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Summary of interactive thematic round table 8

Strengthening UNCTAD: enhancing its development role

1. The panellists in this round table were as follows: Mr. Benjamin Mkapa, President Emeritus, United Republic of Tanzania; Mr. Hakon Arald Gulbrandsen, Secretary of State for International Development, Norway; Mr. José Manuel Salazar, Executive Director, Employment Sector, ILO; Mr. George Dragnich, Director, Office of Economic and Development Affairs, United States Department of State; and H.E. Mr. Robert Davies, Deputy Minister for Trade and Industry, South Africa. The moderator for the round table was Mr. Supachai Panitchpakdi, Secretary-General of UNCTAD. During the interactive discussion, statements were made by the representatives of Third World Network, Uganda, United Kingdom, the Bolivarian Republic of Venezuela and Chad.

2. There was widespread agreement that UNCTAD's role was even more relevant and necessary than ever before. UNCTAD had been created in pursuit of more equitable development, but 40 years later major problems remained and new problems were emerging. Fundamental imbalances were still present in the global economy and some countries were insufficiently integrated into it; for example, African countries accounted for only three per cent of world trade and had not succeeded in becoming value-added producers. Growth was fragile; crises were recurrent; food and energy prices were soaring; and climate change posed a serious threat to development, especially for the more vulnerable developing countries. There was still insufficient coherence between trade rules and development needs, and the world's monetary and financial systems had not received the same attention as the trading system in terms of rule-making. All that meant that the role of UNCTAD remained crucial.

3. At the same time, many felt that, in recent years, the Organization had not played its role effectively and was in danger of losing its influence. One point made was that UNCTAD tended to live in a bygone development paradigm, in which the debate was based on a culture centering round a North-South divide. It was argued that reform of UNCTAD had been on the agenda for over 10 years, but in fact little had been achieved. The effectiveness of the intergovernmental machinery had been

questioned by many on the grounds that discussions were repetitive and polemical, and some felt that the resources devoted to the machinery had produced diminishing returns. Attendance had sometimes been poor, and the fact that delegations gave priority to other fora could give rise to legitimacy problems.

4. The challenge was therefore not to make UNCTAD more relevant, but to make it more effective. For that to happen, UNCTAD had to take account of the new realities and had to adapt and change. In that connection, the secretariat should be an agent for reform.

5. On the question of how UNCTAD should position itself strategically, differing views were expressed. One was that UNCTAD should pursue its long-standing role of working for developing countries; the latter continued to lack capacity, so they needed UNCTAD's assistance, and since UNCTAD had been created at the same time as the Group of 77, it had a symbiotic relationship with the Group. A related view was that UNCTAD should not discontinue its role as advocate for developing countries, but should play the role in a way that earned the respect of all stakeholders. Yet another view was that UNCTAD should avoid polarizing the development debate around a North–South divide and should promote partnership.

6. One vision was that UNCTAD should be the think tank for the South. Another point of view, however, was that the South now had its own prominent thinkers and that UNCTAD had no monopoly in that area. What UNCTAD could do, however, was to help bring think tanks throughout the world together by providing a forum and facilitating networking.

7. Those efforts of UNCTAD to adjust and position itself had to take place within the context of UN reform, the aims of which included enhancing coherence in terms of activities at the country level, coherence among functions (analytical, normative and operational) and coherence among mandates. The focus on the development pillar of the United Nations was increasing, and UNCTAD had to play its full role as a development catalyst with a universal membership. It could in particular contribute to the development of a new development consensus. In doing so, it should avoid overlap and duplication.

8. It was emphasized repeatedly that, to be effective, UNCTAD had to prioritize and focus on areas of particular current importance and use its comparative advantages. It should, for example, work to bring commodities, a priority for Africa, back to the centre of development, though with a different perspective – the focus should be on added value, not primary production. Some other areas highlighted during the discussion were investment, including domestic investment; aid for trade, where UNCTAD could help countries at every stage of the trading process; the role of trade liberalization; debt management; South–South cooperation; development of productive capacities and decent work; rural development policies; transfer of technology and the central importance of technology and knowledge for development; the impact of trade liberalization on poor countries; the trade and development impacts of climate change and migration; new and dynamic sectors of trade; the question of jobless growth; and policy space. UNCTAD was encouraged to launch an initiative in the area of food, and in that connection it was pointed out that the current crisis was not a one-off event but was rooted in past distortions that had to be eliminated. UNCTAD was also encouraged to take a stronger position with regard to the development implications of proposals on the table in the Doha Round.

9. Considerable emphasis was placed on ways of making UNCTAD work better. With regard to the research and analysis pillar, the need was stressed for high-quality, independent, state-of-the-art research as a sine qua non for the Organization's activities as a whole. In that connection, peer reviews of research

products should be enhanced, though self-censorship had to be avoided. Research should not be an academic exercise – it had to produce practical products that contributed to policy choices in poor countries, especially LDCs. In its research conclusions, the UNCTAD secretariat had to display courage and say things that people did not necessarily want to hear – its conclusions would be respected if they were well meaning, based on honesty and integrity, and backed up by solid evidence. Some good UNCTAD publications were not getting to their target audience, so outreach had to be improved. Particular areas of research to which reference was made included gaining a better understanding of globalization, improving global governance, and deriving lessons from more successful and less successful economies.

10. Concerning the intergovernmental pillar, the importance of consensus-building was emphasized. One view was that UNCTAD could recover its role as the centre of North–South dialogue, but for that to happen the style of UNCTAD meetings would have to be changed, possibly along the lines of the World Economic Forum. While some emphasized the importance of agreed outcomes, others stressed that discussions did not need to be “boiled down” to agreed outcomes. It would be useful to increase the number of multistakeholder meetings, and UNCTAD should not hesitate to involve CSOs.

11. Concerning the technical cooperation pillar, points made included the fact that there should be still greater focus and a smaller number of projects, that UNCTAD should participate actively in the One United Nations initiative approach, that good products such as ASYCUDA should be developed further, and that the financial burden of technical cooperation should be spread by broadening the donor base.

12. In today’s changed development context, characterized by greatly increased interdependence, trade and development challenges had to be addressed in an integrated way, and UNCTAD was well placed to do that. Its legitimacy and effectiveness would depend on the concrete contribution it made.