

**Statement of the President of the Trade and Development Board,  
H.E. Ambassador Ransford Smith (Jamaica),  
to the Special High-Level Meeting with the Bretton Woods Institutions,  
WTO and UNCTAD**

**(New York, 24 April 2006)**

Mr. President,

Mr. Secretary-General,

Mr. President of the General Assembly

Excellencies,

Distinguished colleagues,

Allow me from the outset to express my personal appreciation and that of the Trade and Development Board for the opportunity to participate in the High-level Meeting of the Economic and Social Council with the Bretton Woods Institutions and the World Trade Organization

The Roundtables at this session will discuss the implementation of and support for national development strategies, initiatives to enhance debt sustainability, aid for trade, and support to the development efforts of middle-income developing countries. In one form or another, all these themes are on the agenda of UNCTAD, where efforts are directed to the provision of sound analyses and policy recommendations as a basis for consensus building among member States and technical assistance by the Secretariat.

**(a) National Development Strategies**

There can be no doubt that effective national development strategies have to be a central pillar in the economic policy efforts of developing countries. UNCTAD deals with

two questions in this context: first, what is a good strategy; and second what kind of international environment is required to make a good strategy work. On the first question, it has been recognized that the sustained catch-up process in a number of East and South Asian economies has been the result of innovative, and sometimes heterodox, policies in support of structural change and capital formation. This points to the importance of adequate policy autonomy for governments in tailoring their development strategies to the specific needs and circumstances of each country. The Sao Paulo Consensus, adopted at Unctad XI, and the 2005 World Summit Outcome, underscore the importance of appropriate balance between national policy space and international disciplines and commitments. The sharing of experience can contribute to the finding of that balance, and more broadly, to a surer sense of what, in given circumstances, is an optimal development strategy.

On the issue of what kind of international environment is required, the success of any national development strategy depends increasingly on the structural and cyclical conditions in the global economy itself. Over the past two or three years, economic performance has improved in a large number of low-and middle-income developing countries. This is in significant measure a result of faster growth of the world economy and the increased international demand for goods exported by developing countries, including demand by other developing countries. What this points to, indeed foreshadows, is the exciting growth prospects for the developing world that could potentially be realised through a combination of effective national strategies and a favourable global environment.

It is important to note that despite the improved external environment, a significant number of developing countries are still lagging seriously behind in accomplishing their national development objectives and in meeting the Millennium Development Goals. These countries need support in the design and implementation of adequate national development

strategies. In particular, they depend on the international community for financial and technical support to strengthen their infrastructure and productive sectors, as well as their health and education systems. The case for such support has been made convincingly in the report of the United Nations Millennium Project.

The essential element in any development strategy that has a chance to succeed is country ownership. International support must leave scope for alternative policy choices. Policy innovation that takes account of national specificities requires knowledge about alternative instruments and their effects – and indeed their side effects. Offering a range of policy advice and alternative policy options, within a coherent, consistent, and goal-oriented framework, may thus be in the interest of all stakeholders. UNCTAD can play an important role in this regard.

**(b) Development dimension of the Doha Work Programme: Next steps, including "Aid for Trade"**

At the sixth WTO Ministerial Conference in Hong Kong, members reached agreement on a modest list of issues. However in key areas of market access negotiations in agriculture, non-agricultural market access (NAMA) and services, where important gains are expected to accrue to developing countries, there was no significant advance. The agreement to provide to the Least Developed Countries duty-free and quota-free market access for at least 97% of their products at the tariff line level, is to be welcomed, although this also fell short of expectations. Progress on special and differential treatment, more broadly, and on implementation issues, has continued to be slow. It is recognized, therefore, that promise and reality must converge, and quickly, if development is indeed to be at the heart of the Doha Round, and its outcome.

The critical deadline of April 30, which is only a few days away, for establishing full modalities in agriculture and NAMA, is in very serious jeopardy. Looking beyond the April 30 deadline, it is evident that the Doha Round requires renewed commitment at all levels, and importantly both focussed energy and negotiating goodwill, if the successful and development-oriented outcome which members desire, and which will be beneficial to the global economy, is to be achieved.

Mr. President,

It is timely that, at the Hong Kong Ministerial meeting, Aid for Trade was recognised as necessary for facilitating the smooth integration of developing countries into the international trading system. But if Aid for Trade is to be meaningful, it must be relevant, targeted, and adequate, and it must be additional to resources currently being made available. As the case with all aid for development, Aid for Trade should also reflect the priorities of the recipients. It must be demand – driven.

It can be readily foreseen that many developing countries will need trade-related assistance to cover *inter alia* (a) adjustment costs (b) compliance costs related to implementing new WTO agreements, and (c) the building of necessary trade-related infrastructure, and supply-side capacity in order to benefit from the post-Doha multilateral trading system. We look forward to the recommendations of the Aid for Trade Task Force established by the Director General of the WTO, pursuant to the mandate given last December at the Hong Kong Ministerial Meeting.

### **(c) Initiatives to Enhance Debt Sustainability**

With regard to the external debt situation of the developing countries, the decision by the G-8 to provide adequate resources for the financing of multilateral debt relief for Heavily Indebted Poor Countries (HIPCs,) and the recent steps by the World Bank and IMF to implement this initiative, are important contributions in support of the poorest countries in their efforts to attain the MDGs. There remains, however, the unfinished task of extending debt relief to highly indebted non-HIPC countries.

Mr. President,

Beyond debt relief, many poor countries will continue to rely on external sources of finance to complement their limited domestic resources. It is therefore essential that debt relief be additional to new commitments of official development assistance. It is also important to be forward-looking and to give increased attention to providing the means for aid-dependent countries to accelerate their growth and development while maintained debt sustainability. In this context, it is important to ensure that financing for development, and especially, trade related aid, serves to build the supply capacity of developing countries, and to ensure their increasing participation in international trade, and in the benefits therefrom. Enhanced market access for goods and services of export interest to developing countries will contribute significantly to debt sustainability.

It is worth noting the significant contribution of UNCTAD in the areas of both debt analysis and capacity building. The close interrelationship between UNCTAD's analysis and the technical assistance it provides has over the years allowed the institution to contribute

effectively to international efforts to find durable solutions to the debt problems of developing countries.

**(d) Development Efforts of Middle-Income Developing Countries**

While the situation of middle income countries is diverse, the strengthening of the international competitiveness of their manufacturing and services sectors to meet the twin challenges of development and globalisation is of widespread relevance. Furthermore, it needs to be emphasised that a significant number of middle income developing countries continue to be faced with high levels of indebtedness, which require the attention of the international community, and durable solutions.

Mr President, it has been my pleasure to participate in the opening session of this Special High Level Meeting and to share with distinguished participants the foregoing views on the themes and sub-themes under consideration. I am confident that today's proceedings will contribute to the will and capacity for all to act in support of development.

Thank You.