UNITED NATIONS CONFERENCE ON TRADE AND DEVELOPMENT

Report of the Trade and Development Board on its twenty-fifth executive session

held at the Palais des Nations, Geneva, on 22 September 2000



Distr. GENERAL

TD/B/EX(25)/5 8 December 2000

Original: ENGLISH

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Chapter I

UNCTAD'S CONTRIBUTION TO THE IMPLEMENTATION OF THE UNITED NATIONS NEW AGENDA FOR THE DEVELOPMENT OF AFRICA IN THE 1990S: ACTIVITIES UNDERTAKEN BY UNCTAD IN FAVOUR OF AFRICA

Agenda item 3

1. For its consideration of this item, the Board had before it the following documentation:

"Activities undertaken by UNCTAD in favour of Africa" (TD/B/EX(25)/2).

- 2. UNCTAD's Special Coordinator for Africa, introducing the report, drew attention to progress made in the work of the secretariat in the substantive analysis of African economies. Considerable progress had been made in advisory services on technical assistance programmes of UNCTAD, including the Joint Integrated Technical Assistance Programme (JITAP). As requested by delegations, an independent evaluation of the programme was under way, the results of which would be available to the three organizations concerned by the end of September. As to the Integrated Framework, a meeting of the six core agencies had been held in New York during the Preparatory Committee for the LDC Conference. A trust fund of some US\$ 20 million was envisaged. However, very little had been paid into the fund. Considerable work had been done in the context of the UNDP/UNCTAD Technical Assistance Programme for Africa in the area of trade policy and negotiations in preparation for African countries' participation in the Seattle Conference of the WTO. Progress had also been made in the development of a framework for action on diversification of African economies, which had been discussed in the meeting organized by OSCAL in New York and further in the context of the Steering Committee of the United Nations System-wide Special Initiative on Africa (UN SIA) in Addis Ababa. Activities in the programme of assistance on services had been expanded to include a music industry project at the request of SADC. The Trade Point programme in Africa had not advanced owing to lack of financing and the fact that funds promised had not materialized. Assistance in debt management and support for African countries in the context of the Paris Club negotiations had continued. Work on investment had also gathered momentum with a view to outlining investment opportunities in Africa. As delegations had requested, wherever possible the impact of the work had been referred to in the secretariat's document. He regretted the delay in the availability of the documentation due to circumstances beyond the control of the UNCTAD secretariat.
- 3. The spokesperson for the **African Group** (Ethiopia) expressed appreciation to the UNCTAD secretariat for its tireless work in support of Africa. The African Group reiterated its support for the establishment of the Africa subprogramme and considered paragraph 110 of the Bangkok Plan of Action (TD/386) to be one of the Conference's major achievements. Now the time had come for a comprehensive review of the implementation of the UNNADAF. The research and policy analysis of UNCTAD on development challenges and prospects for Africa was of enormous value. While the JITAP had given certain tangible results, the African Group reiterated the need for the expansion of the programme to other

countries. The implementation of the Trade Point programme in Africa remained dismal, and bilateral and multilateral donors were encouraged to step up their contributions to the programme. Lack of progress in the implementation of the Integrated Framework was a serious source of concern, and the UNCTAD secretariat needed to play a more visible role therein. The Secretary-General was urged to take the necessary action to fill the post of Special Coordinator for LDCs as soon as possible.

- 4. The representative of **Bangladesh**, speaking on behalf of the **LDCs**, said that his delegation welcomed initiatives to assist Africa. Regular demands had been made for the extension of the JITAP to other countries, and his delegation supported those demands. Progress in the implementation of the Integrated Framework was disappointing since not a single project had been undertaken in that context in any of the LDCs. Expressing the hope that the EU would take additional initiatives during the next LDC Conference, he urged other major trading partners as well to provide duty-free and quota-free access to products from LDCs. UNCTAD's technical assistance programmes needed to be enlarged and made more action-oriented, and in this context the establishment of the Advisory Group for the implementation of paragraph 166 of the Bangkok Plan of Action was necessary.
- 5. The representative of **Switzerland** expressed concern over the lateness of the documentation. With regard to the JITAP, his country was awaiting the results of its evaluation before making a pronouncement thereon. As to the Trade Points, Switzerland would continue to support the current strategy, i.e. the progressive disengagement from the programme by the secretariat and the transfer of the programme to a non-profit organization, as well as the creation of an independent trade point network.
- 6. The representative of **South Africa** expressed satisfaction with the secretariat's work in contributing to the UN-NADAF and commended UNCTAD for its policy-oriented research in the areas of importance to Africa. The work by UNCTAD on capacity building in international trade issues was of great benefit. His delegation was awaiting the results of the evaluation of the JITAP and its extension to more countries and noted with satisfaction the inclusion of commercial policy courses for African countries under paragraph 166 of the Bangkok Plan of Action. The slow pace of the development of Trade Points in Africa was a source of concern.
- 7. The representative of **Egypt** noted that the annual executive sessions devoted to discussions of UNCTAD's work on Africa demonstrated an appreciation of the specificities of the challenges facing African countries and the importance of the role played by UNCTAD in support of them. The realities on the ground showed that the African continent was still far from ridding itself of the chronic problems faced for decades, and this posed the question as to whether the initiatives taken by the UN and others had been sufficient to meet the challenge. She stressed the need to expand the scope of the JITAP to include other countries, as well as to expand the implementation of CAPAS, and she called on the secretariat to take practical steps to increase the benefits that the African countries derived from them. While welcoming the steps taken by the Working Party with regard to the establishment of the subprogramme on Africa, she hoped that the secretariat would make this subprogramme effectively operational. She also highlighted the need for intensified work on establishing and

operationalizing Trade Points in African countries, as well as for a regional federation for them. In concluding, she requested that additional seminars on promotion of investment and investor targetting, such as the one recently convened in Cairo, be organized in other African countries.

- 8. The spokesperson for the **Latin American and Caribbean Group** (El Salvador) said that developed creditor countries should help resolve the critical debt situation of sub-Saharan Africa and LDCs in accordance with the appeal made by UNCTAD for the cancellation of unpayable debt. Likewise, securing sufficient financing for development for the region was essential. His Group supported the technical assistance provided by UNCTAD to Africa and urged Africa's developed partners to provide the material assistance necessary to raise living standards in the continent. It was regrettable that the initiative for free access for LDC exports of agricultural goods and textiles had not been approved by the developed countries.
- 9. The spokesperson for the **Group of 77 and China** (Islamic Republic of Iran) said that his Group attached great importance to enhancing UNCTAD's research and analysis capacities and the provision of advisory services and technical assistance to developing countries, in particular the weaker economies. Africa's development was at the forefront of the international development agenda. Much useful work had been undertaken by the UNCTAD secretariat in the analysis of Africa's development problems. Many countries in other developing regions shared the concerns and the problems faced by African countries and LDCs, and the secretariat should, in its analyses and wherever possible, apply the experiences of other regions. In this context, the secretariat should also seek to analyse further the potential of South-South trade and economic cooperation, an area where UNCTAD had been seen to be wanting in the past few years.
- 10. The representative of **France**, speaking on behalf of the **European Union**, underlined the interest of the EU for African development and in this context referred to the new Convention between the EU and the ACP signed in June. Thanking the secretariat for providing an overall view of UNCTAD's activities in favour of Africa, he stated that more information on inter-institutional cooperation in support of UNCTAD's activities was required. While commending the precise nature of the document and its quality, he regretted its late distribution to delegations.
- 11. The representative of **Senegal** underlined the objectives of the UN-NADAF, as well as other international targets such as those for ODA and reduction of poverty. In the light of those targets, it would be necessary to reinforce the capacity of the Coordinator for the subprogramme on Africa, in particular in order to analyse the implementation of measures designed to meet these targets. In this context, he welcomed the remarkable analysis undertaken by UNCTAD in its recent study on *Capital Flows and Growth in Africa* and hoped that this would generate a debate leading to a solution for Africa's development finance requirements. Referring to paragraph 110 of the Bangkok Plan of Action, he expressed the hope that sufficient financial, technical and human resources would be placed at the disposal of the subprogramme on Africa in order for it to be able to undertake effective and coherent work and analyses in favour of Africa.

- 12. The representative of **Sudan** drew attention to the low level of development in Africa and expressed the hope that a review of the UN-NADAF would identify action and cooperation programmes required to help Africa integrate into the world economy. Trade Points were operational in only three African countries, which was not a satisfactory situation, and the delay in assisting the African countries in this regard was a source of concern. His delegation supported the proposal for the establishment of an African Trade Point Federation. Many developing countries were facing difficulties with regard to their accession to the WTO, and UNCTAD needed to provide support to these countries in their accession process, which he hoped would also benefit from the cooperation of other members of the WTO.
- 13. The representative of **Norway** expressed appreciation for work done in UNCTAD in support of Africa in a number of fields, including in the areas of investment and debt management through the DMFAS programme. UNCTAD's activities needed to be firmly based on its mandate and should be part of a system-wide effort for the implementation of the UN-NADAF. Its activities and programmes at the country level should be closely integrated with ongoing processes such as the United Nations Development Assistance Framework (UNDAF), the common country assessment (CCA) and the comprehensive development framework (CDF). Norway supported the JITAP and the Integrated Framework and looked forward to JITAP's evaluation. The report presented by UNCTAD could have benefited from greater attention being paid to the impact of activities carried out by the secretariat.
- 14. The representative of **Uganda** commended UNCTAD's analyses on Africa over the past years, and particularly its development perspective. The analyses undertaken had shown that Africa had benefited least from the process of globalization, and therefore UNCTAD needed to help empower Africa to integrate in the world economy. The JITAP needed to be extended to other beneficiaries, and his delegation looked forward to the evaluation of the programme. He welcomed UNCTAD's technical assistance in the area of trade to prepare African countries for negotiations in the context of the WTO but expressed concern that no progress had been made in respect of contributions to the Integrated Framework trust fund. Action was required for the diversification of African economies owing to their commodity dependence, and in this context he looked forward to the regional project on capacity building for diversification and commodity-based development. While he welcomed investment guides prepared by UNCTAD, UNCTAD was encouraged to promote South-South cooperation and learning through other development experiences. Turning to the question of LDCs, he expressed the hope that the Director-in-charge would give his full attention to the success of the Third UN LDC Conference. The follow-up to the Conference would require adequate staffing.
- 15. The representative of the **United Republic of Tanzania** said that his delegation supported the ongoing initiatives that focused on the development of Africa but these initiatives needed to move beyond their present status in order to achieve concrete and tangible results. The problems confronting African countries and the LDCs needed to be resolved. These problems included debt, development assistance, foreign direct investment, provision of market access for all products from LDCs, and the transfer of technology. It was time to stop the marginalization of Africa and particularly the LDCs in a globalizing world

economy. In this connection, LDCs were looking forward to a successful outcome to the Third LDC Conference.

- 16. The representative of **Kenya** said that, in the context of the ongoing debt servicing negotiations, the assessment of trade in services was important for African countries, and the secretariat was encouraged to incorporate that issue in its ongoing work, as UNCTAD's role as a repository of trade data was well recognized. At a recent OAU Ministerial Meeting in Cairo, African Ministers had decided that UNCTAD should make the availability of resources to the new subprogramme on Africa a priority. The Secretary-General of UNCTAD and the secretariat were held in high esteem by African countries, and the secretariat was encouraged to continue the good work.
- 17. The representative of the **Democratic Republic of the Congo** expressed concern as to the number of Trade Points established in Africa and the fact that funding was insufficient to expand the programme in the continent. If Africa was to integrate into the world economy, it would need to have access to the international trading system and to be able to market its goods. This was why it was important that funds be placed at the disposal of UNCTAD for the development of Trade Points and the Trade Point network in Africa. It was also imperative to encourage international investors to invest in Africa. This could be done through a better recognition of the existing potential in the continent. While recognizing the need for assistance to Africa, it was imperative that the international community should seriously help African countries to fight against capital flight from the continent, without which it would be difficult for African countries to increase their levels of savings and investment. International solidarity was therefore required to deal with the situation.
- 18. The representative of **Portugal** said that his country, together with UNCTAD, had organized several activities in favour of Africa, notably the LDCs. These activities had proven to be fruitful and Portugal looked forward to continued cooperation with UNCTAD in these areas. He regretted the lateness of the documentation, which had prevented his delegation from participating fully in the debate.
- 19. The representative of the **European Community** said that the proposal for duty-free and quota-free access of LDCs' exports to the EU, with the exception of weapons, was under consideration in the European Commission. According to the institutional structure of the organization, it would be up to the Council, its member States and the European Parliament to decide on the proposal. Independently of the proposal, 99 per cent of exports from LDCs, the majority of which were in Africa, already enjoyed duty-free and quota-free access within the EU. The EU had invited other industrialized countries and developing countries able to do so to follow a similar policy.
- 20. The spokesperson for the **African Group** (Ethiopia) suggested that, as certain delegations had had difficulty in contributing to the discussion on this item, time should be allotted at the regular session of the Board for them to reflect their views and thoughts on these matters.

Chapter II

PREPARATIONS FOR THE FORTY-SEVENTH SESSION OF THE TRADE AND DEVELOPMENT BOARD

Agenda item 3

- 21. The Board was informed of the state of preparations for the high-level segment of its forty-seventh session, the theme of which would be regional integration and the global economy.
- 22. The representative of the **United Kingdom** said that, in her address to the Board at its forty-seventh session, the United Kingdom Secretary of State for International Development would discuss the theme of intellectual property, international public goods and health. That theme spanned the area of responsibility of a number of agencies and organizations in Geneva besides UNCTAD, including WHO, UNAIDS, WIPO and WTO. It was highly relevant for LDCs, because the topic of health would be taken up at the Third UN Conference on LDCs, but it would also be of interest to a broad spectrum of countries, both developed and developing.

Chapter III

REPORT OF THE JOINT ADVISORY GROUP ON THE INTERNATIONAL TRADE CENTRE UNCTAD/WIPO ON ITS THIRTY-THIRD SESSION

Agenda item 4

- 23. The representative of **Germany**, speaking in his capacity as Vice-Chairman of the Joint Advisory Group, introduced the Group's report (ITC/AG(XXXIII)/181). With regard to the announcement or confirmation of possible volutary contributions to ITC, on behalf of the Group he expressed gratitude to the Governments of Canada, Cyprus, China, Denmark, France, India, Italy, the Netherlands, Norway, Sweden, Switzerland and Turkey and to the Islamic Development Bank and the Agence intergouvernementale de la Francophonie. *Action by the Board*
- 24. The Board took note of the report of the Joint Advisory Group on its thirty-third session.

Chapter IV

OTHER BUSINESS

Agenda item 6

1. Timing of the cycles of UNCTAD Conferences and the UN programme budget

25. The representative of **Uruguay** said that, as had been made clear at the thirty-sixth session of the Working Party, UNCTAD was experiencing serious problems in coordinating its activities with the UN budget cycle. Member States had been informed by the secretariat that it would not be possible to implement the measures decided upon at the highest level in the Bangkok Plan of Action (TD/386) within a reasonable time because of the need to wait one or two years for the next budget to be adopted. The agenda for the forty-seventh session of the Board should therefore include an item on the need to harmonize the budgetary cycles of UNCTAD and the UN, and consideration should be given to holding the next session of the Conference in 2003.

Action by the Board

26. The Board decided that a new item 9(a) would be included in the provisional agenda for its forty-seventh session, worded as follows: "Timing of the cycles of UNCTAD Conferences and the UN programme budget".

2. Establishment of an advisory body in accordance with paragraph 166 of the Bangkok Plan of Action

- 27. The representative of **France** said that member States were eager to implement paragraph 166 of the Bangkok Plan of Action but that the establishment of an advisory body had become a matter for concern. The body should consist of permanent representatives of member States, though outside personnalities could also be invited to participate without being members. The body should not have budgetary implications, and it should be established right away. The issue should be taken up by the Board at its forty-seventh session with a view to reaching consensus rapidly.
- 28. The representative of **Japan** agreed with France and stressed the importance of establishing a clear mandate for the body and clarifying its programme of work and budget.
- 29. The representative of **Switzerland** agreed with France.
- 30. The representative of the **Islamic Republic of Iran** agreed that the whole of paragraph 166 of the Bangkok Plan of Action needed to be implemented as soon as possible and that the questions of the terms of reference, the composition and the funding of the advisory body needed to be clarified.
- 31. The representative of **El Salvador** agreed with France.

- 32. The representative of **Ethiopia**, speaking on behalf of the **African Group**, agreed with France and said that the membership of the advisory body should be based on the principle of equitable geographical distribution.
- 33. The representative of **Uruguay** said that he fully supported the idea of the implementation of paragraph 166 being discussed by the Board, but the Board's discussions should not in any way delay the measures agreed to by the Working Party on the Mediumterm Plan and the Programme Budget concerning the organization of courses in 2001. The membership of the advisory group should be based on the recommendations of the regional groups.

Action by the Board

34. The Board further decided that a new item 9(b) would be included in the provisional agenda for its forty-seventh session, worded as follows: "Establishment of an advisory body in accordance with paragraph 166 of the Bangkok Plan of Action". It requested the secretariat to prepare the necessary background documentation in consultation with delegations and in time for the consultations of the President of the Board on 6 October.

3. Preparations for the Third United Nations Conference on the Least Developed Countries

35. The **Secretary-General of UNCTAD** said that he had recently visited Brussels where he had interacted with the European Parliament, the European Commission and the Mayor of Brussels. He had briefed all concerned on the preparations for LDC III. In that connection, he commended the recent initiative of the European Union with regard to market access for LDC products and hoped that that initiative would be imitated by all countries in a position to do so. Such initiatives could represent an important contribution to the 'early harvest' sought in the context of the Conference.

Chapter V

ORGANIZATIONAL MATTERS

A. Opening of the session

36. The twenty-fifth executive session of the Trade and Development Board was held at the Palais des Nations, Geneva, on 22 September 2000. The executive session consisted of one meeting, the 913th plenary meeting of the Board. The session was opened by Mr. Philippe Petit (France), President of the Board.

B. Bureau of the twenty-fifth executive session

37. There being no change in the elected officers of the Bureau since the forty-sixth session, the Bureau of the Board at its twenty-fifth executive session was as follows:

President:	Mr. Philippe Petit	(France)

Vice-Presidents: Mrs. Fayza Aboulnaga (Egypt)

Mr. Munir Akram (Pakistan)
Mr. Krit Garnjana-Goonchorn (Thailand)
Mr. Koichi Haraguchi (Japan)
Mr. Walter Lewalter (Germany)

Mr. George Moose (United States of America)

Mr. Goce Petreski (The Former Yugoslav Republic

of Macedonia)

Mr. Camilo Reyes-Rodriguez (Colombia) Mr. Ronald Saborío Soto (Costa Rica)

Mr. Vasily Sidorov (Russian Federation)

Rapporteur: Mr. Xolisa Mabhonga (South Africa)

C. Adoption of the agenda

Agenda item 1

38. The Board adopted the provisional agenda for its twenty-fifth executive session (contained in TD/B/EX(25)/1). For the agenda as adopted, see annex I.

D. Institutional, organizational, administrative and related matters

Agenda item 5

1. Designation of intergovernmental bodies for the purposes of rule 76 of the rules of procedure of the Board

39. The Board decided that the Common Market for Eastern and Southern Africa (COMESA) be designated under rule 76 of its rules of procedure to enable it to participate in the deliberations of the Conference, the Board and its subsidiary organs. (Information on COMESA was provided in document TD/B/EX(25)/R.1.)

2. Designation of non-governmental organizations for the purposes of rule 77 of the rules of procedure of the Board

40. The Board was informed that, in conformity with the provisions of Board decision 43(VII), sections III and IV, and after consultation with the Government of the Netherlands, the Secretary-General of UNCTAD had decided to enter the Center for Research on Multinational Corporations (SOMO) in the Register of national non-governmental organizations. (Information on SOMO was provided in document TD/B/EX(25)/L.1.)

3. Designation of the President and Bureau of the forty-seventh session of the Trade and Development Board

41. Mr. Camilo Reyes Rodriguez, Permanent Representative of Colombia to the United Nations Office and Specialized Agencies in Geneva, was nominated as President of the Trade and Development Board at its forty-seventh session.

E. Report of the Board on its twenty-fifth executive session

Agenda item 7

42. The Board authorized the Rapporteur to complete the report on its twenty-fifth session under the authority of the President.

Annex I

AGENDA FOR THE TWENTY-FIFTH EXECUTIVE SESSION OF THE BOARD

- 1. Adoption of the agenda
- 2. UNCTAD's contribution to the implementation of the United Nations New Agenda for the Development of Africa in the 1990s: activities undertaken by UNCTAD in favour of Africa

The Trade and Development Board considers annually, at one of its executive sessions, a report on activities undertaken by UNCTAD in favour of Africa. The report before the twenty-fifth executive session of the Board (TD/B/EX(25)/2) provides an overview of the general thrust of research and analysis being undertaken by UNCTAD with regard to African development, as well as a summary of specific activities, including advisory services and technical cooperation, in each sector falling under UNCTAD's mandate. The discussions at the executive sessions have been helpful in guiding the secretariat in its activities in favour of Africa.

- 3. Preparations for the forty-seventh session of the Trade and Development Board
- 4. Report of the Joint Advisory Group on the International Trade Centre UNCTAD/WTO on its thirty-third session.

At its thirty-third session (10-14 April 2000), the Joint Advisory Group (JAG) on the International Trade Centre reviewed ITC's technical cooperation activities in 1999. It adopted the report of the Consultative Committee on the ITC Global Trust Fund and a new strategy for Trade Information Services and took note of ITC's contribution to the Medium Term Plan of the United Nations for the period 2002-2005. The report of JAG is contained in document ITC/AG(XXXIII)/181.

- 5. Institutional, organizational, administrative and related matters:
 - (a) Designation of intergovernmental bodies for the purposes of rule 76 of the rules of procedure of the Board
 - (b) Designation of non-governmental organizations for the purposes of rule 77 of the rules of procedure of the Board
 - (c) Designation of the President and Bureau of the forty-seventh session of the Trade and Development Board
- 6. Other business
- 7. Report of the Board on its twenty-fifth executive session

Annex II

ATTENDANCE *

1. Experts from the following States members of UNCTAD were represented at the Meeting:

Albania Ireland
Algeria Israel
Argentina Italy
Australia Japan
Austria Kenya

Bangladesh Libyan Arab Jamahiriya

Barbados Luxembourg Belarus Madagascar Bolivia Malaysia **Brazil** Malta Bulgaria Mauritius Canada Mexico Chad Morocco China Nigeria Colombia Norway Congo Pakistan Costa Rica Panama Côte d'Ivoire Paraguay Croatia Peru

Cuba Philippines
Czech Republic Poland
Democratic Republic of Congo Portugal

Dominican Republic Republic of Korea
Ecuador Russian Federation

Egypt Senegal
El Salvador Singapore
Ethiopia Slovakia
Finland Slovenia
France South Africa

Gabon Spain
Germany Sri Lanka
Ghana Sudan
Iceland Sweden
India Switzerland

Indonesia Syrian Arab Republic

Iran (Islamic Republic of)

Thailand

^{*} For the list of participants, see TD/B/EX(25)/INF.1.

Tunisia United States of America

Uganda Uruguay
United Kingdom of Great Viet Nam
Britain and Northern Ireland Zambia
United Republic of Tanzania Zimbabwe

2. The following other States members of UNCTAD, not members of the Board, were represented as observer at the session:

Cape Verde Holy See

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

League of Arab States South Centre

4. The following specialized agencies and related organization were represented at the session:

Food and Agriculture Organization of the United Nations World Health Organization International Monetary Fund United Nations Industrial Development Organization World Trade Organization

- 5. The International Trade Centre UNCAD/WTO was represented at the session.
- 6. The following non-governmental organizations were represented at the session:

General Category

International Confederation of Free Trade Unions World Federation of United Nations Associations World Wide Fund for Nature International World Vision International