



United Nations Conference on Trade and Development

Distr.: General
19 March 2008

Original: English

Preparatory Committee for UNCTAD XII

Geneva, 14 February – 14 March 2008

Report of the hearing with civil society and the private sector

Geneva, 3 March 2008

Note by the UNCTAD secretariat

I. Introduction

1. The Preparatory Committee for UNCTAD XII, established by the Trade and Development Board at its fifty-fourth session, decided at its meeting on 2 November 2007 to hold two half-day meetings with civil society. The first was held on 28 January 2008 and the second on 3 March 2008.

2. After an introduction by the President of the Trade and Development Board, the Secretary-General of UNCTAD welcomed this second opportunity for interaction with civil society and called for inputs for UNCTAD XII, which would have a number of key new issues to tackle.

II. Sub-theme 4

Strengthening UNCTAD: enhancing its development role, impact and institutional effectiveness

A. Institutional aspects

3. Many speakers emphasized that the three pillars of UNCTAD were fundamental to the organization's role as the focal point within the United Nations for the integrated treatment of trade and development issues. Research and policy analysis, consensus-building and technical cooperation should therefore be strengthened to enable UNCTAD to fully respond to the mandate entrusted to it by the United Nations General Assembly. The three pillars were closely interrelated and mutually supportive.

4. UNCTAD was the ideal forum for exploring development issues and was unmatched by any other United Nations or intergovernmental organization. Duplication of its work by other organizations needed to be avoided. The stalemate in

the World Trade Organization and the latter's inability to move forward with its agenda strengthened the case for a global institution to discuss outstanding trade and development issues with a non-ideological approach. Participants requested UNCTAD to support research on the elaboration of an international economic model that would be an alternative to the Bretton Woods institutions and WTO, and could ensure fair and sustainable development for all.

5. Some participants proposed the establishment of a commission on globalization, and indicated that UNCTAD's intergovernmental bodies needed to specialize in analysing systemic issues. A delegate, reflecting on the work of the current commissions, suggested that adding to the number of commissions was not necessarily the answer to the institutional strengthening of UNCTAD.

6. Several participants agreed that UNCTAD's research and analysis should remain independent and ahead of the curve. UNCTAD was a place for seeking balance and the redistribution of benefits and economic gains arising from globalization processes. Its specific knowledge could be used to find that balance among the various parties, including civil society. Cooperation with civil society and the private sector should be further strengthened. The mandate of UNCTAD XII should include concrete measures to improve the outreach and dissemination of UNCTAD's research results.

7. One delegate indicated that UNCTAD's research needed to be objective and representative of all points of view, as well as of all facets of the subject being studied. Strengthening required that the focus of work be improved, and that there be better prioritization and better engagement by member States.

8. It was suggested that UNCTAD could be strengthened only with the cooperation of all its stakeholders. Many participants felt that the organization needed to engage and exchange views with research centres, associations, professional groups and grass-roots movements, and to be more effective on the ground. Economic growth should generate social gains, local knowledge and technical cooperation for technological innovation. UNCTAD should offer exchanges of information and experience between the North and the South, the South and the South, and the centre and the periphery. Furthermore, field operations carried out through regional centres of excellence were important for the dissemination of information and knowledge regarding trade and development practices and policies.

B. The role of civil society in the activities of UNCTAD

9. Several delegates commented that non-governmental organizations (NGOs) and civil society were essential for UNCTAD's work so that its intergovernmental forums could develop a better understanding of current developments in the world economy.

10. Participants noted that UNCTAD had shown growing commitment to improving its cooperation with civil society following the adoption of the São Paulo Consensus, especially through the institutionalization of the Trade and Development Board's hearings with civil society and the private sector. Such hearings among different stakeholders provided opportunities for dynamic and fruitful dialogues that generated new ideas, and provided alternatives to current global governance. The hearings could make an important contribution to UNCTAD's consensus-building and economic policy suited to the needs of developing countries.

11. The structure of the hearings could provide a more interactive dialogue with member States. More interaction with delegates could be formalized in a theme-oriented "dialogue meeting". A civil society forum could provide a multi-stakeholder thematic dialogue bringing together member States, NGOs and social movements.

12. Participants noted that civil society had always been active in all major forums and meetings, endowing globalization with a human dimension and making global

policymakers approach their task in a responsible manner. Civil society believed that it should be involved in the work of UNCTAD more than ever before in order to tackle the challenges of poverty eradication and of development, and to help achieve the Millennium Development Goals of the United Nations. Participants added that UNCTAD should provide a new orientation in its work in order to adapt to the major changes in global economic conditions, and called for open discussion of the real development problems with a view to helping to secure lasting peace and stability in the world.

13. Participants noted the recommendation of the Panel of Eminent Persons and the São Paulo Consensus on the involvement of civil society and the private sector in the work of UNCTAD. They requested the inclusion in the final document of UNCTAD XII of a paragraph calling for the strengthening of the cooperation between UNCTAD and civil society in terms of decision-making processes and implementation initiatives.

14. Participants underlined the relevance of UNCTAD's research and analysis, and requested it to seek civil society organizations' contributions in order to benefit from their expertise in the field and to ensure that their perspectives were taken into account. UNCTAD could also develop its outreach programme in order to disseminate to civil society organizations the outcomes of its research work, and information on its role and activities.

15. Participants proposed the inclusion of civil society experts in the panels at UNCTAD's intergovernmental and expert group meetings, where they could provide a valuable and specific perspective to the debates. Civil society organizations could participate in the establishment of expert meetings and in the selection of themes for those meetings. Participants also encouraged the participation of civil society from developing countries in the sessions of the commissions. They suggested that UNCTAD develop a new synergy and partnership strategies to reinforce the capacity of small farmers and grass-roots organizations. Special training programmes for civil society, the private sector and parliamentarians could be initiated. The intergovernmental mechanisms should be revised in order to better address the development priorities of developing countries. Programmes and seminars were needed to promote good governance, provide information at the grass-roots level on multilateralism and the work of WTO, and inform decision makers about current discussions and negotiations.

16. With specific reference to Africa, UNCTAD's research and technical assistance could support the action of African NGOs, particularly on the access to knowledge for commodity-processing and intellectual property, in respect of which research pools and reference centres could be established with the assistance of representatives from civil society. Civil society could greatly contribute to UNCTAD's work by disseminating information to grass-roots organizations and decision makers. Such cooperation could result in sustainable partnerships in the field.

17. A participant commended those countries that had provided financial support to enable the participation of civil society organizations in UNCTAD XII and called upon other countries to provide financial assistance in that regard. Special attention should be given to supporting civil society at the grass-roots level.

18. Some participants expressed the belief that civil society organizations, as partners of UNCTAD, could help to bridge the North-South trade gap by making intellectual contributions to micro- and macroeconomic research centred on sustainable human development. It was noted that effective reorganization of the work of civil society along multisectoral lines would allow UNCTAD to better reorganize and revitalize its objectives in developing countries. UNCTAD would remain a guardian and guarantor of the United Nations in the field of development, which

needed a credible partner to respond to the needs of marginalized people in developing countries.

C. Revitalizing UNCTAD: priority issues

19. Delegates noted the convergence between civil society positions and those of G-77 member States. The importance of policy space and the right of Governments to regulate were stressed, both of which should be reflected in the text adopted by UNCTAD XII. The impact of globalization was uneven. There were winners, but also losers, in the process. Other important issues included climate change, energy, the development-related aspects of migration, micro-finance, the fragmentation of the multilateral system and the trend towards militarization.

20. Civil society representatives drew attention to the paradox of Africa: it possessed vital raw materials essential for the global economy but was not managing or performing as well as it could from an economic perspective, particularly with regard to the task of moving its economies upwards in the global value chain. In that connection, the follow-up to UNCTAD's conclusions would be particularly important. A participant appealed to UNCTAD to mobilize resources for Africa, which lacked financial capacity. Such resources could lead to productive investment opportunities, as in the case of the partnership initiatives of the United Nations Development Programme.

21. A participant said that UNCTAD XII would need to take a fresh look at how growth in world trade and investment had transformed the global economic landscape. It could seek to create public and private partnerships for integrating technology innovations and new knowledge in an unprecedented drive for communication technologies. In order to succeed, countries needed to adopt domestic reforms, and provide adequate social safety nets and new opportunities in education and training. It was hoped that UNCTAD XII would strengthen information and communication technology in promoting new knowledge for regional trade. UNCTAD could play an important role, helping to bridge gaps in development and the ability of nations to cope with the challenges of the new digital age.

22. A participant pointed out that the economic benefits of regional trade agreements, whose scope was limited since they generally focused on manufacturing trade, were not always obvious. There was an even greater systemic challenge involved in the proliferation of regionalism. UNCTAD's support would help level the playing field of international trade, investments and technology transfers. UNCTAD XII would provide the momentum for studying the various economic impacts of globalization and the options for correcting imbalances and asymmetries.

23. Other participants highlighted the need to increase research on gender-based contributions to global trade in goods and services. Sectors and industries where women could contribute and benefit most needed to be identified. UNCTAD's capacity-building efforts could help women participate and benefit optimally in the trade process.

24. Another participant said that civil society could act as an ambassador in disseminating information on UNCTAD's activities in developing countries. He highlighted UNCTAD's detailed and informative publications and their usefulness for developing countries, especially smallholders and women in those countries. UNCTAD could work more with civil society to create data modules.

25. A participant noted that following the Rio de Janeiro UNCTAD XII pre-event on biofuels, UNCTAD's work could address the issue of how small producers in developing countries could take advantage of biofuels and increase their incomes, and

how increased demand for and trade in biofuels impacted on access to land and water, and on food prices.

26. Participants highlighted the need for UNCTAD to support the least developed countries, and enhance its work on investment, transfer of technology, information and communication technologies, and commodity issues. Its work in promoting commodities as a key tool for development and for poverty alleviation was important. UNCTAD should continue its efforts to integrate the Global Initiative on Commodities, a tangible strategy-oriented input of civil society on commodity-related problems. Despite its strong mandate on commodity issues, there was disappointment at the lack of implementation of UNCTAD XI's outcome. Global commodity markets were experiencing a period of higher prices that provided producers with opportunities and challenges. Current negotiations did not pay enough attention to those challenges. Market failures and volatility remained. UNCTAD's expertise should be mobilized to find ways of shielding developing countries and their producers from volatility's most damaging effects. UNCTAD should explore the significance, for countries' future development strategies, of the impacts of higher food prices on low-income food-deficit countries. With its broad trade and development mandate UNCTAD could identify linkages between phenomena contributing to the commodity problem. It was important to take account of the role of financial markets when examining commodity price trends, with attention being paid to the volume of trade and how the benefits of that trade were distributed.

27. A participant referred to the issue of trade and employment and the impact of trade and trade liberalization on the amount and quality of employment. UNCTAD could, with other organizations, carry out work on the effects of trade on employment, which could be linked to negotiations and research on the impact of trade negotiations and liberalization proposals on employment. Trade policies should be put at the service of employment creation. More jobs were needed in developing countries in order to address poverty. There was a global shortage of decent and productive jobs. Mainstreaming the concept of decent work into UNCTAD's activities was therefore necessary.

28. The participant also referred to the problem of jobs in export production (export processing zones, plantation work and agricultural processing), which had often been promoted as employment solutions for developing countries but in which workers were often exploited. Even if there was more market access and more jobs had been created, they had not provided decent incomes or quality of life. UNCTAD could provide a forum for discussing how to address the aspects of that issue that related to trade and development.