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TRADE AND DEVELOPMENT BOARD
Commission on Trade in Goods and Services,
and Commodities
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**AGREED RECOMMENDATIONS ADOPTED BY THE
COMMISSION AT ITS ELEVENTH SESSION**

1. Based on the São Paulo Consensus, and responding to the outcomes reached by the Trade and Development Board at the Mid-term Review, as well as being cognizant of the forthcoming UNCTAD XII, the Commission stresses the importance of acting as a forum for generating new ideas and providing policy guidelines and options on maximizing development gains from the international trading system and trade negotiations. It expresses satisfaction with the secretariat documentation and takes note of reports and recommendations of expert meetings on universal access to services, logistic services, review of the energy sector and market access for small commodity producers. It expresses appreciation to donors contributing resources for the implementation of the trade-related mandates of the São Paulo Consensus and encourages them to continue to grant such support.

2. The Commission considers that competitiveness and returns from commodity production and trade and supporting diversification away from commodity dependency are priorities for the international community with regard to developing countries, especially for African countries and LDCs and countries with economies in transition. Commodity market volatility, including in the energy sector, has trade and development implications that need to be addressed. The Commission agrees that UNCTAD should continue to promote international cooperation and partnerships on commodities, to provide assistance to developing countries on commodity sector development and trade and to render advice to commodity producers on options in order to increase their participation in global value chains and markets, financial and risk management of commodities, commodity exchanges and sustainable development of commodities. UNCTAD should continue its work on agricultural, forestry and fishery products, metals and minerals, and oil and oil products as well as on biofuels through the Biofuels Initiative. The Commission recognizes that foreign investment could make an important contribution to developing infrastructures in commodity-producing

developing countries, in particular LDCs, as well as increased value addition in those countries, in particular in the energy sector.

3. Trade for growth and development and the timely and full realization of the internationally agreed development goals and objectives, including those contained in the Millennium Declaration, are a priority. The Commission therefore welcomes the recent resumption of the Doha negotiations and trusts that all concerned are working for an ambitious, balanced and comprehensive and development-oriented outcome. WTO accession and post-accession challenges also remain important considerations, and the Commission requests UNCTAD to continue its work in this area. The Commission agrees that UNCTAD continue to assist developing countries and countries with economies in transition in strengthening their informed and effective participation in trade negotiations and regional trade agreements.

4. UNCTAD should continue its work on promoting awareness and understanding among developing countries and countries with economies in transition of better utilization of trade preferences available under the GSP, including through publication of handbooks on the GSP schemes.

5. A comprehensive Aid for Trade package with sufficient, and when necessary additional, financial resources is essential to boost the development benefits that may flow from the Doha work programme. It would address the economic and social costs and adjustments necessitated by trade reforms and building capabilities including supply capacity needs. The Commission agrees that UNCTAD contribute to promoting successful operationalization and implementation of the Aid for Trade initiative. It supports enhanced trade-related technical assistance, training and capacity-building by UNCTAD.

6. Regional trade agreements have proliferated in parallel to the evolution of the multilateral trading system. The Commission recognizes the need to determine how these regional trade agreements can contribute to development and to understand the interface between these processes and efforts to strengthen the multilateral trading system. It agrees that UNCTAD can contribute to the examination of such interface issues as well as assisting developing countries and countries with economies in transition in enhancing their negotiating capacities to deal with trade agreements.

7. The Commission emphasizes South–South trade opportunities arising from the South's new dynamism in international trade, in particular in intra- and interregional South–South trade, and how this can complement North–South trade. The ongoing third round of GSTP negotiations has the potential of further boosting South–South trade expansion and economic cooperation to complement strengthened South–South regional integration processes and North–South trade and economic cooperation. The Commission agrees that UNCTAD increase its focus on South–South trade in commodities, services, new and dynamic sectors of world trade, as well as on the GSTP, networking among South–South regional trade agreements and analytical tools.

8. The Commission expresses concern about the increased use of non-tariff barriers (NTBs) in international trade that risk neutralizing the gains of tariff liberalization for all countries, but particularly on products of export interest to developing countries. In particular, standards and technical regulations must be developed transparently and applied non-discriminatorily, and should not pose unnecessary obstacles to trade. The Commission agrees that UNCTAD continue its innovative work on NTBs, including through the UNCTAD Secretary-General's Group of Eminent Persons on Non-tariff barriers (NTBs) and the Multi-Agency Task Force, which is working on identifying, classifying, and quantifying NTBs, including border and behind border measures, with a special focus on issues and problems faced by developing countries, in particular LDCs, so that they can be effectively addressed in trade negotiations. UNCTAD should also continue its work on environmental requirements and market access under its Consultative Task Force on Environmental Requirements and Market Access for Developing Countries, in cooperation with other relevant organizations, as appropriate.

9. The Commission recognizes that strengthening the participation of developing countries, in particular LDCs, and countries with economies in transition in new and dynamic sectors of world trade would generate new development opportunities. It agrees that UNCTAD should continue its work in this regard.

10. The services economy, trade and liberalization play an increasingly important role for development, including through the GATS and regional trade agreements, and open up new opportunities and challenges. In order to realize the full potential of this sector, the Commission emphasizes the need to build and support competitive services supply capacity and to put in place adequate policy, regulatory and institutional frameworks in developing countries. The Commission agrees that UNCTAD increase its focus on services assessment, trade negotiations and impact on development.

11. The Commission considers that positive economic, social and environmental objectives could be addressed by developing opportunities at the interface between trade, environment and development. The Commission agrees that UNCTAD should continue to strengthen the BioTrade programme and its positive development impact on both the production and exports of biodiversity products and services and its work on the production of and trade in environmental goods and services and organic agriculture. UNCTAD should continue to pursue its work on environmental goods, services and technologies in the context of trade policy and negotiations as well as in the broader context of sustainable development.

12. The Commission notes the importance of stimulating competitiveness and agrees that UNCTAD should continue its work on competition policies, in accordance with, *inter alia*, paragraph 72 and 95 of the São Paulo Consensus and the UN Conference Review Conference to Review All Aspects of the Set of Multilaterally Agreed Equitable Principles and Rules for the Control of Restrictive Business Practices and continue to strengthen the effective formulation and implementation of national and regional competition policies and laws best suited to development needs.

13. The Commission notes the report of the Second Annual Conference of the Global Network of Export–Import Banks and Development Finance Institutions and its efforts to enhance trade finance linkages, especially on a South–South basis.

14. The Commission underlines the contribution that UNCTAD can make to the follow-up of major UN Conferences, including the Monterrey Consensus on Financing for Development.

15. The Commission recalls paragraph 32(b) of the Mid-term Review (TD/B(S-XXIII)/7(Vol.1)). The Commission notes the proposed development-oriented outcomes, including policy options submitted by the secretariat.