

**Opening Remarks from Dr. Mukhisa Kituyi, Secretary-General of UNCTAD to the Trade and Development Board, 64th Session
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AS DELIVERED BY THE DEPUTY-SECRETARY GENERAL

Welcoming Remarks

- I bid you welcome to the 64th regular Session of the Trade and Development Board. As we return from the restful summer break, let us express our solidarity with those touched by recent extreme weather events, which in recent weeks have struck:
 - Dozens killed by Typhoon Hato in Hong-Kong China and Macau China
 - Over 1'200 who died from record monsoon rains in Nepal, Bangladesh and India
 - Over 1'000 died from record rains flooding and mudslides in Sierra Leone
 - Dozens who died from Harvey & Irma, some of the largest hurricanes ever recorded which have ravaged the Caribbean and Florida
 - Relentless drought in parts of Ethiopia and Somalia.
- Our thoughts and prayers are with those touched by this most recent expression of the cruel double-edged sword of climate catastrophe. May our collective efforts to implement the 2030 Agenda be made ever more urgent by the heavy weight of these pressing environmental challenges, and its links with unsustainable economic development.

Global Challenges

- As you know, **the world has been far from quiet** lately. There is much anxiety around the globe. Tensions in North East Asia in particular are at levels not seen in decades.
- At the same time, the issue of **international trade has taken on a new centrality in the geo-politics of exclusion** and extremism. A view of international trade has been revived focused on mercantilist self-interest rather than development-oriented mutual benefit.
- Consequently, in the year that has passed since our last TDB session **the global enabling environment has continued to be hindered by uncertainties** and weak demand. Compounding this fragile global economic situation, the dynamics of international solidarity and global partnership have also begun shifting amidst rising xenophobia.
- In many ways, **traditional political divisions in many parts of the world are giving way** to a rift between those who've benefited from globalization and those who have not.

- **We must unite as members of the UN family and rally to the defense of multilateralism** to confront and overcome these challenges. The answer to many of the challenges we face is spelled out in the SDGs and is the very DNA of UNCTAD as a development organization. Multilateralism is pivotal for delivering the triple promises of 2015 embodied in the Nairobi Maafikiano.
- The boldness of the 2030 agenda **requires equally bold changes in the development system**. The challenges facing developing countries are increasingly context-specific and integrated in nature, whether they are LDCs, LLDCs, SIDS, small and vulnerable economies, or middle income countries. And we must change how we work in order to renew the spirit of multilateralism called for in the SDGs and the Nairobi Maafikiano. The UN reform efforts called for in the recent December 2016 QCPR resolution are offering us an opportunity and an impetus to align all of our efforts.

United Nations Reform

- **Efforts to reposition the UN development system** towards better support for Agenda 2030 have significant and direct implications for UNCTAD.
- Increased attention to the **humanitarian-development-security nexus** has led to greater focus on the role of prevention, tackling root causes, and finding synergies between human rights, development and security. The focus on sustaining peace is critical and necessary, but also requires continued focus on productive capacity and infrastructure development, for the long-term benefit of the growth and transformation that underpin sustainable peace.
- As part of the repositioning of the UN Development System, the entire United Nations is increasingly **called upon to take a thought leadership role**, identifying and leading collective international responses to “frontier issues.” This is at the core of our competences at UNCTAD. In discharging its responsibilities, however, UNCTAD will need also to collaborate more deeply and work more closely with other actors engaged in activities that touch on UNCTAD’s diverse areas of work.
- Under tightening fiscal constraints and their implication for regular budget, **reliance on extra-budgetary resources is growing**; indeed, they already constitute the bulk of resources used to fund UN development activities, and their share of total resources is rising. Given the constrained fiscal environment, and the demand for greater field presence, designing and implementing programmes that deliver concrete results is a daunting test for UNCTAD at this definite moment.
- **Clear ideas and concrete actions are called for**. We need to be as explicit as possible and give life to the 2030 Agenda as the defining agenda of our time. To rally to the defense of multilateralism we must take a more holistic view towards sustaining peace, promoting prevention through development.

- **Some of the key elements of the proposed UN reforms** are particularly relevant to UNCTAD:
 - The reforms outlined by SG Guterres in his Report to the Membership in June 2017 focus on *moving the system from MDGs to SDGs* – this is an area where we are ahead of the curve given the Nairobi Maafikiano spells our way forward.
 - The reform proposals outline the need for a *stronger focus on financing for development* -- this too is an opportunity foreseen by your creation of the IGE on FfD that begins its deliberations this fall.
 - The proposal calls for *a new generation of country teams focused on programs and policy, not projects*. Again this is an opportunity for harnessing existing mechanisms like the CEB Cluster on Productive Capacity which we lead.
 - The proposals also state that *reforms in the field need to be accompanied by reforms in HQs* – this is part of how we are taking Maafikiano implementation forward. We are focused on getting our ideas out of Room 26 and into the hands of policy makers at country level.
 - Finally, the UNSG is also proposing *a deeper discussion on funding*. Our unfunded TC database shows the excess demand for services. Our high-level of self-funded programs testifies to our client’s fidelity. We need to be creative harnessing new sources – including together with the private sector, civil society and foundations.
- This push should not blur the obligations and commitments of member states through the regular budget. However, **we must keep the conversation open, iterative and constructive**, and it is my intention that our conversations about implementing the Maafikiano are the same.

Maafikiano Implementation

- UNCTAD 14 took us “from decisions to actions” – **now one year later we are busy turning actions into results.**
 - The Nairobi Maafikiano lays out a clear role for UNCTAD to deliver integrated policies for productive capacity.
 - In addition the Maafikiano reaffirmed and strengthened UNCTAD’s role in financing for development, and as focal point in the UN system for the integrated treatment of trade and development, supporting gainful integration of developing countries into the international economy, as we have for more than 50 years.
- As we complete this first year of Maafikiano Implementation, it’s important to acknowledge that in light of the challenging external context, **our approach is balancing**

agility with prudence. We have prioritized those elements of the Maafikiano that are the newest, and the most impactful, particularly given the challenge of early harvest goals in the SDG.

- This was the case **for our work this year on the Ocean’s economy and SDG 14, the only other goal besides SDG 17 explicitly mentioned in the Maafikiano.**
 - The gravity of the challenge facing our oceans is one of the most pressing issues we face, and is why it is an “early harvest” SDG.
 - In order to tackle these concerns by 2020, UNCTAD, FAO and UNEP are expanding the dialogue and technical cooperation support to Member States on trade-related aspects of SDG 14.
 - We also working to enable the political momentum for ending fish subsidies begun by our Roadmap at UNCTAD 14 to pick up pace even further in advance of MC11 in Buenos Aires.

- As world trade remains stagnant, the Maafikiano spells out **a stronger work program on the digital economy to help developing countries benefit** from this new source of trade.
 - In April UNCTAD’s e-Commerce week saw the launch of our e-Trade readiness surveys, which have now been piloted in Bhutan and Cambodia.
 - We have also used e-Commerce as an issue to drive cross-divisional collaboration and delivering as one UNCTAD – e-commerce and the digital economy are the focus of the upcoming Information Economy Report 2017, but were also key topics in this year’s World Investment Report and Trade and Development Report.
 - And preparations for the inaugural IGE on digital economy are well underway, following your deliberations earlier this year. This group of experts will offer a new avenue for substantive deliberation to help feed UNCTAD work into the broader debate on this fast paced topic, in parallel with the group of experts deliberating on financing for development.

- Amidst the changing climate, **the global South is coming into its own as *de facto* defender of globalization and multilateralism, as foreseen at UNCTAD 14.**
 - UNCTAD contributed to the “*Belt and Road*” Forum this past Spring and have a new MoU with the Gov’t of China. Cooperation focused on infrastructure development and connectivity has massive potential to link developing regions both physically and virtually.
 - Our concrete steps in favor of the Trade Facilitation Agreement, which came into force this past year play a vital role in the transit and soft infrastructure linking

Asia to Africa and Europe, as I discussed with Eurasian leaders in Viet Nam in March.

- And the spirit of Southern solidarity was also furthered through our contributions to the BRICs Trade Ministers summit most recently this past Month.
- Our growing “smart partnerships” with **the private sector are driving technological change and empowering development.**
 - Young people and marginalized groups are looking to the potential of the private sector to help empower them as entrepreneurs, and with the new digital economy this is increasingly possible. The first frontier where private sector dynamism can drive this bottom-up transformation is in Africa.
 - I welcomed UNCTAD’s Special Adviser for Young Entrepreneurs and Small Business, Mr. Jack Ma, to Africa for the first time in July to visit Nairobi and Kigali, to appreciate the importance and potential of Africa, as a digital frontier on the leading edge of innovation that will drive the next phase of globalization.
 - Among the commitments that emerged from the trip were promising opportunities for stronger future South-South smart partnerships, including a pledge to train entrepreneurs from 100 developing countries, as well as a \$10 million grant for innovative start-ups in Africa over the next one year.
- Another key pledge of the Maafikiano was to **strengthen our work on LDCs**
 - In July ECOSOC recognized our important role measuring and identifying obstacles to productive capacity in LDCs in the Report of the Committee on Development Policy, which encourages UNCTAD to further this work which contributes to LDC graduation.
 - Intense inter-divisional and inter-agency collaboration between ALDC and DIAE together with OHRLLS are offering the CEB new options for coordinating UN-system wide support to investment in LDCs.
 - In addition the quarterly Investment Trends and Investment Policy Monitors have now started looking specifically at the trends with respect to investing in LDCs.
- **Our work in Africa has continued to be of central importance**, as exemplified by our Regional Office in Addis Ababa, where we are expanding the small but efficient team.
 - The UNCTAD Africa Office has been expanding support to CFTA negotiations, in addition to extending the network of our enterprise training centres in Africa, as well as strengthening trade facilitation institutions and operations across Africa.

- ALDC is also intensifying support of African LDCs and their structural transformation and infrastructural development. This past year our focus has been on the Ethiopia – Djibouti corridor, which once implemented will be a game changer for industry and trade in the region.
- Finally, our work on **Competition Policy and Consumer Protection**, which was also expanded by the Maafikiano, has grown markedly by this year, particularly in support to the G-20 work on digital economy and consumer policy.
 - This work is particularly important in terms of the support we can offer to middle-income countries, and Economies in Transition.
- Our office in NY has continued to offer support to Member States delegations and to enhance our visibility and engagement with NY-based agencies especially in the development pillar.

Going forward and “Phase II”

- Going forward we will **continue our efforts putting UNCTAD’s three pillars to work in the service of productive capacity** in developing countries.
- I have addressed already many of the substantive changes that have been undertaken since UNCTAD 14, now allow me to speak to an issue on many of your minds – the so-called **“Phase II” of the inter-governmental revitalization**, called for in the Maafikiano.
- I have shared with you my anticipation for the work of the IGEs that will begin this fall, which help guide the substantive side of some of this revitalization laid out in “Phase I”. And as I shared with you at the outset, **my own approach to Maafikiano implementation, given the tense external context, has been to temper agility with prudence.**
- **I have consulted widely with you over the past year** through my travels and my informal discussions with many of you in Geneva. I have benefitted from the Reflections Exercise conducted by the President of the TDB with the cooperation of the Members and I thank you for your efforts. I also continue to consult internally with my Directors and experts on how best to integrate the strengthening of the other pillars – technical cooperation and research & analysis – with the call for a revitalized intergovernmental process.
- First I wish to highlight that a key aspect of our Phase II revitalization, in order to feed into other intergovernmental processes more effectively, is a very simple reform, which I call on you to support right now at this meeting. **The timing of the TDB needs to change** in order to make our deliberations more effective and impactful given the broader intergovernmental calendar.

- This TDB we are piloting a three-day high-level segment, before the regular session takes place later this week and next. I would propose that during this session, you should decide to schedule the next regular TDB session's high level segment, not for next fall, but for next Spring before the summer break.
- This is a logical and easy move as it will permit you to consider the outcomes of the IGEs before the HLPF/ECOSOC and before next years' GA session.
- This is also logical as it will permit for more high level representation in the Spring. You all know that the conflict with the GA and with the HRC means that we cannot always enjoy participation at the highest level at the TDB Fall Session, and this has consequences for the visibility of your deliberations.
- **Secondly, many of you have called for an assessment of the progress on various paragraphs of the Maafikiano**, including by SDG and by expenditures.
 - Allow me to remind you of a key difference between the Maafikiano and previous UNCTAD mandates – something which many of you cited in the Reflections Exercise to differing degrees. You will recall that **UNCTAD 14 was negotiated, not by divisional sub-themes, but by cross-cutting subthemes**, as a unified whole addressing the trade and development challenges *in an integrated manner*.
 - I am convinced that this approach has been further validated by the UN reform discussions. As I articulated in my message around UNCTAD's action lines in the Report of the Secretary-General to UNCTAD 14, I intend to continue making UNCTAD deliver more effectively as one, in particular vis-à-vis the **cross-cutting actions by which UNCTAD contributes to the SDGs**. Not through standalone silo-like Divisional work programmes. Cross-divisional collaboration must become the rule in UNCTAD, not the exception.
 - This as you know will not happen overnight. Therefore, **what may seem like a simple paragraph by paragraph accounting exercise of looking at themes and activities in a matrix is actually part of broader much more in-depth discussion within the Secretariat** about how we work together and in partnership with others. And I assure you we are having this discussion internally, and we will keep you up-to-date.
- We are one year into implementation of the Nairobi Maafikiano, but this means we are but **one year away from the Mid-Term Review**. It is my intention that this internal reflection be resolved in time for the Mid-Term Review next year. And indeed many of our broader questions about UN Reform will also be resolved by then.
- In the meantime, it is my intention to create **a special group of "Friends of UNCTAD" composed of eminent persons**, whom I shall use as a sounding board for our internal reflections.

- It is my intention that our Mid-Term Review leave us with not only a full appreciation of the revitalized role of the strengthened UNCTAD called for in the Maafikiano, but also **a basis to begin the negotiations for UNCTAD 15.**
- **Thank you for your kind attention.**