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Agenda item 8

**DRAFT REPORT OF THE TRADE AND DEVELOPMENT BOARD
ON ITS FORTY-FIRST EXECUTIVE SESSION**

Held at the Palais des Nations, Geneva,
from 18 to 20 April 2007

Rapporteur: Ms. Ana Inés Rocanova (Uruguay)

Speakers:

Secretary-General of UNCTAD
Thailand for the Asian Group
Angola for the African Group
Belarus for Group D
Benin for the LDCs
Russian Federation
Switzerland

Argentina
China
Bangladesh
Mexico
Peru
Pakistan

Note for delegations

This draft report is a provisional text circulated for clearance by delegations.

Request for amendments to statements by individual delegations should be communicated by **Wednesday, 25 April 2007** at the latest, to:

UNCTAD Editorial Section, Room E.8102, fax no. 022 917 0056, tel. no. 022 917 5654 / or 1437.

OPENING STATEMENTS

1. The **Secretary-General of UNCTAD** said that the discussions of the three Commissions, the reports of which had been prepared for the present session of the Board, had been useful, and that it had been possible to agree on recommendations. Although those recommendations would have benefited from being broader in scope, addressing key emerging issues in trade and development, a good start had nevertheless been made. The Secretary-General welcomed the intergovernmental agreement that had been achieved on the topics and schedule of the forthcoming expert meetings and the sessions of the Commissions. Referring to the Report of the Working Party on the Medium-term Plan and the Programme Budget on its forty-eighth session, he highlighted the importance of that session since it had dealt with the next programme budget. Having taken note of the requests and comments addressed to it, the secretariat would provide delegations with all possible support at the resumed session.

2. The Secretary-General referred to two other important agenda items: the report on the in-depth examination of the Report of the Panel of Eminent Persons, and the theme and preparatory process for UNCTAD XII. Regarding the former item, he said he would make his remarks in due course. Regarding the latter item, he noted that during the present session of the Board the Minister of Trade and Industry of Ghana would be making a presentation on progress made by his Government in the preparations for UNCTAD XII. He hoped that the present session would act as a launching pad for that event.

3. The representative of **Thailand**, speaking on behalf of the **Asian Group**, welcomed the outcome of the work of the three Commissions, and expressed the Group's support for the plan to hold a two-day session with a focused agenda for each Commission prior to UNCTAD XII. His Group also supported the choice of topics for expert meetings, and emphasized the need to implement paragraph 32 (b) of the Mid-Term Review so as to come up with development-oriented outcomes, including policy options. The Group suggested that the expert groups attempt to brainstorm ideas for possible policy options for consideration by the Commissions.

4. With reference to item 3, the Asian Group welcomed Ambassador Gafoor's work in guiding discussions on the Report of the Panel of Eminent Persons, and endorsed the report on informal consultations. Regarding Cluster 1, there was a need for consultations among member States on various aspects of the recommendations in accordance with the outcomes of the Mid-term Review. Regarding Cluster 2, the Asian Group took note of the pros and cons of each recommendation and looked forward to continuing discussions.

5. With regard to item 4, the Group appreciated Ambassador Stephenson's work in guiding the deliberations for determining the theme and sub-themes for UNCTAD XII. The Conference should provide opportunities to address UNCTAD's contribution to major international conferences, in particular the conference on financing for development. The speaker emphasized sub-theme 1, which would address systemic issues related to promoting consistency in the global economic system and enhancing the participation of developing countries in international decision-making through a stronger partnership. The Group also supported sub-theme 2, namely the idea of examining greater South-South cooperation to complement its North-South counterpart. It considered sub-theme 3 to be important, particularly the issues regarding the capacity-building capacity of the developing countries and making use of different resources and knowledge for their development and economic

growth. Concerning sub-theme 4, it was important to address institutional issues at UNCTAD XII, with the aim of strengthening UNCTAD in all aspects, including its intergovernmental role and its positive impact on member countries.

6. In conclusion, the speaker expressed his hope that in the lead-up to UNCTAD XII, member States would build on the current positive momentum.

7. The representative of **Angola**, speaking on behalf of the **African Group**, congratulated all the member States and the facilitators on their hard work and the well-deserved results achieved in identifying the theme and sub-themes for UNCTAD XII. The fact that Africa would host the Conference made his Group feel that it was at the centre of the preparatory work. While responsibility for the main part of the work lay with the member States, the Secretary-General of UNCTAD should play a very important role in achieving success in Accra. In his Group's opinion, UNCTAD XII had to address substantive issues that were crucial for African countries, particularly regarding trade and development, including those issues related to commodities, productive capacities and international competitiveness, and multilateral and regional trade issues, including trade negotiations.

8. Unlike a number of other developing countries, the majority of countries in his Group continued to struggle to derive development gains from globalization, and this had given rise to the expectation that UNCTAD XII would address in concrete terms the opportunities and challenges of globalization. One of the sub-themes would require UNCTAD XII to find innovative and practical ways of addressing the continuing problems of commodities. If the sub-theme on productive capacity, trade and investment and mobilizing resources for development received strong political commitment from major trading partners, this would go a long way to addressing fundamental problems in trade and development in Africa. Cautioning that the ongoing reform process should enhance, rather than erode, the substantive mandate and developmental role and impact of UNCTAD as the focal point in the UN system for the integrated treatment of trade and development, the speaker reiterated that the organization should continue its assistance to African countries regarding negotiations and development policies.

9. The representative of **Belarus**, speaking on behalf of **Group D**, said that his Group appreciated the action-oriented outcomes of the eleventh session of the Commission on Enterprise, Investment and Trade, which had provided clear guidance for the secretariat's work for the period before UNCTAD XII.

10. With regard to the Commission of Enterprise, Business Facilitation and Development, he encouraged UNCTAD to undertake analytical and technical assistance work on enterprise development that would encompass global and regional value chains, outward investment and business linkages. He also suggested that UNCTAD assist countries in identifying policies and facilitative measures to enhance the competitiveness of their small and medium-sized enterprises, and help them in devising and implementing national and international policies for enhancing transport and trade facilitation, with the focus on the special situation of landlocked and transit countries. Group D would like UNCTAD to strengthen its work on training to enhance local research and policymaking capacities relating to trade and development issues through the training programmes of the Virtual Institute, and the TrainForTrade and Paragraph 166 programmes.

11. With respect to the Commission on Investment, Technology and Related Financial Issues, UNCTAD should continue its analytical work on foreign direct investment (FDI) and

the dissemination of its findings through the *World Investment Report*, and should assist countries in the formulation and implementation of policies conducive to attracting and benefiting from FDI. It should serve as a focal point in the UN system for dealing with matters related to international investment agreements, and should intensify its capacity-building efforts to maximize the contribution of those agreements to development. Group D highly commended the UNCTAD programme on Investment Policy Reviews.

12. Furthermore, Group D greatly appreciated and supported UNCTAD's work on WTO accession in the Commission on Trade in Goods and Services, and Commodities, and requested that this activity be continued and further strengthened. Also, UNCTAD should continue its work on promoting awareness and understanding of better utilization of trade preferences available under the Generalized System of Preferences. Group D supported UNCTAD's work in the fields of new and dynamic sectors, non-tariff trade barriers and trade in services.

13. Group D attached the greatest importance to consideration of the draft proposal for UNCTAD's work programme for the biennium 2008–2009 in the framework of the Working Party on the Medium-term Plan and the Programme Budget. It had been confirmed in the agreed conclusions of the forty-eighth session of the Working Party that all programme activities should be based on the principles of equitable geographical distribution of resources among all developing country regions as well as countries with economies in transition.

14. With regard to the in-depth examination of the Report of the Panel of Eminent Persons, Group D fully supported the agreed classification into three clusters and encouraged the Secretary-General of UNCTAD to start implementing recommendations in the first cluster on the basis of consultations with member States. Concerning the recommendations identified in the second cluster, Group D was prepared to continue active deliberations on their content in the framework of the preparations for UNCTAD XII.

15. In conclusion, expressing his Group's gratitude to Ambassador Stephenson of Canada for his efforts to facilitate the open-ended informal consultations on formulating the main theme and sub-themes for UNCTAD XII, the speaker noted that the latter were ambitious, forward-looking and relevant to all groups of countries, and focused enough to allow member States to agree on the work programme after UNCTAD XII.

16. The representative of **Benin**, speaking on behalf of the **least developed countries (LDCs)**, expressed appreciation for the quality of the work done by the three Commissions and the efforts they had made to give attention to LDCs' concerns. However, more had to be done to meet those countries' growing and diverse needs. It was his wish that earnest efforts be made in implementing the conclusions presented in the reports of the Commissions.

17. Referring to the informal consultations on the recommendations in the Report of the Panel of Eminent Persons, the speaker said that his group hoped that the efforts made would strengthen the role of UNCTAD, improve its functioning and increase the impact of its technical cooperation activities, especially for LDCs. The greatest challenge for UNCTAD and the international community was to translate their wishes and objectives into concrete outcomes. LDCs supported any initiative aimed at strengthening UNCTAD while respecting its mandate and intellectual independence.

18. The LDCs hoped that UNCTAD XII would be a model conference, taking place in the context of many global changes in the economic, social, political and environmental areas. It

would take place at a time when pressure for reform at the United Nations and UNCTAD was mounting, which was an opportune time for change and for building a common and more equitable future in international economic relations. The theme recommended for UNCTAD XII seemed similar to that of the previous two Conferences. All of them dealt with the challenge of reducing the imbalance in the globalization process, and this meant that there was a risk of repetition. The LDCs would like UNCTAD XII to be innovative and to lead to a future characterized by more cooperation and dialogue. It could provide an excellent opportunity to define policies and strategies to solve efficiently the problems and challenges of LDCs, including the problems regarding the building of their productive capacity, so that they could integrate themselves effectively into the global economy.

19. LDCs would like UNCTAD to undertake reform to make itself more visible, with an intensified focus on LDCs' needs. In conclusion, the speaker said that UNCTAD XII should concentrate on poverty reduction, with the priority strategies aiming at developing physical infrastructure, improving human resources, creating job opportunities and increasing exports.

20. The representative of the **Russian Federation** congratulated Ambassador Stephenson of Canada and Ambassador Gofoor of Singapore on their respective missions of achieving consensus on two issues very important for UNCTAD. He said that the theme and four sub-themes for UNCTAD XII reflect the due balance of interests of various countries and group of countries. The readiness for the search of compromises demonstrated by the member states at consultations gives hope for the successful convening of the next Conference as well as the successful achievement of goals decided then. The representative underlined the importance of achieving practical results in the consultations on the Report of the Eminent Persons. The agreed recommendations prepared by the Ambassador Gofoor testify the clear understanding among member States of the imperative to increase the efficiency of INCTAD and the necessity to undertake a realistic approach to the actual process. The results of work of UNCTAD's Commissions and Expert Groups will facilitate the fullest achievement of Sao-Paulo Consensus, thereby providing a good ground for UNCTAD XII.

21. The representative of **Switzerland** expressed his satisfaction with the work done during the two informal sets of consultations on the decisions to be adopted by the present session of the Board. He was particularly happy with the adoption by consensus of eight out of the 21 recommendations presented in the Report of the Panel of Eminent Persons and the identification of seven more recommendations to be considered at UNCTAD XII. This "early harvest" was a result that exceeded expectations. Switzerland had been an early supporter of the idea of setting up the Panel of Eminent Persons, and he praised its present composition for its excellence in terms of the quality of its members and their geographical distribution. He encouraged the Secretary-General of UNCTAD to implement those recommendations that were within his competence, such as those on internal management and technical assistance.

22. Concerning UNCTAD XII, the issue of UNCTAD's revitalization should be considered on that occasion. He hoped that the main theme and the sub-themes chosen for the Conference would be attractive enough to bring high-level participants from capitals, thereby making it a success. There was, however, a long way still to go for success in Accra. In conclusion, he thanked the two ambassadors who had managed successfully the difficult consultations on items 3 and 4, which had led to the decisions adopted.

23. The representative of **Argentina** said that the consensus-building at the open-ended consultations on the theme and sub-themes of UNCTAD XII had been laborious but fruitful. They would not only allow the Conference to deal with key and substantive trade and

development issues, but also provide member States with an opportunity to hold discussions and reach the necessary consensus to strengthen UNCTAD institutionally. The theme and sub-themes would help member States maintain the specific identity of UNCTAD within the UN system as the only forum dealing with trade and development from a development perspective. They would also help UNCTAD to sustain its intellectual and academic independence, and ensure that it would be a multilateral driving force for proposing alternative ideas and policies, as well as for the provision of technical cooperation and assistance.

24. Regarding the agreed results of the open-ended consultations on the Report of the Panel of Eminent Persons, the speaker noted that they were somewhat at variance with the latter's Recommendation No. 10. In conclusion, the speaker paid tribute to the facilitators of both sets of open-ended consultations — Ambassador Stephenson from Canada and Ambassador Gafoor from Singapore — for their excellent respective contributions regarding the agenda items.

25. The representative of **China** said that the theme and sub-themes of UNCTAD XII were relevant to global economic development, and that UNCTAD could play a role in the process of globalization for development. The interesting sub-themes reminded delegates of the Monterrey Consensus, which had noted that external factors, such as the international macroeconomic and trading environment, and debt and aid flows, tended to influence the ability of countries to meet the Millennium Development Goals. UNCTAD also had a role to play in enhancing South–South cooperation, which had already evolved in terms of depth and sophistication. He expressed his country's desire to work with other developing country delegations to strengthen that cooperation and promote global development.

26. It was hoped, he said, that the institutional discussions concerning UNCTAD would increase the organization's developmental role and impact. It was also hoped that UNCTAD would provide policy options to help countries meet the challenges brought about by globalization. China had supported the adoption of the eight recommendations of the Report of the Panel of Eminent Persons, and hoped that, in order to achieve an "early harvest", the secretariat would make arrangements to discuss their implementation. China had no objection to adopting the reports of the three Commissions, and anticipated that the two-day meetings would bring fresh ideas for UNCTAD XII. In conclusion, he said that his country was optimistic about the preparations for and outcomes of UNCTAD XII, and looked forward to the presentation by the Minister of Trade and Industry of Ghana.

27. The representative of **Bangladesh** expressed his satisfaction with the reports of the Commissions and the Working Party. Those reports, he emphasized, reflected the importance of consensus-building in the activities of the intergovernmental machinery. Expressing his appreciation for the efforts of Ambassador Gafoor in the informal consultations on all of the 21 recommendations presented in the Report of the Panel of Eminent Persons, he supported their outcomes, but said that the recommendations, while they enjoyed a broad consensus, came with many caveats. Following earlier concerns raised, Bangladesh looked forward to the reaction of the Secretary-General on each of the recommendations, as well as the agreed outcomes. As for UNCTAD XII, institutional discussion should not divert attention from focusing on substantive issues. Bangladesh was grateful to Ambassador Stephenson for his consultations on the theme and sub-themes for UNCTAD XII.

28. The representative of **Mexico** expressed her appreciation for UNCTAD's unconditional support to member States in promoting and strengthening the organization's

mechanisms. She applauded the efforts of the Panel of Eminent Persons, which would have an extremely positive impact on the organization. There was a need to prioritize the use of UNCTAD's resources, and their management was a key aspect to strengthening and increasing the organization's credibility. As for the strengthening of coordination among institutions dealing with trade and development, UNCTAD should forge improved partnerships with international organizations and United Nations entities in order to achieve synergies and avoid duplication of functions. She thanked Ambassador Gafoor for his work in examining the Report of the Panel of Eminent Persons, including its 21 recommendations. She also expressed her appreciation to Ambassador Stephenson for his unconditional support in the quest for a theme and sub-themes for UNCTAD XII.

29. The representative of **Peru**, highlighting the serious problem of climate change, expressed his belief that UNCTAD had an important role to play in promoting strong ties among developed and developing countries in the global effort needed to combat its effects. A few years earlier, UNCTAD had begun important work in the areas of biotrade, organic agriculture, biodiversity and biofuels. The organization had not only generated considerable expectation, but also provided a concrete basis on which to take decisive actions in the fields of agricultural trade, investment, promotion and research. Regarding issues that required the Board's action, it was particularly important to have swift implementation of the EMPRETEC programme in countries in the Latin American and Caribbean region, the initiation of policy reviews regarding information and communication technologies, and the strengthening of training to build capacity in key areas of the international economic agenda. Lastly, the speaker commended the efforts of Ambassadors Gafoor and Stephenson as facilitators for the work on agenda items 3 and 4.

30. The representative of **Pakistan** welcomed the fruitful and successful outcomes of the three Commissions and supported the decision to have two-day sessions in 2008, as well as the topics for expert meetings for 2007. He expressed appreciation for the work of Ambassador Burhan Gafoor of Singapore in facilitating the discussions on the recommendations of the Report of the Panel of Eminent Persons and for their successful outcomes. He endorsed the recommendations that reflected a convergence of views, although there would be a need for close consultations with member States on various aspects of their implementation in a fashion consistent with the outcomes of the Mid-Term Review. Expressing appreciation for the work of Ambassador Don Stephenson of Canada in facilitating the informal consultations on the theme and sub-themes for UNCTAD XII, he emphasized his delegation's full support for and constructive engagement in the preparatory process for UNCTAD XII.

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