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on Trade and Development**

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Trade and Development Board

Sixty-third executive session

Geneva, 27–29 September and 11 October 2016

**Report of the Trade and Development Board
on its sixty-third executive session**

Held at the Palais des Nations, Geneva, on 27–29 September and 11 October 2016

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Introduction

The sixty-third executive session of the Trade and Development Board was held at the Palais des Nations in Geneva, Switzerland, from 27 to 29 September and 11 October 2016. In the course of the session, the Board held four plenary meetings.

I. Action by the Trade and Development Board

A. *Economic Development in Africa Report 2016: Debt Dynamics and Development Finance in Africa*

Agreed conclusions 528 (EX-LXIII)

The Trade and Development Board

1. Welcomes the Economic Development in Africa Report 2016: Debt Dynamics and Development Finance in Africa;
2. *Reiterates* UNCTAD commitment to supporting Africa, as reaffirmed by the Nairobi Maafikiano, in order to contribute to the implementation of the Agenda 2030 and attainment of the Sustainable Development Goals;
3. *Calls upon* UNCTAD to continue to address the special trade and development concerns and needs of Africa including through the provision of policy analysis and advice, and capacity-building;
4. *Emphasizes* that Africa's development goals will require structural transformation and economic diversification; for this, adequate levels of financing for development are needed from domestic and external resources;
5. *Recognizes* the importance of the information economy for the development of Africa;
6. *Also recognizes* that it is estimated by various sources that the required investment to finance the Sustainable Development Goals in Africa could amount to between \$600 billion and \$1.2 trillion per year;
7. *Takes note with concern* of the rising level of external debt stock in Africa, as well as lower shares of concessional debt, higher interest and lower maturities which are most likely to increase the debt burden of both heavily indebted poor countries and non-heavily indebted countries in Africa;
8. *Underlines* the importance of effective debt management and calls upon UNCTAD to continue its work on capacity-building for debt monitoring and management, including through the Debt Management and Financial Analysis System;
9. *Takes note* of the policy recommendations that, in order to achieve development goals and structural transformation in Africa, adequate levels of financing for development from domestic and external sources have to be raised;
10. *Recognizes* the critical role of official development assistance in financing for development, and stresses the importance of realization of internationally agreed commitments in this regard;
11. *Takes note* of the policy recommendations that innovative mechanisms of financing can make a positive contribution in assisting African countries to mobilize additional resources for development on a stable and predictable basis;

12. *Notes* that public–private partnerships can be another financing modality, especially for infrastructure development; however, there is a need for caution from a debt management perspective as public–private partnerships are often treated as an off-budget transaction; a public–private partnership policy framework is therefore required to properly assess, monitor and evaluate public–private partnerships;

13. *Takes note* of the significance of remittances in the totality of external flows to Africa, and encourages UNCTAD to continue its work on research and analysis, within its mandate, on enhancing the impact of migrants’ remittances on development, including their social and economic benefits, reducing their transaction costs and expanding access to financial services, while respecting their character as private funds;

14. *Takes note with concern* that illicit financial flows out of Africa are negatively impacting development in the region, that these issues require action at the national and international levels, and calls upon African countries and the international community to enhance its efforts to tackle these challenges;

15. *Invites* development partners to enhance support for African countries to sustain public and private investment in productive and infrastructure sectors so that they are able to meet the Sustainable Development Goals by 2030 and achieve Africa’s development goals as contained in the African Union’s Agenda 2063;

16. *Notes with concern* the data limitations in several economic, financial and social spheres, and urges UNCTAD to address issues related to data availability as part of fulfilling its mandate, recognizing the need to overcome data limitations and build analytical capacities for debt monitoring and management;

17. *Notes also with concern* the limited analysis on women’s empowerment, and therefore calls on UNCTAD to strengthen its work on the contribution of women’s empowerment in particular, to mitigate poverty, bearing in mind that only 20 per cent of women in Africa have access to formal financial services;

18. *Encourages* UNCTAD to continue its research and analysis on policies for mobilizing resources to finance Africa’s development aspirations and maintaining debt sustainability.

*Closing plenary meeting
11 October 2016*

B. Activities undertaken by UNCTAD in support of Africa

(Agenda item 2)

1. The Trade and Development Board took note of the report by the secretariat on activities undertaken by UNCTAD in support of Africa, as contained in document TD/B/EX(63)/2.

C. Trade and Development Report, 2016: Structural Transformation for Inclusive and Sustained Growth

(Agenda item 4)

2. The Trade and Development Board took note of the *Trade and Development Report, 2016*, as contained in document UNCTAD/TDR/2016.

II. President's summary

A. Opening plenary

Introduction

3. In his introductory remarks, the UNCTAD Secretary-General indicated that the Nairobi Maafikiano adopted at the fourteenth session of the United Nations Conference on Trade and Development in July 2016 supported the revitalization of the intergovernmental machinery and noted that two new intergovernmental expert groups were created with financing for development and e-commerce identified as topics. He reiterated UNCTAD commitment to Africa including by providing technical support to continental free trade area negotiations; supporting regional economic organizations and providing cabinet briefings to African government officials; supporting gender mainstreaming within the organization and the UNCTAD programme on trade and gender; and through the establishment of a regional office in Addis Ababa. He also noted the appointment of an UNCTAD Special Adviser on Youth Entrepreneurship and Small Business.

4. The UNCTAD Secretary-General noted that the topic of the *Economic Development in Africa Report 2016: Debt Dynamics and Development Finance in Africa* addressed ongoing vulnerabilities on the African continent. The report highlighted complementary resources, public-private partnerships and curtailing illicit financial flows as possible ways to address the resource gap in Africa. He indicated that the *Trade and Development Report, 2016: Structural Transformation for Inclusive and Sustained Growth*, launched on 21 September 2016, had already received considerable media attention, including in the *Wall Street Journal* and Bloomberg News.

Economic Development in Africa Report 2016: Debt Dynamics and Development Finance in Africa **(Agenda item 3)**

5. The UNCTAD secretariat presented the *Economic Development in Africa Report 2016*, noting that achievement of the Sustainable Development Goals would depend largely on ongoing developments in Africa and the ability of African countries to mobilize adequate resources for development. Financing the Sustainable Development Goals without compromising debt sustainability presented an enormous challenge for African countries, given the significant resources needed to achieve the Goals. Complementary modalities of finance such as public-private partnerships, remittances and diaspora flows, and curtailing of illicit financial flows could play a role in domestic resource mobilization and enable African countries to achieve their development objectives.

6. The representatives of the following regional groups and delegations then made statements: Argentina, speaking on behalf of the Group of 77 and China; Namibia, on behalf of the African Group; Bahamas, on behalf of the Group of Latin American and Caribbean Countries; the European Union, on behalf of the European Union and its member States; Japan, on behalf of the JUSSCANNZ group; Bangladesh, on behalf of the least developed countries; Egypt, on behalf of the Arab Group; China; Zimbabwe; Kenya; Algeria; Morocco; Tunisia; Djibouti; the United Republic of Tanzania; and the Sudan.

7. Delegations widely regarded the theme of the *Economic Development in Africa Report 2016* – debt dynamics and development finance – as timely in the context of the recently adopted Sustainable Development Goals. Many delegates highlighted that Africa faced a major dilemma with regard to resource mobilization to cover its financing needs while maintaining sustainable debt levels. Africa remained vulnerable to increasing debt levels, which should be of concern to African countries as well as the international community.

The rise in external debt in Africa was also recognized as a challenge that could lead to a debt crisis.

8. Several delegations noted the shift in the development finance landscape, which had been marked by a decline in overseas development assistance and a greater emphasis on domestic resource mobilization. Many delegates reiterated the critical role of overseas development assistance as a financing modality for developing countries, noting that financing commitments to overseas development assistance to developing countries needed to be maintained in order to effectively support achieving the Sustainable Development Goals. The representative of one regional group underscored a special caution on the report's recommendation concerning diaspora remittances. While recognizing that remittances had grown in importance, with countries putting in place measures to boost remittances and diaspora savings, one delegate also cautioned that such private flows, which were often unpredictable, should not be viewed as substitutes for overseas development assistance or development finance.

9. Many delegations noted that the decline in commodity prices and trade, as well as currency devaluations, could have a negative impact on Africa's prospects for achieving the Sustainable Development Goals. Diversification of economies and investment in infrastructure were identified as vital approaches to sustainable development.

10. Several delegates noted that the graduation of low-income countries into the middle-income category presented challenges as graduating countries lost benefits accorded to low-income countries, including their ability to borrow from concessional windows.

11. The *Economic Development in Africa Report 2016* made a compelling case for revisiting debt sustainability and the debt sustainability framework. Delegations emphasized the high quality of the report's research and usefulness of its policy-oriented analysis on debt management.

12. Many delegations indicated that while Africa had made progress on debt management, the continent still faced major vulnerabilities. Further research on how to address debt challenges would be welcome, with UNCTAD playing a key role in this area (particularly the Debt Management and Financial Analysis System programme).

13. One delegate proposed a study on the impact of migration dynamics on remittances.

14. Many delegations called for further work on illicit financial flows, with a focus on how those flows could be prevented, curtailed or reversed.

15. Some delegations called for strengthening international cooperation to address the debt challenges in Africa, noting that without the international community's support, Africa was unlikely to mobilize the resources required to achieve the Sustainable Development Goals.

16. Several delegations indicated the importance of a coherent international economic environment in ensuring the implementation of debt sustainability, noting that developed country policies had a significant impact on African countries.

17. Some delegations noted that the *Economic Development in Africa Report 2016* did not contain a gender analysis. It was noted that challenges associated with lack of gender-disaggregated data precluded integration of a gender dimension in the report, though the disproportionate impact that debt crises had on women and poverty reduction was well recognized.

18. Some delegates identified their contributions to and programmes aimed at reducing the debt burden in African countries. Global partnerships were considered crucial in strengthening domestic capital markets.

19. Many delegations recommended that further attention should be given to the work of UNCTAD on debt, including at the annual session of the Trade and Development Board.

Many delegates noted that the *Economic Development in Africa Report 2017* should be discussed at the annual session of the Trade and Development Board, consistent with standard practice, as the discussion at the executive session was exceptional.

B. Panel discussion: Debt dynamics and development finance in Africa

(Item 3)

20. The Trade and Development Board held a panel discussion on the theme of debt dynamics and development finance in Africa. The panellists were the Director of Public Debt in the Ministry of Economy, Finance and Development of Burkina Faso; the Resident Representative of the African Development Bank in the United Republic of Tanzania; the Head of the Department of International Economics, Professor and Pictet Chair at the Graduate Institute of International Studies in Geneva, Switzerland; and the Deputy Executive Director of the Tax Justice Network–Africa, a pan-African tax advocacy group.

21. In opening the session, the secretariat highlighted the major issues that the *Economic Development in Africa Report 2016* addressed, including Africa's development finance needs, external and domestic debt dynamics and debt sustainability in Africa, and complementary modalities for financing development on the continent. The secretariat emphasized that, while the report proposed complementary modalities of financing, these were not intended to substitute overseas development assistance.

22. The Director of Public Debt at the Ministry of Economy, Finance and Development of Burkina Faso provided an overview of his country's debt status and national debt strategy (2014–2016). He noted that the strategy was a guide to make decisions in the short and medium term, to identify and achieve goals. With respect to the country's debt and economic situation, he noted that the economy of Burkina Faso was adversely affected by the decline in cotton prices, large budget deficits and had experienced a steep increase in debt and debt servicing payments, especially as domestic debt was very costly.

23. Burkina Faso needed to balance its financing needs while maintaining manageable debt levels. It aimed at reducing its debt levels to 50 per cent and mobilizing funding from traditional partners and other donors (including intraregional partners) in order to finance its mining infrastructure and social needs. He emphasized that debt should be compatible with a Government's appetite for risk. While Burkina Faso relied primarily on concessional debt, the country was exploring the mobilization of domestic resources (possibly through issuing bonds).

24. With debt sustainability being an enormous challenge for Burkina Faso given its financing needs, improving debt management and monitoring tools was vital for debt sustainability.

25. The Resident Representative of the African Development Bank in the United Republic of Tanzania noted that the *Economic Development in Africa Report 2016* was timely. She noted that countries needed to balance financing their development needs and avoid a debt crisis.

26. External debt portfolios needed to be closely monitored. With the growing increase in debt instruments (i.e. non-concessional loans, eurobonds etc.), there was also a need to avoid maturity mismatches and to strengthen countries' capacity to structure debt instruments.

27. Prudent management of public domestic debt in Africa was needed given the increase in the use of government bonds by commercial banks. Alternative financing options, including public–private partnerships, blended finance instruments, remittances/diaspora bonds as well as grants and loans and curtailing illicit financial flows were needed.

28. She also noted that debt should be used for trade or infrastructure financing, which generated high yields, rather than for consumption purposes. The secretariat added that structural transformation was crucial as it allowed growth at faster levels than debt growth. If debt had to be acquired, it should be used productively.

29. The Head of the Department of International Economics at the Graduate Institute of International Studies discussed debt sustainability analysis and frameworks and questioned the usefulness of current methodologies.

30. He noted that the methodology, on which the International Monetary Fund and regional development banks based their funding decisions, could be suboptimal and required rethinking, as they relied on forecasting of economic growth and countries' expenditures which was prone to a high margin of error. Given that long-term forecasting for low-income countries might be unrealistic, he proposed that decisions on concessional loans should be based on a country's economic performance after a loan rather than before.

31. Despite the decline in concessional loans, the current framework continued to be relevant as international financial institutions allocated large amounts of resources according to it and used it for policy advice.

32. The presentation of the Deputy Executive Director of the Tax Justice Network-Africa focused on Africa's looming debt crisis and the continent's prospects for mobilizing resources within that context. He indicated that Africa's current debt situation was similar to that of the mid-1990s when the Heavily Indebted Poor Countries Initiative was established.

33. He noted that the Addis Ababa Action Agenda had shifted the responsibility to developing countries. The recent reclassification of countries based on gross domestic product had led to low-income countries graduating to middle-income status following the rebasing of their economies, enabling them to take non-concessional loans on international markets.

34. The international financial architecture exposed African countries to debt crisis. He noted that the global financial architecture needed to be restructured as proposed by civil society organizations at the fourteenth session of the United Nations Conference on Trade and Development.

35. Illicit financial flows deprived Africa of important development resources. How illicit financial flows were defined and categorized at the international level was an issue of debate. He considered that that was a battleground, as it framed the discussion on tax avoidance and tax evasion, especially with regard to multinational corporations and their relation to illicit financial flows. The international community should play a role in supporting the curtailing of illicit financial flows.

36. The discussion that followed the panel presentations covered various issues, including clarification on the composition of illicit financial flows. Transfer pricing and trade mispricing were identified as key elements of illicit financial flows. It was noted that while there was no commonly agreed upon methodology on what constituted illicit financial flows, the approach applied by Global Financial Integrity was widely accepted. The Deputy Executive Director of the Tax Justice Network-Africa indicated that countries' agreements with multinational corporations needed a careful review as they often resulted in negative consequences for countries.

37. On whether there was a debt sustainability "floor", while there was no threshold to determine when a country's debt was unsustainable, a country's characteristics, such as its inability to service its debts, risk behaviour and robustness of institutions, were important factors.

38. On the issue of the decline in concessional debt, the secretariat noted that the decline was linked to low-income countries' graduation to middle-income status, as those countries

had less access to concessional loans. Also, Africa's robust growth allowed countries to borrow cheaply from a variety of sources resulting in fewer concessional loans.

39. The Director of Public Debt at the Ministry of Economy, Finance and Development of Burkina Faso emphasized that countries could no longer rely on traditional sources of financing, noting there was a clear need to explore new sources of funding, such as blended finance, and to acquire knowledge on how to manage those new sources.

C. Activities undertaken by UNCTAD in support of Africa

(Agenda item 2)

40. The UNCTAD secretariat presented the report on activities undertaken by UNCTAD in support of Africa (TD/B/EX(63)/2), noting that Africa had had robust growth and a significant increase in private capital flows such as foreign direct investment and remittances in recent years. The secretariat cautioned that growth had not led to structural transformation and, in forthcoming years, poverty would be increasingly concentrated in Africa. The achievement of the Sustainable Development Goals would greatly depend on socioeconomic developments in Africa.

41. In the presentation, the secretariat indicated that the report contained activities undertaken during the period May 2015 to April 2016, and highlighted role of UNCTAD in leading the United Nations Inter-Agency Cluster on Trade and Productive Capacity, supporting the African Group in preparing for negotiations at the Tenth Ministerial Conference of the World Trade Organization and supporting countries through UNCTAD cabinet briefings from which Madagascar and Malawi had benefited. UNCTAD expenditures in regional and country projects in Africa totalled \$12.5 million, almost one third of the organization's total project expenditure, with 7 projects under way at the regional level and 74 projects in 39 countries.

42. The secretariat highlighted examples of UNCTAD work on Africa in each thematic section of the report, namely:

(a) An analytical study on patterns in the cocoa industry and its impact on stakeholders in the value chain;

(b) Strengthening the capacity of Economic Community of Central African States to enhance development linkages in the extractive sector;

(c) Implementation of the eRegulation system of the United Republic of Tanzania in collaboration with the United Nations Development Programme; the eRegulation system was operational in 17 African countries;

(d) The development of Investment Policy Reviews for the Congo and Kenya, and Madagascar and Zambia;

(e) A manual developed by UNCTAD on improving food safety and sanitary standards to support the upgrade and diversification of fish exports;

(f) Diagnostic Trade Integration Studies updates conducted by UNCTAD for Djibouti, Ethiopia, Mali and the Niger;

(g) 29 countries benefited from the Automated System for Customs Data in 2015, and 22 countries were using the Debt Management and Financial Analysis System programme in Africa;

(h) Mainstreaming of gender by UNCTAD in its work and undertaking analyses on gender and trade.

43. Several delegations commended UNCTAD contributions to the 2030 Agenda for Sustainable Development, the Addis Ababa Action Agenda and the Tenth Ministerial Conference of the World Trade Organization.
44. The representative of one regional group noted that further work needed to be undertaken to address economic challenges that impeded Africa's growth, i.e. providing programmatic support in value addition and diversification. Several delegations noted that further work needed to be undertaken to implement the Nairobi Maafikiano. The secretariat noted that discussions in this area were ongoing.
45. One delegation indicated that, while Africa's economic prospects were promising, the continent faced risks in the areas of debt and growth, noting that UNCTAD work on policy analysis and capacity-building could help to address those challenges.
46. Several delegations noted the impressive level of technical engagement in African countries through staff missions and visits. Another delegation noted that capacity-building was a critical area that required additional support from the secretariat given that countries received limited support from regional organizations.
47. One delegation noted that UNCTAD needed to enhance the measurement of the impact and outcomes of its activities. The delegation expressed its appreciation for the launch of the Empretec programme in Kenya.
48. One delegation recommended that UNCTAD should focus on Africa's industrialization agenda following the recent adoption of United Nations resolution 70/293 on the Third Industrial Development Decade for Africa (2016–2025).
49. Another delegation noted with concern that the decrease in UNCTAD financial resources could have consequences for the organization's long-term work.
50. The representative of one regional group noted that UNCTAD should focus on the least developed countries, landlocked developing countries, small island developing States and Africa, and recommended that the findings of the *Trade and Development Report* be integrated into the work on least developed countries. The representative of another regional group encouraged UNCTAD to address data limitations on gender.
51. One delegation noted that improved information exchange on initiatives at the national level with diplomatic missions in Geneva prior to visits and missions in countries could provide a better understanding and appreciation of the organization's work. The secretariat noted that it had a coordination mechanism in place to ensure diplomatic missions in Geneva were informed of upcoming visits and missions to countries.
52. Some delegations expressed concern with regard to the merging of agendas into a single half-day session. They noted that the merging of activities into one session was an exception and unlikely to be repeated in future.
53. The secretariat noted that gender had been mainstreamed into UNCTAD work, including in programmatic and technical cooperation areas. In addition, all divisions had a gender focal point whose role was to bring to the fore issues related to gender. Also, regular training sessions were held for gender focal points to raise the importance of gender in the organization's work.
54. The secretariat mentioned the need to collect gender-disaggregated data, including elements on the involvement of women and youth in the informal economy in order to better address the challenges they faced. The secretariat noted that UNCTAD work on trade, gender and development addressed gender issues. Additional efforts would be made to explore how to further integrate gender into the organization's work.
55. The secretariat noted that assessing the impact of programme and/or policy-related activities presented challenges given that policy and programmatic initiatives were not

implemented immediately and their impact became evident in the medium to long term. The Diagnostic Trade Integration Study for Ethiopia, which informed the development of the country's Growth and Transformation Plan, was cited as an example of the impact of UNCTAD policy work.

56. On the thematic distribution of missions, the representative of one regional group noted that missions in support of structural transformation could be included under trade and regional integration and/or economic diversification.

57. One delegation recommended that forthcoming reports should highlight the successes and challenges of past activities, and provide a review of activities undertaken in the prior three years in order to highlight UNCTAD accomplishments.

C. *Trade and Development Report, 2016: Structural Transformation for Inclusive and Sustained Growth*

(Agenda item 4)

58. In introducing the *Trade and Development Report, 2016: Structural Transformation for Inclusive and Sustained Growth*, the Director of the UNCTAD Division on Globalization and Development Strategies linked issues in the report to the debate on whether globalization was still working. Despite rapid global growth during the first decade of the 2000s, income gaps within and between countries continued to widen. The current shortage of global aggregate demand emanating from developed countries, not rising protectionism, was behind the slowdown of global trade. Moreover, it was increasingly difficult for developing countries to replicate the structural transformation and income convergence observed in East and South-East Asia. Classifying the variable performance of other developing countries as stalled industrialization or premature deindustrialization, he emphasized three findings: (a) manufacturing mattered and helped to build linkages, enable economies of scale and promote learning (b) export-led growth had hit diminishing returns and worked best when pursued within a broader strategy that also strengthened capital formation and domestic productive capacity; and (c) a weakening also in developing countries of the profit–investment nexus, where firms used their profits for productive investment rather than for share-buybacks or financial investments. While those findings raised many policy issues, he emphasized industrial policy, with one approach being to embed industrial policy in an appropriate institutional setting, combined with global actions regarding competition, tax and technology policies.

59. The representatives of the following regional groups and delegations made general statements: Argentina, speaking on behalf of the Group of 77 and China; Namibia, on behalf of the African Group; Pakistan, on behalf of the Asia–Pacific Group; the Bahamas, on behalf of the Group of Latin American and Caribbean Countries; the European Union, on behalf of the European Union and its member States; Japan, on behalf of the JUSSCANNZ group; Bangladesh, on behalf of the least developed countries; and China.

60. The representatives of regional groups and delegations welcomed the publication and discussion of the *Trade and Development Report, 2016*. Many delegations expressed appreciation of the analysis and policy recommendations and considered them relevant, particularly in the prevailing global economic situation, insightful and useful for policymakers. The representative of one regional group underlined that this was a first opportunity to honour the commitment taken at the fourteenth session of the United Nations Conference on Trade and Development regarding a strengthening of the intergovernmental machinery of UNCTAD. Some delegations expressed concern regarding the short time available between the availability of the report and the meeting.

61. All delegations noted the fragile state of the global economy and the adverse spillovers of slow growth in developed countries into developing countries' economic

development. Some delegations expressed concern about the adverse effects of fragile growth on attaining the Sustainable Development Goals and implementing the Nairobi Maafikiano, while encouraging that the *Trade and Development Report, 2016* serve to further analyse the respective links. Some other delegations worried that the report was too alarmist and neglected that there was no crisis. Economic conditions still allowed for flexible action to move forward towards attaining the Sustainable Development Goals, as well as for the continued provision of development assistance and preferential market access.

62. Many delegations pointed to the continued importance of structural transformation for inclusive and sustained economic development. Some delegations stressed the role of industrialization for women's empowerment and encouraged UNCTAD to undertake further work in the area. Many delegations emphasized a holistic long-term development strategy with a pragmatic policy mix based on comprehensive policy coordination among the different economic areas. They underlined the role of the developmental state and industrial policies, while another delegation emphasized associated institutional requirements. Several delegations underlined required additional multilateral support, reform of the global economic architecture and stronger regional trade integration including in the form of South-South cooperation. One delegation called for a strengthening of the analytical capacity of UNCTAD with a view to stronger international cooperation, such as cooperation through the Group of 20 in support of developing countries, especially those in Africa.

63. The representatives of several regional groups hoped that agreed conclusions on the *Trade and Development Report, 2016* would be included in the executive session or at the next regular session of the Trade and Development Board in December 2016, while the representative of one regional group said that her group could not engage in such a discussion since the item had not been included in the meeting agenda.

64. The invited expert, the Chief Editor of *Alternatives Economiques* (Paris), who led the discussion, focused on the global trade slowdown and the current backlash against globalization. The current trade slowdown was not necessarily negative because it reflected the needed rebalancing of the global economy. Pre-crisis imbalances had shown that globalization was not working for the benefit of all. To address that shortcoming and avoid rising imbalances, income and consumption needed to expand in line with productivity growth. Multinational corporations played a particular role in fostering social, environmental and wage dumping and in diminishing fiscal revenues from illicit financial flows. Regarding tax evasion, he was concerned of double standards emerging, to the detriment of developing countries, should the ongoing reforms in developed countries not also be implemented in developing countries.

65. During the interactive discussion, one delegate emphasized the role of innovation as an engine for trade and industrialization, while another delegate argued that addressing both continued protectionism in developed countries and the biased structure of competition in global value chains would strengthen the link between trade and structural transformation. Another delegate stressed that tax issues were at the heart of questions on the benefits of globalization and encouraged UNCTAD to organize meetings on tax evasion and erosion. In response to issues raised by delegations, the UNCTAD Director said that emulating successful industrialization experiences was made difficult by a changed geopolitical context, where less official development assistance was made available, and by reduced policy space for policymakers in selecting instruments towards achieving structural transformation. He warned that further accumulation of private and corporate debt in developing countries could eventually cause a debt crisis and jeopardize attaining the Sustainable Development Goals.

III. Organizational matters

A. Adoption of the agenda and organization of work

(Agenda item 1)

66. At its opening plenary meeting, on 27 September 2016, the Trade and Development Board adopted the provisional agenda for the session as contained in document TD/B/EX(63)/1. Accordingly, the agenda for the executive session was as follows:

1. Adoption of the agenda and organization of work
2. Activities undertaken by UNCTAD in support of Africa
3. *Economic Development in Africa Report 2016: Debt Dynamics and Development Finance in Africa*
4. *Trade and Development Report, 2016: Structural Transformation for Inclusive and Sustained Growth*
5. Other business
6. Report of the Trade and Development Board on its sixty-third executive session

B. Other business

(Agenda item 5)

67. At the closing plenary meeting, on 11 October 2016, the President of the Trade and Development Board reminded the members of the Board that, on 23 September 2016, the Extended Bureau of the Board had approved the agendas of the eighth sessions of the Trade and Development Commission and the Investment, Enterprise and Development Commission, as well as of the agenda of the sixty-third session of the Board scheduled for December 2016. He informed the Board that he would include the agendas approved by the Bureau as annexes to the report of the Trade and Development Board (see annexes I, II and III).

C. Report of the Trade and Development Board on its sixty-third executive session

(Agenda item 6)

68. Also at the closing plenary meeting, the Trade and Development Board authorized the completion of the report after the conclusion of the meeting under the authority of the President.

Annex I

Provisional agenda for the eighth session of the Trade and Development Commission

1. Election of officers
2. Adoption of the agenda and organization of work
3. Reports of expert meetings:
 - (a) Multi-year Expert Meeting on Transport, Trade Logistics and Trade Facilitation
 - (b) Multi-year Expert Meeting on Commodities and Development
 - (c) Multi-year Expert Meeting on Trade, Services and Development
 - (d) Multi-year Expert Meeting on Promoting Economic Integration and Cooperation
 - (e) Multi-year Expert Meeting on Enhancing the Enabling Economic Environment at All Levels in Support of Inclusive and Sustainable Development
 - (f) Expert Meeting on Trade as a Tool for the Economic Empowerment of Women
4. Report of the Intergovernmental Group of Experts on Competition Law and Policy on its fifteenth session
5. Progress report on promoting and strengthening synergies among the three pillars
6. Other business
7. Adoption of the report of the Commission to the Trade and Development Board

Annex II

Provisional agenda for the eighth session of the Investment, Enterprise and Development Commission

1. Election of officers
2. Adoption of the agenda and organization of work
3. Report of the Multi-year Expert Meeting on Investment, Innovation and Entrepreneurship for Productive Capacity-building and Sustainable Development
4. Report of the Intergovernmental Working Group of Experts on International Standards of Accounting and Reporting on its thirty-second and thirty-third sessions
5. Progress report on promoting and strengthening synergies among the three pillars
6. Other business
7. Adoption of the report of the Commission to the Trade and Development Board

Annex III

Provisional agenda for the sixty-third session of the Trade and Development Board

1. Procedural matters:
 - (a) Election of officers
 - (b) Adoption of the agenda and organization of the work of the session
 - (c) Adoption of the report on credentials
 - (d) Provisional agenda for the sixty-fourth session of the Board
2. Evolution of the international trading system and its trends from a development perspective
3. Investment for development
4. UNCTAD contributions to the implementation of and follow-up to the outcomes of the major United Nations conferences and summits in the economic and social fields
5. Technical cooperation activities
 - (a) Review of the technical cooperation activities of UNCTAD
 - (b) Report on UNCTAD assistance to the Palestinian people
6. Matters requiring action by the Board in the follow-up to the fourteenth session of the Conference
7. Reports of the Working Party on the Strategic Framework and the Programme Budget
8. Other matters in the field of trade and development:
 - (a) Progressive development of the law of international trade: Forty-ninth annual report of the United Nations Commission on International Trade Law
 - (b) Report of the Joint Advisory Group on the International Trade Centre
9. Institutional, organizational, administrative and related matters:
 - (a) Report by the Chair of the Advisory Body set up in accordance with paragraph 166 of the Bangkok Plan of Action on the implementation of courses by the secretariat in 2015–2016 and their relevant impact; and the appointment of members of the Advisory Body for 2017
 - (b) Designation of intergovernmental bodies for the purposes of rule 76 of the rules of procedure of the Board
 - (c) Designation of non-governmental organizations for the purposes of rule 77 of the rules of procedure of the Board
 - (d) Review of the calendar of meetings
 - (e) Membership of the Working Party for 2017

- (f) Review of the lists of States contained in the annex to General Assembly resolution 1995 (XIX)
 - (g) Administrative and financial implications of the actions of the Board
10. Other business
 11. Adoption of the report

Annex IV

Attendance*

1. Representatives of the following States members of the Trade and Development Board attended the session:

Algeria	Kazakhstan
Austria	Kenya
Bahamas	Kuwait
Bangladesh	Mexico
Barbados	Pakistan
Belarus	Panama
Belgium	Paraguay
Brazil	Peru
Canada	Philippines
Comoros	Poland
Congo	Qatar
Côte d'Ivoire	Russian Federation
Cuba	Senegal
Djibouti	Serbia
Ecuador	Slovakia
Egypt	Sudan
Ethiopia	Togo
Finland	Tunisia
France	United Arab Emirates
Greece	United Republic of Tanzania
Guatemala	United States of America
Haiti	Venezuela (Bolivarian Republic of)
India	
Indonesia	
Iran (Islamic Republic of)	
Ireland	

2. Representatives of the following member of the Conference attended the session:

Holy See

3. Representatives of the following non-member observer State of Trade and Development Board attended the session:

State of Palestine

4. The following intergovernmental organizations were represented at the session:

European Union
 League of Arab States
 Organisation internationale de la francophonie
 Organization of Islamic Cooperation
 South Centre

* This attendance list contains registered participants. For the list of participants, see TD/B/EX(63)/INF.1.

5. The following specialized agencies or related organizations were represented at the session:

Food and Agriculture Organization of the United Nations

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

General category

International Network for Standardization of Higher Education Degrees
