

## ON Strengthening UNCTAD: enhancing as development role

25<sup>th</sup> April 2008

Let me start by affirming the obvious but whose perception has increasing been questioned in recent years. The UNCTAD mission is not obsolete; its relevance is stronger to-day than ever before.

The Organization was founded in response to the overwhelming reality 40 years ago that billions of people in newly emerging countries were on the margins of a reconstructing but relatively prospering globalized world of that time. It was formed in pursuit of a more equal development and a recognition that Trade was the factor that would balance the wants of the developing world and the needs of the developed world and even out the comparative advantages of both sides in the development equation.

By all yardsticks that imbalance remains, and some will say has been accentuated. Africa accounts for a paltry 3.7% of global trade. Most LDCs produce what they don't eat/use and they continue to eat/use what they do not produce; They are not value addition producers, They are an expanding voracious market. Of the developing country economies of the 60's how many have graduated into middle income producer developed economies? The end of the Cold War and the disappearance of the East/West divide have ushered in a new development thinking and paradigm while necessitating a review of relations between the developing countries themselves.

So the challenge to the member states of UNCTAD is not to make the Organization more relevant to our times; it is to make it more effective. Dr. Supachai invited me to be a member of the Panel of Eminent Persons. My fellow member Ms Tarja Halonen, The President of Finland, at the Tuesday luncheon address, walked us through the work of the Panel and its key recommendations. I fully endorse her address and wish merely to share with you my view on the way ahead for UNCTAD.

### **UNCTAD must play a lead role in tackling key emerging issues.**

- *Development strategies:* The rapid advance of globalization means that the whole development context has changed. This will require changes in our global way of doing work. For example, we have devoted much effort to

establishing the rules for our trading system, but the same is not true of our monetary and financial system. We will have to tackle these issues together, and determine the best strategies to do so. Where else could we do this but in the UN? And in the UN, the best place to do the job is UNCTAD.

- *Trade and development.* Trade issues continue to be at the heart of many of our concerns today. Here in Africa, our main concern is commodities, and there are many of us that think commodities must return to the centre of our development efforts. UNCTAD of course has a long record of dealing with commodities, and it clearly has an essential role to play in any undertakings in this field.
- *Aid for trade.* Aid for trade is an essential initiative, based on the realization that market access is a necessary but not sufficient condition for greater participation by developing countries in world trade. Countries need help to gain the capacity to produce for world markets and to carry their products to those markets. UNCTAD has a natural role to play here. Through its integrated approach to trade and development, it can help countries at every stage of the trade process, from financing to enterprise development, insurance, transport, customs, and so on. I am confident that UNCTAD should play a lead role in this area.
- *Investment for development.* Harnessing investment for development is key for developing countries, especially those that have not yet succeeded in attracting investment flows. UNCTAD can also promote a balanced approach to the rights and obligations of multinationals and home and host countries. Development without investment is impossible, and I applaud the holding of World Investment Forums.
- *Regional integration and South-South cooperation.* UNCTAD should play an important role in supporting the emergence of the new South. The dynamism of South-South trade and investment must be sustained, and this will demand institutional and regulatory change, as well as innovation in respect of both South-South and North-South development dialogue and cooperation. South-South liberalization needs to be pursued, including through rationalization of

South-South RTAs. Investment in research and development and technological cooperation at the regional level are also needed. UNCTAD has long played an important role in this area, and I believe that it should raise its efforts to a new level. This will clearly be a key area of focus in the coming years, and UNCTAD should be at the centre of international efforts.

**UNCTAD must play its full role in a reformed UN. It should strive to promote**

- *Coherence at the country level.*
- *Coherence among functions.* And;
- *Coherence among mandates.* President Halonen of Finland emphasized the duo of focus and partnership, and I agree with her. Each organization must focus on its own competencies, and at the same time enhance its role through partnerships. Partnerships should be a feature of every aspect of UNCTAD's work, including its research and analysis. A number of organizations come to mind here: the Bretton Woods institutions, DESA, UNDP, ILO, FAO, UNIDO and the regional commissions. I believe that, with Dr. Supachai's leadership, UNCTAD could and should take the lead in a series of partnerships that will help restore the organization to its rightful prominence.

### **Conclusion**

The UNCTAD was founded to be an agent of the development of poor, developing, newly independent countries. Clearly the deployment of this agency to this purpose is fundamentally the responsibility of the developing countries themselves – to determine the issues for research and analysis; to design implementation strategies; to mobilize the consensus for their realization. To them I have an earnest plea; review your style of participation; don't stretch your resources and time; avoid omnibus discourses and tackle as far as possible one issue at a time;

do not hesitate to outsource your knowledge of globalizing market; harmonise positions and remedy shortcomings in negotiating capacity.

Half way towards the 2015 deadline for the achievement of the millennium development goals, we have to work together; we have to use all the tools and all the fora that we have available to us. The United Nations is clearly the only place where we can all come together on an equal footing in order to achieve our common goals, and in the particular field of trade and development, UNCTAD is the essential forum. Let us make sure that we get the best out of the organization, so that it can contribute fully to the tasks that lie ahead.

It can be done; all it will require is will and sustained commitment. Surely the billions of to-days poor and marginalized expect and deserve no less from the international community

Thank you for your Attention and Forbearance.