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Report of the Trade and Development Commission on its fourth session

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I. Agreed conclusions¹

The Commission,

1. *Takes note* of the report of the Multi-year Expert Meeting on Commodities and Development on its fourth session (TD/B/C.I/MEM.2/20); the report of the Multi-year Expert Meeting on Services, Development and Trade: the Regulatory and Institutional Dimension on its fourth session (TD/B/C.I/MEM.3/12); the report of the Multi-year Expert Meeting on Transport and Trade Facilitation on its fourth session (TD/B/C.I/MEM.1/12) and the reports of the Intergovernmental Group of Experts on Competition Law and Policy on its eleventh and twelfth sessions (TD/B/C.I/CLP/12 and TD/B/C.I/CLP/18);

2. *Expresses its appreciation* for the presentation of reports on the Multi-year Expert Meeting on International Cooperation: South–South Cooperation and Regional Integration on its fourth session; for the summaries by the secretariat at member States’ request on the work undertaken in each of the multi-year expert meetings in their four sessions since 2009; and for the secretariat’s progress reports on the implementation of the provisions of the Accra Accord related to international trade in goods and services, commodities and transport and trade facilitation, as well as cross-divisional capacity-building, and to further strengthen synergies within the secretariat and among its three pillars of work;

3. *Underlines* the importance of promoting and strengthening synergies among the three pillars of UNCTAD’s work;

4. *Emphasizes* that, consistent with the Accra Accord and the Doha Mandate and their terms of reference as established by the Trade and Development Board, the various expert meetings continue to facilitate a rich and constructive sharing of experiences and best practices, and networking among experts, with a view to enhancing substantive knowledge and providing valuable inputs to the Commission for its consideration on the links between trade and development in the important areas of commodities, services, transport and trade facilitation, South–South cooperation and regional integration, and competition and competitiveness, in accordance with paragraphs 201 to 206 of the Accra Accord.

¹ As adopted at the final plenary meeting held on 16 November 2012.

II. Chair's summary

A. Opening of the session

1. The Secretary-General of UNCTAD made an opening statement. Statements were made by (a) the representative of Indonesia on behalf of the Group of 77 and China; (b) the representative of Côte d'Ivoire on behalf of the African Group; (c) the representative of the Islamic Republic of Iran on behalf of the Asian Group; (d) the representative of Paraguay on behalf of the Latin American and Caribbean Group; (e) the representative of the European Union; (f) the representative of Turkey on behalf of the JUSSCANNZ group (Japan, the United States of America, Switzerland, Canada, Australia, Norway and New Zealand); (g) the representative of Paraguay on behalf of the Landlocked Developing Countries (LLDCs); and (h) the representative of Hungary on behalf of Group D. Statements were then given by the representatives of Nepal and China.

2. The Secretary-General of UNCTAD said that recent global trends pointed towards further declines in economic and trade growth through the end of 2012; continuing financial problems in the eurozone, with an adverse impact on growth and employment; and falls in foreign direct investment (FDI) flows. The business climate had been affected by the eurozone crisis, the upheaval in the Middle East, the recent decline in growth of China and the deflation of the United States economy. Wary of the uncertain state of the global economy, major international corporations were not making investments, although they held a great deal of liquidity. It was necessary to find ways to harness excess liquidity for new investment that could stimulate economic recovery.

3. Key challenges in international trade included a decline in trade financing, a rise in trade restrictions and increased complexity in trade regulation. Others were the impasse of the World Trade Organization (WTO) Doha Round, the proliferation of regional trade agreements, the growing number of trade disputes among major trading nations and the implications of climate change policies.

4. He said that UNCTAD could help developing countries and the international community to harness international trade in achieving sustained growth and inclusive development along the lines of the Doha Mandate. The Organization would emphasize the contribution of international trade during the ongoing review of the Millennium Development Goals (MDGs) and the elaboration of the post-2015 United Nations development agenda, taking into account the non-paper of the G-77 and China of 31 October 2012 linking the review with the fiftieth anniversary of UNCTAD and of the G-77. UNCTAD could further support developing countries, particularly least developed countries (LDCs), through its three pillars, and should also address the special trade and development needs of small and vulnerable States. It was important to enhance such work in support of LDCs by meeting the goals of the Istanbul Programme of Action of doubling the share of LDCs in global trade and facilitating the graduation of one half of LDCs out of that category.

5. Several delegations said that the continuing economic, food, energy and climate change crises had continued to create severe economic hardships and social problems in most developing countries and had increased their vulnerability and weakened their capacity to achieve internationally agreed development goals, including MDGs. The multiple crises made it difficult for LDCs to meet the graduation criteria indicated in the Istanbul Programme of Action. Some delegations spoke of the changing nature of global trade with the acceleration of global value chains and outsourcing of trade; others said that real political will and commitment were needed to overcome the deadlock in the Doha Round. In that regard, the development mandate must be reflected in any outcome.

Facilitating the accession of developing countries to the WTO was indeed an important aspect of integration into global trade.

6. Several delegations said that trade remained an important instrument for economic recovery, growth and development. However, for most developing countries, particularly the most vulnerable, trade-led growth strategies should be complemented with other policies for enhancing productive capacities, economic diversification and structural transformation. For example, building complementary capacities in transport, infrastructure and trade facilitation was of particular relevance to LLDCs. These included new customs practices and transport infrastructure that ensured freedom of transit, expeditious movement, release and clearance of goods and the reduction of transaction costs. Steps should be taken to enhance market access for LDCs, including the implementation of duty-free quota-free provisions, the elimination of non-tariff barriers and enhanced technical and financial support to increase productivity, competitiveness and diversification.

7. Many delegations said that UNCTAD should continue its work based on its three pillars, and should promote and strengthen synergies between them, particularly by improving transit corridors, promoting investment in infrastructure such as roads, rails and ports, and supporting regional transport. It should also work on the interface between trade and inclusive growth and sustainable development, non-tariff measures, trade policy, multilateral and regional trade, services, trade financing and job creation. UNCTAD provided support aimed at improving complementary trade capacities, especially transport and trade facilitation, commodities and South–South cooperation.

8. One delegation said that UNCTAD helped strengthen human and institutional capacities in trade and trade-related services, such as the TrainForTrade programme. UNCTAD's integrated treatment of trade and development, and of linkages between the trading, financial and monetary systems was also valuable.

9. Some delegations said that UNCTAD should put more emphasis on results-based management, focus on areas where it enjoyed comparative advantage and could provide added value, and avoid any duplication of work done by other organizations. UNCTAD's independent analytical work should feed into the consensus-building and technical-assistance pillars, which in turn should be demand-driven and implemented in close cooperation with the beneficiary countries.

10. Some delegations said that UNCTAD could usefully contribute, including through the Trade and Development Commission, to the review of MDGs and the formulating of the post-2015 development agenda, bearing in mind the preparation for the fiftieth anniversary of UNCTAD in 2014. Several delegations stressed the importance of the work of the Trade and Development Commission and, in this regard, expressed concern about the lack of substantive agenda items for the current session, despite the impetus from the Doha Mandate, building on the Accra Accord. Some delegations said that the reports from multi-year experts meetings and progress reports by the secretariat could enable substantive and constructive dialogue on pertinent trade and development issues. Several others said that experts attending those meetings did so in their personal capacity; hence the conclusions stemming from those meetings had to be understood from that perspective. A number of delegations said that the expert meetings were a forum that provided a rich and constructive exchange of ideas that were important for development, highlighting the following priorities:

(a) To continue work in the area of commodities on natural resources through the Internet Governance Forum, the Natural Resources Information Exchange and the Global Commodities Forum;

(b) To develop the services sectors, especially infrastructure services, and pursue an intelligent policy mix of liberalization and regulation of services sectors;

- (c) To improve transit corridors, promoting investment in infrastructure;
- (d) To seek an early outcome of the Doha Development Agenda in areas where progress could be achieved, in particular trade facilitation, and on issues of concern to developing countries;
- (e) To promote South–South cooperation and regional integration, including by providing trade finance;
- (f) To lend support for international convergence on the basis of sound competition principles and effective enforcement capacities of agencies.

11. Two regional groups and one member State stressed the growing importance of transport, infrastructure, trade facilitation and logistics for achieving a successful conclusion of the Doha Development Agenda and seeking an early outcome in those areas where progress could be achieved, particularly in trade facilitation, and in issues of concern for developing countries being negotiated in the Special Session of the Committee on Trade and Development of WTO. Empirical research showed that the agreement would be beneficial to all parties; developing countries, in particular LLDCs, would gain the most from aligning their practices. Developing countries that had streamlined their trading procedures had reaped multiple benefits: from increased overall trade flows and higher revenue collection to savings from improved overall efficiency of their customs administration. In other words, trade facilitation measures fostered the trading process, saving time and costs for the producers and traders, and facilitating the participation of enterprises in international trade and in global value chains.

12. The representative of one regional group said that transport, infrastructure and trade facilitation were of particular relevance to the LLDCs. The expected benefits that the adoption of new customs practices and of the creation and improvement of transport infrastructure would bring were freedom of transit; expedited movement, release and clearance of goods; and ultimately, lower transaction costs. The reduction of transport time and the enhancement of certainty in transborder trade, as well as special and differential treatment with financial support, would consequently facilitate the integration of developing countries – especially LLDCs – into the world economy.

13. The same speaker said that trade remained an important instrument for economic recovery, growth and development. However, for developing countries, trade-led growth strategies should be complemented with other policies for enhancing production capacities, structural transformation, economic diversification, employment creation, and value addition and human capital formation.

14. One delegation said that member States had benefited from UNCTAD’s range of cross-divisional capacity-building activities; in particular, the TrainForTrade Programme had helped develop and strengthen human resources and institutional capacities in issues related to international trade and trade-related services.

B. Reports of expert meetings

1. Report of the Multi-year Expert Meeting on Commodities and Development (Agenda item 3(a)(i))

15. The Head of the Special Unit on Commodities, Mr. Samuel Gayi, presented a report on the fourth session of the Multi-year Expert Meeting on Commodities and Development, and one on the four expert meetings held by the Unit since UNCTAD XII, which highlighted the following issues:

- (a) Supply and demand imbalances had played an important role in recent market developments;
- (b) Price volatility and financialization affected the investment decisions of importing and exporting countries alike;
- (c) More transparency and regulation were needed to remove market distortions;
- (d) An international response was necessary to ensure curb measures – such as excessive speculation – that resulted in food crises;
- (e) Policy measures could help agricultural producers from commodity-dependent developing countries (CDDCs) gain and retain value from their products;
- (f) It was important to build linkages to help those countries achieve growth, along with poverty reduction;
- (g) Dealing with standards at the national and global level facilitated market entry for agricultural producers from CDDCs to ensure long-term sustainability;
- (h) Risk management and finance tools were crucial;
- (i) The imbalance of power between producers in CDDCs and host economies with regard to transnational corporations must be addressed in policy dialogue;
- (j) It was important to understand the future of energy mix for the economies of CDDCs, taking into account interconnections between energy and agricultural markets, and climate change;
- (k) It was advisable to use a multi-stakeholder approach in dealing with policy issues in commodities;
- (l) A review of the Special Unit on Commodities and the Common Fund for Commodities called for member States to increase resources for financing technical assistance for CDDCs in areas of consensus.

16. The Commission took note of the reports of the Multi-year Expert Meetings on Commodities and Development.

17. The representative of a regional group said that it was necessary to increase CDDCs' awareness about the developments in the commodities markets, and encouraged UNCTAD to continue the practice of holding multi-stakeholders meetings.

18. The representative of one member State said that commodities were a crucial element in export-oriented policies for many landlocked developing countries and noted the relative weakness of CDDCs in countering trade-restrictive policies.

19. The representative of another member State stressed the importance of safeguarding peace in natural resource-rich countries to enable them to embark on a development path such as the "Angola mode". She urged UNCTAD to develop measures to ensure that some countries and transnational corporations shared natural resources more equitably with host developing countries.

20. The Head of the Special Unit on Commodities said that UNCTAD always called upon actors in commodity sectors, particularly investors and governments, to comply with international transparency initiatives such as the Kimberly Process and the Extractive Industries Transparency Initiative, both in contract negotiations and project implementation at the national level and in bilateral relations in trade corridors.

21. He said that the Unit had launched a multi-stakeholder partnership event in 2009, the Global Commodities Forum. The partnership was intended to serve as an engine of growth and poverty reduction for CDDCs. However, financing was a limiting issue, as the Forum

was not part of the UNCTAD regular budget and depended on external financing by donors. He asked member States to explore the possibility of making contributions to the next Forum to be held in March 2013; otherwise efforts to enhance this discussion of commodity development problems on the multi stakeholder's platform would be jeopardized by the lack of financing.

2. Report of the Multi-year Expert Meeting on Services, Development and Trade: the Regulatory and Institutional Dimension

(Agenda item 3(a)(ii))

22. The Commission took note of the Report of the Multi-year Expert Meeting on Services, Development and Trade: the Regulatory and Institutional Dimension on its fourth session (TD/B/C.1/MEM.3/12) presented by the secretariat.

23. The secretariat said that one of UNCTAD's achievements in services, development and trade in 2012 had been the Global Services Forum. Among the key points arising from the meeting were that regulatory parameters should be tailored to specific sectoral characteristics and local conditions, and adjusted to evolving market structures, technological advances, new business models and policy priorities. The regulatory approach for low-risk, low-margin financial services activities such as trade finance should be differentiated from higher-risk, higher-margin activities. New trends in the area of services regulation included innovative ways to ensure quality in regulation, for example through a supervisory entity of regulators or through initiatives encompassing ex-ante impact assessments and ex-post assessments of the implementation of regulations. Some concerns were raised regarding access to finance derived from new global financial regulations, as they could lead to higher credit costs and in turn, to reduced availability of credit.

24. Several delegations underlined the usefulness of UNCTAD's work to support countries in maximizing development gains from services through the analysis of services regulatory frameworks and information exchange on different approaches to services regulation and policymaking. The information exchange on national experiences promoted by UNCTAD was useful in learning lessons on different approaches to sequence trade liberalization and trade reforms.

25. A number of delegations made suggestions regarding future UNCTAD work in that area, such as strengthening the link between UNCTAD capacity-building activities, research and intergovernmental discussions; linking discussions and outcomes of the Global Services Forum with ongoing research and capacity-building services; focusing on UNCTAD's comparative advantage in the analysis of trade and development policies; avoiding overlap with the mandates and ongoing work of other organizations; and continuing analysis and support in the area of financial services regulation.

26. Some delegations recalled that experts participated in the expert meeting in their own personal capacities, which should be borne in mind when considering the report of the expert meeting. Two other delegations expressed concern regarding contents of the report of the expert meeting, which suggested that services negotiations could advance through a plurilateral approach. That course of action would lead to questioning the single undertaking principle and the multilateral approach to rule-making; hence they could not support such suggestions. The secretariat said that the point had been included in the report as a reflection of the opinions expressed by some experts, and that it had provided an assessment of a plurilateral approach in one of its reports.

27. The secretariat also presented a summary and took stock of key issues arising from the four latest sessions of the expert meeting. The meetings had helped broaden understanding of opportunities and challenges in the regulatory and institutional dimension

of infrastructure services; improved exposure of regulators to the trade perspective and exposure of trade negotiators to regulators' objectives; provided opportunities to develop partnerships between UNCTAD and other international organizations in that area of work; promoted opportunities for bilateral cooperation for developing countries to build their regulatory and institutional capacity; and facilitated a network of experts working on regulation, institution-building and trade.

3. Report of the Multi-year Expert Meeting on International Cooperation: South–South Cooperation and Regional Integration

(Agenda item 3(a)(iii))

28. Mr. James Manzou (Zimbabwe), Chair of the fourth session of the Multiyear Expert Meeting on International Cooperation: South–South Cooperation and Regional Integration, gave a summary of the meeting and said that he was pleased to report the attendance of high level officials, notably the keynote speaker, Mr. José Luis Silva Martinot, Minister of Foreign Trade and Tourism of Peru.

29. Experts had emphasized the role of trade finance in South–South cooperation for the sake of building up productive capacities in developing countries and increasing linkages among countries with different endowments, capacities and institutional histories. Although trade finance had been a major contributory factor to this trade expansion, the current trend was not very positive and the growing trade finance requirements in the South remained partially unmet. Experts had linked the lack of trade finance to weak global recovery and deleveraging by eurozone banks. The overall assessment of the experts was that the price of trade finance for many developing countries did not reflect the true risks faced by lenders, particularly given the low default risk.

30. For Africa, unfavourable global macroeconomic conditions had been compounded by the chronically underdeveloped financial sector, limited capacity by banks to structure trade and project finance deals, low banking capitalization and limited national institutional support for trade finance.

31. The meeting had underscored regional financial arrangements in the promotion of trade and development and the impact of development banks of the South. Experts examined challenges and difficulties of currency arrangements, the advantages of common reserve funds, regional development banks and clearing institutions for trade finance with specific focus on the experience of the initiative known as ALBA (Bolivarian Alliance for the Peoples of Our America) as well as the Development Bank of Latin America (CAF). An exceptional benefit of the Bank was that conditionality and its damaging effects had been effectively dropped from the finance agenda.

32. Another area requiring urgent attention was that of global value chains. The benefits of value chain production were highly uneven in the South, as the dominant pattern was for lead firms based in advanced economies to shed low processing tasks that created links in the South. The relationship between benefits of value chains and FDI could be discerned, as the latter was recognized as a lag variable to successful production processes. For host countries to benefit proportionately, the aim was not merely to attract FDI, but to couch the benefits of FDI within the broader development framework.

33. Recent talk of decoupling was a misleading thesis. Developing countries remained subject to external shocks, many of which emanated from developed countries. The broader issues concerning the rise of South and an assessment of the emergence of new growth poles was the subject of an upcoming UNCTAD report produced by the Unit on Economic Cooperation and Integration among Developing Countries.

4. Report of the Multi-year Expert Meeting on Transport and Trade Facilitation

(Agenda item 3(a)(iv))

34. The Commission took note of the Report of the Expert Meeting on Transport and Trade Facilitation on its fourth session (TD/B/C.I/MEM.1/12) presented by the Vice-Chair-cum-Rapporteur, Ms. Moreno (Paraguay). The report captured the main issues discussed during the meeting, including trade and sustainable transport; transport efficiency; customs automation and trade security; trade facilitation; and the way forward.

35. The Vice-Chair-cum-Rapporteur commended the work of the various multi-year expert meetings on transport and trade facilitation, particularly in relation to LLDCs.

36. Participants requested UNCTAD to continue its collaboration with regional bodies and regional commissions, for the benefit of supporting regional trade agreements, and conventions and regional initiatives on transport, transit corridors and trade facilitation.

37. The representative of a non-governmental organization stressed the importance of consultation and collaboration with business and industry. Further, the United Nations should play a more active role in negotiations and in the establishment of an emissions calculation system.

38. The Commission took note of the presentation made by the secretariat summarizing the mandate of the multi-year expert meetings on transport and trade facilitation of the four-year sessions.

39. The secretariat presented the key results of research and technical activities undertaken by UNCTAD in response to the outcomes of the four meetings and provided some statistics on the number of participants and panellists by country group, institution and region.

5. Report of the Intergovernmental Group of Experts on Competition Law and Policy

(Agenda item 3(b))

40. The Commission took note of the reports of the Intergovernmental Group of Experts (IGE) on Competition Law and Policy on its eleventh session (TD/B/C.I/CLP/12) and on its twelfth sessions (TD/B/C.I/CLP/18), which were presented by the secretariat.

41. The secretariat drew attention to General Assembly resolution 35/63 of 5 December 1980 on restrictive business practices, which had established the IGE as a permanent body to implement and report on the mandate agreed upon in the Set of Multilaterally Agreed Equitable Principles and Rules for the Control of Restrictive Business Practices, known as the Set. The secretariat outlined the key issues, findings and recommendations arising from the previous four sessions of the IGE. The main areas of UNCTAD's work on competition policy were as follows:

- (a) Intergovernmental deliberations during the IGEs on the relationship between competition policy and development;
- (b) Effectiveness of competition agencies;
- (c) Capacity-building, including by conducting voluntary peer reviews of competition policy in various countries or regional groups;
- (d) International cooperation.

42. UNCTAD's policy research was strengthened by the establishment of a policy research platform and cooperation with other international organizations, the private sector and civil society. The platform was currently conducting a project on competition neutrality, and one on a guide on the institutional framework of existing competition agencies.

43. The relevant mandates for the work of UNCTAD on competition policy and consumer protection derived from the Set, which had been reviewed and extended by successive five-year United Nations Review Conferences over the last 30 years. In addition, UNCTAD ministerial conferences had also mandated strengthening of work by UNCTAD on competition policy.

44. The secretariat reported on the work of the Ad-Hoc Expert Meeting on Consumer Protection, which was preparing a project proposal for the revision of the United Nations Guidelines for Consumer Protection. In this connection, the secretariat reported on cooperation with the Organization for Cooperation and Development and the International Consumer Protection and Enforcement Network in the revision of the Guidelines.

45. Some delegations expressed appreciation for and satisfaction with UNCTAD's work in this area, which was helping developing countries create fair and free market systems. To one delegate's request for the early distribution of reports of IGE sessions, the secretariat replied that reports were rapidly made available but could not be discussed by the Commission until its annual session, normally scheduled after the IGE meeting.

46. Participants raised questions about the role of competition policy in an economic crisis, how much attention was paid to it by decision-makers, whether there was a contradiction between the concept of an active developmental State concerned with economic governance and social justice and the principles of competitive neutrality and non-discrimination, and the secretariat's cooperation with regional institutions to promote harmonization.

47. In response, the secretariat distinguished between the role of the State in ensuring that markets worked well for the poor and that social needs were satisfied. Further, the State could play a positive role in providing services where markets failed, and could regulate certain economic activities characterized by natural monopolies. However, State-owned enterprises that engaged in commercial activities should be subject to the same rules as private enterprises and be accountable for efficiency and use of scarce development resources. It was important to properly apply regulation. Policy advice was extended to interested countries and institutions in all regions, including through peer reviews. UNCTAD's work on competition highlighted synergies among UNCTAD's three pillars with respect to policy debate, norm-setting, adoption of legislation, peer reviews and follow-up technical assistance in an important area where "hard" rule-making in WTO had not been accepted.

C. Promoting and strengthening the synergies among the three pillars

(Agenda item 4)

1. Progress report on implementation of the provisions of the Accra Accord related to key trade and development issues

48. The secretariat reported on the implementation of the provisions of the Accra Accord related to key trade and development issues based on documents TD/B/C.I/23 and UNCTAD/DITC/2012/5. The main objective of work of the secretariat under the three pillars and strengthening synergies among them was to assist developing countries in particular to use international trade as a tool for realizing inclusive and sustainable development and equitable integration into the global economy, thus promoting prosperity for all through trade. The substance of the work was to enhance knowledge of policy options and strategies by collecting data, building information tools to extract the data, and conducting analyses that led to enhancing the knowledge and wisdom of policymakers and influencers. Most of UNCTAD's outputs were undertaken in cooperation with other organizations to maximize the results and benefits for developing countries.

49. The secretariat gave four examples of synergies between the three pillars of UNCTAD's. The first example related to work on non-tariff measures (NTMs), which involved an expert group meeting and a Group of Eminent Persons on NTMs whose recommendations fed into the secretariat's work on defining and classifying those measures, followed by data collection and assessment of NTMs, and dissemination via technical assistance. The work was presently centred around an inter-agency initiative on transparency in trade.

50. The second example concerned the elaboration and enforcement of competition policy through the voluntary peer review mechanism. It started with supporting a young competition agency in drafting a new competition law and assisting it on a continual basis in building institutional and human capacities for effective enforcement in preventing anticompetitive practices. When the agency matured, UNCTAD would, if requested, conduct a peer review of the competition policy during the annual session of the Intergovernmental Group of Experts on Competition Law and Policy, to assess its strengths and weaknesses. According to practice, the recommendations of the peer reviews were taken up by the competition agency and government concerned to be implemented, and UNCTAD provided follow-up support by developing and implementing technical assistance programmes. Peer reviews were currently being planned for Nicaragua, Pakistan, Seychelles and Ukraine.

51. The third example concerned trade in services and development issues discussed at multi-year and single-year expert meetings as well as at sessions of the Trade and Development Commission. The policy suggestions arising from the consensus-building pillar were incorporated in analytical and technical papers, such as services policy reviews aimed at helping countries develop services policies. The results of the analyses and policy debate were reflected in training workshops and seminars and services negotiations, including through WTO accession negotiations. Lessons learned from the technical assistance pillar were fed back into the other two pillars' work.

52. The fourth example featured the BioTrade Initiative for enhancing countries' capacities to produce and trade value added goods and services derived sustainably from biodiversity resources. This concerned a joint pilot project of UNCTAD and the United Nations Development Programme in Aceh Selatan, Indonesia, to assess – using methodological guidelines drawn up by UNCTAD – and develop value chains centred on nutmeg production and trade.

53. One delegate expressed his appreciation for the secretariat's presentation and for the work done in Aceh Selatan which, in his opinion, had been a success in supporting local communities and which should be extended to other provinces of Indonesia.

2. Progress report on the implementation of the provisions of the Accra Accord related to commodities

54. The Head of the Special Unit on Commodities, Mr. Gayi, presented a summary of highlights of the Synthesis report on the implementation of the provisions of the Accra Accord related to commodities: 2008 to 2012 (TD/B/C.I/24).

55. Under UNCTAD's management reform (Accra Accord, para. 183), the former Commodities Branch had been transformed into the Special Unit on Commodities, which presently operated on a regular budget and reported directly to the Secretary-General of UNCTAD.

56. Mr. Gayi described the work of the Unit with reference to UNCTAD's mandates on commodities, which included:

(a) The comprehensive mandate on the work programme on commodities resulting from the Accra Accord, specifically paragraphs 77–79, 83, 91–93, 98 and 193;

(b) Other mandates resulting from General Assembly resolution 66/190 on commodities, the Programme of Action for the Least Developed Countries for the Decade 2011–2020 and the accomplishment of the MDGs.

57. The work of the Unit was carried out under UNCTAD's three pillars of: research and analysis, consensus-building and technical cooperation.

58. The first pillar, research and analysis, represented the centre of the work programme on commodities; research and analysis were conducted for agri-foods commodities and oil, minerals and metals. Such research and analysis focussed on current price trends and market developments, market information systems, commodity finance (warehouse receipt systems) and exchanges, and other areas such as commodity policy reviews, non-tariff measures and sustainable resources management.

59. The major deliverable of the research and analysis were four multi-year expert meetings on commodities and development, which gathered 490 participants from more than 60 countries and featured the participation of 11 experts from CDDCs and 6 from LDCs that had been financed by UNCTAD. Some 17 research documents and 58 analytical papers had been produced.

60. Three major publications were delivered (UNCTAD's *Commodity Development Report* was the flagship publication), four ad hoc studies (e.g. The Potential Establishment of Emergency Food Reserve Funds), two United Nations General Assembly papers, four contributions to the publication *World Economic Situation and Prospects*, 203 analytical studies and presentations under the European-Union-funded All ACP Agricultural Commodities Programme (AAACP) and four other publications related to the commodity problématique.

61. Examples of second-pillar activities – consensus-building and partnerships, critical in addressing the commodity problématique – could be found in the intergovernmental multi-year expert meetings; the Global Commodities Forum; and the Africa, Gas and Minerals Conference. Cooperation with international commodity bodies such as the International Cocoa Organization, contributions to commodity initiatives by the Group of Twenty industrialized countries in the area of market information systems and the development of partnerships with the Common Fund for Commodities, the World Bank, WTO and United Nations regional commissions were further examples;

62. The Global Commodities Forum, launched in 2010, was a flagship event designed to seek solutions to perennial problems of commodities, trade and development. The third edition took place in January 2012, with 1,200 participants attending the discussions and 182 presentations and substantive paper delivered;

63. Under the third pillar, technical cooperation activities promoted capacity-building in key areas of commodities in many CDDCs and covered the following major areas: market information services (i.e. InfoComm and InfoShare), supply chain finance, commodity exchanges, agri-food standards (Sustainability Claims Portal), the Natural Resources Information Exchange (in Africa) and the Iron Ore Trust Fund;

64. The AAACP, a technical cooperation programme, was funded by the European Union (€45 million), which received assistance from five international bodies (Common Fund for Commodities, the United Nations Food and Agricultural Organization, the International Trade Centre, UNCTAD and the World Bank) and covered three regions (Africa, Caribbean and Pacific). UNCTAD, with a budget allocation of €3.4 million (7.5 per cent of the total Programme budget), implemented four operative subcomponents;

65. The Programme's major deliverables were 12 regional capacity-building workshops, 5 national capacity-building workshops, 4 analytical studies and 199 substantive papers and presentations. Moreover, it had successfully implemented the Sustainability Claims Portal in four regions;

66. Commodities and agri-foods were still relevant for over 100 CDDCs and two billion rural-poor farmers. These figures testified to the importance of the work of UNCTAD on commodities, reaffirmed by the Doha Mandate in paragraph 17 and continuing to build upon the Accra Accord. It was important for member countries to continue providing support and assistance to UNCTAD's work on commodities to deliver on the Doha Mandate Plus provisions on commodities.

67. The Commission took note of the Synthesis report and the presentation.

68. The Chair praised the Special Unit on Commodities for its work in implementing the UNCTAD Accra Accord mandate on commodities.

69. The Head of the Unit thanked the representatives of the European Union, Switzerland, France and China for having provided extrabudgetary resources from 2008 to 2012, allowing the yearly Global Commodity Forum to be held. He expressed the hope that UNCTAD member countries would continue their support in the future and thanked those member States that had provided facilities and other assistance to the Unit, in particular to implement the AAACP project.

3. Progress report on the implementation of the provision of the Accra Accord related to (a) transport and trade facilitation

70. The secretariat provided an overview of work carried out in the field of transport and trade facilitation since the third session of the Commission (TD/B/C.I/25) and emphasized that, in carrying out its work, great efforts had been made to build on existing linkages and complementarities among UNCTAD's three pillars of work. In this respect, the secretariat gave examples of how work in transport, trade facilitation, and legal and regulatory frameworks built on existing synergies and promoted cross-fertilization.

71. Drawing from its mandate (paras. 107, 164–166 and 178 of the Accra Accord), issues covered were wide-ranging and revolved around three main considerations:

(a) The ability of countries to supply transport and trade logistic services in support of trade;

(b) Their ability to have effective access to these same services and facilitate trade to better integrate into the world economy;

(c) The externalities generated by freight transport and related challenges, in particular environment-related externalities and climate change.

72. Results of work undertaken and insights gained were widely disseminated, in particular through the following means:

(a) *Review of Maritime Transport 2012*,

(b) Topical non-recurrent publications;

(c) Four issues of the Quarterly Transport Newsletter;

(d) Tailored and demand-driven advisory services and training;

(e) Donor-financed technical assistance programmes;

(f) Automated System for Customs Data (ASYCUDA);

(g) Multi-year and ad hoc expert meetings and a special event on sustainable freight transport at UNCTAD XIII;

(h) Collaboration with other United Nations partners.

73. In response to one query, the secretariat said that while its work on climate change and transport dealt with both mitigation and adaptation, greater attention was being paid to the issue of climate change impacts on coastal transport infrastructure, in particular ports and related adaptation needs, especially in small island developing States. As to how UNCTAD's work in trade facilitation related to that of WTO, UNCTAD's work aimed to promote trade facilitation, including in the context of WTO, as mandated in annex D of the "July 2004 Package" (Doha Work Programme: Decision Adopted by the General Council on 1 August 2004 (WT/L/579)) and related extrabudgetary projects, and ASYCUDA.

74. A representative of the International Federation of Freight Forwarders Associations said that it stood ready to further cooperate with UNCTAD on issues of mutual interest.

4. Progress report on the implementation of the provision of the Accra Accord related to (b) cross-divisional capacity-building

75. The secretariat presented the Progress report on the implementation of the provisions of the Accra Accord related to cross-divisional capacity-building (TD/B/C.I/26) and thanked donors and supporting agencies for their support to UNCTAD technical assistance activities.

76. The Human Resources Development Section/TrainForTrade Programme promoted cross-divisional cooperation on technical assistance, helped improve the capacities and skills of individuals and institutions relating to international trade and encouraged development-oriented trade policy. It was important to train local experts as trainers in order to create sustainable knowledge-sharing processes.

77. Participants shared several impact stories of the TrainForTrade's training activities to illustrate tangible results. For example, the Angolan Government had received assistance in constructing a national framework for training and capacity development in the TrainForTrade Angola Project. The project had gone through three extensive evaluations and had been positively evaluated each time. In another example, UNCTAD had lent support to port communities in developing countries seeking efficient and competitive port management. Knowledge and expertise were shared between port operators to strengthen talent management and human resources development in port communities. The Port Training Programme operated through four language-based networks (English, French, Portuguese and Spanish) in Africa, Asia and Latin America. Partnerships had been developed with European ports that were sharing their knowledge and expertise through the UNCTAD Port Training Networks.

78. The secretariat presented an overview of the courses held in 2011 by the Policy Capacity-building Section on Key Issues on the International Economic Agenda (P166). P166 courses provided policymakers with knowledge on the links between trade, investment, finance, technology and development and aimed to enhance their understanding of the relationship among these areas and their link to countries' development strategies. It took a cross-divisional approach in the design of the curricula, and was based on UNCTAD's research and policy analysis in trade, finance, investment, and technology. It fostered cooperation with local experts, both at the national level and with the regional commissions. Over 550 trade policy officials and academics had been trained, forming a network from the five developing regions since 2001. The course was now supported by governments in the developing regions that provided national experts, logistics and other support. Multi-year venues were now fully available in Oman (for Western Asia) and in Mauritius (for Africa). Efforts were under way to seek other multi-year venues for the Asia-

Pacific and Latin America-Caribbean regions, and for countries with economies in transition.

D. Other business

(Agenda item 5)

79. The Chair informed the meeting that the fifth session of the Commission would address the following substantive items, as decided by the Trade and Development Board at its fifty-fifth executive session (resumed) on 15 October 2012:

- (a) The impact of trade on employment and poverty reduction;
- (b) Key trends in international transport and implications for development.

E. Closing of the meeting

80. The representatives of three regional groups said that they had worked together constructively in a spirit of cooperation and consensus-building – an important pillar of UNCTAD – to reach a successful outcome of the meeting and to conclude the meeting as scheduled. In the view of one, it was to be hoped that such constructive engagement would continue in order to strengthen the intergovernmental machinery so that the work of the expert meetings could be taken into account by the Commissions for their discussions.

81. Speaking on behalf of the secretariat, the Director of the Division on Trade in Goods and Services, and Commodities, Mr. Guillermo Valles, and the Director of the Division on Technology and Logistics, Ms. Anne Miroux, also expressed satisfaction with the spirit of consensus-building that had prevailed throughout the meeting. Ms. Miroux said that the meetings provided constructive feedback and facilitated future planning. The two divisions had worked closely together to prepare the sessions, and such collaboration would be strengthened in the future, as it was beneficial to all participants, delegations and members of the secretariat alike.

82. In closing the meeting, the Chair said that the reports and debate of the session were evidence of the value of multi-year expert meetings as a source of inputs for the Commission's work. Members now had the responsibility of making good use of those inputs, and on their basis, identify options and strategies to reap the benefits of trade as an instrument for development. In the short term, the week's debate must shape the process of deciding on terms of reference for the next cycle of multi-year expert meetings in order to promote sustained and effective action in all areas of trade related to development.

III. Organizational matters

A. Opening of the session

83. The fourth session of the Trade and Development Commission was opened at the Palais des Nations, Geneva, on 12 November 2012, by Mr. Carlos Fidel Martín Rodríguez, Vice-Chair of the Commission at its third session.

B. Election of officers

(Agenda item 1)

84. At its opening plenary meeting, on 12 November 2012, the Commission elected the following officers to serve on its Bureau:

Chair:	Mr. Alfredo Suescum (Panama)
Vice-Chairs:	Mr. Léopold Ismael Samba (Central African Republic) Ms. Platima Atthakor (Thailand) Ms. Erika Köszegi (Hungary) Mr. Juan Carlos Sanchez (Ecuador) Ms. Karen Glocer (United States of America)
Rapporteur:	Ms. Preeti Rahman (Bangladesh)

C. Adoption of the agenda and organization of work

(Agenda item 2)

85. At its opening plenary meeting, the Commission adopted its provisional agenda (TD/B/C.I/22). The agenda was thus as follows:

1. Election of officers
2. Adoption of the agenda and organization of work
3. Reports of expert meetings:
 - (a) Reports of the multi-year expert meetings:
 - (i) Multi-year Expert Meeting on Commodities and Development
 - (ii) Multi-year Expert Meeting on Services, Development and Trade: the Regulatory and Institutional Dimension
 - (iii) Multi-year Expert Meeting on International Cooperation: South–South Cooperation and Regional Integration
 - (iv) Multi-year Expert Meeting on Transport and Trade Facilitation
 - (b) Reports of the Intergovernmental Group of Experts on Competition Law and Policy
4. Promoting and strengthening synergies among the three pillars
5. Other business
6. Adoption of the report of the Commission to the Trade and Development Board.

D. Adoption of the report of the Commission to the Trade and Development Board

(Agenda item 6)

86. At its closing plenary meeting, the Commission authorized the Rapporteur, under the authority of the Chair, to finalize the report after the conclusion of the meeting.

Annex

Attendance*

1. Representatives from the following States members of UNCTAD and members of the Commission attended the session:

Algeria	Kazakhstan
Angola	Kuwait
Argentina	Kyrgyzstan
Austria	Lesotho
Bangladesh	Libya
Barbados	Lithuania
Belarus	Maldives
Belgium	Mauritius
Brazil	Mexico
Bulgaria	Morocco
Central African Republic	Mozambique
China	Myanmar
Côte d'Ivoire	Nepal
Croatia	Nigeria
Cyprus	Panama
Czech Republic	Paraguay
Democratic Republic of the Congo	Poland
Dominican Republic	Portugal
Ecuador	Qatar
Ethiopia	Republic of Korea
Finland	Russian Federation
France	Saudi Arabia
Greece	Senegal
Honduras	Serbia
Hungary	Seychelles
Indonesia	South Sudan
Iran (Islamic Republic of)	Spain
Iraq	Thailand
Ireland	Togo
Italy	Turkey
	United Arab Emirates
	United States of America
	Venezuela (Bolivarian Republic of)
	Viet Nam

2. The following observer attended the session:

Holy See

* For the list of participants, see TD/B/C.I/INF.4.

3. The following intergovernmental organizations were represented at the Commission:
 - African, Caribbean and Pacific Group of States
 - African Union
 - European Union
 - International Organization of la Francophonie
 - South Centre
 4. The following United Nations agencies were represented at the Commission:
 - International Trade Centre
 - United Nations Environment Programme
 5. The following specialized agencies were represented at the Commission:
 - United Nations Educational, Scientific and Cultural Organization
 - World Trade Organization
 6. The following non-governmental organizations were represented at the Commission:
 - General category*
 - Village Suisse ONG
 - Special category*
 - International Federation of Freight Forwarders Associations
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