

**Draft of Speech by the President of the Republic of Brazil at the
Opening Ceremony of the 12th UNCTAD**

(Sunday, April 20, 15:00 pm)

Mr. John Kofi Agyekum Kufuor, President of Ghana,

Distinguished Heads of State and Government,

Mr. Ban Ki-moon, Secretary General of the United Nations,

Mr. Supachai Panitchpakdi, Secretary-General of the United Nations
Conference on Trade and Development,

Distinguished Delegates,

Let my first words be of gratitude to our host, to his government and to the people of the Republic of Ghana, here represented by President John Agyekum Kufuor Kofi, for the warm welcome. I bring back the warmest memories of the last time that I was in Ghana, in April 2005.

I would also like congratulate the Secretary-General of UNCTAD, Supachai Panitchpakdi, for his efforts in conducting UNCTAD and for the choice of African development as the main theme for this meeting.

Four years ago, we, the Brazilian people, had the honor of hosting the 11th UNCTAD in São Paulo. On that occasion, it was possible to reinforce UNCTAD's mandate as the main forum in the United Nations to deal jointly with trade and development.

The 11th UNCTAD also introduced the innovative concept of "space for national policies". This expression captures the essence of the challenge resulting from the interaction between domestic policies and international commitments.

The concept relates to one of the fundamental ideas of UNCTAD: the notion that development is an autonomous and sovereign responsibility of each nation. But this responsibility must be exercised in an international environment that is conducive of the efforts to overcome poverty and underdevelopment.

Since the beginning of my Government, I sought to implement, with determination, initiatives that meet the ideals of UNCTAD, in line with the teachings of Raul Prebisch and Celso Furtado. The very establishment of the G-20 in the WTO, reflects the goal of changing the world trade's geography and of allowing the developing countries to lead their own destiny. Achieving success in the negotiations of the Doha Round of the WTO has become an unavoidable task.

The multilateral trading system should contribute - and is already contributing - to equitable development, based on non-discriminatory rules. Brazil is firmly committed to this purpose. The strong partnership that unites the G-20 seeks to eliminate the distortions that affect agricultural trade and reduce access for the developing countries'

products in world markets. The massive subsidies paid by the treasuries of the developed countries work like a drug that numbs and turns their own producers into addicts. But the main victims are the farmers of the poorest nations.

The G-20 is an important example of the deepening of South-South relations. The importance of trade exchanges between developing countries is increasing. South-South trade has been growing faster than the average growth rate of world trade. Brazil has been contributing to that. During my government, we have expanded substantially our exchanges with the countries of the South.

We reduced our dependence on the North. At the same time, we reduced the vulnerability of the Brazilian economy. Diversifying partnerships is, today, more than a geopolitical goal. It is a survival imperative.

The international economy is experiencing a crisis caused by problems regarding good financial governance in the world's richest economies. The poor countries should not have to pay for the costs of adjustment.

Globalization, which already brings so many strands of asymmetry cannot become a way of transferring losses to the developing economies. Indeed, they are precisely the ones that have most contributed to maintain the world's economy growth levels.

We must be vigilant against the temptation of rich countries to step up their protectionist practices. Equally damaging are the initiatives to perpetuate relations of dependency by creating barriers to the expansion of South-South trade.

This is what happens when the renewal of trade preferences in the developed countries is conditioned to the extension to them of the same benefits that the economies of the south may grant to each other. We note with satisfaction that some African countries have been resisting such attempts.

The awareness of the importance of South-South trade has enabled the start of the Third Round of Negotiations of the Global System of Trade Preferences among Developing Countries - the Sao Paulo Round.

During the past four years, the negotiations have continued and its satisfactory conclusion is close at hand. Brazil has already indicated that it will grant tariff-free and quota-free treatment to the Least Developed Countries.

The 12th UNCTAD must go further and point to new directions for trade and for development. The model of the international order that we all seek, equitable and sustainable, requires efforts that supplement the mere action of market forces.

Today we can still observe a distinct disparity between North and South. While the developed countries, with a population of one billion people, have average per capita income of 35,700 US dollars, the least developed countries are the home of nearly two and a half billion inhabitants, with an annual per capita income of only 585 US dollars, i.e.: 1.6% of the income of rich countries.

Many poor countries, especially in Africa, face difficulties to meet the Millennium Development Goals. Despite the promises, few developed countries managed to allocate 0.7% of their gross domestic product to official development assistance.

We are looking for a fairer and more balanced international order. We want the elimination of hunger, the alleviation poverty, the promotion of sustainable development.

To achieve a fairer model, trade is essential but not sufficient. It is necessary to multiply the volume of resources to promote sustainable development.

For that purpose, I joined other Heads of State in the international initiative on Innovative Financial Mechanisms to Fight Hunger and Poverty. The first concrete result was the establishment of UNITAID, an

international facility for the purchase of drugs against AIDS, Malaria and Tuberculosis.

It is also important to revitalize the role of the State and of public investment.

Brazil will host, next semester, the UNCTAD seminar on "The Role of Public Investment in Development". We believe that public investment should create, strengthen and expand the infrastructure of developing countries, in order to increase employment and productivity. That is what we are doing in Brazil with the Program for Growth Acceleration. It is an ambitious investment plan in infrastructure and its implementation will generate millions of jobs.

In our struggle for a more just and equitable international order, it is also necessary to have the support of the financial organizations, which should give greater voice to developing countries, facilitating regional integration processes and stimulating South-South trade.

It is equally important to give proper consideration to the cooperation dedicated to "Aid for Trade", one of the objectives of UNCTAD

Mr. President,

The food price hikes should not result in shortages for the poorest and the most needy. We must develop mechanisms to ensure that the most needy do not lack food.

Currently, when it is possible to perceive a new sensitivity in the global financial bodies, UNCTAD is, in my view, in position to develop such mechanisms together with the World Bank and the International Monetary Fund.

Brazil has been striving to contribute to overcome asymmetries and to promote a more harmonious model of development.

We reduced by more than \$ 1.25 billion US dollars developing countries' debts; we instituted the Mercosur Fund for Structural Convergence; we increased technical cooperation, setting up 80 projects and activities in Africa, only in 2007, in addition to the establishment, in Ghana, of the Embrapa office - the Brazilian agency in charge of the development of agriculture.

We have developed an extensive program of agricultural cooperation with the cotton-producing countries of West Africa. In the health sector, we intend to establish in Maputo, an office of FIOCRUZ, the Brazilian disease-control agency. Furthermore, there is a construction project, in

advanced stage, also in Mozambique, for an antiretroviral medicine factory.

Biofuels, which have been given distinct attention in Brazil, could increase the participation of developing countries in international trade, diversify exports - especially in the case of African countries - and to improve technical capacity, helping to reduce hunger and poverty.

There is no contradiction between the search for alternative sources of energy and development of agricultural standards that ensure food safety. This is a challenge that we are successfully overcoming in our country.

The statistics are there to prove it. Levels of malnutrition in Brazil fell at the same time as the production and use of ethanol increased, helping to reduce CO₂ emissions.

We are ready to share our experience with other poor nations, in Africa, in Asia and in Latin America and the Caribbean.

Ladies and gentlemen,

UNCTAD has been, since its foundation, the focal point of the United Nations System on Trade and Development. For this role to be well performed, the three pillars of research and development, consensus building and technical cooperation have been central. UNCTAD should

continue to develop, in a comprehensive and integrated way, the work under its three pillars, in order to continue to be an important source of information, analysis and high quality alternative policies that promote development.

That was the spirit of Sao Paulo. That, I am sure, will be the spirit of Accra.

Thank you.