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TRADE AND DEVELOPMENT BOARD
**Commission on Trade in Goods and Services,
and Commodities**

Ninth session

Geneva, 14 – 18 March 2005

Agenda items 3, 4, and 5

Agreed recommendations**

1. The Commission expresses satisfaction with the secretariat's implementation of the recommendations of the eighth session and its contributions to intergovernmental deliberations and consensus building in research and policy analysis, technical assistance and capacity building. It appreciates in particular the policy and technical analyses provided in the documentation for the ninth session. It also welcomes the useful contributions by the eminent personalities and panelists in the panel discussions during the ninth session. The Commission further expresses appreciation to all donors contributing resources to the Trade Sub-programme of UNCTAD. In all these areas of work, particular consideration should be given to the needs of least developed countries (LDCs).

A. Trade and Millennium Declaration goals

2. In view of UNCTAD's contribution to the implementation of international development goals, including those contained in the Millennium Declaration, and to the 2005 comprehensive review of the latter, the Commission recommends that UNCTAD should:

* Reissued for technical reasons.

** As agreed by the Commission on Trade in Goods and Services, and Commodities, at the closing plenary meeting of its ninth session on Friday, 18 March 2005.

- (a) Contribute to the mainstreaming of development into international trade and trade negotiations, in particular the Doha negotiations, through its work on consensus-building, analytical work, technical assistance and capacity building, in line with the mandate contained in the São Paulo Consensus;
- (b) Contribute to the preparatory process for the high-level plenary meeting of the General Assembly to review progress in fulfilment of commitments contained in the UN Millennium Declaration in September 2005, in particular on the role of trade and trade negotiations in the achievement of development objectives and targets; and
- (c) Support capacity building efforts in developing countries in trade policy formulation, trade negotiations, including WTO accession negotiations, and commodities, as provided in the São Paulo Consensus (paragraph 95). It should also strengthen technical assistance to address the special needs of developing countries, in line with paragraph 66 of the São Paulo Consensus.

B. New and dynamic sectors of world trade

3. The Commission takes note of the report of the Expert Meeting that launched the process of sectoral review of new and dynamic sectors in world trade and considered outsourcing of IT-enabled services; renewable energy products, including bio-fuels; and textiles and clothing. It welcomes the particular attention given to the needs of developing countries, including LDCs. It decides that annual sectoral reviews of new and dynamic sectors of world trade should continue to be held by an expert meeting. It also recommends that UNCTAD undertake capacity building activities at national, subregional and regional levels through pilot projects to assist developing countries to participate in such sectors, including those contained in the report of the Expert Meeting (TD/B/COM.1/EM.26/3). The Commission invites donor countries and institutions to support such capacity-building efforts.

C. Market access, market entry and competitiveness

4. The Commission agreed that UNCTAD should enhance its work on the interrelationships between market access, market entry and competitiveness factors and their impact on exports of developing countries. UNCTAD should also examine the effects of non-tariff barriers. It should continue to work on the challenges and opportunities of trade liberalization, particularly in the area of preference erosion, as well as utilization and improvement of preferential schemes. UNCTAD should continue to support South-South trade initiatives, including the GSTP.

5. The Commission took note that the Fifth UN Conference to Review All Aspects of the Set of Multilaterally Agreed Equitable Principles and Rules for the Control of Restrictive Business Practices that will take place in Antalya (Turkey) in November 2005 should provide a good opportunity to address anti-competitive practices that affect effective market entry of exports of developing countries.

D. Commodities

6. As emphasized in paragraphs 64, 74 and 100 of the São Paulo Consensus, and as a contribution to fulfilling the international development goals, including those contained in the Millennium Declaration, and taking note of the report of the Expert Meeting on Financing Commodity-based Trade and Development: Innovative Financing Mechanisms (TD/B/COM.1/EM.24/3), UNCTAD should:

- (a) Continue to implement a comprehensive approach in its efforts to contribute to commodity sector development, diversification and more effective participation in the supply chain, and in this regard implement fully the tasks assigned to it;
- (b) Establish as soon as possible the International Task Force on Commodities, announced at UNCTAD XI in São Paulo; interested donors and institutions are invited to contribute to operationalizing the Task Force;
- (c) Enhance its work in the area of commodity finance, in both the conceptual development of innovative schemes and assistance in their implementation, focusing on the contribution of finance to the generation by the commodity sector of overall development gains and benefits, and the dissemination of successful approaches; and
- (d) Implement strong and broad-based capacity- and institution-building programmes in this area, covering both the public and the private sectors and national and international policies and actions.

7. The Commission invites the international donor community to enhance extra-budgetary support to UNCTAD in fulfilling its mandate in the area of commodities.

E. Trade in services and development implications

8. In line with São Paulo Consensus paragraph 99, and taking note of the report of the Expert Meeting on Trade and Development Aspects of Professional Services and Regulatory Frameworks (TD/B/COM.1/EM.25/3), UNCTAD should continue to strengthen its policy-oriented analysis, consensus building and capacity-building activities on services, with the support of the donor community, to contribute to assuring development gains for developing countries in the following areas:

- (a) Assisting developing countries in strengthening their domestic supply capacities and increasing their participation in services trade;
- (b) Carrying out assessments of trade in services in line with paragraph 95 of the São Paulo Consensus;
- (c) Undertaking sector-specific studies in areas, sectors and modes of interest to developing countries;

- (d) Deepening work on business and professional services in the areas identified in the above-mentioned report of the Expert Meeting, including outsourcing of such services;
- (e) Helping develop capacities in developing countries to establish their own negotiating priorities and negotiate trade agreements, including on GATS and regional trade agreements; and
- (f) Analysing domestic regulations and GATS rules from a development perspective.

F. Trade, environment and development

9. UNCTAD should continue its policy-oriented analysis, consensus building and capacity building activities, with the support of the donor community, in the areas of trade, environment and development, and in particular:

- (a) Further develop the Consultative Task Force (CTF) on Environmental Requirements and Market Access for Developing Countries, as a project-based activity; and encourage interested member States to participate actively in relevant country- and sector-specific CTF activities;
 - (b) Strengthen its work under the BioTrade Initiative, in particular national BioTrade programmes, and follow up partnerships launched at the World Summit on Sustainable Development and at UNCTAD XI to promote trade, export diversification and investment in biotrade;
 - (c) Assist developing countries to make use of the trade and investment opportunities arising from the Kyoto Protocol, including the Clean Development Mechanism (CDM), as a project-based activity;
 - (d) Continue and strengthen its work on environmental measures affecting trade of developing countries, and in the area of environmental goods and services;
 - (e) Assist developing countries in identifying tariffs and regulatory measures affecting trade in renewable energy goods and equipment, in ascertaining which developing countries have - or can develop - the capacity to supply components for such equipment, and in their possible inclusion under the mandate provided for in paragraph 31(iii) of the Doha Ministerial Declaration; and
 - (f) Continue exploring trading opportunities for environmentally preferable products; the Commission welcomes the work carried out by the International Task Force (ITF) on Harmonization and Equivalence in Organic Agriculture of UNCTAD, FAO and the International Federation of Organic Agricultural Movements (IFOAM).
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