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REPORT OF THE SECRETARY-GENERAL OF UNCTAD  
ON THE OUTCOME OF THE "PARTNERS FOR DEVELOPMENT" SUMMIT  
HELD IN LYON, FRANCE, FROM 9 TO 12 NOVEMBER 1998

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## A. MANDATE

1. According to the Midrand Declaration (*TD/378/Rev.1*), the partnership for development must be based upon a clear definition of roles, the establishment of common objectives and development of joint action. In practical terms this means, among other things:

The mobilization of human and material resources towards development through dialogue and common action between Governments and civil society;

Partnerships between the public and private sector to achieve higher growth rates and greater development."

2. Member States further declared that: " *The Secretary-General of UNCTAD will convene a meeting with actors in development to advise him on how to enhance the participation of civil society in UNCTAD to build a lasting partnership for development between non-governmental actors and UNCTAD.*"

3. In paragraphs 117 to 119 of "A Partnership for Growth and Development" (*TD/378/Rev.1*), UNCTAD IX reaffirmed the importance of involving non-governmental actors in the activities of UNCTAD; in order to further the participation of civil society and to build a lasting partnership for development between non-governmental actors and UNCTAD, it requested the Secretary-General to pursue consultations with these actors, taking into account the experience of participation of civil society in other United Nations forums and international and regional organizations and to report with recommendations to the Trade and Development Board. Finally, the Conference noted with appreciation the Secretary-General's initiative to hold a meeting with actors in development to advise him. The Conference also invited the Secretary-General to report to the Trade and Development Board on the outcome of this meeting. The meeting was to be financed with extrabudgetary resources, and in this respect the Secretary-General of UNCTAD expresses his gratitude to the host city of Lyon and to the Government of France for their generous support, which made the "Partners for Development" Summit possible.

4. The Summit was held from 9 to 12 November 1998. It was structured around the following two main tracks, each consisting of several sessions:

- "Global Electronic Trade UN Partnerships" (GET UP), which built on existing UNCTAD programmes dealing with the modernization of trade-related administrations and transport systems and with the capacity of developing countries to participate in and benefit from global information networks.
- "Profit and Development", encompassing projects which use market mechanisms to address development issues such as micro-finance, commodity risk management and structured finance, biotrade, and investment.

5. The annual meeting of the World Association of Investment Promotion Agencies (WAIPA), the fifth World Trade Point Meeting and the sixth World Summit of Young Entrepreneurs were held in parallel with the Summit. "Partners for Development" also hosted a number of activities organized by the United Nations Development Programme (UNDP), the International Trade Centre UNCTAD/WTO, and the Lyon-based NGO grouping "Réprenons l'initiative" in cooperation with UNCTAD. A symposium on "North-South Relations: The Issues at Stake at the Dawn of the Twenty-first Century" was also organized by the Lyonnaise de Banque and the European Observatory of Geopolitics in the framework of the Summit.

## **B. THE NEED FOR A DEEPER INVOLVEMENT OF NON-GOVERNMENTAL ACTORS IN UNCTAD'S WORK**

6. The "Partners for Development" initiative is a response to the need to adapt UNCTAD's approaches to development to the following circumstances:

- Non-governmental actors (including private enterprises) are playing a growing role in the definition of the framework in which the process of economic development takes place. The contribution and participation of non-governmental actors, who are often the driving forces behind the fast and deep changes occurring in technology, finance and trade at both the national and the international levels, are essential for the implementation of successful development strategies.
- Non-governmental actors can contribute huge resources (human, technological and financial) to the implementation of UNCTAD's work programme, particularly but not exclusively in its more action-oriented areas. While in some cases non-governmental resources can become a welcome complement to official development funding, in others (particularly in the case of advanced technologies, such as those involved in electronic commerce) private-sector know-how and technological resources are irreplaceable inputs to technical assistance programmes.
- To be effective, UNCTAD's services must aim more at categories of end-users who are not necessarily Governments or even public-sector institutions. The close involvement of these new categories of end-users is a prerequisite for the continued relevance of UNCTAD's work programme in a context of deep and fast changes in the world's economy.
- The more flexible and efficient work methods required by a closer association with private-sector and NGO partners will accelerate current efforts to modernize and adapt UNCTAD's institutional and managerial culture to the realities of economic development, thus complementing recent structural changes in the organization.

## **C. CHALLENGES**

7. The "Partners for Development" Summit was essentially an attempt to demonstrate that UNCTAD could meet the challenge of building concrete working partnerships with non-governmental actors. The concept of partnership with the private sector and civil society has been on the agenda for quite some time, but UNCTAD had never tried to put theoretical ideas to the test of a real-life meeting in which Governments and non-governmental actors would be given equal treatment. The "Partners for Development" Summit provided an opportunity to develop UNCTAD's own approach to working with civil society and the private sector. In the process, it had to find answers to a number of crucial questions that were raised during the preparations for the Summit. Among these, the most relevant were:

- The issue of the legitimacy and representativeness of partners;
- The choice of potential partners, particularly in the case of NGOs and private enterprises;
- The definition of what would be considered a "partnership" and the choice of the areas in which they would be more effective;
- How to mobilize the right participants to ensure that all regions of the world were adequately represented and that major developmental problems would be covered. It was also important to attract the participation of key public and private decision-makers with the capacity to translate the ideas discussed at the Summit into reality in their countries;

- The organizational uncertainties created by the wide-ranging character and the high number of participating organizations and enterprises. The commitment to grant equal treatment to all participants had to be reconciled with the need to have a clear, feasible and practical outcome from the Summit;
- The importance of an effective communications strategy;
- How to adapt UNCTAD's work methods in order to make it an effective partner of non-governmental actors.

#### **D. OUTCOME OF THE PARTNERS FOR DEVELOPMENT SUMMIT: LESSONS LEARNED**

8. Summaries of the sessions of "Partners for Development" as well as information sheets concerning the concrete partnerships that were launched during the Summit, are being issued separately. However, the implications of the outcome of the Summit in terms of the future involvement of non-governmental actors in UNCTAD's work far exceed the content of the partnerships that were presented during the Summit. In the view of the Secretary-General, even though all the partnerships launched in Lyon should result in new and more effective solutions to some important development issues, the real importance of the Summit lies in the new avenues that have been opened and through which UNCTAD and its partners can jointly identify innovative ideas and working methods to address UNCTAD's mandates.

##### *D.1 The question of the legitimacy and representativeness of the potential partners*

9. Whereas in an intergovernmental context there are clear guidelines as to who the counterparts are with whom the secretariat is expected to deal, principally representatives of member States, there is no such thing as a representative of civil society or the private sector as such. The secretariat adopted as its guiding principle the idea that the involvement of non-governmental actors should not aim at achieving representation of civil society; more modestly, non-governmental actors would be invited to join in a partnership with UNCTAD only by virtue of their ability to make a clearly identifiable contribution to the achievement of a concrete part of UNCTAD's mandates. Non-governmental actors derived their legitimacy as potential partners for UNCTAD from their willingness and capacity to work together with UNCTAD, rather than from any theoretical claim to represent a part of the civil society.

##### *D.2 The choice of potential partners, particularly in the case of NGOs and private enterprises*

10. This issue is directly connected with the question of the legitimacy and representativeness of potential partners. A large number of NGOs have observer status with the United Nations, but it was clear that not all of them could join the concrete partnership projects to be launched in Lyon. The secretariat chose to involve directly only those specialized NGOs which had an explicit interest in, and the capacity to contribute to, the very specific areas of work of the proposed partnerships.

11. On the other hand, the large number of NGOs with a general interest in development issues and which usually follow UNCTAD's activities could not be left out of an initiative which aimed at better integrating civil society into UNCTAD's work. In fact, some skepticism existed among this second group of NGOs during the earlier stages of the initiative, and at some point there were signs that these NGOs could adopt a decidedly negative attitude towards the "Partners for Development" initiative. In the end, the fact that even those NGOs which were not directly involved in any of the partnership projects were considered as full participants in the Summit and could thus interact on an equal footing with representatives of Governments, international organizations and the private sector contributed to a significant change of attitude on their part.

Contrary to what had been expected, no alternative summit or parallel demonstrations were held in Lyon. On the whole, these general-interest NGOs took a constructive stance, and it can be said that a new, more positive relationship has been established between them and UNCTAD.

*D.3 The definition of "partnership" and the choice of the areas in which they would be more effective*

12. The concept of "partnership" used in the organization of the Summit was intentionally wide. A partnership was defined as any joint endeavour between UNCTAD and any other international organization, NGO or private company that would result in an improvement of the usefulness and effectiveness of UNCTAD's activities. In general this implied a common interest between UNCTAD and the concerned potential partner in the implementation of technical cooperation activities with a clearly defined end-product (for instance, the partnership between UNCTAD and the International Road Transport Union (IRU) for the improvement of transit transport monitoring systems), but it could also refer to a common interest in "thinking together" about development problems (for instance, the partnerships between UNCTAD's BIOTRADE programme and the universities of Chicago and Rutgers).

13. The definition of the areas in which these partnership projects should be launched was fundamentally the result of an analysis by the secretariat as to where partnerships could be most useful in the light of previous experiences and existing contacts with NGOs and private enterprises which had already expressed an interest in cooperating with UNCTAD. The conclusion of that analysis was that, in the areas that were chosen to launch the first partnership projects (electronic commerce, transport, BIOTRADE, microfinance, human resource development, investment, commodity risk management and structured finance), the potential impact of the partnerships to be launched was huge. For instance, the savings that farmers in developing countries could obtain through the partnerships that were initiated in the area of structured commodity finance account to millions of dollars. In microfinance, the partnership with some of the world's largest asset managements firms will give a huge boost to the ability of microfinance institutions in developing countries to obtain funds at a reasonable cost. Similar results could be obtained from the partnerships launched in other fields, such as transit transport, BIOTRADE, the legal environment of electronic commerce, etc. Generally speaking, the partnerships launched in Lyon are expected to mean a large quantitative and qualitative leap forward for the programmes they affect.

*D.4 How to mobilize the right participants in terms of thematic and geographical coverage*

14. Despite initial uncertainties, the Summit was a success in terms both of the number of participants (about 2,800 from 170 countries) and of their level. The key to this success was the fact that (1) the Summit was organized around a number of very concrete developmental problems which affected major aspects of the development process and (2) a common interest between UNCTAD and non-governmental actors had been clearly identified in advance.

15. An additional important reason of the success of the mobilization effort was the presence of some of the world's leading players in the areas discussed, as well as of a considerable number of heads of State and Government and ministers. This prestige factor contributed significantly to attracting to the Summit participants who would not normally have attended a "traditional" UNCTAD event. This applies in particular to leading members of the business community.

*D.5 The challenges posed by the format of the sessions*

16. The format of the sessions of the Summit, without distinctions between governmental and non-governmental participants, official declarations or formal discussion of a final document, diverged from that of traditional UNCTAD

meetings. It greatly contributed to the vivacity of the debates, allowed a real exchange of ideas and conveyed the message that all actors of development were being given a genuine opportunity to contribute to the objectives of the Summit. The openness of the sessions is now considered to have been one of the most attractive features of the Summit.

17. Although government representatives did not have the dominant role that they usually have in UNCTAD meetings, the feedback received by the secretariat indicates a high degree of satisfaction among governmental delegates. Ministers and other high-level officials had a chance to receive first-hand information about some of the most advanced solutions available to key issues of economic development, ranging from electronic commerce to advanced financial tools for commodity trade or micro-finance. At the same time, the high concentration of key figures from the private sector and from non-governmental organizations allowed them to hold numerous bilateral meetings which have opened up opportunities for new investment and business partnerships. The secretariat believes that this highly informal approach, the short duration of the Summit and the absence of pressure to reach a political consensus, and the fact that all participants felt that anyone who had a contribution to make was regarded as equally important makes this the ideal format for future meetings with civil society and private sector participation.

#### *D.6 The importance of an effective communications strategy*

18. The complexity of the Lyon Summit and its potential interest for a variety of actors required an extra effort in the field of communication.

19. Before the Summit, it was important to reach out to a target population which would not necessarily coincide with UNCTAD's traditional audience. It was also important to ensure coverage by worldwide media in order to make the Summit an attractive platform for high-level personalities who could play a major role in the achievement of UNCTAD's objectives.

20. In spite of the extremely scarce resources available, and with the support of the city of Lyon, a proactive communications strategy was put in place. The efforts concentrated on the mobilization of international media, particularly television and radio from developing countries. Intense preparatory work was carried out to sensitize journalists: press briefings were organized on a regular basis before the event, and promotional material and a press kit were widely distributed, together with a video press kit and a newsletter.

21. The Internet was used as an integral element of the communication strategy. A special Web site was created for the Summit, which facilitated the rapid diffusion of information. In particular, the site became essential in the month before the event to respond to the huge demand from the media and from potential participants.

22. During and after the Summit, it was important to make public opinion and, more important, decision-makers at the highest level aware of the innovative solutions proposed at the Summit: 116 journalists representing 76 media from 24 developing and developed countries came to Lyon, and many more covered the event with the information provided by press agencies. Euronews, RFO/AITV, France 3-Rhône/Alpes and UNO/TV assured the daily coverage of the Summit, and a large number of televisions, including CNN, broadcast the video press kit. The radio coverage was excellent, particularly in French-speaking countries.

#### *D.7 How to adapt UNCTAD's work methods in order to make it an effective partner for non-governmental actors*

23. The Lyon Summit demonstrated that civil society and the private sector are ready to bring new energies and resources into UNCTAD's work. The partnerships launched there seem to constitute a valid model that can be used to enhance the participation of civil society and the private sector in UNCTAD's activities

for the pursuance of shared, concrete development objectives. This model could be extended to other fields of work of the organization, taking into account the experience that will be gained through the implementation of this "first wave" of partnerships.

24. The Summit also proved that UNCTAD's methods of work need to be rethought in order to allow the organization to deal with its partners from civil society and the private sector in an efficient and transparent manner. In organizing the Summit, the secretariat departed from some traditional practices: private-sector and non-governmental partners were involved from the earliest stages of the definition of the partnerships; private-sector sponsoring of events was sought whenever possible; documentation and paperwork were reduced to the minimum. These are only a few examples of the ways in which UNCTAD worked differently in preparing the Lyon Summit. Many other changes need to be undertaken in order to make this organization ready to work with non-governmental actors with all the effectiveness that it should. The credibility of the partnership agreements concluded in Lyon is at stake.

25. Some examples of these changes are as follows:

- Administrative procedures need to be reconsidered in order to make private-sector funding of UNCTAD's activities easier;
- Clear guidelines need to be developed concerning the way in which NGOs and private companies interested in becoming UNCTAD's partners should be selected;
- The legal issues involved in the operation of these partnerships need to be clarified and a general framework established to replace the current case-by-case approach. In particular, there is a need to increase the flexibility with which technical cooperation programmes may enter into contracts with commercial parties.

26. Some of these changes cannot be implemented at the level of UNCTAD, as they concern UN rules and regulations. Guidance from the appropriate United Nations bodies and/or from the Secretary-General of the United Nations is necessary. Coherence with the initiatives undertaken by the Secretary-General of the United Nations in this respect needs to be ensured. However, the Secretary-General of UNCTAD is committed to spearheading the process of change and to adapting as many of UNCTAD's procedures as possible under his own authority.

27. The changes that UNCTAD needs to undergo in order to be an effective partner of non-governmental development actors also require the support of member States. For reasons of transparency, and in order to ensure an adequate follow-up in terms of the implementation of the new partnerships, there is a need for more continuity in the participation of UNCTAD's partners from NGOs and the private sector in UNCTAD's institutional life. UNCTAD's partners should be given more opportunities to interact with member States and the secretariat in a setting in which they enjoy a more equal position than the existing mechanisms allow for. This must be balanced with the need to keep the political control of all of UNCTAD's activities in the hands of its member States.

## **E. CONCLUSIONS**

28. The Lyon Summit was a vote of confidence by many of the world's key non-governmental development actors in UNCTAD's capacity to make a relevant contribution to the solution of some of the most pressing problems of development today. The 20 partnerships presented at the Summit opened exciting opportunities to make our organization a powerful lever for development. The Summit also served as a testing-ground for the changes that need to be introduced in order to get that lever in motion, some of which are mentioned above.



29. On the basis of the experience of the Lyon Summit and of the implementation of the first partnerships, the Secretary-General of UNCTAD intends to formulate concrete proposals which could be discussed by the tenth session of the Conference. These proposals will aim at making UNCTAD a catalyst for private-public partnerships, a tool at the service of all those concerned in the development process. Turning the multitude of ideas that emerged in Lyon into real changes in our organization will call for a common effort of creativity by of all those involved: Governments, NGOs, business, academia and, of course, the secretariat. The Secretary-General of UNCTAD is committed to focusing the energies of the secretariat on making this new vision of the organization a reality as we enter the new millennium.