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For further details on any information presented here you can contact:

Civil Society Outreach, UNCTAD  
Palais des Nations  
8-14 avenue de la Paix,  
1211 Genève 10 - Switzerland

Tel.: (41 22) 917 50 48 /  
917 56 61 / 917 20 89  
Fax: (41 22) 917 00 56  
E-mail: [civil.society@unctad.org](mailto:civil.society@unctad.org)

## RECENT AND UPCOMING EVENTS

### Hearing with civil society and the private sector

On 22 September, civil society, private sector and member States representatives met and debated issues of concern related to the theme "UNCTAD, development and the way forward".

On UNCTAD-civil society relations, participants recognized that CSOs play a valuable role in UNCTAD's work, one which needs to be further intensified. With their direct contacts on the ground and their fresh ideas, CSOs give a human face to development. They not only identify problems, but also complement UNCTAD's work and help provide development-oriented solutions.

Civil society concerns also revolved around the position of UNCTAD in the world of today. In a statement ([http://www.unctad.org/sections/about/docs/iaos\\_cso3\\_statement\\_en.pdf](http://www.unctad.org/sections/about/docs/iaos_cso3_statement_en.pdf)) made a few days later to the Trade and Development Board, civil society urged member States to clarify UNCTAD's role in the context of trade negotiations in order to make these more effective and to continue its work in analysis, technical assistance and consensus building.

Concerns were also expressed with regard to employment and working conditions for different segments of the population. CSOs agreed that "trade liberalization should not be viewed as a goal in itself but rather a tool to achieve employment objectives". Particular reference was made to the situation of women and young people.

Trade has been an important route for achieving poverty reduction and development for developing countries. However, in order to be effective, the multilateral trading system should be democratic and dynamic and be able to respond to all circumstances, address existing imbalances, and allow for more policy space for developing countries to project the extent of impact prior to making commitments in this framework.

Participants also spoke about the role of aid, which should according to them "lead to the creation of wealth, human resources development and reduction of poverty" in order for countries to reach the industrialization stage in their development.

CSOs called for greater attention to the needs of LDCs and particularly those of Africa. More decisive intervention in building productive capacities is considered a viable solution.

For further details, please read the summary of the hearing:  
[http://www.unctad.org/en/docs/tdb53d7\\_en.pdf](http://www.unctad.org/en/docs/tdb53d7_en.pdf)

## Doha Round impasse debated at the 53rd session of the Trade and Development Board

UNCTAD's Secretary-General, Mr. Supachai Panitchpakdi said that the much-publicized suspension of the Doha round of trade negotiations in July 2006 had put on-hold many significant development yields expected from progress previously achieved in the negotiations and therefore was hurting the "world's poorest most acutely." It also "sends a negative signal on the future of the world economy and might encourage a resurgence of protectionism."

The Doha negotiations were suspended to allow states to consider what they could bring to the negotiating table after the impasse on the traditional controversial topics in international trade. Many speakers highlighted agriculture as a major stumbling block. The failure to conclude a deal in July 2006 was political in nature rather than economic, the proper conditions to effective negotiations had to be put in place before these resume.

There were diverging expectations in the key "triangle" of issues: market access, domestic support in agriculture and non-agricultural market access (NAMA) issues. Developing countries called upon the developed countries to relax their positions with regards to agricultural goods, specifically concerning subsidies and market access. Many stated that it was no longer possible to continue demanding commitments from developing countries, especially given the high cost of simply participating in these negotiations. Thus, they urged developed countries to consult with their domestic constituencies so as to be able to bring more to the table once the negotiations resume.

WTO Director-General, Mr. Pascal Lamy also spoke at the opening session of UNCTAD's Trade and Development Board saying that, "It is important to create a space for quiet discussions, hard reflections, and discrete bridge building... so the knot of the problem" - what to do about agriculture subsidies - "can be narrowed." He added that resumption of Doha negotiations only makes sense if the positions of the main players change, which will not happen without heavy political lifting at home.

Mr. Lamy agreed with UNCTAD's Trade and Development Report in that trade could lead to development and poverty alleviation, and emphasized that trade was one necessary ingredient in a policy mix that should include other ingredients, such as effective institutions and good governance. He went on to say that he is "convinced . . . that the result of this process will be an acknowledgement that there is no acceptable alternative to a successful completion of the round". Other participants reiterated that the stalled negotiations were incurring important costs and therefore had to be resumed as soon as possible.

Member States emphasized the important role of UNCTAD as a consensus-building organization and as a forum for further discussions on these matters. Mr. Supachai added that UNCTAD's work revolved around ensuring the distribution of development gains from trade, primarily through negotiations. He also said that UNCTAD will thus continue to steadfastly support - through research and policy analysis, intergovernmental consensus-building and technical assistance and capacity development activities - the Doha Round and developing countries' engagement in all its aspects".

For further information, please consult this link:

<http://www.unctad.org/Templates/Page.asp?intItemID=3957&lang=1>

## Economic development in Africa: how to make aid work?

UNCTAD's governing body considered the report on Economic Development in Africa: Doubling Aid - Making the "Big Push" Work. The report suggested that it was time to consider a new international aid architecture with a much larger multilateral component, to be brought under a single funding mechanism, preferably under the auspices of the United Nations.

The Special Coordinator for Africa, while welcoming the commitment to a doubling of aid to Africa, said that this could not create the conditions for sustained growth on the continent without a change in policies and a rethinking of the present aid system. He added that although Africa had received some \$580 billion in aid in the past 40 years, growth had been slow and poverty had increased.

During the debate, participants noted that the continent is still behind on meeting the Millennium Development Goals. Africa would need to experience a sustained growth of 8 per cent annually for the next decade to be able to meet its objective, well above this year's expected growth of 5.5 per cent. They also agreed that there had to be a rethink of the present system. Concerns were voiced with regard to the effectiveness of aid, the absorptive capacities of recipients, and whether aid can raise growth and help reduce poverty.

Participants, including various non-governmental organizations, criticized the distribution of aid. They raised questions regarding the inclusion of debt relief as part of the aid package, about the volume of aid actually received and the concentration of aid flows on a relatively small number of countries.

Participants agreed with UNCTAD's Africa report in stating that the new aid architecture could benefit from the lessons of the Marshall Plan. Money should be released in predictable tranches over a long period, it should be more focused on enabling African economies to produce a broader range of goods and to create more jobs; it should also be channelled to those countries' general budgets so that their legislatures can best decide how to spend it. Indeed, the impact of aid cannot be separated from national policy autonomy nor from the quality of aid. The goal is to develop Africa's productive capacities.

The [agreed conclusions](http://www.unctad.org/en/docs/tdb5315_en.pdf) of the meeting can be obtained at:  
[http://www.unctad.org/en/docs/tdb5315\\_en.pdf](http://www.unctad.org/en/docs/tdb5315_en.pdf).

## LDCs: how to catch-up the delay

The review of the ambitious Brussels Plan of Action for LDCs was also on the agenda of the Trade and Development Board (TDB). Participants recognized the possibility that these countries "may not achieve the goal of reducing extreme poverty by half by 2015." Some LDCs had shown a certain amount of economic dynamism due to domestic reforms and international assistance. However, there had actually been no significant improvement in people's living conditions. LDCs have been "very vulnerable to economic, environmental and political crises that often result in economic fragility and growth collapse". With only 0.5 per cent of world exports and 0.7 per cent of imports, LDCs were still being marginalized in world trade, indicated the representative of Benin, speaking on behalf of LDCs.

Participants discussed how to increase and strengthen technical cooperation and capacity-building in favour of LDCs. What is needed is a 'paradigm shift' in growth

policies: for a State to effectively reduce poverty, it had to focus on developing its productive capacities so as to offer greater employment opportunities. This requires policies designed to promote the private sector, including entrepreneurial capability and development of human resources.

The crucial role of public-private partnerships was highlighted, especially in the establishment and improvement of infrastructure. It was stressed that LDCs should continue to assume primary responsibility in designing national policies. They will then be able to assert their political will to integrate the Programme of Action into their national policies and strategies.

The meeting concluded by adopting the recommendations contained in the following document: [http://www.unctad.org/en/docs/tdb5314\\_en.pdf](http://www.unctad.org/en/docs/tdb5314_en.pdf)

Please click on the following link for a copy of the report:  
[http://www.unctad.org/en/docs/tdb5312a8\\_en.pdf](http://www.unctad.org/en/docs/tdb5312a8_en.pdf)

## Mid-term review concludes its third and last meeting

### Globalisation and development: How to make them mutually reinforcing?

Discussing this sub-theme, UNCTAD's Secretary-General, Mr. Supachai Panitchpakdi, said that globalization offers great opportunities for growth and development. Yet there are dramatic disparities in the distribution of gains from greater integration. Indeed, a number of the world's poorest nations are not benefiting from economic globalization because they "simply lack the capacity to do so." These developing countries have been excluded from the process and have consequently not felt the advantages of higher growth rates and poverty alleviation. They lack "the ability to produce goods and services; the knowledge needed to create a broad industrial base; and the infrastructure that enables countries to trade and communicate." Instead, they continue to face the various risks associated with the instability of trade flows.

To inverse this trend, Mr. Supachai added, countries that are not being helped by trade flows need more foreign aid and investment. These should be aimed at improving "the basic resources of production, from natural and human resources to financial and physical capital, including infrastructure". Some delegates pointed out that the private sector would go where profits could be made. The responsibility to put in place the right conditions to attract foreign direct investment lay within the government's hands. Participants agreed that improved market access alone was not enough. What needed to be addressed were the productive capacities of these countries, which had to overcome their supply-side constraints. Mr. Gerald Anderson, Deputy Assistant Secretary of State of the United States, said that "such countries need leaders whose top priority is to enable citizens to become productive members of society, including through such basics as education and health care. But also through the ease of doing business."

Panellists stated the importance of allowing a certain amount of policy flexibility to ensure benefits from globalization. Country-specific development strategies and

not a one-size fits all policy are needed. Furthermore, trade negotiations must be resumed since a multilateral trade regime will be more beneficial than a one based on bilateral agreements.

For more information, please consult this link:

<http://www.unctad.org/Templates/meeting.asp?intItemID=1942&lang=1&m=12032&info=doc>

## UNCTAD in the context of UN reform

The discussion on UN reform was centred on what could be done to strengthen UNCTAD's role and how to "revitalize" its mandate. The debate revolved around UNCTAD's three main pillars: research and analysis, technical cooperation and consensus building.

Member States agreed that research and analysis was the "backbone of UNCTAD's work." and should be strengthened. With regard to technical cooperation, participants agree that UNCTAD has to enhance the impact of its work in the field. This could be done by improving management and monitoring of its technical assistance, by ensuring the maximum utilization of local expertise and better regional delivery of aid, for example. Finally, with regards to the consensus-building pillar, UNCTAD should encourage frank negotiations as the policy-oriented outcome would have a real influence on the ground.

Ms. Fayza Abou El Naga, Minister of International Cooperation of Egypt said that "UNCTAD needed to continue to evolve in order to meet current and future needs of developing countries." For this reason, she calls for an "inclusive" reform process, involving not only the marginalized LDCs but also the private sector and civil society. To this end, member States would have to demonstrate a genuine political will to translate their debates into effective action in the field, which takes into consideration the careful assessments of local needs and priorities.

For more information, please go to:

<http://www.unctad.org/Templates/Meeting.asp?intItemID=3852&lang=1>

To consult the agreed outcome of the Mid-term Review, please go to:

[http://www.unctad.org/en/docs/tdsxxiid7vol1\\_en.pdf](http://www.unctad.org/en/docs/tdsxxiid7vol1_en.pdf)

For the report of the debate concerning the reform process, please go to:

[http://www.unctad.org/en/docs/tdsxxiii6a3\\_en.pdf](http://www.unctad.org/en/docs/tdsxxiii6a3_en.pdf)

## Coherence for development

Discussions on coherence for development between national development strategies and international economic processes were centered on how to find a credible solution to the dilemma between credible and effective national development-boosting plans and countries' increasing international commitments.

The Minister of Trade of Ghana, Mr. Alan Kyerematen, said that the lack of coherence between national and international policies set considerable limitations on the capacity of developing countries to initiate successful growth policies. For example, Africa remains a struggling continent because of its inability to attract investment

flows which would help it boost its entrepreneurship and development. The same goes for the expansion of its export sector which depends largely on the global market, given the limitations of the African one. Mr. Oscar Tangelson, Secretary for Economic Policy of Argentina, stressed the importance for countries to strike a balance between social equity and economic efficiency whilst developing their growth strategies.

Panellists and member States further agreed that development policies needed to be tailored to the specific needs of each developing country and that they should focus on strengthening the domestic economy while maintaining openness to the global economy. In the agreed outcomes, participants expressed that "it was for each government to evaluate the trade-off between the benefits of accepting international rules and commitments and constraints posed by the loss of policy space." It was decided that UNCTAD shall, within its mandate, contribute to increasing the coherence between national development strategies and international economic processes so as to further facilitate the development of concerned countries.

For further information, please go to:

<http://www.unctad.org/Templates/Meeting.asp?intItemID=3852&lang=1>

To consult the agreed outcomes of the third meeting of the Mid-term Review process, please open: [http://www.unctad.org/en/docs/tdsxiiid7vol1\\_en.pdf](http://www.unctad.org/en/docs/tdsxiiid7vol1_en.pdf)

## Encouraging pharmaceutical production in developing countries

A seminar organized by UNCTAD on 19-20 October examined how intellectual property arrangements influence the supply of essential medicines. It discussed ways in which the sustainable productive capacity of pharmaceuticals could be promoted and expanded in many countries.

Stakeholders in developing countries, particularly in least developed countries (LDCs), often lack awareness of the implications that intellectual property rights (IPRs) have for the local production of pharmaceuticals and how they may be used as tools in this respect. Thus, the participants analysed the impacts of intellectual property rights and other international commitments in this area. It was an opportunity for experts in this domain to make comments, which would then be included in a guide on IPRs and local production of medicines for developing countries.

UNCTAD's activities related to pharmaceuticals and IPRs are coordinated with other agencies, including the Commonwealth Secretariat, the World Bank Institute and the World Health Organization.

For more information on UNCTAD's work on intellectual property and technology transfer, see: <http://www.unctad.org/tot-ip>.

For a description of the seminar go to:

<http://www.unctad.org/Templates/Meeting.asp?intItemID=2068&lang=1&m=12170&year=2006&month=10>

## NEW PUBLICATIONS

### World Investment Report 2006 - FDI from Developing and Transition Economies: Implications for Development

Global inflows of FDI rose for two consecutive years. Inflows to developing countries reached a new record level in 2005. Africa, South, East and South-East Asia, and West Asia attracted unprecedented amounts of investment, while those to Latin America and the Caribbean remained at almost the same high level as in 2004. South-East Europe and the Commonwealth of Independent States attracted also the same level as in the previous year. In developed countries, a new boom in cross-border mergers and acquisitions helped push FDI inflows well above the preceding year level.



This year, the World Investment Report pays particular attention to the rise of FDI from developing and transition economies. Over the past two decades, such investment increased substantially from less than \$100 million to more than \$1 trillion. Outward FDI represents one more channel through which developing economies can access markets, resources and technology abroad. Most of these investments end up in developing countries, contributing to South-South cooperation.

At the same time, the expansion of transnational corporations from developing countries into developed countries has triggered mixed reactions. Some welcome it as a new source of capital and knowledge; others regard it as new competition from unexpected places. The widening and deepening of this process is likely to continue, with implications for policy making at the national and international levels.

The World Investment Report is available at:  
[http://www.unctad.org/en/docs/wir2006\\_en.pdf](http://www.unctad.org/en/docs/wir2006_en.pdf)

## UPCOMING EVENTS

- Expert Meeting on the Participation of Developing Countries in New Dynamic Sectors of World Trade: Review of the Energy Sector  
29 November-1 December 2006, Geneva, Switzerland

Rapid growth in demand, diminishing spare oil production capacity and surging oil prices are among factors that have pushed energy issues back to the top of the policy agenda in many countries.

Developing country economies face the prospect of higher energy prices and will need to diversify their energy mix. At the same time, access to reliable and reasonably-priced energy is an indispensable element for achieving poverty reduction and sustainable development.

Against this backdrop, the expert meeting will focus on the theme of "Adjusting to the new energy economy: Challenges and opportunities for developing countries."

For further information, please consult our website at:  
<http://www.unctad.org/Templates/meeting.asp?intItemID=1942&lang=1&m=11907>

- Expert Meeting on Enabling Small Commodity Producers and Processors in Developing Countries to Reach Global Markets  
11-13 December 2006, Geneva, Switzerland

This meeting will examine the problem which is faced by small commodity producers with regards to the difficulty of entering organised supply chains. This is of great importance; since it is a way for such producers and the economies they find themselves in, to escape the clutches of poverty, by linking themselves to the local, regional and international markets.

The expert meeting will examine the relevant issues in this regard and formulate proposals on how governments and commercial entities can partner each other in building viable commodity supply chains for the benefit of marginal commodity producers in developing countries.

For further information, please consult our website at:

<http://www.unctad.org/Templates/meeting.asp?intItemID=2068&lang=1&m=11909>

Trade and Development Board, 40th executive session (Report of the Panel of Eminent Persons), 14 December 2006, Geneva, Switzerland

This meeting will discuss the Report of Eminent Persons on Enhancing the Development role and impact of UNCTAD.

The Report of Eminent Persons can be obtained from the following website:

[http://www.unctad.org/sections/edm\\_dir/docs/osg20061\\_en.pdf](http://www.unctad.org/sections/edm_dir/docs/osg20061_en.pdf)

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.

For further information, please contact [amel.haffouz@unctad.org](mailto:amel.haffouz@unctad.org).

For more information, please visit UNCTAD's website:

[www.unctad.org](http://www.unctad.org)