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## Draft report of the Trade and Development Board on its fifty-fourth session

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## II. President's summary (*continued*)<sup>1</sup>

### **Review of developments and issues in the post-Doha work programme of particular concern to developing countries**

1. The review was frank and constructive, providing a positive momentum for the ongoing Doha round of trade negotiations. Participants commended the secretariat on its background note (TD/B/54/5), which provided a comprehensive and balanced assessment of the progress in the Doha work programme from a development perspective.

2. There was consensus that trade was an engine of growth and development. The multilateral trading system (MTS) could make a significant contribution to realizing development gains and achieving the Millennium Development Goals. Realization of development gains from trade, however, required flanking policies and flexibility to adequately pace and sequence liberalization. Developing countries had emerged as major players, giving rise to the "new South". They had increased their influence on the evolution of the MTS. Global trade continued to grow, but some countries continued to be marginalized, particularly least developed countries (LDCs) and sub-Saharan African countries. Many developing countries were dependent on primary commodities. This required a holistic and tailored approach to commodities issues involving viable commodity sector trade and development strategies at the national, regional and international levels. Consequently, gains from trade liberalization were not evenly distributed among countries. Thus, developing countries should contribute in a way commensurate with their capacities. Strong development content in the Doha round of trade negotiations could help developing countries benefit from trade integration.

3. The Doha negotiations were at a critical juncture. Participants stressed the importance of a successful and timely conclusion to the round, with balanced and development-oriented outcomes. While recognizing the time constraints facing the round, many participants stressed the need to "get the content right" and secure adequate development dividends in the negotiated outcome. That required positive engagement and flexibility in the search for common ground by all participants, with leadership from the major trading nations. A successful conclusion to the round was essential if developing countries were to enter the mainstream of the MTS and preserve or enhance their credibility. The risks of failure included greater recourse to regional and bilateral initiatives, increased unilateralism, resurgent protectionism and trade disputes, and negative implications for the world economy, the MTS and growth in developing countries.

4. It was pointed out that the Doha round should address the diverse concerns and interests of developing countries. Delegations drew attention to the need for new and enhanced market access and entry opportunities for developing countries in agriculture, manufacturing and services, particularly modes 4 and 1. Other key deliverables included full duty-free and quota-free market access for LDCs, with transparent and simple rules of origin; fairer rules and a level playing field to eliminate existing asymmetries and trade distortion; specific and ambitious solutions for cotton; more discipline on trade-distorting sanitary and phytosanitary standards and technical barriers to trade; adequate policy

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<sup>1</sup> Electronic versions of statements by delegates are posted on the UNCTAD website in the form and language in which they are received. To find the speeches, go to [www.unctad.org/meetings](http://www.unctad.org/meetings), select the intergovernmental body and session, and click on Programme.

autonomy and space for economic governance, including through effective and operational special and differential treatment and less-than-full reciprocity; and international solidarity measures to build competitive supply capacities, including on services and trade-related infrastructure in developing countries, particularly through the Aid for Trade initiative. The need to make substantial additional and predictable funding available to all developing countries that needed it and the need for effective implementing mechanisms were stressed. UNCTAD was called upon to substantially contribute to that initiative. Recent developments in implementing the Enhanced Integrated Framework for LDCs were welcomed.

5. Participants stressed the importance of the existing negotiating mandates and the centrality of agriculture. It was important to adequately address – including through the Special Products and Special Safeguard mechanism – food security, livelihood security and rural development. It was also necessary to address the specific developmental needs of net food-importing developing countries and preference-dependent countries. With regard to non-agricultural market access (NAMA) negotiations, most participants stressed the need to fully take into account the agreed principles of less-than-full reciprocity and a comparable degree of ambition and balance in agriculture and NAMA. Many expressed concern over the proposed level of liberalization in NAMA for developing countries as leading to de-industrialization, while others said it was important to create real and substantial market access and trade opportunities.

6. Participants noted that a successful conclusion of the round necessitated a commensurate level of progress in other areas of negotiations under a single undertaking, including services, rules, trade facilitation and the Agreement on Trade-related Aspects of Intellectual Property Rights (TRIPS). A robust outcome in services was considered particularly important by some participants. Commercially meaningful market access offered in services sectors and modes of interest to developing countries – especially mode 4 – could generate substantial trade and welfare gains and contribute to poverty reduction. Services trade and development was of critical importance for developing countries. For example, infrastructural services such as financial and telecommunication services had significant developmental implications. UNCTAD's comprehensive work on services – encompassing policy analysis and country assessment, support to multilateral and regional negotiations, and intergovernmental deliberations including through regular expert meetings – was found to be highly valuable, and should be further strengthened and prioritized in the context of UNCTAD XII.

7. Several participants highlighted the difficult challenges facing developing countries and countries with economies in transition in the process of WTO accession. Accession negotiations often led to stringent liberalization and reform commitments disproportionate to their level of development. Participants strongly commended UNCTAD's analytical and technical support to acceding countries at all stages of accession, processes that should be enhanced with donor and regular budget support.

8. In view of the recent proliferation of bilateral and regional trade agreements, many participants reaffirmed the value of the MTS and the most favoured nation principle, and the importance of multilateralism in trade governance. North-South regional trade agreements, where developed countries had greater bargaining power, had resulted in "WTO-plus" commitments. The WTO rule-based system was democratic and provided a shelter for the weak. Furthermore, many key issues could only be dealt with in WTO multilateral negotiations. As regional trade agreements would remain in place, there was a

need to identify ways to ensure coherence across different layers of the trading system and “multilateralize” regional initiatives for system-wide coherence, taking into account the developmental dimension of such agreements. Many participants emphasized the strengthening of economic cooperation among developing countries in trade and investment. South-South regional integration provided a promising avenue for expansion of South-South trade. The third round of negotiations under the Global System of Trade Preferences among Developing Countries would stimulate South-South trade and was a good complement to WTO. UNCTAD was called upon to continue to play a leading role in supporting regional trade negotiations and cooperation at both the North-South and South-South levels.

9. Participants commended UNCTAD’s role in upholding and safeguarding an open, equitable, rule-based, predictable and non-discriminatory MTS. They reaffirmed the continued relevance of UNCTAD’s intergovernmental consensus-building role in monitoring developments in – and analyzing development impacts of – the international trading system and trade negotiations. UNCTAD and its intergovernmental processes had positively influenced multilateral trade negotiations, including the Doha round, especially in emphasizing the development dividend. UNCTAD should continue its unique policy-oriented research and analysis on trade negotiation issues affecting developing countries. Participants commended UNCTAD’s technical cooperation and capacity-building work on the international trading system and trade negotiations, including in respect of market access, services, agricultural and non-agricultural products, special and differential treatment, WTO accession, the Joint Integrated Technical Assistance Programme, TRIPS, rules, dispute settlement and commodities. Continuing priority should be given to UNCTAD’s work on trade negotiations. UNCTAD should make substantial contributions to aid for trade and other international initiatives such as the Tokyo International Conference on African Development. In those areas, the need for increased donor support was underlined. UNCTAD XII should reaffirm and strengthen UNCTAD’s mandate and its catalytic role in trade negotiations. UNCTAD should help promote systemic coherence in the international economic architecture, rendering it conducive to economic growth and development, and should continue to contribute to the United Nations-wide policy debate on trade and development.

### **Technical cooperation activities**

10. All delegations stressed the importance of technical cooperation as one of the three pillars of UNCTAD’s work, and the need for increased linkages and coherence between the pillars. All delegations considered that the process described in paragraph 18 of the draft decision concerning implementation of recommendation 19 in the Report of the Panel of Eminent Persons increased coherence. They also agreed that UNCTAD needed stable, long-term and predictable funding and programming, combined with better control of the implementation of programmes and projects, with results-oriented management. Some delegations, however, considered that the adoption of the process described in paragraph 18 of the decision should not preclude donors from earmarking their individual contributions if they so wished. Some delegations expressed concern that too many projects reflected donors’ agendas rather than the needs of beneficiaries. They considered that the new internal mechanism should ensure that resources corresponded to the priorities of both beneficiaries and donors. Some delegations noted the need for a more equitable regional distribution of resources.

11. The secretariat was asked to provide member States with more detailed information on requests for technical cooperation and their follow-up, the findings of the interdivisional technical cooperation project review committee, and the technical cooperation activities of the Division for Africa, Least Developed Countries and Special Programmes that would result from the rethinking of its strategic approach, consolidation and synchronization. The secretariat was also asked to make significant efforts to increase funding, especially from the private sector. Some delegations said that, in order to achieve a greater impact, UNCTAD should redefine its structure, adjust its internal organizational and management procedures and improve its communication strategy, so that its products and services would become clearly identifiable and well known.

12. Regarding the implementation of recommendation 18 of the Report of the Panel of Eminent Persons, many delegations expressed the view that the High-level Panel on System-wide Coherence was very important for the future of the United Nations, and hoped UNCTAD would play a significant part in it. Some delegations said their major concern, in the framework of United Nations reform and its implications for UNCTAD, was to ensure that UNCTAD played a central role in the United Nations system on issues related to trade and development. There was support for UNCTAD's position on the need to fully integrate economic and trade-related issues in national development strategic plans. Many delegations welcomed the practical initiatives taken by the secretariat to address the obstacles that UNCTAD faced in its participation in the One United Nations initiative at the country level. However, serious doubts were expressed about the establishment of UNCTAD representatives at the regional and subregional levels. Many delegations strongly encouraged the secretariat to increase efforts to disseminate information on UNCTAD technical cooperation and to expand and publicize its work at the country, regional and multilateral levels. There was general agreement that efforts should be made to consolidate projects under thematic clusters. Some delegations were of the view that UNCTAD's participation in country-level operations would ensure more effectiveness in the delivery of technical cooperation. One delegation praised the efforts of the Working Party to bring greater coherence to UNCTAD's work and said deeper reforms were needed to ensure greater impact and relevance for UNCTAD.

13. One delegation expressed support for the evaluation function, called for adequate resources to be accorded to advance that work, and requested a rigorous implementation and follow-up of findings and recommendations emanating from evaluations. Another delegation welcomed the call by the Working Party to devise new indicators and performance measures before the end of the year.