

Statement of the Delegation of Canada

Statement by H.E. Don Stephenson,

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Organization

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Mr. Chairman, Excellencies and Delegates to UNCTAD XII:

Let me begin by thanking our hosts – the people of Ghana – for their very warm welcome and for the excellent facilities they have provided us for this conference.

Ghana and Canada have been partners since Ghana's independence. In fact, the Canadian International Development Agency's longest running program in Africa is here, in Ghana. CIDA last year provided over \$ 70 million in support of Ghana's own development efforts. Ghana has also attracted over \$ 1 billion in Canadian investment. We are proud of what we have accomplished together.

Ghana is a country that is getting things right. Democracy has taken root in Ghana. Following decades of political and economic instability, Ghana has now completed four successive national elections including a peaceful transfer of power to an opposition party

in 2001. Today, a number of Ghana's democratic good governance indicators – for example, political rights, civil liberties and freedom of press -- are at middle-income country levels. Ghana's peacekeeping expertise has also made it an important regional interlocutor on security issues. There has been continuous economic growth for years and poverty is falling quickly. The government is firmly committed to the NEPAD principle of good governance, as well as to a free market economy. Ghana is an Africa success story, and one we are proud to be a part of.

This is my second visit to the continent in little over a month. I recently enjoyed the hospitality of Lesotho on the occasion of the Least Developed Country Trade Ministerial. Canada is acutely aware of the challenges facing LDCs and remains deeply committed to working in partnership with them for a better future. We do this through targeted assistance, such as the enhanced Integrated Framework for Trade-Related Assistance. Last autumn in Stockholm, I had the pleasure to announce that Canada would provide a contribution of CDN \$ 20 million to the enhanced Integrated Framework. I also had the pleasure to see that, collectively, donors committed over USD \$ 100 million to finance its first two years of operations.

Canada is strengthening its aid program in Africa, focusing on five key areas of intervention that are highly relevant to reaching the Millennium Development Goals: governance; health, including HIV/AIDS prevention and control; basic education; private sector development; and environmental sustainability. Gender equality remains an essential cross-cutting theme. Canada is on track to meet its G8 commitment to double

its aid to Africa by 2008-2009 – aid that will result in long-term poverty reduction and economic growth. This includes meeting our G8 commitments to increasing funding for Aid for Trade in order to assist developing countries spur their economic growth through better integration into the global trading system. Canada is committed to supporting trade-related initiatives in Africa in a focused and coordinated manner, in order to respond effectively to the priorities identified by African countries and to avoid overlapping commitments.

Canada's objectives for trade-related assistance in Africa are to strengthen African capacity to develop policies and negotiate agreements that contribute to poverty reduction in these countries; and to help LDCs and low-income countries gain access to international markets and take advantage of trade opportunities in a sustainable way.

In the latter case, we do this in a very practical manner, by working in partnership with LDCs through complementary and reinforcing initiatives such as our wide-ranging duty-free quota-free program coupled with liberal rules of origin. Under the auspices of this program we have seen a dramatic increase in LDC exports to Canada.

Mr. Chairman, let me turn to why we are in Ghana today – UNCTAD XII. We are here to set out UNCTAD's priorities for the next four years – and since we only do this every four years, we had best follow Ghana's example by “getting it right” at this Conference.

A central concern at this Conference, forcefully underlined by Secretary-General Ban Ki-boon earlier this week, is rising food prices. The global food crisis is not a result of any one factor, but, like most crises, the unfortunate alignment of a number of factors. It is a Perfect Storm of world population growth, changing eating patterns, higher transportation and input costs, competition from biofuels and poor weather.

There are no quick answers. In the immediate term, the World Food Programme (WFP) has issued an emergency call to cover a USD \$ 500 million funding shortfall by May 1. Canada is examining this request on an urgent basis - though I would take this opportunity to note that Canada is already the second largest contributor to the WFP. We are also urgently examining other policy responses to increase the effectiveness of our contributions.

We are working closely with the WFP, the UN's Food and Agricultural Organization, the multilateral development banks and partners to develop a coordinated and effective strategy for dealing with the longer term implications. Canada raised this issue at the World Bank/IMF annual meeting last week, and continues senior liaison with the WFP and FAO.

This is an issue on which UNCTAD can also make a contribution – a contribution related to its mandate in trade and development. Soaring commodities prices mean windfall profits for some, but higher import bills for others, including for net food importers. How should commodity producers manage such windfalls to maximize the development

benefits? How should the international trade system best react to escalating food prices with their attendant impacts on the poor?

Mr. Chairman, this brings me to a broader question of UNCTAD's contribution.

This week we have the opportunity to consider pressing trade and development issues, to discuss policy options and responses and, most important, to examine UNCTAD's possible contribution.

For many of us, there is merit in a trusted organization that assists members – particularly developing country members - to understand how the global economy is evolving to articulate workable policy options. UNCTAD has been and can continue to be that organization, but such trust is earned, not given, and once earned it can erode. In a changing world, with new emerging actors and many competing pressures, UNCTAD, both as an organization and as an intergovernmental process, must be prepared to evolve and compete.

So what is required? In Canada's view, what is required is an intergovernmental process that delivers policy consensus, an organization that is accountable for delivering results, and an organization with a clear focus on doing what it does best, in areas that matter.

Developing policy consensus around trade and development themes is no simple matter. This is evidenced by the lengthy discussions leading up this Ministerial. It is not clear to

us that UNCTAD's current intergovernmental arrangements serve in actual fact to facilitate the process. We see an overly cumbersome array of standing committees, stand-alone expert group meetings, commissions with overlapping mandates, a mid-term review process, and a Trade and Development Board that blurs accountability functions and policy-making functions. This complex machinery is difficult to comprehend, let alone access usefully.

But, while challenges lie before us we also have assets to draw on. The Conference draft negotiating text has had the opportunity to draw on the Report of the Panel of Eminent Persons, the Secretary General's report to the Conference and the outcome of the Mid-Term Review. These provide a solid basis and sound advice to address many of the challenges that now face us. The question that remains to be addressed here is whether we seize the opportunity this Conference provides to streamline our intergovernmental processes to facilitate the work of our successors.

From our viewpoint, the intergovernmental system clearly needs to be rationalized so that it ensures more robust oversight of the organization and its programs. Part of this is by ensuring that there are clear lines of accountability; this is complicated by the fact that the people who follow UNCTAD on a day to day basis, and those that participate at the Trade and Development Board, do not in fact have authority over UNCTAD. That remains, as it should, with the United Nations General Assembly. Nonetheless, it is Canada's view that that the Trade and Development Board should become more "board-like" – that is should have a more effective consideration of UNCTAD's programme and

budget such that it could provide more authoritative advice to the New York-based parent bodies.

Finally, how can we ensure that UNCTAD remains focused on what it does best in areas that matter? One way is to respond to emerging issues within existing resources. That means to stop doing things that are low priority, and replace them with things that are high priority. In Canada we call this program review.

My home Department is required, on an annual basis, to identify and eliminate programs that no longer respond to governmental priorities, or programs that do not yield results that matter. Ultimately it's all about focusing on priorities that matter and concentrating resources on issues that matter and where you can make a difference.

What are areas that matter and where can UNCTAD make a difference? UNCTAD has a solid track record when it comes to analysis in areas such as Investment Policy and Competition Policy. Its publications in areas like investment are widely read and they are influential. It also has strengths in certain aspects of technical cooperation, in areas such as trade facilitating customs reform. These are examples of its strengths, and they should be emphasized. UNCTAD can contribute in other, emerging areas, but in a way that should be complementary to other organizations and other processes. Any such involvement must first and foremost be based on a robust assessment of UNCTAD's comparative advantage: we need to know up front what advantages UNCTAD brings to the table.

Earlier this week at this Conference, UN Secretary-General Ban Ki-moon, in speaking about UN activities in the area of trade-related capacity building, said we should be *“measured by our results, not by our rhetoric.”*

That is the choice that we see here in our work this week in Accra. We are UNCTAD. We, UNCTAD, need to be measured by our results, not by our “rhetoric”.

I believe that the consensus being forged here this week can lead to an enhanced, better focused UNCTAD with the intergovernmental machinery it needs to thrive in today’s world. This is our vision for UNCTAD.

Thank you for your attention.

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