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

Geneva, 26 May 2016

Prepared by the UNCTAD secretariat¹

¹ The views expressed 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 (UNCTAD XIV), established by the Trade and Development Board at its sixty-second session, held its second hearing with civil society and the private sector on 26 May 2016.
2. In his opening remarks, the Chair recalled that at the first hearing, on 6 April 2016, civil society organizations had requested access to updated versions of the pre-Conference negotiating text. Without attributing proposed modifications to specific States, member States agreed to share the version of the text of 23 May 2016 with civil society organizations that had observer status with UNCTAD or that had been accredited to UNCTAD XIV. Many civil society representatives expressed appreciation but noted the importance of knowing which State had proposed which modification.
3. The Deputy Secretary-General of UNCTAD said that the Organization recognized the importance of working closely with civil society organizations to carry out its work in consensus building, policy analysis and technical cooperation. He recalled that a civil society forum would be held from 15 to 21 July 2016 as part of the official programme of UNCTAD XIV.
4. Some civil society representatives expressed concern about the accreditation process of UNCTAD XIV, noting that member States had denied accreditation to an organization.

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

5. Several participants said that UNCTAD was in a unique position to ensure that development issues remained at the top of the international trade agenda. One participant noted the importance of strengthening the Organization's mandate to keep the international trade agenda within the United Nations Secretariat.
6. One participant expressed regret that the negotiating text did not mention recent mega-agreements on trade and investment because new rules would apply to non-parties, that is to say, developing countries. Many participants said that UNCTAD should conduct further research on how these trade agreements impeded or contributed to the Sustainable Development Goals and affected non-parties.
7. One participant noted that references to "differentiated treatment" had been removed from the negotiating text, even though the World Trade Organization recognized that the principle of special and preferential treatment was essential for the least developed countries. Another participant said that UNCTAD should continue providing technical assistance to countries that were in the process of joining the World Trade Organization or withdrawing from bilateral investment treaties.
8. Many participants were of the view that UNCTAD should look at the gender considerations of trade policy and support institutions and organizations that promoted gender equality and women's empowerment. Such gender consideration included the feminization of precarious labour in global value chains and how lower social investment and spending on health, disproportionately affected women.
9. There was broad consensus that each country had the right to determine its own development model and that international trade rules, trade agreements and investment treaties should not undermine this principle. Such policy space was recognized in the

2030 Agenda for Sustainable Development and the Addis Ababa Action Agenda. Furthermore, UNCTAD should strengthen its support to developing countries in this area.

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

10. Several participants said that debt was a significant obstacle to financing the implementation of the Sustainable Development Goals. UNCTAD had done meaningful work on debt crisis prevention and management, and should continue its work to establish an internationally agreed framework for sovereign debt restructuring to ensure that countries complied with principles for promoting responsible sovereign lending and to provide technical assistance to developing countries to resolve debt crises. One participant noted that the negotiating text should mention debt prevention and resolution mechanisms.

11. Several participants said that UNCTAD XIV provided an opportunity to propose a new framework for international investment agreements that ensured accountability and corporate responsibility for investors.

12. Some participants said that UNCTAD had a critical role to play in achieving policy measures to combat illicit financial flows, including tax avoidance, which diverted resources away from the implementation of the Sustainable Development Goals. Developing countries needed UNCTAD assistance in raising awareness of and building global consensus around the complexity of tax evasion. The United Nations system provided a neutral space and a democratic platform to further the discussion on how illicit financial flows affected economic and social development; UNCTAD had a role to play and should build on its work and strengthen its role in this area.

13. With regard to references to private–public partnerships in the negotiating text, one participant said there was no evidence of the universal positive effects of such partnerships and disagreed with the promotion of what he considered failed corporate models. When public institutions and the private sector worked together to deliver public goods and services, they should share the risk of failure. When failure occurred, public institutions were left to cover the costs, which were ultimately paid by the individual through user charges, for example. But user charges were incompatible with the Sustainable Development Goals’ call for the universal provision of basic services such as clean water and health care. The future work programme of UNCTAD should assess the macro risks – including the political risks – posed by public–private partnerships to sustainable development.

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

14. Several participants agreed that the slow pace of structural transformation in developing countries was indicative of the limitation of current economic models. UNCTAD research should focus not only on creating value but also on ensuring that such value benefited workers. Increased cooperation with the International Labour Organization could help identify new policies to reduce pressure on labour standards and income.

15. One participant said that the notion of structural transformation should be translated into action that led to more equal participation in the global trading system. A key question was how the external environment (trade and finance) could enable developing countries to diversify their economies and add value to what they produced, and UNCTAD could focus more of its work on this issue.

16. In relation to structural transformation, several participants said that technology transfer was important for local production and industrial upgrading, and environmental protection and climate change mitigation technologies. Not only did companies resist technology transfer, but developing countries found it difficult to assimilate new technologies. Technology transfer should be done with favourable, concessional and preferential terms in a way that met the needs of developing countries. In addition, intellectual property restricted the access of developing countries to affordable technology transfer, including for environmental technologies. Access to technologies included the recognition of information and communications technology as tools for development.

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

17. One participant explained how UNCTAD could contribute to “operationalizing” the new development agenda, which was shaped by the Addis Ababa Action Agenda, the 2030 Agenda for Sustainable Development and the Paris Agreement. For instance, there was a need to ensure that international agreements were “Sustainable Development Goal-proof”, since the links between trade and development, or investment and development, were not always direct or clear. UNCTAD should provide leadership to develop these links.

18. One participant said that UNCTAD should define more clearly its position regarding the impact of recent mega-trade agreements, such as the Trade in Services Agreement, on the aspects of the Sustainable Development Goals dealing with labour rights and environmental protection. Furthermore, financing the Goals would require significant investment, and UNCTAD should guide developing countries on how to manage their debt, in particular with regard to debt restructuring frameworks, debt sustainability analysis and macroeconomic fundamentals.

19. One participant said that civil society organizations should become more involved in international governance processes towards the Sustainable Development Goals and called upon UNCTAD to strengthen and provide more support for civil society participation in UNCTAD expert groups.
