentage of the value created by tourism activities. Indeed, leakages (such as repatriation of profits) in the tourism sector are significant, amounting to 85% in some African LDCs.

It is crucial for tourism destinations to increase their autonomy and include all local tourism stakeholders, which are mainly small and medium-sized enterprises. Well used, information and communication technologies (ICT) can make developing countries more autonomous and self-sufficient in their search for business by enhancing local capacity to organize and promote attractions online. Developing countries can adapt their tourism supply to suit their own development strategies and can, by maximizing their comparative advantage in this sector, ensure better integration into the world economy.

Combining sustainable tourism and ICT for development, UNCTAD has developed the E-Tourism Initiative to help developing countries make the most of their tourism potential. Designed to help beneficiary countries develop sustainable capacities, local ownership and institutional strengthening, the Initiative is structured around a tool, a method and a partnership-building approach:

- The tool: a country platform to help countries identify, standardize, coordinate, aggregate and propose tourism services in response to varying world demand.
- The method: for collecting relevant information, standardizing it and distributing it on the Internet.
- Partnerships: to enable all stakeholders to coordinate their resources and objectives.

For more information, please visit <http://etourism.unctad.org> or email the E-Tourism Initiative team at ETourism@unctad.org.

Trade and Development Board, 37th executive session (Africa), 26 July 2005

A report on UNCTAD's activities in favour of Africa was presented to the executive session. The report provides an overview of research and analysis being undertaken by UNCTAD with regard to African development, as well as a summary of specific activities, including advisory services and technical cooperation, in each sector falling under UNCTAD's mandate.

Further information is available at www.unctad.org/meetings.

Trade and Development Board, special session, 18 July 2005

The main substantive agenda item for the special session was the *Contribution of the Trade and Development Board to the follow-up to the relevant United Nations development conferences, including the Millennium Summit*.

At its thirty-sixth executive session on 3 May, the Board decided to convene a special session with a view to providing an input to the 2005 World Summit process. The discussion was based on the São Paulo Consensus and subsequent work done in UNCTAD.

The outcome of the special session, in the form of a summary by the President of the Board, was sent to the President of the UN General Assembly as an input to the World Summit.

More information is available at www.unctad.org/meetings.

Joint Integrated Technical Assistance Programme (JITAP) high-level workshop of the Inter-Institutional Committees in preparation for the sixth WTO Ministerial Conference in Hong Kong (China), 19-22 July 2005

The workshop was held to assist the Inter-Institutional Committees in the JITAP beneficiary countries in preparing for the sixth WTO Ministerial Conference to be held in Hong Kong (China) from 13 to 18 December.

JITAP's capacity-building modules applies to the countries that participated in the first phase of JITAP (Benin, Burkina Faso, Côte d'Ivoire, Ghana, Kenya, Tunisia, Uganda and the United Republic of Tanzania), while the foundation track is intended for the countries that joined the second phase (Botswana, Cameroon, Malawi, Mali, Mauritania, Mozambique, Senegal and Zambia).

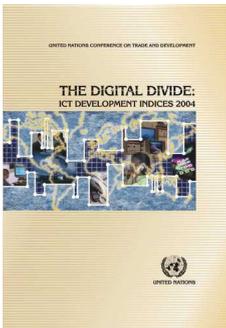
Under JITAP I, the eight beneficiary countries instituted Inter-Institutional Committees (IICs) to provide for participatory national coordination and management of trade policy formulation, monitoring of the implementation of WTO agreements, and preparation for trade negotiations. The IICs have acted as platforms for analysing negotiating strategies, preparing and supporting trade negotiations, and coordinating and undertaking consensus building among governmental institutions and between government and the private sector, academia, civil society and other stakeholders.

Under JITAP II, the 16 beneficiary countries will be assisted in developing and strengthening national IICs that can support (a) constructive dialogue among government institutions, the business sector, academia and civil society with regard to advising Governments of their concerns and priorities relating to WTO issues and other trade agreements (regional, ACP-EU) on which decisions need to be taken by the country; (b) effective participation in the negotiations in WTO, particularly under the Doha Work Programme, and other trade negotiations; (c) formulation of national

trade policy in the context of the multilateral trading system in particular and the international trading system generally, and strengthening of linkages with national development plans; and (d) effective implementation of rights and obligations under the WTO agreements. The IIC will constitute the institutional mechanism for more effective engagement in international trade and the trading system so as to ensure beneficial integration and realize development gains.

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NEW PUBLICATIONS



The Digital Divide: ICT Development Indices 2004

The report benchmarks information and communications technology (ICT) diffusion for 165 countries and monitors the evolution of the digital divide using indices of ICT connectivity and access. The data indicate considerable differences among countries in terms of ICT infrastructure, which is a key factor influencing ICT access. On the other hand, there are important gains in access to mobile telephones and Internet usage, as measured by the distribution of mobile phones and Internet users across countries. This suggests that the digital divide may slowly be narrowing, notably through more widespread access to mobile phones and Internet usage among developing countries.

The report also confirms the continued domination of OECD countries in ICT development. Transition economies have made major gains in ICT diffusion, while in Arab and Latin American countries it has remained relatively stable. South Asian and African countries generally occupy the lower half of the rankings.

More information is available online at www.unctad.org (Digital Library).

Resource Book on TRIPS and Development

The *Resource Book* has been produced in the framework of the UNCTAD-ICTSD Capacity Building Project on Intellectual Property Rights (IPRs), which is implemented by the secretariat's Work Programme on Transfer of Technology and Intellectual Property (see www.unctad.org/tot-ip). This practical guide provides background and technical information on the TRIPS Agreement and other IPR-related instruments. The *Resource Book* has two broad objectives: to facilitate informed participation by developing countries in the ongoing negotiations on intellectual property issues at the multilateral, regional and bilateral levels; and to assist national authorities in the implementation and adoption of IPRs policies in the broad context of growth and development.

The *Resource Book* deals with each provision of the TRIPS Agreement, aiming to thoroughly explain Members' rights and obligations. The purpose is to clarify the implications of TRIPS for developing and least developed countries, especially with regard to areas in which the TRIPS Agreement gives WTO Members some leeway to pursue their own policy objectives, according to their respective levels of development. Rather than offering prescriptions, the *Resource Book* gives guidance on the implications of specific issues and on the options available. Periodic updates are planned.

The *Resource Book* is available at <http://www.iprsonline.org/unctadictsd/ResourceBookIndex.htm>

UPCOMING EVENTS

Expert Meeting on Trade Facilitation as an Engine for Development, 21-23 September 2005

With its inclusion in the WTO General Council Decision (the 2004 "July package"), trade facilitation remains at the forefront of the development agenda of most developing countries. WTO Members have now started negotiations on trade facilitation with a focus on improving GATT 1994 Articles V, VIII and X, which deal respectively with transit issues, fees and formalities, and the transparency of trade procedures.

Long waiting times at border crossings and ports, inappropriate fees and formalities, and unclear trade and transport rules and regulations can all be serious obstacles to trade and thereby adversely affect investment and job creation. Developing countries must be proactive in designing and implementing trade facilitation measures for enhancing efficiency, reducing transaction costs and maintaining supply capacities.

At the meeting, participants will analyse the increased need for trade and transport facilitation and the insertion of facilitation measures into the development process. They will discuss ways of determining national needs and priorities regarding trade and transport facilitation, as well as technical assistance and capacity-building requirements for implementing specific trade facilitation measures to build the required institutional, commercial, legal and operational environment for effective integration into the global economy.

More information is available at www.unctad.org/meetings.

Trade and Development Board, hearing with civil society, October 2005

UNCTAD XI called for institutionalizing and convening hearings with non-state actors as part of the Trade and Development Board. The first hearing was held in October 2004 as part of the Board's annual session. This year's hearing will be held in conjunction with the Board's fifty-second session (3-14 October) and will address issues on the session's agenda. Further information is available on the UNCTAD website (under Meetings). Civil society organizations accredited or having observer status with UNCTAD are encouraged to participate in and contribute to the hearing and the Board session.

NGOs enjoying observer status with UNCTAD automatically receive official notifications inviting them to participate in and contribute to the debate and discussions of Expert Meetings, sessions of the Commissions of the UNCTAD Trade and Development Board, and quadrennial sessions of the Conference. Competent and relevant NGOs interested in contributing to UNCTAD's programmes and activities may wish to consider applying for observer status.

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For more information, please visit UNCTAD's website:
www.unctad.org