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TRADE AND DEVELOPMENT BOARD
First meeting of the Mid-term Review process
Geneva, 28 January – 1 February 2002
Agenda item 6

**DRAFT REPORT OF THE FIRST MEETING OF THE
MID-TERM REVIEW PROCESS**

Rapporteur: Mr. Federico Perazza Scapino (Uruguay)

Speakers:

President of the Board
Secretary-General of UNCTAD
Thailand (for the G77 and China)
Bangladesh (for the LDCs)
Spain (for the European Union)

Norway
Uganda (for the African Group)
Dominican Republic
United Kingdom

Note for delegations

This draft report is a provisional text circulated for clearance by delegations. Requests for amendments to statements by individual delegations should be communicated by **Wednesday, 6 February 2002** at the latest, to:

UNCTAD Editorial Section, Room E.8104, Fax No. 907 0056, Tel. No. 907 5656/1066.

Introduction

OPENING STATEMENTS

1. The **President of the Board** recalled that, at its forty-eighth session, the Board had approved the basic modalities for the Mid-term Review process, and it had established three pillars, namely: (i) a review of the efficiency and functioning of the intergovernmental machinery; (ii) stocktaking in respect of the implementation of the commitments and work programme agreed to in the Bangkok Plan of Action (TD/386); and (iii) interactive debates and policy dialogue in the context of opportunities and challenges of new policy developments of importance since UNCTAD X.

2. The Board had further agreed that three Vice-Presidents would assist in the preparatory work for the Mid-term Review, as follows: on the intergovernmental machinery – Mr. Federico Alberto Cuello Camilo (Dominican Republic); on the stocktaking of the implementation of the work programme based on indicators of achievements – Mrs. Eleanor M. Fuller (United Kingdom); on the interactive debates and policy dialogue in the context of opportunities and challenges of new policy developments of importance since UNCTAD X – Mr. Virasakdi Futrakul (Thailand). It was decided that the two Vice-Presidents in charge of the intergovernmental machinery and stocktaking would make every effort to conclude their work prior to the Mid-term Review in Bangkok.

3. The **Secretary-General of UNCTAD** thanked the Government and people of Thailand for their generous offer to host the mid-term review and for their continued commitment to UNCTAD. The inauguration of the International Institute for Trade and Development in Bangkok at the time of the Mid-term Review meeting represented a concrete outcome of UNCTAD X.

4. The Mid-term Review would provide an opportunity to take stock of what had been achieved since UNCTAD X, to look at the present situation and to determine what adjustments might be needed in the light of new developments. The goal was not to question what had been agreed at UNCTAD X, since nothing had happened since then that would justify profound changes, nor was the goal to prepare for UNCTAD XI.

5. The work of UNCTAD was particularly affected by the economic environment in which development took place. Since UNCTAD X, conjunctural changes had occurred, both positive and negative. The United States had gone into recession, and other major industrial economies were facing difficulties too. However, it could be hoped that the recession would not be too deep or long-lasting, and some signs of recovery could be detected. The introduction of the euro represented an historic event which would affect the monetary structure of the world. At the same time, developments such as those in Argentina could only be a matter of serious

concern, and stood as a reminder of the constant challenges facing development in an increasingly complex world.

6. Factors affecting the work of UNCTAD at another level included the Doha WTO Ministerial Meeting. The broad negotiations launched at Doha and the introduction of the development dimension into those negotiations would impact the work of UNCTAD, which would have to see how best to meet the challenge of helping countries benefit from those multilateral negotiations. The secretariat had already set up an internal task force, which had almost finalized a demand-driven comprehensive programme of assistance for delegations participating in the negotiations. Other events that would have a significant impact on UNCTAD's work included the Third United Nations Conference on the Least Developed Countries, the international conference on Financing for Development, and the Conference on Sustainable Development.

7. Trade negotiations were a necessary but not sufficient condition for development. Such negotiations created opportunities, but to take advantage of these opportunities, each country had to build up its own productive capacity, diversify and become competitive. Related actions covered in the Bangkok Plan of Action included strengthening the productive sector, improving the capacity to generate savings and attract investment, developing the enterprise sector, building synergies between national suppliers and transnational corporations, and generating the conditions required to improve the use of technology. Such actions had to be taken in parallel with trade negotiations, not afterwards.

8. In conclusion, he re-emphasized that the Mid-term Review should be used to see how the Bangkok Plan of Action should be focused in the light of events and constraints and to set priorities.

9. The representative of **Thailand**, speaking on behalf of the **Group of 77 and China**, said that the Mid-term Review was an exercise of great importance, and its success would set the stage for UNCTAD XI. The Mid-term Review was taking place at a critical time, since the global economy was beset by the worst global deflation for half a century, and the developing countries were being badly affected. The Mid-term Review represented a good opportunity to exchange views on what had been done and what remained to be done with regard to the implementation of the Bangkok Plan of Action, as well as on how developed and developing countries could work together in order to navigate through these turbulent times. The Group of 77 and China would work actively for the success of the Mid-term Review.

10. The representative of **Bangladesh**, speaking on behalf of the **least developed countries**, said that, since UNCTAD X, there had been a number of major developments that had affected LDCs and that generated specific duties for UNCTAD. LDCs should therefore remain at the centre of UNCTAD's work programmes. In particular, UNCTAD should continue to translate into action the Programme of Action for the LDCs adopted at Brussels. The creation of the High

Representative for LDCs, Land-locked Developing Countries and Small Island Developing States had not changed the mandate of UNCTAD concerning substantive support for LDCs, and indeed the General Assembly had called for UNCTAD to be strengthened.

11. The Brussels Programme of Action invited the Board to consider converting its Sessional committee on LDCs into a Standing Committee. In its decision 467(XLVIII), the Board had decided to begin consultations on that matter in the context of its examination of the intergovernmental machinery. The proposal to establish a Standing Committee was independent of the recommendation in paragraph 116 of the Programme of Action, and it was hoped that the issue would be suitably addressed at the current meeting.

12. The Trust Fund for LDCs was a welcome initiative, but contributions remained unsatisfactory. UNCTAD should redouble its fund-raising efforts in that regard. The Commission on Investment, Technology and Related Financial Issues and WAIPA had stressed the importance of human resource development in LDCs, and it was hoped that that would be reflected in the delivery of UNCTAD's technical assistance programme. The Bangkok Plan of Action had called upon UNCTAD to prepare an integrated programme of technical assistance for LDCs, and it was hoped that the assessment of resource requirements would be completed soon.

13. UNCTAD's expert meetings contributed to policy analysis and decision-making in LDCs, but lack of funds limited LDC experts' participation, and if those experts could not attend, the meetings' recommendations might not be very relevant for LDCs. There was also a gap between expert meeting recommendations and Commission decisions. It was hoped that those matters could be resolved.

14. The external environment facing the LDCs remained as unfavourable as ever, and the LDCs development partners needed to take a more proactive role in improving that environment. It was hoped that the Mid-term Review would take the concerns of LDCs on board.

15. The representative of **Spain**, speaking on behalf of the **European Union**, said it was hoped that, as a result of the Mid-term Review, UNCTAD would be strengthened in order to make it more effective in carrying out its mandate. The Mid-term Review must be seen in the context of recent developments, in particular the Third United Nations Conference on LDCs and the WTO Ministerial Meeting in Doha. The latter had thrown down an important challenge for UNCTAD, since it had been the first WTO Ministerial Meeting to incorporate the development dimension, with specific references to UNCTAD. With regard to the review of the intergovernmental machinery, the latter could function better, and an in-depth examination of its workings was necessary. Any reform of the machinery should not increase the number of intergovernmental meetings. Concerning the stocktaking exercise, the aim was not to renegotiate the Bangkok Programme of Action but to try to implement it as effectively as possible. The three pillars of the Mid-term Review

process were interconnected and should therefore be dealt with jointly. Finally, he thanked the Government of Thailand for hosting the Mid-term Review.

16. The representative of **Norway** said that the Mid-term Review represented a good opportunity to take stock of what had been achieved and to see how to respond to new challenges. The goal was not to renegotiate the outcome of UNCTAD X, but to take account of new developments such as the Third United Nations Conference on the LDCs, the WTO Ministerial Meeting in Doha, the Financing for Development conference, and the Sustainable Development Conference. It was hoped that the Mid-term Review would provide general orientations on how to focus future work, and that implied priority-setting and rationalization. UNCTAD's comparative advantages would be of great importance in that connection. With regard to the review of the intergovernmental machinery, it would be important to try to improve the expert meetings, to take a close look at the Commissions and to enhance the work of the Board. In conclusion, he thanked Thailand for offering to host the Mid-term Review.

17. The representative of **Uganda**, speaking on behalf of the **African Group**, said that, with respect to the intergovernmental machinery, the goal should be not to engage in a major overhaul but to improve its functioning. With regard to the stocktaking exercise, there should be no attempt to renegotiate the Bangkok Plan of Action. Two particular questions that would have to be tackled and resolved concerned predictable funding for the participation of developing country experts in UNCTAD expert meetings and the implementation of paragraph 166 of the Bangkok Plan of Action.

18. The intergovernmental machinery of UNCTAD must be able to react to recent events, but care must be taken not to divert it from its core mandates. Concerning the issue of the Board's sessional committee on LDCs, he called for its conversion into a Standing Committee. The new Office of the High Representative for LDCs, Land-locked Developing Countries and Small Island Developing States had its own mandate and did not duplicate UNCTAD's LDC work, and the Programme of Action for the LDCs must be mainstreamed into that work. Finally, he thanked Thailand for hosting the Mid-term Review.

Chapter I

REVIEW OF THE EFFICIENCY AND FUNCTIONING OF THE INTERGOVERNMENTAL MACHINERY

(Agenda item 3)

19. The representative of the **Dominican Republic**, speaking in his capacity as Chairperson for the pillar of the Mid-term Review on the intergovernmental machinery, said that it was important to make UNCTAD capable of responding to change. With regard to the review of the intergovernmental machinery, he had held informal consultations with all regional groups in December and January, and as a result of those consultations he had tabled an informal paper as a basis for the discussions at the first meeting of the Mid-term Review process.

Chapter II

STOCKTAKING IN RESPECT OF THE IMPLEMENTATION OF THE COMMITMENTS AND WORK PROGRAMME AGREED TO IN THE BANGKOK PLAN OF ACTION

20. The representative of the **United Kingdom**, speaking in her capacity as Chairperson for the pillar of the Mid-term Review on stocktaking, said that the preparatory work for the stocktaking exercise had been done by the secretariat, which had produced a programme assessment for 2000-2001 (TD/B(S-XIX)/L.1). Work on stocktaking would begin with general statements, after which activities would be reviewed on a subprogramme-by-subprogramme basis. The aim would be to look at what had been done, determine what still needed to be done, and draw lessons from the past period with a view to enhancing delivery.

Chapter III

ORGANIZATIONAL MATTERS

A. Opening of the session

21. The first meeting of the Mid-term Review process was opened on 28 January 2002 by Mr. Ali Said Mchumo (United Republic of Tanzania), President of the Board.

B. Officers

22. The officers of the Board were as elected at the forty-eighth session of the Board, as follows:

President: Mr. Ali Said Mchumo (United Republic of Tanzania)

Vice-Presidents: Mr. Iouri Afanassiev (Russian Federation)
Mr. Toufik Ali (Bangladesh)
Mr. Federico Alberto Cuello Camilo (Dominican Republic)
Mr. Douglas M. Griffiths (United States of America)
Mrs. Eleanor M. Fuller (United Kingdom of Great Britain and Northern Ireland)
Mr. Virasakdi Futrakul (Thailand)
Mr. Nathan Irumba (Uganda)
Mr. Toshiyuki Iwado (Japan)
Mr. Kalman Petocz (Slovakia)
Mr. Jacques Scavee (Belgium)

Rapporteur: Mr. Federico Perazza Scapino (Uruguay)

C. Adoption of the agenda and organization of the work of the session

23. At the opening meeting, the provisional agenda as contained in document TD/B(S-XIX)/PREP/1 was adopted, as follows:

1. Adoption of the agenda and organization of work
2. Review of the efficiency and functioning of the intergovernmental machinery
3. Stocktaking in respect of the implementation of the commitments and work programme agreed to in the Bangkok Plan of Action

4. Preparations for the interactive debates and policy dialogue in the context of opportunities and challenges of new policy developments of importance since UNCTAD X
5. Other business
6. Adoption of the report