



United Nations Conference on Trade and Development

Distr.: General
20 April 2012

Original: English

Thirteenth session

Doha, Qatar
21–26 April 2012

Civil Society Declaration to UNCTAD XIII: Executive summary

1. The following is the executive summary of a more comprehensive Civil Society Declaration adopted by acclamation by the UNCTAD XIII Civil Society Forum on 19 April 2012 in Doha. It has been crafted in consultation with, and is delivered on behalf of, a wide range of civil society organizations, and reflects the diversity of views within the civil society community. In this Declaration, we present our collective analyses, calls and proposals to UNCTAD XIII. We invite member States and the international community to consider them at Doha and beyond, to ensure that we collectively build an equitable and sustainable future.

2. UNCTAD XIII is a decisive United Nations conference on global economic issues and development in 2012. It cannot be “business as usual”. The conference must live up to the challenge of its theme of “Development-centred globalization: towards inclusive and sustainable growth and development.”

3. [We are very concerned that throughout the negotiations, developed countries have unanimously attempted to silence UNCTAD’s vital work on finance and macroeconomic issues in relation to trade and development.]¹ The importance of UNCTAD’s work has been highlighted by the global financial and economic crisis and its continuing catastrophic effects on peoples and economies. While the Bretton Woods institutions have consistently promoted unbridled liberalization and deregulation of markets and finances that produced the crisis, UNCTAD’s analyses have pointed out the dangers of these policies. The turmoil provoked by the crisis makes strengthening UNCTAD’s work in these areas imperative.

I. The current global economic and development context: challenges, threats and opportunities

4. The world is experiencing a confluence of interrelated crises that are driving humanity and ecosystems to the brink of global disaster. Rather than a sustained quest for a

¹ The content of this bracketed sentence may change depending on the outcome of the UNCTAD XIII negotiations

truly transformative agenda, across the world, and especially in developed countries, we see the continuation of the same policies that fostered these crises, with only a few positive reforms so far agreed to.

5. The ongoing **financial crisis** reflects a growing disconnect between deregulated finance and the real economy. It has entered a new, perhaps even more dangerous phase than that experienced during the crisis of 2008–2009, which was predicted by civil society at the Civil Society Forum at UNCTAD XII.

6. The return to the crudest forms of neoliberal policies is largely the result of the massive influence of the financial industry – which is richly resourced despite relying on public bailouts. These policies have devastating impacts on the lives of people and families and especially on women-headed households in the countries concerned, with knock-on effects in other countries and regions including in Africa and the least developed countries (LDCs).

7. A key underlying cause of the financial crisis – besides deregulated financial markets – is fast-rising inequalities. The current wave of austerity is deepening this trend to alarming proportions.

8. The build-up of unsustainable debt is a crucial concern, and with developed economies accumulating the highest levels of debt since the Second World War, it is clearly no longer a problem exclusive to developing countries. While many claim that developing countries were not so strongly impacted by the financial crisis, many developing countries are at risk of – or actually now experiencing – increased debt distress.

9. The growing “**global decent work deficit**” (including persistent mass unemployment and stagnant or declining household incomes) especially among youth and women, is a key factor in global inequalities. Despite the commitment by world leaders in 2009 to a Global Jobs Pact to counter the deflationary spiral, many are practising the opposite. They are cutting minimum wages, deregulating labour markets, and failing to meaningfully rein in finance to make it work for people and the real economy.

10. Livelihoods are further challenged by continued global food insecurity and poverty. The **global food crisis** was at its peak when we met at UNCTAD XII. We noted that among its multiple causes were decades of neglect in smallholder agriculture support and investment, unilateral trade liberalization in the South, increased financialization of the food and commodity markets, and monopolistic practices. Smallholder agriculture is the backbone of many countries’ economies: smallholder farms produce over half of the world’s food supply, and many families’ livelihoods depend on it. Global fuel and food price increases mean that the number of people at risk will only rise.

11. The above-mentioned negative trends are compounded by a growing **climate and ecosystem crisis**. We have already exceeded the carrying capacity of the Earth’s ecosystem, yet developed countries have failed to deliver on their historical responsibility and legally binding commitments and obligations to halt climate change, biodiversity loss, and other ecological catastrophes. Unsustainable and inequitable production and consumption patterns are placing the very survival of humanity at risk.

12. The disconnect between these multiple crises and the apparent “business as usual” attitude of political elites around the world is provoking a **political and legitimacy crisis**. This is reflected in the wave of democratic movements witnessed since the beginning of 2011. Movements from the “Arab Spring” to the “indignados” to the “occupy” movements are each expressing discontent with political and economic systems and calling for justice and equity.

13. The international community failed to offer comprehensive alternatives in 2009. We cannot afford to delay the fundamental **overhaul of economic governance** required at all

levels, including of the international financial, monetary, and development cooperation architectures.

14. Only a **paradigm shift in development** will save future generations from global social and environmental chaos. We must develop more holistic visions and measures of progress than economic growth and gross domestic product (GDP). We must craft a **new global social contract**, based on universal human rights and on social and environmental justice, to rejuvenate the one that is fast unravelling. We must also find alternative ways of organizing social and economic relations. There are many sources of inspiration that can take us in the right direction – from feminist economics, to alternative conceptions of well-being such as “Buen Vivir”.

II. Ways forward

A. Enhancing the enabling economic environment at all levels in support of inclusive and sustainable development

1. Democratic, accountable developmental States

15. We stress the key role that democratic, accountable developmental States should play in leading the pursuit of sustainable, equitable and inclusive development.

16. Developmental States are those which recognize their obligation to ensure their people’s well-being, quality of life and fulfilment of human rights within the carrying capacity of the planet and in harmony with sustainability of ecosystems.

17. This means ensuring that growth is accompanied by progressive redistribution of income and by a shift to more sustainable systems of production, distribution and consumption – rather than equating development with growth as it has traditionally been measured. It means ensuring that economic forces, including the private sector, contribute to building productive capacities and decent jobs and livelihoods for all. It means recognizing women’s role and contribution to the economy and ensuring access and control over resources so that gender justice and women’s empowerment is at the heart of development. It means respect for and protection and fulfilment of human rights. Human rights can only be fully exercised if States and institutions are democratically accountable.

18. Developmental States are those which recognize the important role of civil-society organizations and movements, and promote inclusive policymaking processes with grassroots linkages and women’s participation, as well as investment in capacity-building, to enable meaningful participation by civil society and other stakeholders. This also means taking heed both of civil-society warnings about unjust economic policies, and of proposals for alternative local and national development strategies.

19. Development States recognize their obligations to guarantee prosperity, sustainability, and the human rights and security of their citizens. These obligations cannot be fulfilled without promoting gender equality and women’s empowerment. There should be effective implementing and monitoring mechanisms for progress in this regard.

20. We call on governments to ensure the active, meaningful and effective inclusion and participation of civil society in policymaking and policy implementation. This means setting up clear and effective mechanisms for this purpose. The inclusion and input of civil society is essential for ensuring ownership and effectiveness in the design of development and economic policies, processes and institutions, and in the elaboration and implementation of international cooperation.

21. We call on civil society to work across sectors to promote alternative national development strategies based on redistribution, for reduction of inequality, self-reliant growth, women's rights, and ecological justice, and based on innovative work.

2. Rethinking macroeconomic policies

22. We urge a rethinking of macroeconomic and social policies and their interconnections. This would offer developing countries the opportunity to reverse the negative effects of years of economic orthodoxy. Such a rethinking should involve thorough social, economic, and environmental sustainability impact assessments.

23. Governments that have pursued innovations in their economic and social policies have been rewarded for departing from "safe" orthodox models. Unfortunately, many countries have relied on a repetition and intensification of failed policies to try to climb out of the crisis.

24. We urge governments to move away from export-led growth strategies whose measure of success is increases in the volume of exports and the constant expansion of market access. This has been especially disastrous for LDCs. There should be a renewed vision that sees the link between trade and financial resilience, and that promotes fiscal, monetary, investment and financial policies – at national, regional and global levels – that ensure that trade supports development.

25. There must be a rebalancing of the "global" and the "local", with greater emphasis given to the survival and development of the local economic fabric rather than to the interests of foreign investments and the free movement of finance capital. Financial regulation has a role to play in tipping the balance of policies, rules and regulations in favour of inclusive local development.

3. Transforming the global financial architecture

Removal of constraints on policy space

26. We call for a removal of the constraints embedded in financial arrangements by bilateral and international financial institutions, as well as in trade and investment agreements. Constraints on policy space mean that developing countries are not able to rethink their economic and social policies, even if they want to. These constraints undermine sustainable development.

Monetary reform

27. We call for thoroughgoing reforms in the monetary system and in monetary policies.

28. We call for reforms of the monetary system that address the challenges of (a) reducing exchange rate volatility; (b) enabling mechanisms for the generation of development and climate finance; and (c) rebalancing and coordinating trade deficit and surplus countries; ensuring that adjustments are non-recessionary, and reducing developing countries' "carry cost" associated with acquisition of the United States dollar.

29. Exchange rate volatility has consequences for food security and the balance of trade, by affecting the prices of essential imports such as food and energy. It impacts on trade performance by constricting levels of domestic investment, destabilizing relative prices of export products, increasing the price of access to finance for production, and shifting the value of market access concessions.

30. We call on developing countries to intensify steps towards regional monetary and financial cooperation. Such arrangements can anchor South-South trade to more stable exchange rates.

31. Pathways for an orderly transition towards a universal, supranational currency system should be adopted at the global level, but complemented and counterbalanced by new financial and monetary architectures at the regional level.

Re-regulating finance and capital movements

32. We call for re-regulation of capital flows to enable governments to direct capital to serve the needs of society, human rights and sustainable development. Re-regulation of financial markets should be coordinated and strengthened at national, regional and global levels, and should be designed with participation of all those who have a stake in the performance of the financial sector.

33. Re-regulation should cut across all financial markets and financial actors. Leaving some segments of the market unregulated, presumably to allow them to test higher-risk strategies and spur innovation, has instead been used to make profits from arbitrage vis-à-vis the regulated segments.

34. The International Monetary Fund (IMF) should drop its opposition to capital controls and stop interfering with the right of countries to use capital controls as stated unambiguously in IMF's Articles of Agreement.

35. We call on governments to establish processes for the immediate revision of the rules on liberalization of financial services at all levels. Countries' space and capacity to prevent and alleviate crises and pursue alternative fiscal and monetary policies has been greatly compromised by bilateral, regional and multilateral trade and investment agreements including provisions on capital management and dispute settlement.

36. We urge governments of both developed and developing countries to adopt new and stronger regulations on commodity derivative markets. Commodity price fluctuations have destabilizing consequences and reduce potential for diversifying into other sectors. Allowing food grains to be traded in commodity markets has led to speculative trading, resulting in steep increases in prices and worsened violations of the rights of small-scale farmers. Thus, many civil society groups demand an outright ban on the speculative trading of food grains in commodity markets.

37. Regulation of commodity derivative markets should enable developing countries to use trade as an instrument for capital accumulation and its equitable distribution, and to obtain real risk protection. The regulation should especially target major financial centres and should restrict socially useless financial products and financial speculation.

38. Developing countries should adopt alternative macroeconomic policies that allow them to better cope with the macroeconomic impacts of commodity price fluctuations in their economies, such as countercyclical taxation policies.

Global taxes and international tax cooperation

39. We support the introduction of financial transaction taxes – where feasible, on a cooperative, multilateral basis, but where not, on a unilateral basis. We see these taxes covering, in principle, all types of financial transactions, whether in derivatives, shares, bonds, currencies, or other financial instruments.

40. Financial transaction taxes will improve progressivity and redistribution in the taxation system, limit the incentives for damaging short-term speculation in financial markets, reduce systemic risk and the likelihood of future crises, and align the incentives of the financial sector with those of the real economy. They also constitute an innovative mechanism to generate revenues for development and for climate-change mitigation and adaptation needs.

41. The United Nations must play a pivotal role in political determinations as to the governance and management arrangements for global taxes.

Domestic taxation and the mobilization of domestic resources

42. We urge developing countries to develop effective systems and infrastructure to ensure efficient and fair taxation. This will facilitate the move away from aid and debt “dependency”. The emphasis must be on progressive tax policies rather than on an overreliance on value-added taxes and other indirect taxes, which are often regressive.

43. We call on governments to ensure that the corporate sector is effectively taxed. One major challenge is taxing multinational corporations. Many developing countries become locked in a “race to the bottom” in terms of tax incentives to attract foreign direct investment, even as the incentives reduce its potential benefits to these countries.

44. We urge governments and intergovernmental organizations to decisively address the problem of illicit flows of capital. Developing countries’ capacity to increase their domestic resources is under threat because of illicit flows which drain resources from developing countries and diverting them to tax havens. Tackling the challenge of illicit financial outflows will generate significant resources to finance development and facilitate investments for poverty eradication and sustainable development. The key to achieving success is adopting laws, regulations and policies that ensure transparency in financial transactions, and tighter oversight of international banks and offshore financial centres. We urge a review of the existing international financial reporting standards, improvement of international tax cooperation, and stronger and better forms of information exchange, notably “automatic” information exchange between jurisdictions on a multilateral basis.

Addressing the debt problem

45. We call on governments to commit to developing, implementing and promoting responsible, transparent and democratic lending and borrowing policies and practices. Civil society groups and UNCTAD have been working on developing guidelines along these lines, based on lessons from the accumulation of unjust and unsustainable debt in the South, the predatory and reckless behaviour of banks and financial institutions exposed in the recent financial crisis, and the “moral hazard” feature of private finance.

46. We call for fair, transparent, effective debt-crisis resolution mechanisms in place of lender-dominated processes. Further, we call for policies, including regulatory mechanisms, to address the systemic threats posed by large and complex financial institutions and to prevent the transfer of the burden of their risks and losses to the public sector and consequently to the people.

47. We call for comprehensive, transparent and participatory government audits on public debt – on the legitimacy of debt claims, the identity and co-responsibilities of lenders and borrowers, the origins of the capital lent, and the impacts of the loans and projects and policies that have been financed. We call on governments and the United Nations to encourage, cooperate with, and support independent audits by citizens groups.

48. We call for renewal of debt cancellation initiatives without conditions, beginning with all unjust and illegitimate debts, and the debt of countries in crisis.

4. Reviewing trade and investment rules

49. We call for a comprehensive review, evaluation and revision of existing trade and investment agreements towards making these agreements consistent with equitable and sustainable development, human rights, climate and environmental obligations, and the requirements for addressing the global multiple crises.

50. Trade and investment policymaking and decisions should be consistent with development objectives, human rights obligations and environmental sustainability, and should guarantee the rights of labour, farmers, fishers, women and indigenous peoples, and should not restrict environmental and social policy choices. Social, economic and environmental impacts should be taken into account.

51. Agreements must stipulate the obligations of investors to workers, consumers, affected communities and the environment. There should be a better balance between investor rights and responsibilities. Agreements should not supersede or invalidate national laws, and should not restrict a country's ability to enact new laws to support and reinforce development policies or protect people and the environment.

52. Agreements should not lead to an increase of the trade imbalance in knowledge goods and services between developing and advanced countries, nor to a reduction of public access to cultural, educational and scientific works. Agreements should not pose obstacles to the rapid deployment of technologies needed for climate adaptation and mitigation programmes and should instead be consistent with the obligations of rich industrialized countries to provide the means necessary for developing countries to deal with the climate crisis.

53. Existing trade agreements including provisions on intellectual property must be made consistent with human rights, climate and environmental obligations, and the World Intellectual Property Organization (WIPO) development agenda, and, in particular, should make adequate provision for the preservation of the public domain, and maintain all flexibilities in applicable agreements.

54. Social partners and civil society organizations with expertise and interests at stake in investment and trade agreements should be involved in building the capacities of the developing-country officials negotiating them.

B. Strengthening all forms of cooperation and partnerships for trade and development

1. South–South cooperation

55. We urge governments to rethink regional cooperation and South–South cooperation outside the mainstream model of liberalization.

56. South–South cooperation should use trade and investment to support productive and decent-job-generating growth and not predatory trading and investment. As noted in the UNCTAD *Least Developed Countries Report 2010*, economic relations with major developing-country partners can pose a number of challenges and threats similar to those that may affect North–South ones.

57. South–South cooperation should be understood in terms of policy coordination and cooperation built around a development vision that is democratic and inclusive, and rooted in the normative principles of equity, social progress, complementarity, solidarity, mutual benefit, sharing of resources, policy coherence and innovation among developing countries, and respect for sovereignty and human rights.

58. South–South cooperation must serve to foster more virtuous development paths and prevent the replication of the biases and asymmetries associated with North–South relations.

59. We call on governments of stronger developing-country economies to increase their participation in development cooperation efforts in which more impoverished countries are engaged.

2. New regional financial and monetary architectures

60. The pursuit of alternative development strategies is greatly strengthened by alternative sources for finance that not only supplement domestic resources but are free from the burden of policy conditionalities.

61. We call on governments to develop regional institutions and regional financial and monetary initiatives that support sustainable and equitable development strategies. These may include

- (a) Alternative regional development banks;
- (b) Alternative regional payments systems and currency arrangements; and
- (c) New common reserve funds.

One core objective is to redeploy resources (i.e. foreign currency reserves that each country needs to hold as a buffer against external macroeconomic shocks) into job-creating productive investments and environmental and social programmes.

3. South–North cooperation and triangular cooperation

62. We call on governments to move away from traditional “donor”/“recipient” relationships in North–South development cooperation, and instead establish relationships of parity and genuine solidarity. All development cooperation programmes should be based on the principles of mutual accountability, democratic ownership, and other internationally agreed standards of development and aid effectiveness.

63. There should be a broad definition to include non-governmental organizations in all three pillars of “triangular cooperation”.

4. Rethinking Aid for Trade

64. We call on governments to refocus “aid for trade” away from technical assistance that induces policymakers in developing countries, particularly LDCs, to adopt the liberalization agenda and opening of markets. Instead, “Aid for Trade” should be directed towards supporting trade policies directed at building productive and employment-generating sectors.

65. Aid-for-trade funds should be new and additional. They should follow the international commitments on development effectiveness as well as international standards on transparency and accountability.

66. The international governance of the Aid for Trade initiative should be revised in favour of more democratic mechanisms and processes.

67. There should be encouragement to foster South–South cooperation on aid for trade, particularly in developing necessary infrastructure, including soft skills to address supply-side constraints to trade.

5. The private sector in development cooperation

68. The private sector has been increasingly present in development cooperation work worldwide as the target, partner and leader of programmes and projects. Private-sector actors can potentially contribute to sustainable development, in terms of job creation, improved living wages and transfer of technologies, but governments must ensure that private-sector involvement in development cooperation is consistent with equitable and sustainable development goals, and not result in the violation of human rights, or be used as an opportunity to expand markets and scale up profits at the expense of people and the environment. Governments must further ensure that the private sector complies with

international agreements and principles pertaining to development cooperation, such as the Paris Declaration, the Accra Agenda for Action, the Busan Partnership for an Effective Development Cooperation, and others.

C. Addressing persistent and emerging development challenges with implications for trade and development, and interrelated issues in the areas of finance, technology, investment and sustainable development

1. The climate crisis and the challenge of sustainability

69. The climate crisis is having devastating effects globally, with people from developing countries carrying the brunt of the impacts but deprived of the means to respond. In the meantime, the crisis is escalating and the window for preventing the crisis from reaching planetary catastrophe is rapidly closing. The world must move decisively and immediately to drastically reduce global greenhouse gas (GHG) emissions and to shift to low-carbon, equitable and climate-resilient systems, and at the same time enable people and communities to deal with the impacts and irreversible changes brought by the crisis. All these factors mean major changes in the global trading system and consequently in international and bilateral trade agreements, and in national trade policies.

70. Governments must ensure that those principally responsible for the climate crisis – the rich, industrialized countries – meet their corresponding obligations and deliver on the existing international legally binding agreements and commitments.

(a) This means ambitious and equitable country targets to reduce GHG emissions, based on historical and differentiated responsibilities, and fulfilled through direct domestic measures without loopholes and offsets;

(b) It also means developed countries covering the full cost of enabling people of developing countries to deal with the impacts, and for developing countries to shift to sustainable systems. This climate finance must be new and additional, not in the form of loans and debt-creating instruments, not treated as aid, or as investments to generate profit from. It also means developed countries providing low-carbon climate-resilient technology as part of their obligations.

71. Governments must ensure that the transition to low-carbon and climate-resilient systems is socially just, rather than an opportunity for further expansion of finance capital and commodification of nature and life. Social protection schemes and local economic diversification programmes must be put in place to ensure that workers are secure in that transition. Investment in low-carbon technologies should be accompanied by the equitable redistribution of economic resources and benefits and by the creation of green and decent jobs. Processes must be democratic and transparent, with governments, employers' organizations and trade unions discussing the economic and industrial changes to be made.

2. Sustainable development and the “green economy”

72. Many voices within civil society who advocate a major overhaul of unsustainable production and consumption patterns are highly sceptical of the “green economy” that is being promoted and is taking centre stage in the Rio+20 Conference process. There is no consensus on the definition of the term, and use of the term may mean legitimizing concepts that reinforce inequalities among economies, rationalize trade protectionism, involve new forms of conditionalities, promote further commodification and financialization of nature, and push new supposedly “green” technologies that do not conform to the Precautionary Principle established at the Earth Summit.

73. A meaningful Rio+20 outcome requires a deeper understanding of the original, full meaning of sustainable development, the resolve to address unsustainable production and consumption patterns, and acknowledgement of the centrality of human rights, equity, fairness, poverty eradication, and common but differentiated responsibilities.

74. This term “green economy” should be conceptualized solely within the framework of accepted and consensual definitions of sustainable development. The “green economy” concept should not move us backwards from the comprehensive agenda of Sustainable Development from the 1992 United Nations Earth Summit and the initial commitments to Agenda 21 addressing the challenge of maintaining global sustainability. It should be one that reinforces the role of the developmental State, ensuring redistributive measures to democratize access to and stewardship of productive resources and nature, re-orienting investment, trade, and finance policies to focus on development objectives including harnessing regional cooperation towards increasing sustainable production and inclusive demand. It should be one that calls for alternative measures of development to replace the indicators currently being used.

3. Trade and investment agreements and sustainable development

75. We call for a thorough review of trade and investment agreements at multilateral, regional and bilateral levels. Trade and investment rules that undermine sustainable development and act as barriers to pursuing low-carbon development paths should be suspended in their application and revised without concessions. Such provisions should be excluded in future agreements.

76. Policy discussions must resolve growing controversies around “green protectionism” and carefully distinguish between, on the one hand, trade policies that reinforce asymmetries between economies, and, on the other hand, domestic policies of developing countries aimed at building cleaner production systems and “green” productive capacities.

77. Regional trade and investment agreements should not be one-size-fits-all. They should take into account trade adjustment costs, and there should be obligatory provisions directed to rich countries to address trade adjustment costs of the poor countries. Specific care needs to be taken so that obligatory provisions on the part of rich countries do not become non-tariff barriers and/or other protectionist measures.

78. The approach to addressing the linkages between trade and investment agreements and sustainable development should not be based on automatically triggered sanctions. This means that (a) countries and investors should not be able to penalize other countries when they take measures that are designed and applied for sustainable development (in its economic, social and environmental dimensions); and (b) labour and environment provisions in trade and investment agreements should be supported with sufficient capacity-building resources – for example, to undertake labour and environmental inspections – by the richer partners first, before sanctions are considered.

79. We call on governments to regulate the promotional practices of trade and industry. Aggressive advertising via the electronic media has greatly contributed to unsustainable lifestyles and levels of consumption.

4. Technology assessments in line with the Precautionary Principle

80. The United Nations should develop the technical and legal capacity to undertake social and environmental technology assessments in line with the Precautionary Principle to protect people and nature from high-risk technologies. A number of new technologies presented as “green” – including geoengineering, nanotechnology, synthetic biology and biotechnology – compromise progress towards sustainable development.

5. Scaling up agroecology and the rights of landless and small-scale farmers and women in the agricultural work force

81. Transnational agri-businesses and other corporations have taken monopolistic positions on the means of food production and distribution. Landless farmers, women in the agricultural sector, and smallholder producers are the first victims of violations of the right to food, despite small farms producing the majority of the staple crops needed to feed the world's rural and urban populations, and women being a substantial majority of the agricultural producers who produce most of the food consumed locally.

82. Governments must ensure that the rights of landless farmers, women in the agricultural sector, and smallholder farmers are protected. Governments need to invest in programmes supporting landless and smallholder farmers and women in the agricultural sector to develop sustainable and climate-resilient livelihoods, including agrarian reform and accompanying support services.

83. We call on governments to pursue the scaling up of sustainable agriculture based on agroecology, and to promote locally controlled, ecologically and socially sustainable production systems, in both developed and developing countries. Supported by appropriate public goods and laws, sustainable agriculture can create resilient local economies and diversify the livelihoods of impoverished farmers. Governments should lead the move away from conventional industrial agriculture, including the phasing out of input subsidy schemes for agrochemicals. There should be a fundamental shift from mere food security to food sovereignty, which is a rights-based approach.

84. Bottom-up, horizontal, and participatory extension services and "knowledge hubs" that build upon smallholder farmers' sustainable agriculture practices should be fully supported to maximize their food security and food production.

85. Extension services must facilitate the process of building bridges between local and scientific knowledge and new technologies that help local communities innovate and reduce dependency on external inputs and that promote site-specific sustainable production systems.

86. Governments should ensure that agricultural policies and programmes empower women and promote a fairer sharing of the work burden and benefits between women and men.

87. We support the recommendation in the final report of the United Nations Human Rights Advisory Committee, which proposes the adoption of an international legal instrument on the rights of farmers and other people working in rural areas.

6. Transformative social protection

88. The State has the obligation to guarantee the sustainability and security, as well as the well-being and the prosperity, of the society that it governs. The State should thus provide public services and social protection and establish redistributive mechanisms, including progressive taxation, which should be politically and socially negotiated.

89. We call on governments of countries that lack a social protection floor to take the political decision to create fiscal space for this and to gradually improve the provision of transformative social protection that would enhance the well-being of all.

90. Transformative social protection not only provides the means and security that enables the improvement of livelihoods; it also catalyses a change in power and ensures that citizens are better able to transform their lives following the intervention and ensures that in future crises they are no longer so vulnerable.

91. Transformative social protection reduces multiple inequalities, empowers marginalized communities, supports economic activity, enhances social mobility, contributes to the valuation of domestic work, and addresses the unequal division of labour burdens between women and men, particularly in the reproductive sphere.

92. Transformative social protection is realizable even in conflict-torn countries, fragile and unstable States, and countries lacking social cohesion. Indeed, in these contexts it has even greater value. It promotes nation-building, as well as solidarity between people who have wealth and those who do not, between generations, and between different ethnic and religious groups.

93. The fiscal feasibility of transformative social protection can be greatly enhanced by reallocating resources away from defence and military budgets, which in many instances take up a big share of public funds. This will not only free up resources for social spending, it will also contribute to the demilitarization and democratization of societies towards social justice and sustainable peace.

94. The International Labour Organization (ILO), social partners, and representative organizations from civil society, including women's organizations, must be included in the design, delivery and management of social protection and public services schemes to respond to people's priorities, rights and entitlements.

7. The private sector and transnational corporations

95. Governments should establish clear and effective monitoring of the application and implementation of internationally agreed principles and conventions by private-sector actors. These include international conventions and standards on human rights, gender equality, labour rights and decent work, disability, environmental sustainability, consumer protection, the ILO principles and labour standards, the United Nations Guidelines for Consumer Protection, the Guiding Principles on Business and Human Rights: Implementing the United Nations "Protect, Respect and Remedy" Framework, and international transparency and accountability standards.

96. We call on governments to strengthen regulation of transnational corporations (TNCs) and ensure their adherence to human rights and corresponding obligations. Obligations should include (a) due diligence obligations throughout the process of operation, including over any horizontal supply chain, with support offered to impacted groups; (b) the submission of a "list of measures" that the TNC will be taking towards protection of human rights, ensuring community well-being (including environmental resources), promoting transfer of technology, and the fulfilment of tax responsibilities; and (c) reporting on environmental and human rights impacts.

97. There should be adequate provisions under multilateral and domestic laws that cover the punishment of perpetrators of human rights violations. The host country of a multinational company should ensure that practices by its investing companies are proactive in avoiding any social damage.

98. We call on governments to protect and encourage the development of local small and medium-sized enterprises (SMEs) as well as social economy entities (such as cooperatives). Local procurement should be given priority when implementing sustainable development programmes. An integrated approach for an enabling environment for sustainable enterprises should be promoted and developed at the country level.

99. We call for the critical evaluation of public-private partnerships (PPPs), which are now being promoted as engines for development. Frequently PPPs are part of programmes for the privatization of public services or infrastructure, many of which have had negative impacts on access by – and the rights of – the impoverished and marginalized. In many

cases, PPPs help the private sector to transfer costs to the State while keeping the profits for itself.

III. The role of UNCTAD

100. UNCTAD should be more proactive in addressing the challenges of globalization and of the multiple crises, and in bringing about systemic reforms. It should be at the forefront of a thorough and critical review of trade and development policies and agreements in light of the multiple crises, and in developing analyses and proposals for alternative options and appropriate development strategies for developing countries, taking into account the need for policy space and flexibility and the different needs and circumstances of different developing countries. UNCTAD should support national policy addressing national sustainable development concerns.

101. A strengthened UNCTAD should be given a greater role in global economic governance and should contribute to the transformation of global economic governance institutions. This requires more diverse perspectives to be brought to the table, including UNCTAD's "ahead of the curve" analyses and proposals, increasing developing-country voice, and ensuring effective and full developing-country participation. Taking into account the need for a paradigm shift in global economic governance, UNCTAD should set up a Working Group on Global Economic Governance, representing various interests from among its member States and ensuring the full participation of civil society.

102. UNCTAD's role should extend beyond being an incubator of ideas. It has a vital role to play in assisting developing countries to address the diverging agendas and international legal frameworks governing trade, finance, macroeconomic policy, investment, transnational corporations, sustainable development, technology (including intellectual property rules), and consumer protection and competition policy. UNCTAD should keep and strengthen its mandate to give advice on policies related to these issues at national, regional and global levels.

103. In light of UNCTAD's pioneering role in the identification of the Group of the Least Developed Countries (LDCs), thus establishing itself as the focal point within the United Nations system for tackling LDC-specific issues, UNCTAD's continued role towards addressing the special needs of LDCs and defending LDCs' specific interests should be strengthened. UNCTAD's role in enhancing the capacity of LDCs and civil society in its thematic areas of priority and concern should be reinforced.

104. UNCTAD should play a bigger role at regional levels, especially where this is less well covered such as in the Arab region. In the case of the Arab region, UNCTAD should address the development gap resulting from the recent political upheavals.

105. UNCTAD should have stronger capacity to conduct analytical and technical assistance work in support of regional and subregional integration among developing countries, consistent with equitable and sustainable development goals.

106. UNCTAD should conduct a comprehensive study on the linkages between the financial economy and the real economy, and on how effective regulation of the financial economy as well as the real economy can help the impoverished not just to insulate themselves from future financial crisis but to put in place a rapid-response mechanism to deal with new challenges that could emanate from future financial crises.

107. UNCTAD should continue and expand its contributions to developing and promoting the principles of responsible, accountable and democratic lending, borrowing and related financial policies, fair and transparent debt resolution mechanisms, and debt

cancellation initiatives. It should promote the call for comprehensive debt audits and should extend assistance to these processes.

108. UNCTAD should conduct studies on issues, challenges and effectiveness in the area of development cooperation – South–South, North–South and triangular cooperation – including lessons that can be drawn from traditional development cooperation initiatives.

109. UNCTAD should conduct studies on the primary commodities sector to promote better understanding of the issues of commodity speculation, the interaction between trade and competition policy, and others, with the aim of developing proposals that address the global food and commodity crisis. It should work on the strengthening of multilateral arrangements to minimize commodity price volatility and other related problems.

110. UNCTAD should apply to become an observer organization of the International Organization of Securities Commissions (IOSCO) and its technical committees, so that UNCTAD can advise its members on the financial and commodity market rules of IOSCO members and can contribute UNCTAD views on IOSCO consultation papers.

111. UNCTAD should carry out one or more surveys of its developing-country members on their experiences with using risk management tools for interest rates, commodity prices (exports and imports), exchange rates, bond rates etc. The survey would be designed to enable UNCTAD to determine whether and/or how it might support both governments and the private sector with technical assistance and training programmes for asset class-based risk management in developing countries.

112. In the past, UNCTAD facilitated and promoted investment agreements, including by means of the seriously questionable but no longer occurring bilateral investment treaty (BIT) “negotiating rounds”. UNCTAD has also recommended that investor-State arbitration clauses be included in developing countries’ domestic investment laws. In light of developments in investment treaty arbitration, UNCTAD should now actively inform and warn developing countries of the risks of these Agreements, and more generally of investor–State arbitration.

113. Any investment work by UNCTAD should:

(a) Reflect the economic evidence that foreign direct investment is primarily attracted by market size, natural resources, infrastructure, peace and stability, human capital etc., rather than the presence of investment protection agreements or the level of intellectual property protection;

(b) Ensure that foreign investment and investment protection agreements serve sustainable development and that any investment provisions retain maximum policy space for developing-country governments;

(c) Recognize that investment agreements and their resulting disputes have caused and continue to cause significant problems for developing and developed countries and that as a consequence, countries across the globe are increasingly refraining from signing investment agreements, withdrawing from them, or avoiding investor-to-State dispute settlement provisions.

114. Where UNCTAD provides technical assistance, it should refrain from promoting traditional investment protection agreements or their equivalent provisions in free trade agreements or domestic law. Instead, it should ensure that all technical agreements focus on the goals of sustainable development, that national policy space is retained, that developing countries are provided with options for alternatives to such investment agreements, including cooperation agreements, innovative domestic mechanisms, political risk insurance and well-balanced investment contracts between the investor and the host

government. Investor rights should be well circumscribed and balanced against investor and home State obligations.

115. UNCTAD should continue efforts to ensure that intellectual property systems contribute to the promotion of technological innovation and to the transfer and dissemination of technology to:

- (a) Meet the requirements of addressing climate change and meeting the goals of sustainable development;
- (b) Ensure the mutual advantage of producers and users of technological knowledge; and
- (c) Balance rights and obligations.

116. UNCTAD should continue to undertake research and analysis on trade and development aspects of intellectual property, including on the protection of traditional knowledge, genetic resources and folklore and fair and equitable sharing. UNCTAD's research and policy advice should ensure that developing countries and LDCs make full use of the flexibilities currently available to them under international agreements and do not in any way undermine those flexibilities. It should undertake capacity-enhancement activities for making full use of these flexibilities.

117. UNCTAD should conduct analysis, consensus-building and technical assistance on the promotion and operationalization of technology transfer for development from developed to developing countries, consistent with existing multilateral commitments, including a revival of the intergovernmental discussions on the UNCTAD Draft International Code of Conduct on Transfer of Technology.

118. UNCTAD should find constructive ways to effectively mainstream human rights – especially the right to development – in its work. Human rights principles (such as progressive realization, non-retrogression and maximum available resources) can be effective empowering tools in economic policy discussions and should not be used as instruments of conditionality or protectionism or conversely for forcing the opening of markets.

119. Building on its work on organic agriculture, UNCTAD should promote increased attention to the findings of the IAASTD and encourage international cooperation on the identification, documentation, dissemination and adoption of agroecological practices and their relation to trade, finance, investment and technology.

120. In partnership with other intergovernmental organizations, particularly the United Nations Food and Agriculture Organization, UNCTAD should empower regional economic and development organizations to gather knowledge on climate-change adaptation practices and foster cross-fertilization of farmers' knowledge and experience on such practices between different agro-climatic zones.

121. UNCTAD should continue to mainstream the Decent Work Agenda in its analytical and policy work and deepen analysis of social and environmental dimensions of alternative economic paradigms.

122. UNCTAD should call upon its member States to initiate effective legislation and regulations on public service delivery guarantee with built-in mechanisms for the participation of non-State actors in its process of adoption and implementation to ensure better governance and more accountability in "transformative social protection" initiatives.

123. UNCTAD should work in favour of adopting an international legal instrument on the rights of peasants and other people working in rural areas. It should provide institutional

support to networks of small-scale producers in the South, especially small enterprises run by women.

124. UNCTAD should promote consumer rights as part of its mandate over competition and consumer protection issues. Consumers have rights to the satisfaction of basic needs, to safety, to choice, to redress, to information, to consumer education, to representation, and to a healthy environment. It should lead the revision of the United Nations Guidelines for Consumer Protection in light of recent trends including the increased exposure of consumers to new products and marketing strategies, increased cross-border commerce in consumer products, and technological changes that affect consumers.

125. We therefore call on all UNCTAD member States to reaffirm the Accra Accord, and to strengthen the mandate of UNCTAD to carry out its work (research, intergovernmental discussion, and technical assistance) in the full range of issues for which it already has a mandate, and to further expand implementation of this mandate into new areas that are required by the global situation.

126. To fulfil its mandate and maintain its independence, the UNCTAD secretariat should receive adequate funding. Other funding mechanisms have to be explored to limit UNCTAD's extrabudgetary dependence on OECD countries and increase its capacity to respond to developing countries' needs and demands.

127. UNCTAD should expand mechanisms for greater civil society participation and inputs in all its processes. The UNCTAD secretariat has been very supportive of civil society participation in UNCTAD activities, but there is an urgent need to make UNCTAD negotiations much more open and transparent. UNCTAD should examine and adopt best practices of civil society participation in intergovernmental negotiations.

128. We, the civil society organizations involved in the UNCTAD XIII process and working on the issues within UNCTAD's mandate, reaffirm our commitment to continue to work for the realization of the proposals and demands contained in this Declaration. We pledge to work together to expand CSO engagement with UNCTAD and its outreach to wider circles of civil society and social movements to enhance and strengthen its capacity to fulfil its mandate in the pursuit of equitable and sustainable development.
