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UNITED NATIONS CONFERENCE ON TRADE AND DEVELOPMENT
Geneva

**UNCTAD AT SÃO PAULO AND BANGKOK:
OUTCOMES AND MANDATES**

UNCTAD XI - THE SPIRIT OF SÃO PAULO



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SÃO PAULO CONSENSUS

1. Four years ago, at the tenth United Nations Conference on Trade and Development in Bangkok, member States concluded that globalization and interdependence have opened new opportunities for the growth of the world economy and development. Globalization offers new perspectives for the integration of developing countries into the world economy, and it can improve the overall performance of developing countries' economies by opening up market opportunities for their exports, by promoting the transfer of information, skills and technology, and by increasing the financial resources available for investment in physical and intangible assets. But globalization has also brought new challenges for growth and sustainable development, and developing countries have been facing special difficulties in responding to them. Some countries have successfully adapted to the changes and benefited from globalization, but many others, especially the least developed countries, have remained marginalized in the globalizing world economy. As stated in the Millennium Declaration, the benefits and costs of globalization are very unevenly distributed.

2. As the focal point of 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 is expected to make substantial contributions to the implementation of the outcomes of recent global conferences. It will contribute to the implementation of international development goals, including those contained in the Millennium Declaration, and to the preparation of the 2005 comprehensive review of this implementation. It should contribute to the implementation of, and take specific actions

requested in, the Programme of Action for the Least Developed Countries for the Decade 2001–2010, the Monterrey Consensus, the Johannesburg Declaration on Sustainable Development and the Plan of Implementation agreed at the World Summit on Sustainable Development, and the Declaration of Principles and the Plan of Action of the World Summit on the Information Society. It should also contribute to furthering the implementation of internationally agreed goals in the Doha Ministerial Declaration and other relevant decisions.

3. Since its inception, UNCTAD has consistently offered a perspective that looks closely at the trade- and development-related challenges of developing countries, as well as countries with economies in transition. Through its three major pillars, namely consensus building, research and policy analysis, and technical assistance, it has contributed to a better understanding of the development process and the factors contributing to uneven economic growth in developing countries. Coordination and synergies among these three areas of work should continue and be enhanced. UNCTAD's analytical capacity should be enhanced to ensure the high quality of research and analysis necessary to address key issues of importance to developing countries. The results of such analysis should support and reinforce UNCTAD's activities in consensus building and technical cooperation. UNCTAD's technical cooperation activities should also be strengthened through the implementation and follow-up of the new Technical Cooperation Strategy that the Trade and Development Board approved at its fiftieth session. In all these areas of work, particular consideration should be given to the needs of least developed countries (LDCs).

4. In the four years following the tenth session of UNCTAD, the Bangkok Plan of Action served as a comprehensive blueprint for the work of the organization. The São Paulo Conference reaffirms that the

Bangkok Plan of Action¹ should continue to guide UNCTAD's work in the years to come. UNCTAD XI constitutes an opportunity to identify new developments and issues in the area of trade and development since Bangkok, and to generate greater understanding of the interface and coherence between international processes and negotiations on the one hand and the development strategies and policies that developing countries need to pursue on the other. UNCTAD can play an important role in helping to ensure that coherence for development. Advancing this objective is the overarching goal of the São Paulo Conference.

5. The Heads of State and Government gathered at the International Conference on Financing for Development in Monterrey in 2002 agreed that globalization should be fully inclusive and equitable. To achieve this, efforts should be strengthened at the national level to respond effectively to challenges and opportunities through the implementation of appropriate trade and macroeconomic policies and the design of development strategies that take account of the possibilities offered by globalization and interdependence in a forward-looking and proactive manner. While each country has primary responsibility for its own economic and social development, national efforts need to be complemented and supported by an enabling global environment, strong growth of the world economy, and international efforts to enhance the coherence and consistency of the international monetary, financial and trading systems in support of development.

6. Given that globalization also has a social and human dimension, development strategies have to be formulated with a view to minimizing the negative social impact of globalization and maximizing its positive impact, while ensuring that all groups of the population, and in particular the poorest, benefit from it. At the international level, efforts

¹ Report of the United Nations Conference on Trade and Development on its tenth session, 12–19 February 2000 (TD/390).

have to converge on the means to achieve the international development goals, including those contained in the Millennium Declaration. These are essential for development in all countries and for escaping the “poverty trap”.

7. There is a need to strike a balance between the objectives of efficiency and equity. Both the market and the state have an important role to play in the development process, and it is essential to ensure that their respective roles are complementary. Further development of the private sector and a market mechanism is critical for higher investment and faster growth, and this requires a conducive policy environment. At the same time, the role of the state is vital for designing and implementing development strategies, reducing poverty and attaining equitable income distribution, building physical and human infrastructure, addressing market failures where they occur, and providing enabling macroeconomic conditions and a sound regulatory framework.

8. The increasing interdependence of national economies in a globalizing world and the emergence of rule-based regimes for international economic relations have meant that the space for national economic policy, i.e. the scope for domestic policies, especially in the areas of trade, investment and industrial development, is now often framed by international disciplines, commitments and global market considerations. It is for each Government to evaluate the trade-off between the benefits of accepting international rules and commitments and the constraints posed by the loss of policy space. It is particularly important for developing countries, bearing in mind development goals and objectives, that all countries take into account the need for appropriate balance between national policy space and international disciplines and commitments.

9. Since the mid-1990s, UNCTAD has taken part in the United Nations reform process, playing an important role in some areas. In this context, based on the framework established by General Assembly resolution 58/269, the results achieved from the implementation of the Bangkok and São Paulo outcomes should be subject to intergovernmental review. Specifically, a mid-term review should be conducted by the Trade and Development Board in 2006. Further, building upon current practice, UNCTAD's annual report should focus more on results achieved, assessed against the organization's established strategic framework, with a clear set of indicators of achievement. This result-oriented annual report should form the basis for an annual review of programme performance by the Trade and Development Board.

10. UNCTAD should continue to contribute to, and participate effectively in, the ongoing United Nations reform process, which is aimed at *inter alia* deepening coherence and enhancing the effectiveness and impact of UN development activities. The organization's participation in that reform process will be reviewed through the existing intergovernmental mechanisms of UNCTAD. As the designated focal point for the integrated treatment of trade and development, UNCTAD has a special responsibility to contribute to the achievement of the international development goals, including those contained in the Millennium Declaration. Interagency collaboration, within UN mechanisms, should be enhanced. These processes will be guided by the relevant General Assembly resolutions. Technical assistance activities implemented by UNCTAD require an appropriate follow-up with a view to strengthening their effectiveness. The issue of continuous and predictable funding of UN development activities should be addressed. The preparations for the 2005 comprehensive review of progress towards international development goals, based on General Assembly resolution 57/270B, will provide an opportunity for renewed focus on UNCTAD's contributions and should be commensurate with the needs

of developing countries. The invitation for the President of the Trade and Development Board to participate in the High-level Meeting of ECOSOC with the Bretton Woods institutions and the WTO is important and should be institutionalized.

11. UNCTAD and other international organizations should continue to cooperate closely, within their respective mandates, to enhance synergies, consistency, complementarity, coherence and mutual supportiveness of policies to strengthen multilateral cooperation for the development of developing countries while avoiding duplication of work. This cooperation should take into account the mandates, expertise and experience of respective organizations and create genuine partnerships. UNCTAD should also make its work more effective by broadening its cooperation with other development partners, including the private sector and civil society.