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**Report of the first hearing with civil society
and the private sector**

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Prepared by the UNCTAD secretariat¹

¹ The views expressed herein are those of the participants and do not necessarily reflect those of the United Nations.

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Introduction

1. The Preparatory Committee for the fourteenth session of the United Nations Conference on Trade and Development, established by the Trade and Development Board at its sixty-second session, decided to hold hearings with civil society and the private sector. The first hearing was held on 6 April 2016 as part of the fifth meeting of the Preparatory Committee. A second hearing would be held on 26 May.
2. The Chair of the Preparatory Committee said that the hearing was a valuable opportunity for dialogue among representatives of member States and of civil society on issues relating to the theme and sub-themes of the Conference.
3. The Secretary-General of UNCTAD said that it was important to work closely with civil society to carry out the Organization's mandate, as civil society played a significant role in enriching the debate with its views and experience.
4. The active contribution of civil society organizations was key to delivery of the 2030 Agenda for Sustainable Development. Their engagement, collaboration and active participation in the work of the secretariat was crucial in making UNCTAD fit for purpose in its efforts to achieve the Sustainable Development Goals.
5. Many participants expressed the wish that the Conference might remain a platform for cooperation between member States, civil society and the private sector. Several participants emphasized the need to review current international financial, technological and investment policy architecture to achieve the Goals, as established in the 2030 Agenda, the Addis Ababa Action Agenda and the twenty-first session of the Conference of the Parties to the United Nations Framework Convention on Climate Change.
6. Some participants said that the zero draft of the outcome document of the Conference had failed to reflect the effect that transnational corporations and other financial interest groups could have on factors such as labour, investment, environmental justice and domestic resource mobilization.
7. Several participants stated that the current international financial architecture allowed the creation of tax havens, which diverted financing from sustainable development in all countries, including the poorest ones. Further, a multilateral approach was needed to regulate transnational corporations, as they could not be effectively controlled by national regulators.
8. Several participants drew attention to the growing use of public-private partnerships, not only in the energy and telecommunications sectors, but also in infrastructure, education, health and sanitation. They cautioned against the privatization of essential public services that were necessary to deliver fundamental rights. To avoid generating contingent liabilities, closer regulation and monitoring of such partnerships was necessary. They asked UNCTAD to examine the risks of such partnerships, and to consider global tax and debt issues as well.

I. Sub-theme 1: Challenges and opportunities in multilateralism for trade and development

9. Citing the uneven distribution of gains from globalization and rising global inequality between and within developing countries, many participants expressed the wish for a renewed commitment to the Sustainable Development Goals.

10. One participant called for greater assistance from UNCTAD in providing support to developing countries to craft and implement regional integration processes to address their development challenges.

11. A few participants requested that UNCTAD enhance its work on developing the capacity of African countries to create national and regional investment models and policies that promoted development.

12. One representative said more should be done to support industrialization in developing countries and to ensure that policies were geared towards that objective.

13. Unsustainable debt levels within developing countries was becoming an increasing concern, prompting a call for a fair and independent international system of debt-crisis prevention, arbitration and restructuring.

II. Sub-theme 2: Promoting sustained, inclusive and sustainable economic growth through trade, investment, finance and technology to achieve prosperity for all

14. Citing the challenges associated with primary commodity dependence, including the increased concentration of commodity production in the hands of transnational corporations and the increased financialization of commodity markets, which led to increased price volatility and unsustainable investment practices, some participants called upon UNCTAD and civil society to play a greater role in developing practical policy responses to those challenges. Furthermore, it was important to reinvigorate State trading enterprises and marketing boards to lessen power disparities.

15. There was a need to reform investment agreements to further broaden macroeconomic reform. One participant said that developing countries should pursue economic growth with increased State support for productive, employment-creating sectors. Some participants recommended developing novel financial systems attuned to the requirements of the real economy, such as dedicated agricultural banks and loan facilities for small and medium-sized enterprises. In addition, the mobilization of savings was central to facilitating the transition in developing economies from informal sectors to formal ones.

16. Another representative highlighted potential inequalities in the funds available to non-governmental organizations. Some participants expressed the wish to strengthen the status and credibility of civil society actors, and to further integrate their contributions into the global discourse by fostering renewed, mutually reinforcing relationships with UNCTAD.

17. With regard to the Trade in Services Agreement of the World Trade Organization, one participant noted the potential limitations of developing nations to regulate industry, data privacy, financial sectors and energy. Developing countries should promote and expand infant industries. With regard to tax havens, many participants suggested that existing legal frameworks facilitating capital movements and offshoring be reviewed.

III. Sub-theme 3: Advancing economic structural transformation and cooperation to build economic resilience and address trade and development challenges and opportunities, at all levels, within the UNCTAD mandate

18. One participant said that economies dominated by primary good exports did not generate enough employment and that there was a need to pursue robust development policies that fostered industrialization and built knowledge-based economies.

19. Another participant stated that rising public debt was among the greatest challenges facing countries today. There was a need to establish regional debt sustainability and liability criteria, as well as independent courts to provide debt solutions.

20. It was important to empower women. Noting the overrepresentation of women in the agricultural and informal sectors, one participant said that UNCTAD could play a key role in developing their managerial and business skill sets.

21. With regard to the need for structural transformation in developing countries, one participant encouraged UNCTAD and member States to support players in the social and solidarity economy, such as small producer associations and cooperatives. Those players could create more inclusive forms of economic activity – they had shown great resilience during the 2008–2009 global financial crisis.

22. Other participants discussed the adverse effect of fluctuating commodity prices on developing countries. Individual Governments were not always effective in regulating speculation. One participant suggested that UNCTAD invite countries with vested interests to start a dialogue on stabilizing primary commodity prices.

23. One participant requested that UNCTAD actively support the acceleration of technology transfer to improve the productive capacity of developing countries.

IV. Sub-theme 4: Contributing to the effective implementation of, and follow-up to, the 2030 Agenda for Sustainable Development and relevant outcomes from global conferences and summits, as related to trade and development

24. Discussions on this sub-theme focused on the key role of UNCTAD in helping developing countries implement the outcomes of relevant global conferences, in particular the 2030 Agenda and the Addis Abba Action Agenda.

25. One participant said that the most relevant Sustainable Development Goals for the work of UNCTAD were Goals 2, 3, 8, 10, 12, 13, 16 and 17. They included a wide range of economic and trade issues, as well as interrelated issues of investment, finance and technology. The long-standing expertise, research and analysis of UNCTAD in those areas confirmed its crucial role in future investment, trade and development policy formulation. UNCTAD should continue advising developing countries in their review of bilateral and multilateral trade and investment agreements to ensure alignment with their national sustainable development objectives.

26. Other participants urged UNCTAD to help developing countries assess climate finance needs in line with the goals of the Paris Agreement.

27. In the view of one representative, fair market access was essential for least developed countries, landlocked developing countries, small island developing States, smallholder farmers and indigenous people in their efforts to achieve the Sustainable Development Goals. Some participants said that it was necessary to promote a universal, rules-based, non-discriminatory and equitable multilateral trading system in compliance with the Doha Development Agenda and human rights frameworks.
