



**United Nations
Conference
on Trade and
Development**

Distr.
LIMITED

TD/B/EX(41)/L.5/Add.1
20 April 2007

Original: ENGLISH

TRADE AND DEVELOPMENT BOARD

Forty-first executive session

Geneva, 18–20 April 2007

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:

Honduras for the Group of 77 and China

Brazil for GRULAC

Germany for the EU

India

South Africa

Nicaragua

Guinea

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 representative of **Honduras**, speaking on behalf of the **G77 and China**, highlighted the successful conclusion of the Mid-term Review in 2006, which had reaffirmed the strengthening of the functional three pillars of UNCTAD's mandate, as well as the important outcomes of the eleventh sessions of the three Commissions in 2007, which had also reaffirmed the mandate as agreed in the São Paulo Consensus. The Commissions had provided a solid policy direction for UNCTAD on various substantive issues of interest to the G77 and China, and a validation of UNCTAD's work. Furthermore, the agreed recommendations of each Commission had provided a focus on areas of work that would deserve to be examined further in the UNCTAD XII process.

2. Thanking Ambassador Gafoor for his involvement in consultations on the recommendations of the Panel of Eminent Persons, the speaker said that the G77 and China expected that those recommendations would make a positive contribution to the enhancement of UNCTAD's development role and impact.

3. The lessons learned during the negotiations on the themes for UNCTAD XII should provide a better basis for the work ahead on the negotiations on the outcomes of Accra. Those negotiations would require a real commitment by the international community to work together in a constructive way in order to achieve a result that would strengthen UNCTAD's mandates and its contributions to the reinforcement of the UN system in global development discussions.

4. In conclusion, the speaker said that UNCTAD XII should serve to relaunch UNCTAD in accordance with the current reform processes and the new realities in the field of trade and development.

5. The representative of **Brazil**, speaking on behalf of the **Group of Latin American and Caribbean Countries (GRULAC)**, said that globalization affected countries differently, and he hoped that UNCTAD XII would look at systemic and global issues, taking into account new trends in the geography of the world economy. He expressed his Group's deep-seated commitment to UNCTAD's future, with the hope that it would continue to provide a space within the United Nations for dealing with issues related to trade and development. The formulation of the UNCTAD XII theme on the opportunities and challenges of globalization for development was a vital achievement in the preparatory process leading up to the Accra Conference and set forth the proper conditions for meeting the greatest challenges of the modern world within the mandate of UNCTAD.

6. The results of the consultations on the Report of the Panel of Eminent Persons were another important achievement, which made it possible to identify convergences and discuss proposals for strengthening UNCTAD. The Secretary-General would need to continue consulting on and reporting on the implementation of the Panel's recommendations.

7. His Group was pleased with the outcomes of the sessions of the three UNCTAD Commissions, which had covered issues of great importance to his Group. Reflecting on the Commissions and the expert meetings for 2007–2008 in preparation for UNCTAD XII should be done with a view to strengthening and broadening the contribution to development. Specifically referring to the Commission on Trade in Goods and Services, and Commodities, he said that the strengthening of work on South–South and North–South trade, and on biotrade and biofuels, would be particularly important for Latin America. Also, he

emphasized the work on the liberalization of trade in services to support the fight against poverty, with account being taken of an adequate regulatory framework to help compliance with policy objectives such as ensuring universal access to basic services. The temporary mobility of people providing services would be also important.

8. The Commission on Investment, Technology and Related Financial Issues had analysed international investment agreements and their economic and legal impacts, a topic of vital importance to his Group. A standing committee of experts should examine that issue in the light of the consultations on the recommendations of the Panel of Eminent Persons and in the context of UNCTAD XII, and would merit support from donors for the financing of experts. The Commission on Enterprise, Business Facilitation and Development had considered the work done to promote and support small and medium-sized enterprises, which had important innovative capacities and played a key role in Latin America. In conclusion, he urged that UNCTAD undertake research on ways to strengthen links between remittances and investment in small and medium-sized enterprises in developing countries.

9. The representative of **Germany**, speaking on behalf of the **European Union (EU)**, said that the two major processes — the consultations on the Report of the Panel of Eminent Persons and the deliberations on the theme for UNCTAD XII — had achieved results. His group wished to thank Ambassador Gafoor and Ambassador Stephenson for ably steering member States through constructive and results-oriented consultations on the Report of the Panel of Eminent Persons and the theme for UNCTAD XII respectively, and welcomed the results achieved so far. Specifically referring to those recommendations by the Panel that had been endorsed by the Trade and Development Board, he said that the EU looked forward to the implementation process to be pursued by the Secretary-General of UNCTAD and welcomed the fact that the deliberations on recommendations on Cluster 2 would continue in the context of the preparations for UNCTAD XII. The EU suggested that the Board establish a mechanism to ensure a timely follow-up to the work of the Panel.

10. The EU also noted with satisfaction that the three Commissions' sessions in 2007 had resulted in agreed outcomes and reflected the willingness of all partners to cooperate and to better manage time. Furthermore, it appreciated the efforts and the flexibility shown by all to accommodate the tight schedule of meetings, and the support from the secretariat in the decision-making process relating to the proposals for topics for expert meetings, which should be brought to a conclusion during the current session of the Board.

11. The work in the coming months would be crucial for determining UNCTAD's course during the next four years, and the EU stood ready to help bring to fruition the preparatory process and attract attention, at all levels, to UNCTAD XII.

12. The representative of **India** said that the productive outcome of the sessions of the three Commissions provided the right setting for addressing the challenging tasks in the months ahead. He noted with satisfaction that member States had made a beginning with the agreed outcome of the open-ended informal consultations conducted so ably and skilfully by Ambassador Burhan Gafoor. Stressing UNCTAD's role in harnessing the development dimension of globalization for the benefit of developing countries, he urged that the international community do its utmost to strengthen UNCTAD so that it could fulfil its mandate and enhance development opportunities for developing countries.

13. The speaker welcomed the successful conclusion of the informal consultations on the theme and sub-themes for UNCTAD XII, which was a tribute to the vigorous efforts of

Ambassador Don Stephenson of Canada. Development was a shared responsibility and a collective endeavour. UNCTAD's *Trade and Development Report 2006* indicated that economic growth in sub-Saharan Africa was expected to be 6 per cent in 2006.

14. As part of its commitment to South–South cooperation, India was working with the New Partnership for Africa's Development and in the Techno-Economic Approach for Africa-India Movement (TEAM-9) initiative involving mutually beneficial economic interaction based on concessional credit and transfer of relevant technology to Africa. It was also sharing its experience in information technology, biotechnology, pharmaceuticals, medical science and remote sensing with developing countries. It had started working on a connectivity mission in Africa, which would support tele-education, tele-medicine, e-commerce, e-governance, infotainment, resource mapping and meteorological services.

15. In conclusion, he said that in a spirit of cooperation India would engage constructively in the negotiations ahead, with the objective of evolving a consensual outcome that would be in the best interest of all.

16. The representative of **South Africa** said that the first quarter of 2007 had been taken up with intensive consultations to examine the Report of the Panel of Eminent Persons and establish the theme and sub-themes for UNCTAD XII. Expressing her appreciation for the important role played by Ambassadors Gafoor and Stephenson, she said that the constructive spirit of those consultations should be carried forward to UNCTAD XII. Also, the positive momentum started at UNCTAD XI and retained through the period of the 2006 Mid-term Review should be strengthened.

17. It would be useful to critically evaluate the reasons why the implementation of the outcomes of UNCTAD XI had fallen short of expectations. While African economies had shown encouraging signs of economic growth, they were still often concentrated in natural-resource production sectors and were associated with capital-intensive sectors with low potential for technology and skill transfers. Sustainable development issues could be addressed only if underlying constraints were dealt with in a transparent and comprehensive manner at the international level. National development strategies could be effective if sufficient attention were paid to the impact of international financial, monetary and trade policies. UNCTAD had a specific mandate within the United Nations system to deal with the international coordination of issues related to trade and development. Lastly, she said that the consideration of issues relating to enhancing the role of UNCTAD should not be the focus of deliberations at UNCTAD XII.

18. The representative of **Nicaragua** noted that UNCTAD's Commission on Trade in Goods and Services, and Commodities was of special interest to his country, where national development strategy was intrinsically linked to the issue of small producers and structural limitations to their development. UNCTAD should continue working in that area and expand programmes for strengthening the capacities of small and medium-sized enterprises (SMEs), including those in Latin America. The Commission on Investment, Technology and Related Financial Issues had emphasized that attracting and benefiting from foreign direct investment continued to be one of the main challenges. In that regard, the speaker noted that the Commission on Enterprise, Business Facilitation and Development had asked the UNCTAD secretariat to help countries strengthen the competitiveness of their SMEs so that they could benefit from information and communication technology. He suggested that UNCTAD's research and analysis efforts could enhance links between remittances and investments in SMEs. Reiterating his country's support for UNCTAD, he said that Nicaragua would work to

strengthen the organization according to its mandate. In that regard, it was important to establish a consensus-building mechanism, which should be as transparent as possible, for the implementation of the recommendations of the Panel of Eminent Persons. In conclusion, the representative expressed his satisfaction with the forward-looking UNCTAD XII theme and sub-themes.

19. The representative of **Guinea** said that his delegation endorsed the 2008–2009 budget, which would finance economic development objectives for Africa and help experts from developing countries such as Guinea attend international meetings. The programme budget must also take into account the special situation associated with the preparations for UNCTAD XII, both in Geneva and at the regional level. The recommendations that had issued from the informal consultations on agenda items 3 and 4 had prepared the way for dynamic actions by UNCTAD in pursuing integrated global development, particularly in the least developed countries. He concluded by recommending that the present Board session reach decisive conclusions with respect to the recommendations of the Panel of Eminent Persons.

* * * * *