



United Nations Conference on Trade and Development

Distr.: Limited
22 April 2008

Original: English

Twelfth session

Accra, Ghana

20–25 April 2008

Item 8 of the provisional agenda

Draft UNCTAD XII negotiated text

Note by the UNCTAD secretariat

The following paragraphs have now been agreed ad referendum, and replace the paragraphs of the same numbers in document TD/L.398.

20. Each country has primary responsibility for its own economic and social development, and the role of national policies and development strategies cannot be overemphasized. National development efforts should be supported by an enabling national and international economic environment, and the effective implementation of a national development strategy can benefit from supportive regional and global policy measures and greater coherence in the international monetary, financial and trading systems. Sustainable development requires, at the national and international levels, pro-growth macroeconomic policies that take into account their environmental and social impact, and efficient structural policies. Such policies should be accompanied by strengthened efforts to improve government effectiveness, regulatory quality, transparency and accountability. Trade policies should be fully integrated into a sound domestic policy framework and national development strategies. Poverty reduction and trade should be incorporated into the United Nations Development Assistance Frameworks (UNDAFs).

25. *(deleted)*

31. Debt sustainability is essential for underpinning growth and, with effective debt management, is important to efforts to achieve national development goals. Debt sustainability analyses play a vital role in identifying the potential for debt crises. Financial resources liberated through debt relief should be directed towards activities consistent with poverty eradication, sustained economic growth, sustainable development and the achievement of the internationally agreed development goals, including the Millennium Development Goals. Heavily Indebted Poor Countries (HIPC) Initiative and the Multilateral Debt Relief Initiative should be fully and timely implemented and additional resources should be provided to ensure that the financial capacity of the international financial institutions is not reduced. There is need for all creditors, including non-Paris club and commercial creditors to participate in this effort on an equitable basis. Donors are urged to ensure that their commitments to the

multilateral debt relief initiative and the HIPC Initiative be additional to existing aid flows. Creditors and debtors are encouraged to fulfil their commitments as rapidly as possible and to engage in responsible borrowing and lending practices to achieve debt sustainability. Where appropriate, on a case-by-case, basis, mechanisms such as debt swap should continue to be used.

35. *(deleted)*

82. Actions are needed to deal with the long-standing commodity trade and development opportunities and challenges in order to ensure that commodity-dependent developing countries, particularly the least developed among them, are able to derive increased benefits from the global integration of markets and to meet the Millennium Development Goals; and to harness development gains from the boom in commodity prices.

83. In relation to long-standing commodity trade and development opportunities and challenges, policy actions are needed: to remove factors contributing to market failures and thereby facilitate commodity market adjustments; to mitigate the impact of highly volatile or declining prices and incomes, especially from agricultural commodities, and the volatility of exchange rates on commodity-dependent countries and poor farmers; and to facilitate value addition and greater participation in commodity value chains by commodity-producing countries. Governments should continue to make every effort to improve the governance of commodity markets, including through transparency, accountability, regulations related to corporate activities, and welfare safety nets, and to use risk management tools to hedge against price volatility and to diversify the economic bases of countries benefiting from rising commodity prices as well as to facilitate access to resources for financing commodity development.
