

UNITED NATIONS CONFERENCE ON TRADE AND DEVELOPMENT

**Report of the Trade and Development Board
on its nineteenth special session
(Mid-term Review)**

held at UNCC-ESCAP, Bangkok,
from 29 April to 2 May 2002



UNITED NATIONS

Dist.
GENERAL

TD/B(S-XIX)/7
30 May 2002

Original: ENGLISH

**Report of the Trade and Development Board
on its nineteenth special session
(Mid-term Review)**

held at UNCC-ESCAP, Bangkok,
from 29 April to 2 May 2002

GE.02-51073

CONTENTS

Chapter	Page
Introduction.....	4
I. OUTCOMES OF THE MID-TERM REVIEW	
A. Review of the efficiency and functioning of the intergovernmental machinery.....	5
1. Chairperson's summary	5
2. Guidelines for the functioning of the UNCTAD intergovernmental machinery	7
B. Stocktaking in respect of the implementation of the commitments and work programme agreed to in the Bangkok Plan of Action.....	10
C. Summary of the high-level interactive debates and policy dialogue by H.E. Dr. Surakiart Sathirathai, Minister of Foreign Affairs of Thailand	21
D. Conclusions on the Mid-term Review by Mr. Rubens Ricupero, Secretary-General of UNCTAD.....	26
E. Expression of gratitude	30
II. PROCEEDINGS OF THE PLENARIES OF THE BOARD	
A. Mid-term Review	31
B. Other matters: Invitation to host UNCTAD XI	41
C. Organizational and institutional matters	41
Annexes	
I. Message from the Secretary-General of the United Nations to the UNCTAD Mid-term Review	44
II. Message from the Chairman of the Group of 77 in New York to the UNCTAD Mid-term Review	45
III. Attendance	47
IV. List of documents.....	50

Introduction

1. At its twenty-fourth executive session in May 2000, the Trade and Development Board decided that it would conduct a mid-term review of its work in the second quarter of the year 2002, based on the indicators of achievement agreed to in the medium-term plan. It also decided to review the functioning of the intergovernmental machinery.
2. At its forty-eighth session, in October 2001, the Board agreed to endorse the offer of Thailand to host the Mid-term Review in Bangkok, launched the mid-term review process and approved the basic modalities of the Mid-term Review process, namely: (i) a review of the efficiency and functioning of the intergovernmental machinery; (ii) stocktaking in respect of the implementation of the commitments and work programme agreed to in the Bangkok Plan of Action (TD/386); and (iii) interactive debates and policy dialogue in the context of opportunities and challenges of new policy developments of importance since UNCTAD X.
3. In its resolution 56/178 of 21 December 2001, the General Assembly welcomed the decision by the Trade and Development Board to conduct the mid-term review of the outcome of the tenth session of the United Nations Conference on Trade and Development at Bangkok from 29 April to 3 May 2002, and, in this regard, expressed deep appreciation to the Government of Thailand for offering to host the meeting.
4. As part of the Mid-term Review process, and prior to the meeting in Bangkok, three meetings of the Board were held in Geneva, the first from 28 January to 1 February 2002, the second from 25 February to 1 March 2002, and the third from 25 to 28 March 2002. At these meetings, consultations were held on the intergovernmental machinery and on the stocktaking exercise, resulting in texts that were subsequently acted on by the Board in Bangkok.
5. In Bangkok, the Mid-term Review took place from 29 April to 2 May 2002 within the framework of the nineteenth special session of the Trade and Development Board. At an inaugural ceremony on 30 April 2002, addresses were delivered by H.E. Dr. Thaksin Shinawatra, Prime Minister of Thailand; H.E. Dr. Surakiart Sathirathai, Minister of Foreign Affairs of Thailand; Mr. Rubens Ricupero, Secretary-General of UNCTAD; and Mr. Kim Hak-Su, Executive Secretary of ESCAP. A statement of appreciation was made by H.E. Mr. Ali Said Mchumo (United Republic of Tanzania), President of the Trade and Development Board. In the course of the session, two high-level interactive debates and policy dialogues were held on the following topics: Assessment of global economic developments and their impact since UNCTAD X: Economic policy and challenges after Bangkok; Development challenges of the future: Rethinking development strategies, reshaping globalization.
6. At its closing plenary, on 2 May 2002, the Board adopted guidelines for the functioning of UNCTAD's intergovernmental machinery, took note of the stocktaking in respect of the implementation of the commitments and work programme agreed to in the Bangkok Plan of Action, and took note of the summary of the high-level interactive debates by the Minister of Foreign Affairs of Thailand and the conclusions on the Mid-term Review by the Secretary-General of UNCTAD. It also adopted by acclamation an expression of gratitude to the Government and people of Thailand for hosting the Mid-term Review.

I. OUTCOMES OF THE MID-TERM REVIEW

A. Review of the efficiency and functioning of the intergovernmental machinery

1. Chairperson's summary

1. Within the context of the UNCTAD Mid-term Review, the Trade and Development Board has reviewed the functioning of its intergovernmental machinery and has adopted the guidelines set out below in order to improve the machinery's efficiency. The guidelines should be implemented immediately and in a flexible manner to ensure maximum effectiveness.

2. The review process was not aimed at a renegotiation of the Bangkok Plan of Action. It sought to improve the intergovernmental machinery in order to enhance the efficiency and effectiveness of the implementation of the Plan of Action, the UNCTAD work programme and the follow-up of the results.

3. The purpose of the intergovernmental machinery is to favour consensus-building on issues related to the fields of competence of UNCTAD as the focal point within the United Nations for the integrated treatment of trade and development and the interrelated issues in the areas of finance, technology, investment and sustainable development.

4. The above objectives will be achieved by:

- (a) Strengthening the substantive complementarities between expert meetings, Commissions and the Trade and Development Board;
- (b) Improving synergies between the secretariat's structure and the Commissions;
- (c) Improving the integration of intergovernmental and expert debate on the one hand and analysis and technical cooperation on the other;
- (d) Improving reporting on the follow-up actions by capitals on the outcomes of expert meetings and Commission recommendations.

Overview

Achievements

5. Two full cycles of meetings have been completed since UNCTAD X, making a total of six cycles since UNCTAD IX, when the current structure of the intergovernmental machinery was established.

6. Expert meetings, and indeed the intergovernmental work of UNCTAD as a whole, has benefited from the participation of experts from capitals from developing countries, developed countries and countries with economies in transition.

7. Provisions for the financing of experts have directly facilitated the participation of experts from developing countries.

8. The expertise made available in expert meetings through experts speaking in their personal capacity has contributed to knowledge-based and frank discussions, as well as to consensus-building and sharing of experience.

9. Expert meetings have provided valuable inputs on topical issues for policy consideration by the Commissions, which in turn have made recommendations to Governments, the international community, and the UNCTAD secretariat.

10. Commissions have provided a very useful forum for an open exchange of views between delegations and the secretariat on the latter's implementation of Commissions' recommendations.

Problems

11. Although some expert meetings were well attended and produced valuable outputs, the overall impact of expert meetings has still not fully met the expectations of the Midrand reform. Possible factors contributing to this situation included the fact that experts were not always acquainted with UNCTAD's previous work and that too much time was sometimes devoted to the negotiation of agreed conclusions.

12. There has been a decline in the participation of experts from all groups of countries. In the case of developing countries, an important factor in the decline in participation was the steep decline in resources available for financing experts.

13. The linkages between expert meetings and the Commissions have not been working well. In particular, having exactly the same topics on the agendas of the expert meetings and the Commissions has tended to encourage repetition in the discussions in the Commissions.

14. In the Commissions, a disproportionate amount of time has been spent on negotiating outcomes rather than on in-depth policy dialogue.

15. Commission sessions have not always attracted participation from capitals for their full duration. Some delegations felt that this problem was due to the non-binding nature of the outcome.

16. The follow-up, implementation and feedback on the recommendations and decisions of the Board, the Working Party on the Medium-term Plan and the Programme Budget and the Commissions have not been fully satisfactory. This has been particularly the case of decisions taken with respect to the use of the regular budget to finance the participation of experts in

expert meetings, as well as courses related to the implementation of paragraph 166 of the Bangkok Plan of Action.

17. Several substantive decisions that could have been taken within the guidelines will have to be addressed and resolved at a later date. The annex to the guidelines in particular refers to a decision to be taken by the Trade and Development Board concerning the financing of experts from the regular budget by the end of 2002. In order to comply with the mandate, such a decision should be taken not later than 30 November 2002.

2. Guidelines for the functioning of the UNCTAD intergovernmental machinery

Trade and Development Board

1. The Board's agenda should be more varied and flexible. During its next regular session, the Board will consider the issue of having two regular sessions, one in the spring, the other in the autumn.

2. The practice of having a high-level segment during a regular session of the Board should be continued. In establishing the provisional agenda, the Board will identify an item to be considered at a high level.

3. When appropriate, executive sessions will be used for substantive discussions and analysis of new challenges faced by developing countries, including discussions on recent developments and on issues of urgent or prominent interest, which could involve high-level panels. Such discussions should be reported on rapidly on the Internet and through press releases in all official languages.

4. An item on the follow-up to decisions and implementation of recommendations of the Board should be included on the agenda.

5. The Board will devote more attention to addressing LDC concerns. Following the publication of the *Least Developed Countries Report*, an executive session of the Board on LDCs not exceeding three days will meet to discuss the report and other thematic and sectoral issues of interest to LDCs. Its Sessional Committee on LDCs, adjusted accordingly, will continue to focus on coordinating, reviewing and monitoring UNCTAD-wide activities related to the implementation of the Programme of Action for LDCs for the present decade and discussion on substantive and analytical issues of interest to LDCs. The outcomes of these deliberations will be channelled to the Economic and Social Council and to the General Assembly as inputs into their respective reviews of the implementation of the Programme of Action.

6. Members reaffirm the need to continue the monthly consultations of the President of the Trade and Development Board and encourage the secretariat to include an information item on its activities.

Commissions

7. A Commission session should be devoted primarily to policy discussion on one or two main thematic issues. While considering the outcome of expert meetings, the Commissions should complement the issues dealt with by expert meetings, and avoid duplicating their debates as much as possible. Whenever possible the Commissions should conclude their discussions within three days and in any case should not exceed five days. When appropriate, sufficient time should nevertheless be devoted to achieving a unified outcome. The Commissions should conduct a policy discussion on the basis of secretariat research, reports of expert meetings and other relevant inputs, including from panellists and from other intergovernmental organizations and civil society. It should also place the outcome of the discussions within the appropriate policy context and framework.

8. For each substantive item on a Commission's agenda, the secretariat should prepare a background paper as an input to the discussion, and the Commission should give a clear indication to the secretariat as to the type of background paper it would require.

9. When deciding on the nature of the outcome, a main objective should be to maximize the time devoted to substantive dialogue among government representatives so as to build consensus on issues within UNCTAD's competence and reduce to the necessary minimum the time devoted to drafting exercises. The Bureau and the regional coordinators will indicate the nature of the outcome they seek from the Commissions. Whenever possible the outcome should be a Chairman's summary reflecting substantive dialogue and separate concise recommendations to the UNCTAD secretariat. Further options for the outcome may include: principles, guidelines, best practices, agreed conclusions, etc.

10. Commissions' agendas will continue to include an item on follow-up and implementation of past recommendations. The secretariat will report on its implementation of recommendations addressed to it, and member States will be invited to report on their own implementation in statements to the Commission.

11. The outcomes of the Commissions' sessions will also be the subject of a broad dissemination effort, including on the Internet, in all official languages.

Expert meetings

12. When selecting or approving topics for expert meetings, the Commission concerned should consider, on a case-by-case basis, continuing discussions on a particular theme over a series of expert meetings, in order to build a network of experts and allow for more in-depth discussions.

13. Topics for expert meetings should be of immediate relevance. To this end, each Commission should establish clear terms of reference for its expert meetings. The outcome of expert meetings should reflect the substantive dialogue among experts from all parts of the world and general points of agreement with a view to building consensus on the issue.

14. Experts are nominated by Governments and participate in the expert meetings in their personal capacities.

15. The participation of experts from developing countries in UNCTAD expert meetings will be enhanced through the provision of predictable financial resources. Arrangements for the financing of experts from developing countries and countries with economies in transition are annexed to this document.

16. The Secretary-General of UNCTAD is encouraged to invite to expert meetings experts from regional and international organizations, civil society, academia, and interested private institutions and enterprises.

Annex

Financing the participation of experts from developing countries and countries with economies in transition in UNCTAD intergovernmental expert meetings

1. Members agreed to find, by the end of 2002, a long-term solution for predictable financing of the participation of experts in intergovernmental expert meetings, taking into consideration the enhancement of the participation of experts from developing countries and economies in transition based on the principle of equitable geographical representation, beneficiary needs, in particular LDCs, and the expertise of the experts concerned. Accordingly, members agreed to continue the necessary consultations, in the Working Party. In the event that a solution is not reached, a special session of the Board will be held to resolve the matter.

2. Members welcomed the commitments announced by a number of countries for securing the necessary extrabudgetary contributions to allow for the financing of experts in 2002. For this, members agreed that approximately \$280,000 (at 2002 prices) per year will be required to allow 10 experts to attend the expert meetings in 2002 and 2003.

3. While welcoming this progress, Member States also recognized the interrelationship between the short-term solutions (2002-2003) and reaching long-term solution(s) that would ensure the availability of the necessary resources on a regular basis for financing the participation of experts in UNCTAD's expert meetings.

B. Stocktaking in respect of the implementation of the commitments and work programme agreed to in the Bangkok Plan of Action

Introduction

1. The Trade and Development Board, at its twenty-fourth executive session on 12 May 2000, called for a review of the work of UNCTAD in the second quarter of 2002 midway between UNCTAD X and UNCTAD XI based on the indicators of achievement in the Medium-Term Plan 2002-2005¹. These indicators are:

Indicator one: Timeliness, usefulness, degree of implementation, and quality of the subprogramme's research and analysis, as measured by readership and other surveys;

Indicator two: Member States' views on the practical value and impact on the development prospects of developing countries of policy recommendations, as expressed in the conclusions of the regular review of the work programmes undertaken by intergovernmental bodies;

Indicator three: The degree of implementation, effectiveness and impact of technical cooperation activities, as assessed by indicators contained in the relevant project documents.

2. At its forty-eighth session in October 2001, the Trade and Development Board determined that the Mid-term Review would consist of three interrelated pillars, namely a review of the efficiency and functioning of the intergovernmental machinery, stocktaking in respect of commitments and work programme agreed to in the Bangkok Plan of Action², and a forward-looking policy statement on major developments of relevance to UNCTAD's work. The second pillar of the review, the stocktaking exercise, was conducted in sessions of the Board from January to March 2002.

Context: International developments

3. Several major international conferences had taken place since UNCTAD X whose outcomes had an impact on the way UNCTAD worked. The Third United Nations Conference on the Least Developed Countries (Brussels, May 2001), which UNCTAD itself was responsible for organizing, agreed on a ten-year Programme of Action for the Least Developed Countries³ which spanned the whole spectrum of development, including UNCTAD's own sphere of activity. The Fourth Ministerial Conference of the World Trade Organization (Doha, November 2001) launched the Doha work programme⁴, which included negotiations on a broad range of issues within UNCTAD's field of expertise. The outcome

¹ A/55/6/Rev.1, 2001.

² TD/386 of 18 February 2000.

³ A/CONF.191/11 of 8 June 2001.

⁴ WT/MIN(01)/DEC/W/1, /2 and /10 of 14 November 2001.

presented a particular challenge to UNCTAD to help ensure that the development dimension of this work programme was fully realized. The International Conference on Financing for Development (Monterrey, March 2002) established a new consensus and partnership between developed and developing countries on approaches to development in support of shared goals, including those of the Millennium Declaration⁵. Heads of State and Government committed themselves to “sound policies, good governance at all levels and the rule of law [...] mobilizing domestic resources, attracting international flows, promoting international trade as an engine for development, increasing international financial and technical cooperation for development⁶, sustainable debt financing and external debt relief and enhancing the coherence and consistency of the international monetary, financial and trading systems”⁷, all issues covered in the Bangkok Plan of Action. The New Partnership For Africa’s Development (NePAD) initiative launched in 2001 showed a new approach to the development of Africa, with Africa itself driving the agenda. This initiative would be a high priority for Africa and its development partners in forthcoming years. Any successor arrangement to the United Nations New Agenda for the Development of Africa in the 1990s (UN-NADAF), though not in place at the time of this stocktaking exercise, could be expected to draw heavily on the NePAD initiative.

Context: Resources

4. The United Nations programme budget for the biennium 2002-2003⁸, approved by the United Nations General Assembly in December 2001, provided UNCTAD with two new posts for Subprogramme 9.1B, “Development of Africa”. However, it included significant reductions in the resources for UNCTAD in a number of areas, especially for consultants (46 per cent reduction). This would inevitably affect the technical work of UNCTAD. In December 2001, pursuant to paragraph 116 of the Programme of Action for the Least Developed Countries, the General Assembly, in its resolution 56/227, set up the new Office of the High Representative for Least Developed Countries, Landlocked Developing Countries and Small Island Developing States in New York, which took over certain coordination, advocacy and support functions⁹ from UNCTAD. The new Office was partly staffed by the transfer of 10 posts from UNCTAD¹⁰, which would have a ‘negative impact on UNCTAD’s analytical and technical work’¹¹. Concern was expressed during the Mid-term Review process about the impact of reduced resources.

5. Although the vacancy rate in the UNCTAD secretariat had been significantly reduced – to a level below the average for the United Nations as a whole – a number of key posts at senior management level had remained vacant for long periods.

⁵ A/RES/55/2 of 18 September 2000.

⁶ See paragraph 39 of Monterrey Consensus, A/CONF.198/3 of 1 March 2002

⁷ Paragraph 4, *ibid.*

⁸ A/RES/56/253 of 24 December 2001.

⁹ A/56/645 of 23 November 2001.

¹⁰ *ibid.*

¹¹ Agreed conclusions of the thirty-eighth session of the Working Party on the Medium-Term Plan and the Programme Budget, TD/B/49/2-TD/B/WP/148 of 4 February 2002.

6. Since UNCTAD X, extrabudgetary resources for technical assistance available to UNCTAD from all sources (UNDP, bilateral trust funds and self-financing by beneficiaries) had remained broadly constant at around 23 to 25 million US dollars per annum. An upswing in demand for technical assistance following the Fourth WTO Ministerial Conference presented an important challenge for UNCTAD, both in positioning itself in the competitive market for donor funds and increasing efficiency to maximize its absorptive capacity for such funds.

Documentation

7. The innovative approach of document TD/B(S-XIX)/L.1 'Programme Assessment for 2000-2001' prepared for the Mid-term Review was welcomed: it did not just detail activities undertaken but attempted to analyse the results obtained. However, the limitations inherent in self-assessments – a tendency to focus on achievements and to attribute shortcomings to external factors – were evident at times in the document. Subsequent assessments could also benefit from systematic measurement of impact using indicators of quality as well as quantity and improved gathering and full presentation of user feedback. The secretariat was encouraged to continue this effort with these points in mind.

I. Assessment of the work since UNCTAD X: lessons learnt

8. Progress in the implementation of the four-year Bangkok Plan of Action was generally satisfactory, save in a few areas detailed below. The Plan itself had withstood the test of time. UNCTAD had been able to carry out a meaningful and useful programme of work based upon it; there was no suggestion during the Mid-term Review process that the Bangkok Plan of Action could not continue to provide the basis for an effective programme of work until UNCTAD XI. However, the breadth of the Plan, and the prevailing limitations on resources, gave urgency to the exercise of defining areas of emphasis and to fund-raising for priority activities.

Indicator one: Timeliness, usefulness, degree of implementation, and quality of the subprogramme's research and analysis, as measured by readership and other surveys

9. Review of the research and analysis undertaken on the basis of this indicator proved a difficult task. The results of readership and other surveys were not available for every subprogramme. The readership survey among member States, timed to be available for the Mid-term Review process, was disappointing for its low rate of reply. Since this indicator will remain the basis of assessment throughout the period of the Medium-Term Plan 2002-2005, it will be necessary to consider how to make it more effective. Some ideas are suggested in the concluding section of this document. On the other hand, during the Mid-term Review process itself, member States provided much useful feedback on UNCTAD's research and analysis that gave a clearer picture of its impact. This feedback is duly reflected in this document.

10. Feedback on UNCTAD's analytical publications since UNCTAD X was generally positive. They were found to have provided high-quality analysis and information and to have

made a valuable contribution to policy dialogue at the international level, as well as to policy formulation at the national level. Unanimously favourable feedback was received on major analytical publications on investment under Subprogramme 9.2. The annual *World Investment Report* (WIR) had become a standard reference work for practitioners in developed and developing countries alike and a primary source of information on investment flows and the development issues they raise. The publication entitled *Positive agenda and future trade negotiations* issued under Subprogramme 9.3 was well received. Many member States considered it a useful reference work, and called for it to be updated to reflect the most recent developments, notably the outcome of the Fourth WTO Ministerial Meeting. The new recurrent series publication under Subprogramme 9.4, *E-Commerce and Development Report*, received positive feedback for its analysis and information on an issue of increasing importance. With so many players already present or entering this field, UNCTAD's focussing on its distinct niche was important. The *Least Developed Countries Report* under Subprogramme 9.5 was valued by member States for both the analysis and the statistical information it provided, which were not available from any other source.

11. The major publication under Subprogramme 9.1, the annual *Trade and Development Report* (TDR), made a contribution to the international debate on globalization, in particular on issues of relevance to developing countries. It had a different aim from the other major publications cited above: it sought to stimulate debate by providing an alternative view of events from UNCTAD's development perspective. It gave rise to mixed reactions from member States, agencies and the media. Its theme of reform of the international financial architecture had been found timely and useful by member States affected by financial crises.

12. The mandates provided by the Bangkok Plan of Action were extensive in relation to the resources available, particularly in Subprogramme 9.3. Some member States felt that insufficient priority had been accorded to elements of the mandate of importance to them such as special and differential treatment, preferences, or supply capacity in manufacturing and services. Similarly, some expressed the view that the immediate concern to attend the needs of member States with technical assistance might have crowded out research and analysis; striking the right balance was important. The Bangkok Plan of Action broadened UNCTAD's work on environment issues. The work accomplished in this area was well appreciated by member States, and valuable in the light of the forthcoming World Summit on Sustainable Development (Johannesburg, 26 August - 4 September, 2002).

13. It was repeatedly stressed that useful research and analysis need good and user-friendly presentation and wide and effective diffusion – including availability in translation – to reach all those who could benefit from them and attain their full impact. Some potentially useful studies had not been drawn to the attention of Geneva-based delegates who could have benefited from them. Member States continued to attach great importance to high-quality, up-to-date and multilingual websites and to the timely distribution of documents and flagship reports, respecting relevant United Nations rules on multilingualism.

Indicator two: Member States' views on the practical value and impact on the development prospects of developing countries of policy recommendations, as expressed in the

conclusions of the regular review of the work programmes undertaken by intergovernmental bodies

14. As regards the feedback by member States on the work carried out during the biennium 2000-2001, in the Commission on Investment, Technology and Related Financial Issues in January 2002,¹² member States generally appreciated both the analytical and technical cooperation work in this area, citing several concrete benefits provided by the programme. Satisfaction was expressed on the dissemination efforts made. In the Commission on Trade in Goods and Services and Commodities in February 2002,¹³ member States welcomed the large amount of work accomplished and some indicated areas of importance for them in future work, particularly on agriculture. The need for a more proactive approach in promoting the quality work undertaken by the programme was underlined. In the Commission on Enterprise, Business Facilitation and Development in February 2002,¹⁴ several member States emphasized the need to follow up the implementation of policy recommendations made.

15. The assessments made by the Commissions concentrated largely on the work of the secretariat. Little evidence was presented on the practical value and impact on the development prospects of developing countries – or indeed the extent of implementation – of policy recommendations at the national level and to the international community such as those agreed at previous sessions of the Commissions. The *Progress reports on the implementation of agreed recommendations* submitted to the Commissions¹⁵ tended to focus on the recommendations made to the secretariat. Since the process of arriving at these policy recommendations is a resource-intensive one, this aspect will require further attention. Some suggestions are included in the final section of this document for further discussion.

Indicator three: The degree of implementation, effectiveness and impact of technical cooperation activities, as assessed by indicators contained in the relevant project documents

16. A wealth of feedback on technical cooperation activities was provided for and during the Mid-term Review. It is to be noted however that indicators had not been systematically included in all technical cooperation project documents, and that where they had, they tended to measure quantity rather than quality. Systematic use of indicators, and refinement of existing indicators to measure qualitative as well as quantitative aspects, would facilitate assessment of impact.

17. Demand for UNCTAD's technical assistance remained strong and feedback was mostly very positive. Its Debt Management and Financial Analysis System (DMFAS) and Automated System for Customs Data (ASYCUDA) were now the market leaders worldwide. Assistance provided to member States on issues relating to the multilateral trading system,

¹² TD/B/COM.2/40 – TD/B/EX(28)/3 of 27 February 2002.

¹³ TD/B/COM.1/49 – TD/B/EX(28)/4 of 21 February 2002.

¹⁴ TD/B/COM.3/46 – TD/B/EX(28)/5 of 1 March 2002.

¹⁵ TD/B/COM.1/48, TD/B/COM.2/39 and TD/B/COM.5/45 of 21 December 2001.

such as the Commercial Diplomacy programme and the Joint Integrated Technical Assistance Programme to Selected Least Developed and Other African Countries (JITAP), was well appreciated. The fact that beneficiary countries themselves were providing funding for some programmes (e.g. technical support to the Intergovernmental Group of 24 on International Monetary Affairs) showed that they considered that UNCTAD was providing high-quality services of direct relevance and value to them. Concrete evidence of the benefits produced at the country level (e.g. improvement in clearance times achieved thanks to ASYCUDA) was also presented during the Mid-term Review.

18. Efforts to follow through studies and policy advice with intergovernmental discussions and support to implement recommendations, such as in investment policy reviews, international investment agreement programmes and work on TNC-SME linkages, were commended. Further use could be made of well-established capacity-building programmes and their networks, such as TrainForTrade and EMPRETEC programmes, as channels for the diffusion of the results of research and analysis and for the provision of technical assistance in a more integrated manner.

19. Joint programmes with other organizations, such as the UNEP-UNCTAD Capacity-Building Taskforce on Trade, Environment and Development (CBTF), or with civil society, for example in trade facilitation or commodity diversification, were an effective means of delivering mandates and maximizing the impact of UNCTAD's work. In some cases, the 'coordination cost' was heavy, particularly in the early stages: the pilot scheme of the Integrated Framework was an example. However, where the aim of such cooperation was sufficiently important – as was the case with the mainstreaming of trade into development strategies – the initial input was justified by the potential benefit for the countries concerned. UNCTAD was encouraged to see these efforts through to a successful conclusion.

20. The slow rate of implementation of paragraph 166 of the Bangkok Plan of Action gave rise to concern: only 18 people had received training in the two years since UNCTAD X. Although the preparation of course material and administrative support for the courses, as well as the provision of resource persons from the secretariat, had been absorbed into the regular programme as foreseen, there had been a misunderstanding about the availability of resources from the United Nations Programme Budget to fund the travel and lodging of trainees. Training had only been able to take place thanks to the generosity of a bilateral donor. This called for new efforts and fresh thinking in the coming period to deliver this mandate in an effective and cost-efficient manner.

21. The success of the larger technical assistance programmes – DMFAS, ASYCUDA and the Advance Cargo Information System (ACIS) – had caused them to grow into sizeable 'enterprises' in their own right. This raised the question of whether they should operate more independently. For the time being it was still judged important to retain them within the existing structure so that the experience gained in their implementation could feed into the other areas of activity of the organization, research, analysis and consensus-building. However this question could usefully be revisited in the future. When operation-oriented programmes were assessed as having reached a certain stage of maturity, a gradual shift of

ownership to stakeholders could be an option, following the model of the Trade Point programme.

22. The steps taken to promote the self-sustainability of the major technical cooperation programmes were beginning to yield results in some areas, and the secretariat was encouraged to pursue them.

23. The manner in which UNCTAD had responded to the mandate in paragraph 164 (vi) of the Bangkok Plan of Action on the internal coordination of technical cooperation activities, by conducting an internal review by a team of staff members within the secretariat, was commended. Member States attached great importance to strong internal coordination and dialogue with stakeholders, and looked forward to further interaction with the secretariat on the review's recommendations and their implementation.

Other programmatic issues

24. The initiative taken at UNCTAD X to establish Subprogramme 9.1B on development of Africa had started to bear some fruit. Studies produced by the Subprogramme¹⁶ had contributed to cooperation frameworks on development of Africa. Although they gave rise to mixed reactions, they were appreciated by many African countries as being useful for policy formulation. The small subprogramme had added value by adopting the working method of drawing on expertise across the secretariat and pulling together the results obtained.

25. During the months leading up to the Mid-term Review, the work programme of Subprogramme 9.5 was adjusted¹⁷ in response to the transfer of resources to the new Office of the High Representative for Least Developed Countries, Landlocked Developing Countries and Small Island Developing States in New York. The new direction of the subprogramme, focussing on areas where it could add most value, was generally welcomed, although many called for the *Least Developed Countries Report* to remain an annual publication. Like Subprogramme 9.1B, this subprogramme would be drawing on expertise across the secretariat to deliver its mandates, using focal points in each division, thus ensuring further mainstreaming of the issues and creating synergies, particularly with Subprogramme 9.1B, which shared many of the same clients.

26. The initiatives taken by the secretariat since UNCTAD X on other cross-cutting issues were welcomed. On gender, the holding of an expert meeting and the subsequent decisions made to incorporate a stronger gender dimension into the work of all divisions through the creation of focal points should, with appropriate follow-up, serve to enhance this aspect of UNCTAD's work. The interest of civil society organizations in participating in UNCTAD meetings had been growing, and efforts to foster constructive interaction should be pursued within relevant United Nations rules. The closer involvement of civil society in the

¹⁶ "Capital Flows and Growth in Africa" (TD/B/47/4-UNCTAD/GDS/MDPB/7 of 27 July 2000) and "Economic Development in Africa: Performance, Prospects and Policy Issues" (TD/B/48/12-UNCTAD/GDS/AFRICA/1 of 1 August 2001).

¹⁷ TD/B/49/2-TD/B/WP/148 of 4 February 2002.

implementation of programmes – mentioned elsewhere in this document – was positive. The efforts made under various technical cooperation programmes such as JITAP to involve a wide range of stakeholders, including civil society, in the trade policy process were highlighted and welcomed by beneficiary countries. This was one of the ways in which UNCTAD was delivering its mandate of ensuring sound public administration; the bilateral dialogue with beneficiaries of major technical cooperation programmes was another.

27. The importance of ‘lesson-learning’ in all areas was stressed, from the organization of conferences to the consolidation of technical cooperation programmes through regular independent evaluations and the implementation of the resulting recommendations. This contributed not only to the continuous refinement of output but also to maintaining and broadening support.

II. Direction and areas of emphasis towards UNCTAD XI

28. It was emphasized repeatedly during the Mid-term Review process that the special expertise of UNCTAD – which was highly valued by member States from developed and developing countries alike – was its focus on the integrated treatment of development and trade, finance, technology and investment. It follows that further efforts to develop this focus, which sets UNCTAD apart from other organizations, are likely to enhance the delivery of mandates. Initiatives to ‘decompartmentalise’ UNCTAD’s work, to strengthen the links between research, consensus-building and technical assistance, to promote greater integration within divisions and between divisions as through the Task Force on Trade, and to integrate technical cooperation activities into a more cohesive package could all assist this effort, which would also give UNCTAD a stronger profile.

29. Throughout the Mid-term Review process the urgency of supporting developing countries in the current and forthcoming negotiations in the WTO – support which would encompass all three areas of UNCTAD’s activity, namely research and analysis, consensus-building and technical cooperation – was stressed. This was one of the main areas of emphasis for the period up to UNCTAD XI. UNCTAD had already responded to demand by drawing up an organization-wide ‘Post-Doha Technical Assistance and Capacity Building Plan’. UNCTAD’s ability to synthesize information from different sources within its programme and thereby clarify the policy options for developing countries was much valued. Initiatives such as the selection of the theme of trade for *TDR 2002* were timely. This priority should guide the selection of topics for research and analysis on issues from the Bangkok Plan of Action, which should aim to provide developing countries with material to aid policy formulation. Immediate priority issues for member States included agriculture, services, special and differential treatment, and tariffs and non-tariff barriers because of the WTO deadlines. Equally important was the further effort to integrate existing capacity-building activities in different parts of the organization into the overall framework so as to maximize their effectiveness, and better use of existing delivery channels and networks. Post-Doha capacity-building undertaken with extrabudgetary resources should build on and not displace regular work, since it was the latter which gave UNCTAD a comparative advantage in this area.

30. It was equally important to ensure that developing countries were able to take advantage of existing and future opportunities by enhancing their productive capacity and improving their competitiveness. UNCTAD had a number of assets in this area, including its expertise on commodities, services, investment, technology, competition, electronic commerce, enterprise development, trade facilitation, and human resources development in various areas within its mandate. These could be deployed to assist developing countries to enhance competitiveness and achieve their further integration into the global economy. The new direction of Subprogramme 9.5, which emphasized assistance to its client countries in their integration into global trade through strengthening supply capacity, promoting diversification of exports and assisting human and institutional development in trade-related areas, was welcomed in this regard.

31. It was emphasized that UNCTAD could not carry out these tasks alone or in isolation. Close cooperation amongst all agencies and donors involved in the provision of trade-related technical assistance would be essential to ensure that efforts were complementary and to achieve the greatest impact. The prevailing limitation on resources and absorptive capacity called for a sharper focus on areas of comparative advantage such as the priority areas identified for the three Commissions¹⁸. These should be clearly defined and marketed, including in fund-raising efforts. The needs were great, but it was vitally important to ensure that new initiatives were demand-driven and in line with the developing countries' own development strategies and priorities.

32. Also stressed was the importance of following up the outcomes of the Third UN Conference on LDCs. The request to establish an inventory of commitments from the Brussels documents and assess them, with a clear division of labour between UNCTAD and the new Office of the High Representative, was reiterated. The course set out for Subprogramme 9.5 involving more focus on sectoral and substantive work with the contribution of all parts of the secretariat was welcomed.

33. UNCTAD delivers its mandates via research and analysis, intergovernmental discussion and technical cooperation. Strengthening linkages between these three modes of delivery could enhance the policy relevance of its work. Several good examples were highlighted, such as the work on competition or investment. On the issues relating to multilateral trade negotiations in particular, technical assistance and consensus building could be backed up more effectively by relevant research and analysis. Selection of topics for expert meetings for policy relevance – an issue also discussed in the first pillar of the Mid-term Review – was important.

34. On paragraph 166 of the Bangkok Plan of Action, many new ideas were put forward during the Mid-term Review Process to enhance the delivery and cost-effectiveness of training and the capacity-building effects for developing countries. Through the courses, expertise could be built in the regions to ensure greater continuity and access. Cooperation with institutions in developing countries, regional institutes and organizations, including

¹⁸ Decision at the twenty-eighth executive session of the Trade and Development Board of 12-13 March 2002.

through South-South cooperation, was one way to achieve this; some use of distance learning was another option to be considered. These would be discussed further in the Advisory Body set up in connection with paragraph 166. With good preparation and efficient and prudent use of resources, the training foreseen under paragraph 166 could be a valuable tool for strengthening capacity building, identified as a priority by many developing countries. The resources now available from Section 33 of the United Nations programme budget made it possible to provide more courses in the biennium 2002-2003 at lower per capita cost, but did not resolve the question of the long-term sustainability of this activity.

35. The outcome of the Financing for Development Conference (Monterrey, March 2002) underlined the centrality of the issues covered by UNCTAD to international efforts to promote development, reduce poverty and achieve internationally agreed development goals, including those of the Millennium Declaration. It provided new impetus to UNCTAD's work. Member States looked forward to further discussion in the third pillar of the Mid-term Review of UNCTAD's contribution to the achievement of the aims set out in the Monterrey Consensus.

III. Lessons from the use of indicators of achievement

36. The indicators of achievement used as a basis for the stocktaking exercise of the Mid-term Review were those of the Medium-Term Plan 2002-2005. This exercise provided an opportunity to test their effectiveness in measuring the achievements of the subprogrammes.

37. Indicator one, on its own, did not provide sufficient evidence for an effective review. Yet feedback from member States on the relevance and usefulness of UNCTAD's research and analysis for policy formulation was essential to assist the secretariat in its efforts of continuous improvement. Possible avenues to explore would be refining the timing of readership surveys, or concentrating on a limited number of key publications. Another option would be to conduct focussed reviews on selected publications with a limited but representative group of governmental experts familiar with policy formulation in the areas concerned.

38. Indicator two proved the least effective because of the paucity of feedback on the implementation of policy recommendations at the national level and to the international community, and the consequent impact. It proved difficult to elicit responses from member States and agencies on these recommendations, perhaps because of their generic and non-binding nature. To obtain feedback a more proactive approach might be considered, for example country case studies by the secretariat, although the resource implications would have to be considered.

39. Indicator three could only be fully effective if all technical cooperation documents contained indicators of achievement. Moreover, these indicators should be selected to provide evidence of qualitative as well as quantitative benefits. This kind of evidence also assists programme managers in their efforts to refine programmes and can, as was emphasized during the Mid-term Review, help to maintain and broaden support for them.

40. One avenue which could be explored in order to enhance the assessment of UNCTAD's work was the extension of in-depth evaluations to incorporate research and analysis as well as technical cooperation. The in-depth evaluation of a technical cooperation programme conducted annually by the Working Party on the Medium-Term Plan and the Programme Budget had proved an effective tool to identify course corrections and provide guidance. Any broader evaluation, which had precedents and was in line with relevant UN rules and regulations, could be taken up by the inter-governmental machinery, for example by the Commissions in the context of their regular programme reviews. This suggestion would require further discussion.

41. It is generally recognized that indicators relating to policy, be they at the national or the international level, are more challenging to identify than those relating to delivery of tangible outputs such as certain types of technical assistance. The area of policy research is particularly challenging. Discussions are under way in the United Nations on experience with indicators for the review of programme performance and the implementation of the Millennium Declaration road map (A/56/326). The Joint Inspection Unit (JIU) is conducting a study. The issue, and the ideas suggested in the foregoing paragraphs, could usefully be examined by the Working Party on the Medium-term Plan and the Programme Budget at a future meeting, when this study becomes available.

C. Summary of the high-level interactive debates and policy dialogue by H.E. Dr. Surakiart Sathirathai, Minister of Foreign Affairs of Thailand

1. As we draw to the close of UNCTAD's Mid-term Review here in Bangkok, I think I can safely say that our discussions have provided all of us with a real opportunity to exchange views and to learn from each others' experience and ideas.
2. As we all know, this is a crucial time for all our countries in terms of their development, in terms of the challenges they are facing and in terms of seeking out the path that we will follow in the coming years.
3. The timing of the Mid-term Review is unique in that it is one of a series of high-level meetings taking place this year. I am thinking of the Financing for Development Conference in Monterrey and the upcoming World Summit on Sustainable Development in Johannesburg. Each event provides us with the opportunity to further build consensus and pursue practical approaches, hopefully towards more general agreement on the critical issues raised in this room.
4. In order to enhance the impact of our deliberations in our interactive debates, I would like to make an attempt to summarize some of the main concerns raised. Of course no summary can ever be fully satisfactory to all but I hope that this summary, which will be circulated later as part of the report of the meeting, will succeed in touching on at least most of the issues discussed. In my summary, I will refer to seven main areas – global trends, international trade and the multilateral trading system, financing development, enhancing supply capacities, poverty alleviation and grassroots development, governance and coherence, and finally the role of UNCTAD.

Global trends

5. At UNCTAD X, we deliberated on the risks and challenges of globalization and agreed on development strategies for an increasingly interdependent world. We concurred that globalization is an ongoing process that presents opportunities as well as risks and challenges. Rapid economic globalization, as a result of technological advancement and liberalization of international trade, finance and investment, has led to an expansion of global economic growth and development. The imbalances of the globalization process, however, also produced severe adverse effects on the development process of many less developed countries, which are unable to adjust themselves to the fast pace of globalization.
6. The global economy has exhibited an uneven performance since then, with variations both between developed and developing countries and among developing regions. The recovery in Asia, which was already visible at UNCTAD X, has continued, but this has not been matched in much of Africa or Latin America. However, all developing countries have been vulnerable to the global slowdown, which began last year, and particularly those with strong links to the trading system. Fortunately, that slowdown has been less severe than many had feared, and there are again signs of a recovery taking place.

7. The experience of the past two years confirms the need for a more collective approach to the economic challenges of a more integrated world. A number of international conferences since UNCTAD X have confirmed the desire to pursue such an approach, with positive outcomes registered notably at Brussels, Doha and Monterrey. There are also signs that the rich countries are more willing to support the development challenges of the weakest members of the global family of nations, for example the EU initiative on “Everything but Arms” and the promised support for the New Programme for African Development. The strong show of solidarity after the tragic events of 11 September is a further demonstration of the benefits which derive from moving in this direction.

8. Nevertheless, the downside risks facing developing countries remain significant, as witnessed by the economic problems in Argentina. Commodity prices continue to decline and fluctuate sharply, posing grave problems for many poor commodity-dependent countries. With poverty still the big challenge for most developing countries the task facing the international community remains to strengthen the multilateral approach to development and in particular to ensure the pivotal role of the United Nations system.

International trade and the multilateral trading system

9. Trade is an important component of development strategies, perhaps more so than in the past. Placing the development dimension, including the need to break supply constraints on exporting, at the centre of the work programme launched in Doha, stands as both a recognition of past failures and a measure of any future commitments. Translating this into practice is still surrounded by uncertainties. Many developing countries continue to struggle with the commitments made in the Uruguay Round, and implementation by developed countries has not met expectations. Moreover, protectionist trends have resurfaced in the industrial countries, and in areas, such as steel and agriculture, of direct interest to developing countries.

10. Not surprisingly, most developing countries feel that improved market access by the major importing countries in areas of interest to developing countries is key to achieving a successful outcome to multilateral trade negotiations. In this respect, both tariff and non-tariff barriers remain a focus of their concerns. For agriculture, massive subsidies distort markets and render competition impossible for many developing countries. In light of the differences among countries in their capacity to compete on international markets, special and differential treatment also needs to be strengthened as part of the multilateral trading rules. Moreover, the accession process needs to be facilitated, particularly for LDCs.

11. Regional trade arrangements also provide significant benefits. The interrelationship of regional arrangements with bilateral and multilateral ones is an issue to be examined.

12. In all these areas, technical assistance for capacity building needs to be strengthened, not only to allow developing countries to participate more effectively in the negotiation process but also to enable them to benefit from the opportunities provided by the trading system. UNCTAD has a key role to play in this by pursuing the development dimension of

trade negotiations, including through reinforcement of its assistance through the Integrated Framework for Trade-related Technical Assistance.

Financing development

13. Globalization means that trade can no longer be dealt with independently from finance. This was made clear at the Monterrey Conference, which adopted an integrated approach to financing for development.

14. Over the past two decades, the integration of financial markets has seen a significant shift to private capital flows. This was expected to encourage smoother integration into the world economy, particularly by developing countries. However, in the absence of global financial arrangements to better manage their rise, increased private flows have been accompanied by increased volatility and have become a major source of contagion for economic shocks across the developing world. In moving towards new arrangements, stability of flows should be given sufficient attention. The international effort to reform the international financial architecture needs to be strengthened to make the financial system more stable and conducive to trade and development.

15. Financial liberalization needs to proceed cautiously and should be tailored to specific country conditions, with careful attention paid to the sequencing of reform. Furthermore, financial flows continue to be very heavily influenced by the policies of the leading industrial countries. Greater policy coherence in these countries is essential for achieving a more stable international financial environment. Unfortunately, progress in this direction has remained slow.

16. FDI is relatively more stable than short-term private flows and it can embody technology transfer and other benefits. Private capital flows, in whatever form, have been heavily concentrated in a small number of emerging markets. In this respect, for those countries, particularly LDCs, that find it difficult to attract private inflows, measures to attract direct investment may not prove successful and instead give rise to the danger of excessive competition. Better supportive measures by home countries could contribute to addressing geographical and sectoral imbalances in FDI flows. If negotiated, international frameworks on FDI should be designed so as to service development.

17. ODA remains key to the growth prospects of many developing countries, particularly LDCs. The Monterrey Conference heralded a welcome change of spirit among some donor countries, although new conditionalities linked to increased ODA could further marginalize some countries, if reforms are made a precondition for aid. The burden of debt continues to limit development prospects in many of these same countries, and further progress needs to be made on debt forgiveness.

18. Lack of proper physical infrastructure remains a major obstacle to development for many developing countries. Means to finance infrastructure development need to be found.

Enhancing supply capacities

19. Trade liberalization opens up possibilities for export growth, but successful entry into import markets requires considerable improvements in supply capacity for many developing countries. For many countries, diversification is the key challenge here. Reliance on primary commodities is still an obstacle to development, particularly in LDCs and Africa, where higher value added and more processed exports are key to faster growth. Measures to deal with declining commodity prices and alleviate difficulties caused by excessive price fluctuations are called for.

20. The knowledge gap and the digital divide comprise a major source of anxiety for policy makers in developing countries. Closing these gaps and upgrading technological capacity are necessary for taking advantage of opportunities arising from globalization. FDI can be one source of technology transfer but it has not fully met the expectations of many host countries, for example due to insufficient local linkages.

21. But in the end successful integration can only follow from having in place a viable domestic enterprise sector. For this, capacity building and human resource development are indispensable.

22. In this era of globalization with increasing economic interdependence, closer economic and technical cooperation among developed and developing countries at bilateral, regional and multilateral levels is becoming a major force for economic and social development. Regional approaches and partnerships, as exemplified by the establishment of the International Institute for Trade and Development, can be effective in this respect.

Poverty alleviation and grassroots development

23. Poverty alleviation is the primary aim of development, as agreed in the Millennium Declaration. A strategy aimed at strengthening productive capacity must be people-centred, giving full recognition to the social dimension of development. To this end, initiatives to foster grassroots development, such as micro-financing, merit attention. The domestic sector must be able to benefit from increased trade.

Governance and coherence

24. The challenge facing policy makers everywhere is to make globalization work for all. This requires, first of all, domestic policies conducive to development and good governance. Coherence of macro- and micro-level policies is also important. Listening to different views of civil society may provide significant insights.

25. With globalization, good governance at the domestic level alone is not enough. The need has become more acute for greater coherence and consistency at the multilateral level, with enhanced participation of developing countries in global decision-making. This is the case for trade, finance and investment.

Role of UNCTAD

26. UNCTAD, in accordance with the Bangkok Plan of Action adopted at UNCTAD X, should continue to act as a forum for intergovernmental discussions and deliberations and consensus building, undertake research, analysis, and data collection, and provide technical assistance tailored to the needs of the developing countries .

27. As the focal point within the United Nations for the integrated treatment of trade and development and the interrelated issues in the area of finance, investment, technology and sustainable development, UNCTAD has clearly been mandated to carry out this very important task. All development partners and related organizations are called on to support UNCTAD in meeting the increasing demands made on it.

28. This completes my summary. I would like to conclude by saying that it has been an honour and a pleasure for the Government and people of Thailand to host this Mid-term Review and to receive all of you once again here in Bangkok. You all know Thailand's devotion to the objectives of the United Nations and of UNCTAD and it is therefore particularly satisfying to give concrete expression of our support in this manner.

29. Our goal, from the earliest stages of the preparations for this meeting, was always to provide all of us with an opportunity to come together and advance our thinking on some of the major issues on the international agenda today. I for one believe that this goal has been fully attained and my earnest hope is that you share this view. May I thank you for your participation in this meeting and wish you every success in your endeavours to promote global development benefiting everyone.

**D. Conclusions on the Mid-term Review by Mr. Rubens Ricupero
Secretary-General of UNCTAD**

Like the wonderful Thai food we have been enjoying during our stay in Bangkok, it is impossible to capture in just a few words all the subtle flavours of the debate that has taken place here over the past two days. Let me, rather, in these closing remarks, reflect on the wider menu of issues served up, as we begin to turn our thoughts to UNCTAD XI.

This Mid-term Review has taken place in the wake of three very significant international conferences in Brussels, Doha and Monterrey. These conferences have, I believe, pointed to a shift in thinking on international economic relations in at least two very important respects. In the first place, they have acknowledged the need to bring the development dimension back into the discussion on managing international trade, finance and investment so as to allow developing countries to realize their full potential in a globalizing world. Secondly, they have recognized the need on the part of governments and policy makers in developing countries to take greater responsibility for their own economic actions and destinies.

Having listened to the various interventions during the past two days, the fundamental task now before us is to find a constructive and coherent approach to meeting these two challenges. I would like to begin with one of the many insightful comments made by the Prime Minister of Thailand when he opened our meeting. He asked us to stop looking at globalization simply as free, unfettered trade in goods and services and liberal unlimited capital movements, but instead to view it as the constant interaction of the strengths and excellences of each society. From this standpoint, the real opportunities in the global system lie with the tremendous richness and diversity of its peoples, institutions and nation States. Respect for this diversity must, as the Prime Minister remarked, be embraced with full sincerity by the international community if we are to enjoy a more prosperous world in which all communities have a full share.

In practice, this means that we can no longer approach the difficult policy issues facing developing countries by recommending a common blueprint, whereby one model of rapid liberalization of trade, finance and investment is applicable to all countries and occasions. Such an approach neglects the role of domestic policies and institutions in building the capacity needed to help countries better manage their integration into the global economy and facilitate their efforts to create wealth and meet social challenges. Listening to this week's debates, I am convinced that developing countries are more than willing to take on full responsibility for their own economic destinies, but doing so requires that they be allowed to use the range of policy instruments that helped today's advanced countries attain their current high levels of income and standards of well-being.

In this connection I would like to remind you that Raúl Prebisch, the founder of UNCTAD, always insisted that the ultimate responsibility for the development of developing countries was in the hands of the developing countries themselves. In all his UNCTAD

statements, he always asserted that it was the central responsibility of each government and each people to rely on itself while at the same time seeking the necessary assistance of the international community. So we have no quarrel – on the contrary – with the centrality of national policies and national efforts to build real development.

When UNCTAD was established some 40 years ago, the growth target for developing countries was 5 to 6 per cent a year. The East Asia region has demonstrated that this is neither an unreasonable target nor an impossible dream. Sadly, however, that target has not been met by most other developing regions. And according to some estimates, it will have to be set even higher today if the economic and social goals of the United Nations, as set out in the Millennium Declaration, are to be met within the established time frame. So we have to reflect on this contrast and draw our conclusions. If only a few countries and a few regions are able to meet the growth target, this seems to indicate that the door is there, but the opening is too narrow. So at the same time we have to try to enlarge the opening with the necessary reforms in the external environment and to redouble the efforts of national economies worldwide in order to learn from the successful experiences in development and make the most of existing opportunities.

As I have already mentioned, rethinking development strategies to allow for greater policy space must mean that governments in developing countries take full responsibility for their actions. This calls for measures aimed at improving the efficiency and transparency of domestic institutions, fiscal and monetary discipline and the effective use of macroeconomic policies to strike the right balance between price stability and growth. It also requires a variety of strategic supply-side policies to build productive capacity, particularly in the export sectors. I wish again to stress the need to build useful links between trade negotiations and the strengthening of the productive sector. Rather than merely awaiting the outcome of the negotiations, this means actively starting to build the capacity to export, and to do so even before the negotiations conclude. The point is to ensure that the negotiations really produce results in those areas where developing countries can increase their capacity to export and to take advantage of trading opportunities. This means, among other things, that a defensive, negative or recalcitrant attitude is totally inappropriate for developing countries. On the contrary, they should adopt a very proactive attitude. They should formulate their positions in accordance with their trading interests and they should negotiate those positions in terms that will lead to a successful conclusion and to the incorporation of those interests in the outcome of the Round.

However, this also implies a shift in perspective away from some of the policies advocated in recent years, which have been the driving force behind some of the advice to developing countries. Exactly how that space is enlarged remains to be determined. The UNCTAD secretariat has presented some thoughts in the Issues Note prepared for the interactive debates, drawing on successful development experiences. But real progress here can take place only when developing countries are fully involved as equals in shaping their development objectives and policy options.

Clearly, in a world of increased interdependence no country can put its own house in order without paying heed to the conditions prevailing in the international economy. The

trade-off between domestic and international responsibilities is, of course, a difficult one, but, there is no doubt that at the Bretton Woods conference in 1944, the thinking on multilateralism was that adverse international pressures should not be absorbed through measures sacrificing growth and employment. Later, UNCTAD was founded on the recognition that the prosperity of each hinges on the prosperity of all, and that special attention must be paid to systemic biases and asymmetries that impede trade and development prospects in poorer countries. Here I would like also to remind you that we have always said in UNCTAD that globalization without interdependence will lead to a worsening of the conditions for development. But the term “interdependence” has different meanings. Of course, it may just have a factual meaning, describing the reality that countries all depend on each other, although in this respect, of course, some are more dependent than others because they are less self-reliant. But interdependence also means that we have to create conditions of prosperity, of economic growth, that will lift all boats. And this is why we have always believed that the precondition for the successful development of developing countries is also an accelerated rate of growth in the industrial economies that will allow those countries to provide space, markets, capital and technology to developing countries. So interdependence has to be inseparable from globalization in this meaning as well.

Needless to say, interdependence has deepened since the founding of UNCTAD, and today the challenge of achieving coherence between trade, finance, investment and technology is, arguably, greater than ever. Indeed, it is all the greater today because over the past two decades the tendency has been to subordinate the goals of growth, employment and development to the exigencies of global market forces. In many respects, this shift arose from the difficult conjunctural challenges faced by many countries, both developed and developing, during the 1970s and 1980s.

But recent experience has raised questions, particularly from developing countries, about the effectiveness of current multilateral economic arrangements and the need for reforms to restore a greater degree of coherence. We have to learn how to reduce and manage the instability and uncertainty that arise from the international economy. The best way to do so is to improve the current arrangements in international trade and finance, taking full advantage of the negotiations at hand. In this respect, I would like to stress that the trade negotiations launched in Doha provided us with an important opportunity that should not be missed – an opportunity to achieve a positive conclusion from the development perspective in the negotiation of issues that have been long outstanding for many years and for many Rounds. This is why they were called the “unfinished business” of the Tokyo Round, and subsequently also became the unfinished business of the Uruguay Round. So now we should take action, because many of the comments I have heard during the interactive debates reflect deep-seated frustration with the results of past Rounds. And of course we now have to do better if we want to create conditions that will allow developing countries to carry out the domestic reforms that they need to adopt in face of mounting international pressures and constraints.

UNCTAD, as the focal point within the United Nations for the integrated treatment of trade and development and all interrelated issues, is eminently well placed to listen and respond to those concerns. Indeed, we have as our *raison d'être* to think globally and from a

development perspective and at the same time to use trade as a potent instrument for economic development. This is why “trade” is part of UNCTAD’s name, because trade is a central concern and UNCTAD believes in trade. UNCTAD believes that developing countries are entitled to more trade, in terms of both quantity and quality.

Issues that fall under this mandate have changed over the years, and UNCTAD has made an effort to address them as they impinge on the economic performance and prospects of developing countries. In the past few years, the question of financial instability has come to the fore, and UNCTAD has been in the vanguard, tackling this issue from a development perspective. Here I would like to call your attention to the fact that years ago, at the start of the 1990s, UNCTAD was to my knowledge the only international economic institution to predict, immediately after the fall of the Berlin Wall, that the decade would be characterized by the frequency, the intensity and the destructive force of financial and monetary crisis. So no one can deny that we warned the international community well before this instability began to be felt.

As global and national policy issues continue to evolve, however, the emphasis must naturally shift to respond to the needs of member States. Greater and more effective participation in the global trading system based on strengthened domestic capacities is now moving to centre stage for many developing countries. Still, it is imperative that we not lose sight of our commitment to an integrated approach.

In this spirit, I would say that two key questions will occupy our thoughts and endeavours in the run-up to UNCTAD XI. First, what kind of international arrangements will be needed to give developing countries the policy space and the concrete opportunities, the trade opportunities, to address the basic issues of poverty alleviation and closing the income gap? And second, what kind of domestic policies and institutions will be needed in each country to generate the capacity to meet these challenges?

E. Expression of gratitude

Draft resolution submitted by the President of the Board

The Trade and Development Board,

Meeting in Bangkok to conduct the Mid-term Review relating to UNCTAD X,

1. *Expresses its profound gratitude* to the Government and people of Thailand for hosting the Mid-term Review;
2. *Acknowledges with deep appreciation* the commitment of the Government and people of Thailand to the purposes and principles of the United Nations;
3. *Recognizes with great satisfaction* the direct contribution made by the Government of Thailand to the success of the Mid-term Review;
4. *Thanks* the Government and people of Thailand for the warm hospitality shown to all participants;
5. *Expresses its appreciation* to the United Nations Economic and Social Commission for Asia and the Pacific for its cooperation in providing the setting for the Conference.

II. PROCEEDINGS OF THE PLENARIES OF THE BOARD

A. Mid-Term Review

1. For its consideration of this item, the Board had before it the following documentation:

“Review of the efficiency and functioning of the intergovernmental machinery” (TD/B(S-XIX)/4);

“Stocktaking in respect of the implementation of the commitments and work programme agreed to in the Bangkok Plan of Action” (TD/B(S-XIX)/3);

“Interactive debates and policy dialogue in the context of opportunities and challenges of new policy developments of importance since UNCTAD X” (TD/B(S-XIX)/2).

“Trade and investment in Asia and the Pacific: Recent trends and emerging issues” (TD/B(S-XIX)/5).

Opening statements

2. The **Permanent Secretary of the Ministry of Foreign Affairs of Thailand** welcomed participants on behalf of the host Government. Thailand had been honoured to host UNCTAD X, and it wished to reaffirm its commitment to the continuing success of UNCTAD and its objectives. The Mid-term Review would examine progress on the implementation of the Bangkok Plan of Action and assess all the major global events since UNCTAD X that impacted on development. It would also provide a good opportunity to discuss a wide range of issues and explore policy alternatives for tackling the challenges of world development.

3. UNCTAD played a very important role in presenting the interests of the developing countries to the more developed countries in a multilateral framework. It was important for member States of UNCTAD to demonstrate their full commitment to UNCTAD and ensure its successful continuity up to UNCTAD XI. The results of the Mid-term Review would also be useful for the World Summit on Sustainable Development in Johannesburg later in the year.

4. The **Deputy Secretary-General of UNCTAD** said that the Mid-term Review process had been thorough, substantive and rich, and provided a clear example of UNCTAD’s capacity to change and adjust priorities and working methods. At UNCTAD X, the interactive debates among all development partners had helped to highlight the growing convergence of ideas on the development process and some divergent positions on the impact of globalization. Many developing countries had indicated their difficulties in managing the development process in a rapidly globalizing and changing international economic environment and the constraints they faced. There was a general consensus that, while globalization could be a powerful force for growth, not all countries had benefited from it.

Many weak economies, particularly LDCs, remained marginalized. Policy changes required to cope with globalization had unleashed forces that generated uncertainty, intensified the incidence of poverty and were difficult to control through unilateral actions. Under these conditions, expecting developing countries to further open their markets without providing effective multilateral support or giving them possibilities to export their way out of underdevelopment and poverty would be a self-defeating strategy. These debates and interactions had inspired the consensus on the Bangkok Plan of Action, which reinforced the unique role of UNCTAD in the integrated treatment of trade and development-related issues.

5. The Mid-term Review provided an opportunity not only to monitor the organization's performance and impact but also to reinforce its core competencies, learn from shortcomings and adjust to new developments and priorities. The outcomes so far indicated that significant progress had been made in implementing the diverse mandates agreed at UNCTAD X. For the remainder of the inter-conference period, the secretariat would pay special attention to the specific areas for improvement identified, while making adjustments to accommodate activities to which member States attached great importance.

6. The outcomes of the major conferences since UNCTAD X had substantial implications for UNCTAD's work. The secretariat had prepared a road map for the implementation of the Third United Nations Programme of Action for the LDCs, including the specific areas of work to be undertaken by UNCTAD. The outcomes of the WTO Ministerial Conference at Doha set new challenges for UNCTAD in supporting developing countries in the current and forthcoming negotiations. The secretariat had prepared technical cooperation and capacity-building projects to be implemented in consultation with member countries and in collaboration with other relevant organizations. It had also conducted an internal review of technical assistance, and in the autumn the Working Party of the Board would discuss the outcome of the evaluation of UNCTAD's capacity building activities.

7. Finally, while much had been achieved, there was still work to be done to further specify aspects of the outcome of the review and to implement them.

Reports of the Chairpersons of pillars I–III

8. The representative of the **United States of America**, speaking **on behalf of the Chairperson of pillar I** of the Mid-term Review on the intergovernmental machinery, said that the goal of pillar I had not been to overhaul the intergovernmental machinery of UNCTAD but to improve its functioning so that it could better respond to new events and meet the requirements of its member States. He recommended to the Board that it take note of part I of document TD/B(S-XIX)/4, containing the Chairman's summary of the general objectives of the review undertaken under this pillar, as well as the problems and achievements pointed out by delegations. With regard to part II of the same document, which was submitted to the Board for adoption, it was suggested not to convert the Board's sessional committee on least developed countries (LDCs) into a Standing Committee but to entrust it with coordinating, reviewing and monitoring UNCTAD-wide activities in this area and to convene an executive session of the Board to discuss the *Least Developed Countries Report*. Suggestions were also made on how to improve the focus of Commissions and enhance the terms of reference and coherence of expert meetings. Two issues remained

unresolved. The Board, at its forty-ninth session, would have to consider the issue of having two regular sessions each year instead of one, and a long-term solution would have to be found before the end of 2002 to the issue of predictable financing of the participation of experts from developing countries and countries in transition.

9. The representative of the **United Kingdom**, speaking in her capacity as **Chairperson of pillar II** on stocktaking, said that the outcome reflected an open and interactive programme-by-programme review. Research and analysis were regarded as generally satisfactory, though there had been mixed reactions to some publications and more effective dissemination was called for. There was a paucity of feedback on the impact of recommendations made by intergovernmental meetings, and linking intergovernmental debate with research and technical cooperation, or focussing on relevant policy areas, could ensure the best impact. Technical cooperation activities had received much positive feedback, and the internal review of technical cooperation procedures was welcome. The better use of indicators and the implementation of evaluation outcomes could further improve quality. The implementation of paragraph 166 of the Bangkok Plan of Action had been disappointing, and fresh efforts were called for. Other issues that had been examined included the implementation of the decision to set up a subprogramme on Africa, the best way to implement UNCTAD's work on LDCs, and the progress achieved on cross-cutting issues. Suggestions had been made to improve the effectiveness of the indicators of achievement, but these suggestions needed further discussion.

10. The Mid-term Review would help deploy resources most effectively and direct UNCTAD's fund-raising efforts to areas of greatest need. Work programme and resources should be in line with one another. While UNCTAD's extrabudgetary resources remained steady, its regular budget resources had been significantly reduced in some areas. Posts had been transferred to the new Office of the High Representative for Least Developed Countries, Landlocked Developing Countries and Small Island Developing States.

11. The Millennium Summit and Declaration had set out shared goals for international development efforts, the Third UN Conference on LDCs had reaffirmed the importance of the issues dealt with by UNCTAD, the Fourth WTO Ministerial Meeting had significant implications for UNCTAD's work, and the International Conference on Financing for Development had placed at the centre stage the issues that formed the basis of the Bangkok Plan of Action. Operationalizing the New Partnership for Africa's Development was a high priority for the region and its development partners.

12. Areas of emphasis leading to UNCTAD XI included addressing the immediate needs of developing countries arising from the Doha outcomes and other negotiations and enhancing supply capacities to improve developing countries' competitiveness and help them to integrate into the global economy. This work should be carried out in close cooperation with other organizations, in response to demand and in support of national development strategies.

13. The outcome of work in pillar II reflected delegations' frank and constructive comments. One delegation whose comments had arrived after the deadline had wished to shorten the text on the outcome of the Monterrey Conference and to elaborate more on the

issue of resource constraints. Finally, focusing on the impact of activities based on a self-assessment was innovative. The outcome of the stocktaking could serve as an input to future discussions and contribute to the reform process recently launched by the Secretary-General of the United Nations.

14. The representative of **Thailand**, speaking in his capacity as **Chairperson of pillar III** on the interactive debates, said that the theme and structures of the high-level interactive debates and policy dialogues had been defined with the assistance of the Secretary-General of UNCTAD. An issues paper had been prepared by the UNCTAD secretariat (TD/B(S-XIX)/2), not as an exhaustive summary of all possible issues to be raised but as a catalyst to promote discussion. Informal discussions on the paper in Geneva had highlighted a number of concerns. As the Mid-term Review fell between a number of major international conferences, it represented an opportunity for stocktaking and moving forward on issues raised at those conferences, including those linked to UNCTAD's own work programme. There was a need to examine more carefully success stories and the lessons these might hold for other developing countries. The role of governance had been raised, though some believed that domestic institutional reforms should be the focus, while others insisted that the governance of the international economy, and particularly the role of multilateral financial and trading rules and institutions, were the key issues. Finally, more attention should be given to the distinct challenges facing LDCs.

Statements

15. The **Minister of Trade and Industry of Kenya** said that the outcome of the three pillars was balanced and should form a good basis for discussion. The most urgent issue was the need for additional resources for UNCTAD to carry out its mandate effectively, in particular technical cooperation activities relating to policy analysis, human resources development and institutional capacity building. At the adoption of the Bangkok Plan of Action, a number of measures to be taken by the international community had been discussed, including in respect of ODA, debt and investment. He was encouraged by the commitments on ODA made since then, including the pledges at Monterrey, but generally disappointed with the progress made in terms of meeting UN targets. He congratulated Denmark, Luxemburg, the Netherlands, Norway and Sweden for meeting the targets set with a view to attaining the Millennium Declaration goal of reducing extreme poverty by half by 2015.

16. The main thrust of Kenya's policy framework was poverty alleviation through employment creation and sustainable development. Obstacles such as low investment flows, high indebtedness and suspension of aid had made progress difficult.

17. On international trade, developing countries had not reaped benefits arising from the implementation of the Uruguay Round Agreements. A number of issues covered in the Bangkok Plan of Action still had to be addressed, including meaningful market access, stringent sanitary and phytosanitary measures, competitiveness, insufficient transitional periods, concretisation of special and differential treatment, and more focused financial and technical assistance. The technical assistance and capacity building promises and other

commitments made at Doha must be translated into realities to enable developing countries to realize the full meaning of the Doha Development Agenda.

18. The need to promote and develop appropriate technology had also been discussed at Bangkok. Very little had been done in this area, and the technological divide remained wide. This required urgent attention.

19. Future challenges were clearly defined in the Millennium Declaration and echoed in the NEPAD and the Monterrey Consensus. Development partners were urged to support these initiatives, in particular those aiming to reduce extreme poverty.

20. The ghastly acts of terrorism at Nairobi and Dar-es-Salaam in August 1998 and the United States on 11 September 2001 had not only resulted in the loss of innocent lives but had also impacted on international trade negatively. Kenya, being a major tourist destination, had suffered from loss of tourism revenues. Kenya always remained fully cooperative with the international community in combating terrorism. Peace, security and stability were required for trade in order to take full advantage of the globalization process.

21. The representative of **Egypt**, speaking on behalf of the **Group of 77 and China**, highlighted the need for dialogue and cooperation between all members of the international community to overcome the uncertainty that was adversely affecting development in developing countries. In this context, UNCTAD should remain a key player in the integrated treatment of trade and development issues. The activities of the three pillars of the Mid-term Review had been very useful in deepening of the development partners' awareness of each other's priorities, views, hopes and aspirations. All UNCTAD members were committed to strengthening UNCTAD's role. The Group of 77 and China looked forward to implementing the outcomes of the three pillars. Finding predictable long-term sources of financing for experts from developing countries before the established deadline was of fundamental importance for her Group. With regard to the stocktaking exercise, the outcome of pillar II addressed issues of great interest to the Group of 77 and China that needed to be further explored. One of them, namely the long-term sustainability of the training courses foreseen under paragraph 166 of the Bangkok Plan of Action, was of particular importance.

22. The Group of 77 and China looked forward to UNCTAD XI. They invited the Secretary-General of UNCTAD to submit a draft agenda and a timetable for the preparatory process in early 2003. The tabling of proposals on modifying the intergovernmental machinery of UNCTAD should be limited to a maximum of 21 days after the launching of the preparatory process. Suggestions for changes should also indicate the objectives, implications and potential impact of the changes. In addition to preparatory meetings, frequent informal meetings should be held during the preparatory process. The Group of 77 and China shared the view of the Secretary-General of UNCTAD that the Bangkok Plan of Action, being a very comprehensive and well-balanced document, should remain a source of guidance for future work. Finally, the question of UNCTAD's resource base should be given serious thought so as to enable it to fulfill its mandate and respond fully to the needs of developing countries.

23. The representative of **Spain**, speaking on behalf of the **European Union (EU)**, said that a number of key international events had taken place since UNCTAD X, such as the Millennium Assembly, the Third UN Conference on LDCs, the launching of NEPAD, the Doha Ministerial Conference of the WTO, and the Financing for Development Conference. The Doha Declaration, which specifically referred to UNCTAD in connection with investment and competition policy, provided a unique opportunity for all international bodies working in the area to join forces. The EU encouraged the secretariats of both UNCTAD and WTO to work together to avoid duplication and promote synergies. He referred to EU's Everything but Arms initiative, its generalized scheme of preferences (GSP), its commitment to reach the 0.7 per cent target of GNP for official development assistance, and its Economic Partnership Agreements with African, Caribbean and Pacific countries to be launched in September 2002.

24. The mandate of UNCTAD and its role in development had increased in importance as a result of the events that had taken place, and its work programme needed to be adjusted accordingly. For example, WTO should not provide all technical assistance in relation to trade negotiations and capacity building. UNCTAD should use the niches in which it had comparative advantage, such as analysis and technical cooperation in investment, competition, investment/trade links, national trade reforms, enterprise development and institution building. In this context, the EU expected UNCTAD to reaffirm its contribution to programmes like JITAP and the Integrated Framework.

25. With regard to the outcome of the Mid-term Review, he expressed general satisfaction, although in relation with pillar I, much remained to be done. Analysis, technical assistance and consensus building should be better linked with each other, and the EU looked forward to UNCTAD XI as a conference that would result in an even more coherent reform of the intergovernmental machinery. In relation to pillar II, UNCTAD should refocus its efforts around supporting developing countries in international trade negotiations and fostering their competitiveness to enable them to take full advantage of opportunities. It was also necessary to refine the benchmarks of efficiency so as to obtain adequate feedback. As for priority issues, in addition to good governance, they should include horizontal topics such as poverty reduction, gender equality and cooperation with the civil society.

26. The representative of **Bangladesh**, speaking on behalf of the **least developed countries**, considered that the intergovernmental machinery in place since 1996 had proved beneficial for UNCTAD's work. He hoped the outcome of pillar I would further strengthen linkages between the Board, Commissions and expert meetings. He appreciated the agreement to devote more attention to LDC issues and to convene an executive session to discuss the *LDC Report* and substantive issues, and hoped that the secretariat would make adequate preparations. A long-term solution to financing participation in expert meetings should be found before the end of 2002.

27. The major conferences organized since UNCTAD X had made certain commitments in favour of LDCs, and he awaited an inventory of the benefits to be effectively derived from these outcomes. LDCs being a priority and cross-cutting issue, every division of the

UNCTAD secretariat had a special contribution to make. Specific tasks assigned at the most recent Commission sessions should be completed soon.

28. The Brussels Programme Action had resulted in a readjustment in UNCTAD's work. While he endorsed the new direction, UNCTAD would remain responsible for substantive and analytical work in support of LDCs, and the *LDC Report* should continue to be published annually. At Brussels the international community had renewed its commitment to assisting LDCs, but ODA continued to decline in real terms and was well short of internationally agreed targets. The LDCs' share of world trade had declined from 3 per cent in 1950 to 0.4 per cent in 2000, and UNCTAD must work to enhance market access for them.

29. The WTO post-Doha work programme had placed an additional burden on LDCs. While UNCTAD's technical assistance was more critical than ever before, its resource level was declining. He welcomed UNCTAD's post-Doha Technical Assistance and Capacity Building Plan, which should be funded from extrabudgetary sources. In this effort, greater emphasis should be placed on institution building and long-term capacity building.

30. Assistance was also required to overcome supply-side bottlenecks. The Integrated Framework pilot scheme needed to be expanded and targeted at supply-side issues. He hoped development partners would make generous contributions to the LDC Trust Fund.

31. Achieving the Millennium Summit goal of halving poverty by 2015 depended on LDCs playing their rightful role in the globalization process. UNCTAD had a critical role to play in building consensus in international policies of aid, debt relief, trade and private capital flows. He hoped that the Board's deliberations would provide a clear direction for UNCTAD XI, building upon the Bangkok Plan of Action.

32. The representative of the **United Kingdom** said that his country was supporting a broad range of technical assistance activities at UNCTAD. In face of the increasing need for assistance after the WTO Doha Ministerial Meeting in support of trade negotiations and to realize the potential of trade as an engine for growth and poverty reduction, his country was providing finance for: capacity building on competition policy (£200,000, with a further phase being considered); a services and development capacity-building project (US\$ 500,000); and a programme on trade and environment to be implemented jointly with the NGO FIELD (£1 million). He hoped that activities assisted earlier, such as the Agricultural Trade Policy Simulation Model, had become useful. His country was committed to funding a further phase of UNCTAD's WTO Accession Trust Fund. Funding for a number of activities in the area of investment, including the possible financing of participation in expert meetings on investment issues in the current year, was under discussion. He welcomed UNCTAD's commitment to work together with other agencies, and announced that a second contribution had been made to the Trust Fund for the Integrated Framework for Trade-related Technical Assistance for LDCs (£1 million).

33. The representative of **Norway** stressed that, since 2000, important commitments with implications for UNCTAD's work had been made at a series of international conferences. The Mid-term Review should be used to determine how UNCTAD should respond to these challenges by way of defining priorities and adjusting its programmes to make it more

relevant for the implementation of the new agendas. The fight against poverty - as an overarching objective in development cooperation - should be clearly reflected in UNCTAD's work programme. There was a broad consensus on development cooperation that underlined national responsibility for development while at the same time recognizing the necessity of support by an enabling international environment.

34. With regard to the Third UN Conference on LDCs in Brussels, she stressed that UNCTAD should keep the focus of its activities on LDCs in terms of both analysis, for example in the annual *LDC Report*, and technical assistance. With reference to the Doha Development Agenda and its call for targeted and comprehensive technical assistance, UNCTAD had an important role to play, *inter alia* in the fields of investment and competition, where UNCTAD's contribution had been identified in the Doha Declaration. UNCTAD could assist developing countries, in particular LDCs, to participate more fully in global trade negotiations and the multilateral trading system in areas within its mandate, and in close cooperation with the WTO and other international agencies.

35. The outcomes of pillars I and II provided the basis for some important improvements. The Review had identified a need for rationalization and improved focus in the intergovernmental machinery. Norway attached great importance to the full and immediate implementation of the guidelines agreed to under pillar I, but stressed the need for further improvements. Regarding pillar II, she underlined the importance of making UNCTAD's analytical work more relevant to the work of the intergovernmental machinery and to the technical assistance provided by the organization. There was a divergence of views on the usefulness of various publications, and she encouraged the secretariat to take this into consideration in its future publications. UNCTAD's technical assistance should be based on its areas of comparative advantage and be coordinated closely with other agencies to avoid duplication and maximize synergies. The report indicated that there was scope for improvements in terms of both internal and external co-ordination. Coordinating mechanisms with other agencies such as JITAP and the Integrated Framework should be strengthened. UNCTAD's agenda in the two coming years was challenging and would demand continued dialogue among all stakeholders to improve the focus and functioning of the organization in order to make it more relevant. She urged that the constructive dialogue that had been initiated be continued in order to improve the organization and thereby also prepare for a successful outcome to the eleventh conference in two years' time.

36. The representative of **Cuba** said that his Government was not in favour of the increasing trend in the United Nations whereby meetings were held at ministerial level simply to rubber stamp decisions agreed upon earlier; such an approach discouraged high-level participation. The measures and proposals for change in UNCTAD's intergovernmental machinery should be reviewed in order to assess their effectiveness and their actual contribution to strengthening the institution and enhancing its functions, with their final adoption at UNCTAD XI. Governments and international organizations should pay more attention to the recommendations of the Trade and Development Board and the Commissions. He underlined the need for linkages between the work of WTO under the Doha development agenda and the results of UNCTAD's work. A definitive solution must be sought to the problem of financing experts from developing countries on the basis of predictable and stable resources, including regular budget resources.

37. The representative of the **Organization of African Unity** (OAU) welcomed the documentation on the three pillars of the Mid-term Review. The spirit of cooperation manifest therein augured well for the implementation of the work programme until UNCTAD XI. UNCTAD remained the principal organ of the United Nations on trade, investment and development issues. Its experience in injecting the development dimension into the economic policy debate was appreciated. Moreover, its various technical cooperation programmes were the crown jewels of the United Nations system-wide technical cooperation activities.

38. The outcomes of pillars I and II represented road maps on the way towards a more efficient organization. They highlighted the need for an efficient intergovernmental machinery and for the provision of adequate resources on a predictable basis. Under pillar III, she recognized the changing dynamics of the international economic arena and looked forward to finding ways to factor in new developments into the work programme of UNCTAD.

39. In Africa, the decision by the heads of State to turn the OAU into the African Union reflected the desire to enter into a new era of prosperity and peace on the continent. She was confident that UNCTAD would take on board the implementation of NEPAD.

40. The representative of **Switzerland** said that, at the Third UN Conference on LDCs, attention had been drawn to the LDCs' needs, at the Fourth WTO Ministerial Conference, commitments had been made to make trade play its role in development, and the Financing for Development Conference had revealed the importance of domestic and international private sector resources. These outcomes would have an impact on UNCTAD's work.

41. With a reformed intergovernmental machinery, it was hoped that expert meetings would allow the emergence of real savoir faire and that follow-up would be improved, that Commissions would treat substantive aspects of development policies and provide priorities to the secretariat better than before, and that the Board would have more operational and focused discussions. At UNCTAD XI, an assessment would be made to see if there could be further improvements.

42. Regarding the Bangkok Plan of Action, its implementation was, in general, satisfactory. Indicators had helped significantly in evaluating the results of UNCTAD's activities. UNCTAD should define its comparative advantages in each area, and its resources should be allocated to priority areas. This would also facilitate the commitment of resources by donors, and in that connection Switzerland was considering contributing to the implementation of the post-Doha programme in the area of investment and to other technical cooperation activities.

43. The representative of the **Common Fund for Commodities** (CFC) stressed the importance of commodities for development, and recalled that UNCTAD had been asked to enhance its support for developing countries in this area in close collaboration with CFC. Supply capacities, value chains and value addition, diversification as an avenue for industrialization, technology transfer and price risk management were crucial issues in this respect. Although non-oil commodity prices were at very low levels and were expected to remain so at least until 2015, improving the commodity sector would provide a powerful

contribution to meeting the goals set by the international community. Efforts needed to be intensified for the implementation of recommendations relating to commodities adopted at the Third UN Conference on LDCs. CFC, which was keen to collaborate with UNCTAD, international commodity bodies and other international organizations, would continue to support LDCs to enhance and diversify their export base and build institutional and human capacities. Support to stimulate sustainable development was also provided to other developing countries

Action by the Board

44. At its closing plenary meeting, on 2 May 2002, the Trade and Development Board took the following action:

With regard to pillar I on the intergovernmental machinery, it adopted the guidelines for the functioning of the UNCTAD intergovernmental machinery, along with the annex, contained in part II of document TD/B(S-XIX)/4; it also took note of the Chairperson's summary contained in part I of the same document (for the guidelines and the summary, see Chapter I above);

With regard to pillar II on stocktaking, it took note of the outcome as contained in document TD/B(S-XIX)/3 (for the outcome, see Chapter I above);

With regard to pillar III on the interactive debates and policy dialogue, it took note of the summary presented by the Minister of Foreign Affairs of Thailand (for the summary, see Chapter I above);

With regard to the Mid-term Review as a whole, it took note of the conclusions presented by the Secretary-General of UNCTAD (for the conclusions, see Chapter I above).

Closing statements

45. The representative of **Spain**, speaking on behalf of the **European Union**, said that the diversity of the discussions during the Mid-term Review had been very enriching, though the discussions could have allowed more focused attention on topics of particular importance, such as the relationship between UNCTAD and WTO. With regard to UNCTAD XI, the Conference should focus on a few topics of particular interest to developing countries; these could include the issues of policy coherence and the competitiveness of the economies of developing countries, especially LDCs. The European Union welcomed the offer made by Brazil to host UNCTAD XI and would cooperate with Brazil and the UNCTAD secretariat to ensure the success of the Conference.

46. The representative of **Bangladesh**, speaking on behalf of the **least developed countries**, said that UNCTAD was the appropriate forum in which to deal with all development issues in an integrated fashion with a view to helping developing countries and particularly the LDCs to integrate into the world economy. The ultimate responsibility for development lay with the developing countries themselves, but a favourable external environment was critical. UNCTAD was the focal point for LDCs for trade and development,

and it was therefore hoped that, in the preparations for UNCTAD XI, LDCs would be given sufficient attention.

47. The representative of **Uganda** said that the issue of financing for development was closely linked to issues of trade and development, and it was within UNCTAD's mandate to analyse the impact of the financing system on trade and development.

B. Other matters

Invitation to host UNCTAD XI

48. The representative of **Brazil** said that, in two years' time, UNCTAD would be celebrating its fortieth anniversary. Much had changed since 1964, but trade, as a driving force behind global economic growth, retained its place on the international agenda. For its part, UNCTAD remained committed to the development dimension of trade, and as a new round of trade negotiations got under way, it was there to show the international community that there was not just one approach to trade. It must always be borne in mind that not all was fair in trade and not all trade was fair. Brazil, a co-founder of UNCTAD, took pride in its continuing participation in the work of the organization and in the outstanding contribution that the Secretary-General of UNCTAD, a Brazilian, had been making to the organization. It therefore felt that the time was right to reaffirm its commitment to the organization, and it wished to extend an offer to host UNCTAD XI in 2004.

49. The representative of **Cuba** said that his country fully supported Brazil as the venue for UNCTAD XI. Brazil was a major Latin American country, it was a co-founder of UNCTAD, and it was deeply involved in development issues. It would therefore be a good host for UNCTAD XI, and it could count on his country's support during the preparations.

Action by the Board

50. At its closing plenary, on 2 May 2002, the Board welcomed the offer by Brazil to host UNCTAD XI in 2004 and requested the Secretary-General of UNCTAD to prepare the draft provisional agenda and a timetable for the Conference for the consideration of the Board in the first quarter of 2003. It was understood that, in making these preparations, the Secretary-General would consult with delegations, in particular through the Consultations of the President of the Board, and also with the Government of Brazil in defining the practical and logistical arrangements related to the Conference.

C. Organizational and institutional matters

Opening of the session

51. The nineteenth special session of the Trade and Development Board was opened on 29 April 2002 at UNCC-ESCAP, Bangkok, Thailand, by Mr. Ali Said Mchumo (United Republic of Tanzania), President of the Board.

Inaugural ceremony

52. At an inaugural ceremony on 30 April 2002, addresses were delivered by H.E. Dr. Thaksin Shinawatra, Prime Minister of Thailand; H.E. Dr. Surakiart Sathirathai, Minister of Foreign Affairs of Thailand; Mr. Rubens Ricupero, Secretary-General of UNCTAD; and Mr. Kim Hak-Su, Executive Secretary of ESCAP. A statement of appreciation was made by H.E. Mr. Ali Said Mchumo (United Republic of Tanzania), President of the Trade and Development Board.

Officers

53. The officers of the Board were as elected at the forty-eighth session of the Board, as follows:

- President: Mr. Ali Said Mchumo (United Republic of Tanzania)
- Vice-Presidents: Mr. Iouri Afanassiev (Russian Federation)
Mr. Toufik Ali (Bangladesh)
Mr. Federico Alberto Cuello Camilo (Dominican Republic)
Mr. Douglas M. Griffiths (United States of America)
Mrs. Eleanor M. Fuller (United Kingdom of Great Britain and Northern Ireland)
Mr. Virasakdi Futrakul (Thailand)
Mr. Nathan Irumba (Uganda)
Mr. Toshiyuki Iwado (Japan)
Mr. Kalman Petocz (Slovakia)
Mr. Jacques Scavee (Belgium)
- Rapporteur: Mr. Federico Perazza Scapino (Uruguay)

Adoption of the agenda and organization of the work of the session

54. At the opening meeting, the agenda was adopted, as follows:

1. Procedural matters:
 - (a) Adoption of the agenda and organization of the work of the session
 - (b) Report on credentials
2. Mid-term Review
 - (a) Review of the efficiency and functioning of the intergovernmental machinery
 - (b) Stocktaking in respect of the implementation of the commitments and work programme agreed to in the Bangkok Plan of Action

- (c) Interactive debates and policy dialogue in the context of opportunities and challenges of new policy developments of importance since UNCTAD X:
 - (i) Assessment of global economic developments and their impact since UNCTAD X
 - (ii) Development challenges of the future
- 3. Institutional, organizational, administrative and related matters:
 - Administrative and financial implications of the actions of the Board
- 4. Other business
- 5. Adoption of the report of the Board

High-level interactive debates and policy dialogues

55. In the course of the session, two high-level interactive debates and policy dialogues were held under the chairmanship of H.E. Dr. Surakiart Sathirathai, Minister of Foreign Affairs of Thailand. The first was on: Assessment of global economic developments and their impact since UNCTAD X: Economic policy and challenges after Bangkok. The second was on: Development challenges of the future: Rethinking development strategies, reshaping globalization. For the second debate, the discussant was Dr. Supachai Panitchpakdi, Director-General designate of the WTO, and the panellists were M. Montek Singh Ahluwalia, Director of the Independent Evaluation Office of IMS, and Mr. Pierre Jacquet, Deputy Director of the French Institute of International Relations.

Report on credentials

56. At its plenary meeting on 2 May, the **President** reported to the Board that the credentials of the member States attending the nineteenth special session were all in order.

Action by the Board

57. The Board noted that the credentials were in order.

Administrative and financial implications of the actions of the Board

58. The Board was informed by the secretariat that there were no financial implications in connection with the outcome of the Mid-term Review.

Expression of gratitude

59. The Board adopted by acclamation an expression of gratitude (TD/B(S-XIX)/L.3) proposed by the President of the Board (for the expression of gratitude, see chapter I above).

Replacement of the President of the Board

60. The Board was informed that the President of the Board would shortly be taking up a new assignment outside Geneva and that upon his departure, and in accordance with rule 22 of the rules of procedure of the Board, he would be replaced by Mr. Nathan Irumba (Uganda) until the forty-ninth session of the Board.

Adoption of the report of the Board

61. At its closing plenary meeting, on 2 May, the Board adopted its draft report (TD/B(S-XIX)/L.2) subject to amendments to summaries of statements and authorized the Rapporteur, under the authority of the President, to finalize the report taking into account the proceedings of the closing plenary.

Annex I

**MESSAGE FROM THE SECRETARY-GENERAL OF THE UNITED NATIONS TO
THE UNCTAD MID-TERM REVIEW**

It gives me great pleasure to send my greetings to the UNCTAD Mid-term Review. I would like to thank the Government and people of Thailand for hosting this meeting, for the skill with which they hosted UNCTAD X two years ago, and for their strong and enduring commitment to the United Nations.

This Mid-term Review is important for several reasons. It can contribute to the UN system's efforts to achieve the Millennium Development Goals. It can help our ongoing efforts to implement the Bangkok Plan of Action. It can help UNCTAD do its part to integrate the development dimension into the new round of trade negotiations decided upon at last year's meeting of the World Trade Organization in Doha, and into implementation of the new consensus agreed to at last month's International Conference on Financing for Development in Monterrey. Finally, this effort can help set the broad framework for UNCTAD XI.

Please accept my best wishes for the success of these timely and vital deliberations.

Annex II

MESSAGE FROM THE CHAIRMAN OF THE GROUP OF 77 IN NEW YORK TO THE UNCTAD MID-TERM REVIEW

1. On behalf of the Group of 77 in New York, I would like to express my deepest appreciation to the people and Government of the Kingdom of Thailand for their commitment and dedication to advancing the development objectives and interests of developing countries. The hosting of the UNCTAD Mid-term Review is yet another testimony in this respect after this beautiful country generously organized the tenth session of the United Nations conference on Trade and Development.

2. The UNCTAD Mid-term Review takes place at a moment when the world economy is still in fragile health, recovery in many developing countries being stalled as markets for their exports have weakened. In today's globalizing world, the economic difficulties are likely to reverberate faster than in the past, with the biggest burden on the weakest economies.

3. The series of high political-level meetings has given strong hopes that the Millennium Declaration goals have a great chance to be achieved. We have in mind in this respect the Third UN Conference on Least Developed Countries, the Monterrey Conference and the Doha WTO Ministerial Meeting. Their successful conclusion augurs well for the future. However, what is expected is full implementation of the commitments contained therein in such a way that they are fully compatible with the development needs of the developing countries. More high-level meetings are under an intensive process of preparation: the Special Session on Children, the World Food Summit and the Johannesburg Conference on Sustainable Development. They represent other platforms in which the developing countries' development concerns should be fully taken into account and the relevant follow-up action integrated.

4. The Mid-term Review of UNCTAD is a unique process of constant adaptation and renewal of the institution. We are pleased to see that for many years now UNCTAD has been systematically reviewing the implementation of the commitments adopted by the member States. The constant interaction among member States and the secretariat is a major feature. The main objective of this process is to have a better organization focussing on results, usefulness and real contribution to the advancement of developing countries' key goals. We note with satisfaction the attention paid by the Mid-term Review to the integration of the development dimension into the post-Doha trade negotiations as well as the significant programme of technical assistance and capacity building developed by UNCTAD for this purpose. The Mid-term Review rightly placed emphasis on the importance of the Monterrey Consensus as well as on the role of UNCTAD in the follow-up process.

5. The relevance and validity of UNCTAD is therefore reconfirmed against the backdrop of the deepening impact of globalization and liberalization on developing economies and the growing recognition that market forces will act to meet development needs. UNCTAD, with its role as focal point within the United Nations for the integrated treatment of development can bring a significant contribution to the reinforcement of the political will and of the concrete support for the development efforts of the developing world.

6. On behalf of the Group of 77 in New York, I wish every success to this important event of UNCTAD, which could be rightly integrated among the major United Nations events of this year. The Group is looking forward, in this context, to the preparations for UNCTAD XI.

Annex III

ATTENDANCE

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

Angola	Iran (Islamic Republic of)
Argentina	Iraq
Armenia	Ireland
Australia	Israel
Austria	Italy
Bangladesh	Japan
Belgium	Kenya
Benin	Kuwait
Bhutan	Lesotho
Bolivia	Madagascar
Brazil	Malaysia
Bulgaria	Mauritania
Burkina Faso	Mexico
Burundi	Morocco
Canada	Myanmar
Chad	Namibia
Chile	Nepal
China	Netherlands
Colombia	New Zealand
Costa Rica	Nigeria
Cuba	Norway
Czech Republic	Oman
Democratic People's Republic of Korea	Pakistan
Democratic Republic of Congo	Peru
Denmark	Philippines
Ecuador	Poland
Egypt	Portugal
Ethiopia	Republic of Korea
Finland	Romania
France	Russian Federation
Gabon	Saudi Arabia
Germany	Senegal
Ghana	Singapore
Guinea	Slovakia
Haiti	South Africa
Hungary	Spain
India	Sri Lanka
Indonesia	Sudan
	Sweden

Switzerland	United Republic of Tanzania
Thailand	United States of America
Togo	Uruguay
Tunisia	Venezuela
Turkey	Viet Nam
Uganda	Yemen
United Arab Emirates	Zambia
United Kingdom of Great Britain and Northern Ireland	Zimbabwe

2. The following States members were represented as observers at the session:
 - Botswana
 - Brunei Darussalam
 - Cambodia
 - Cape Verde
 - Comoros
 - Djibouti
 - Eritrea
 - Fiji
 - Holy See
 - Lao People's Democratic Republic
 - Malawi
 - Mozambique
 - Niger
 - Rwanda
 - Samoa
 - Salomon Islands
 - Tuvalu
3. The following intergovernmental organizations were represented at the session:
 - African, Caribbean and Pacific Group of States
 - Afro-Asian Rural Development Organization
 - Cocoa Producers' Alliance
 - Common Fund for Commodities
 - Common Market for Eastern and Southern Africa
 - European Community
 - Organization of African Unity
4. The following specialized agencies and related organization were represented at the session:
 - International Labour Organization
 - International Civil Aviation Organization
 - International Monetary Fund
 - Asian Development Bank
 - Universal Postal Union
 - United Nations Industrial Development Organization

World Trade Organization

5. The following United Nations Organizations were represented at the session:

Economic and Social Commission for Asia and the Pacific

United Nations Convention to Combat Desertification

United Nations Development Programme

United Nations High Commissioner for Refugees

International Trade Center UNCTAD/WTO

6. The following non-governmental organizations were represented at the session:

General Category

ACTIONAID

International Council of Environmental Law

Special Category

International Multimodal Transport Association

International Ocean Institute

Thai International Freight Forwarders Association

World Trade University

7. The following panelist attended the session:

Mr. Montek Singh Ahluwalia, IMF

Mr. Pierre Jacquet, French Institute for International Relations

Annex IV

LIST OF DOCUMENTS

TD/B(S-XIX)/1	Provisional Agenda and Annotations
TD/B(S-XIX)/2	Mid-term Review: Interactive Debates and Policy Dialogue in the Context of Opportunities and Challenges of New Policy Developments of Importance since UNCTAD X, Issues note by the UNCTAD secretariat
TD/B(S-XIX)/3	Mid-term Review: Stocktaking in Respect of the Implementation of the Commitments and Work Programme Agreed to in the Bangkok Plan of Action
TD/B(S-XIX)/4	Mid-term Review: Review of the Efficiency and Functioning of the Intergovernmental Machinery
TD/B(S-XIX)/5	Mid-term Review: Trade and Investment in Asia and the Pacific; Recent trends and Emerging Issues, Note by the UNCTAD secretariat
TD/B(S-XIX)/6	Message from the Secretary-General of the United Nations to the UNCTAD Mid-term Review
TD/B(S-XIX)/L.1	Programme Assessment for 2000-2001
TD/B(S-XIX)/L.2	Draft Report of the Trade and Development Board on its Nineteenth Special Session - Mid-term Review,
TD/B(S-XIX)/L.3	Expression of Gratitude, Draft Resolution submitted by the President of the Board
TD/B(S-XIX)/L.4	Summary of the High-level Interactive Debates and Policy Dialogue by H.E. Dr. Surakiart Sathirathai, Minister of Foreign Affairs of Thailand
TD/B(S-XIX)/INF.1	Information for Participants
TD/B(S-XIX)/PREP/1	Provisional Agenda and Annotations
TD/B(S-XIX)/PREP/2	Report of the First Meeting of the Mid-term Review Process

TD/B(S-XIX)/PREP/3	Report of the Second Meeting of the Mid-term Review Process
TD/B(S-XIX)/PREP/4	Report of the Third Meeting of the Mid-term Review Process
TD/B(S-XIX)/PREP/L.1	Draft Report of the First Meeting of the Mid-term Review process
TD/B(S-XIX)/PREP/L.2	Draft Report of the Second Meeting of the Mid-term Review process