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UNCTAD XI – The Spirit of São Paulo

We, the member States of the United Nations Conference on Trade and Development, gathered in São Paulo, Brazil, between 13 and 18 June 2004, for the eleventh session of the Conference, agree on the following Declaration:

1. UNCTAD was created in 1964 as an expression of the belief that a cooperative effort of the international community was required to integrate developing countries successfully into the world economy. Since then, UNCTAD has made a substantial contribution to the efforts of developing countries to participate more fully and to adapt to changes in the world economy. UNCTAD has also provided an invaluable forum for advancing the interrelationship between trade and development, from both a national and an international perspective, across the three pillars of its mandate.

2. The Millennium Declaration, the Monterrey Consensus, the Programme of Action for the LDCs, the Almaty Programme of Action, the Barbados Programme of Action, the Johannesburg Declaration on Sustainable Development and the Plan of Implementation agreed at the World Summit on Sustainable Development, and the Declaration of Principles and the Plan of Action of the World Summit on the Information Society, as well as initiatives for UN reform, strengthen multilateralism and establish a roadmap for actions at the national and international levels in the process of mobilizing resources for development and of providing an international environment supportive of development. We are committed to joining all our efforts in the achievement of the goals established in those texts in the agreed timeframes. The United Nation system should actively pursue agreed development goals between now and 2015, as identified in the Millennium Declaration, and UNCTAD has an important role to play in efforts towards the accomplishment of these common objectives.

3. In spite of all the efforts at the national and international level to promote growth, development remains the central issue in the global agenda. The contrasts between developed and developing countries that marked the world in the early 1960s are still present today. In fact, the gap between them has increased in many respects. While globalization has posed important challenges and opened up new opportunities for many countries, its consequences have been highly unequal between countries and within countries. Some have reaped the benefits from trade, investment and technology flows and seem to be winning the struggle for development and for poverty eradication.

4. Most developing countries, however, especially African countries and LDCs, have remained on the margins of the globalization process. They still face major challenges for the realization of their economic potential and the incorporation of large masses of unemployed into the productive sectors. There is a need to focus on the ability of international trade to contribute to poverty alleviation. There is also a need for an increased focus on commodities, including the issue of instability in world commodity prices.

5. For all countries, it is important that, at the international level, efforts can be deployed and policies implemented in order to facilitate internal adjustments and to remove external constraints to put the developing world on a firm and sustainable path to development. We can rightly say that, 40 years after the foundation of UNCTAD, the relationship between trade and development, which is the cornerstone of its mandate, has become even more important with the deepening of globalization.

6. We are committed to the struggle for the eradication of poverty and hunger. Policy instruments and measures, at the national and international levels, should be adopted, in particular in the areas of trade and financing including through new financial initiatives, to encourage the creation of opportunities for the poor women and men of the world to have access to jobs and to stable and adequate remuneration. This is the sustainable road to reforms, stability and growth.

7. The plight of the least developed countries should receive the utmost attention from the international community. We are committed to generating and better utilizing additional international resources, market access and technical assistance for the LDCs in order to enable them to establish, in the context of effective national policies, a solid base for their development processes.

8. Multilateral trade negotiations, under the Doha Work Programme, should be accelerated with a view to an early and successful conclusion that fully reflects the level of ambition agreed to at Doha. As it places development at the centre of the multilateral trade negotiations for the first time, the Doha Work Programme converges with and reinforces the mandate of UNCTAD. In this regard, all WTO members are committed to making the results of the trade negotiations truly responsive to development concerns. The accession of developing countries, especially LDCs, and countries with economies in transition to the WTO should be facilitated.

9. We recognize that improved coherence between national and international efforts and between the international monetary, financial and trading systems is fundamental for sound global economic governance. We are committed to improving the coherence between those systems in order to enhance their capacities to better respond to the needs of development. The institutional dimension in terms of improved global governance is central here. We should also continue working on the creation of positive synergies between trade and finance and on how to link these efforts to development. In particular, attention should be devoted to improving international capital flows for development, through, *inter alia*, innovative financial mechanisms, as well as to dealing with the volatility of international capital markets. Measures to ensure long-term debt sustainability of developing countries should also continue to be subject to serious consideration and appropriate action.

10. We should also focus on future challenges and opportunities. In addition to national resources, capital accumulation and availability of labour, new factors such as information, innovation, creativity and diversity constitute the dynamic forces of today's world economy. We are committed to bridging the digital divide and ensuring harmonious, fair and equitable development for all and to building an inclusive information society, which will require partnership and cooperation among Governments and other stakeholders, i.e. the private sector, civil society and international organizations.

11. A more positive integration of developing countries and countries with economies in transition into international trade flows and the multilateral trading system depends also on the adoption of internal policies to move up the ladder towards sectors that incorporate innovation and that expand more dynamically. To achieve these results, countries should use the ability to explore options and maintain the necessary space for policy in order to arrive at the best possible balance between different approaches in their national development strategies.

12. The process of development requires increased participation of all social and political forces in the creation of consensus for the adoption of effective national policies. We acknowledge the importance of all stakeholders, i.e. Governments, the private sector, civil society and international organizations, and the contribution all can make, in every country, to good governance. While development is the primary responsibility of each country, domestic efforts should be facilitated and complemented by an enabling international environment based on multilaterally agreed and applied rules. Development policies should recognize the importance of market forces, in the context of an enabling entrepreneurial environment that could include appropriate competition and consumer policies, in the promotion of growth, through trade, investment and innovation. They should also acknowledge the importance of the contribution of the state in conferring political and economic stability, developing the required regulatory frameworks, channeling resources for infrastructure and social projects, promoting social inclusion and reducing inequalities. We are committed to supporting national efforts dedicated to institution-building in developing countries. We also believe that cities and regions have an important role to play in these efforts.

13. Although still limited to a number of countries, there are encouraging signs that a significant source of global growth is being generated in the South. This new development is contributing to creating a new geography of world trade. We underscore the importance of initiatives to facilitate the emergence of new dynamic centres of growth in the South through additional steps for the integration of these emerging economies with other developing ones. This can be achieved, *inter alia*, by means of a more comprehensive Global System of Trade Preferences among Developing Countries, which should also address the problems of the LDCs.

14. Given the growing importance of regional and interregional initiatives, we encourage UNCTAD to further develop capabilities designed to assist countries to participate effectively in these initiatives, while ensuring functional and coherent linkages with the multilateral system.

15. The decisions we have adopted at this UNCTAD XI, in addition to the Bangkok Plan of Action, form a solid basis to build upon and are essential instruments in our continued commitment to support UNCTAD in fulfilling its mandate as the focal point within the United Nations for the integrated treatment of trade and development, on the road to its twelfth session in 2008.
