

**UNCTAD XI CONCLUDES WITH ADOPTION OF 'SAO PAULO CONSENSUS' FOCUSING
ON POVERTY REDUCTION IN LEAST DEVELOPED COUNTRIES**

**Possessing 'Power of Ideas, Commitment', UNCTAD Seeks 'World
Without Divisions, without Walls, without Separations', Ricupero Says**

Inspired by its founding vision -- to help developing countries participate equitably in the world economy -- the United Nations Conference on Trade and Development (UNCTAD) today closed its eleventh session, adopting the "The Spirit of São Paulo" Declaration, which reaffirmed its commitment to the eradication of poverty and hunger, and to the achievement of fair and equitable multilateral trade negotiations.

Wrapping up its week-long session in Brazil's economic capital on a note of cautious optimism, the Conference also unanimously adopted its Plan of Action -- the "São Paulo Consensus". The outcome of the session recognized that even with encouraging signs of growth in the South, the gap between developing and developed countries continued to widen. Therefore, UNCTAD XI insisted on the need to focus on the plight of the least developed countries and the ability of global trade to contribute to poverty alleviation.

UNCTAD Secretary-General Rubens Ricupero, in his final address to the Conference before his retirement, said he was proud that the organization was considered the "voice" of the least developed countries. As one of the only forums where both the weak and the strong could talk honestly about vital human development concerns, UNCTAD must be used as a tool to help integrate the world's poorest people into the global economy. Just as nations had expressed solidarity in the war on terror, he urged them to unite with world's poorest people in their struggle to eradicate poverty and hunger, turn back the spread of HIV/AIDS and secure broader social and economic development.

Possessing "the power of ideas and the power of commitment", UNCTAD sought a "world without divisions, without walls, without separations", he said.

The "Spirit of São Paulo", which stressed the ministers' commitment to accelerating multilateral trade negotiations under the 2001 World Trade Organization (WTO) Doha Work Programme, also recognized that improved national and international coherence -- the session's overall theme -- was vital for sound economic governance. Also contained in the document is a pledge to focus on future challenges such as bridging the "digital divide" and helping to find "the sustainable road to reforms, stability and growth"

by adopting policy measures in areas of trade and financing that would create opportunities and jobs for the poor.

The "São Paulo Consensus" notes that given the social and human dimension of globalization, development strategies must minimize its negative social impact and maximize its positive effects, while ensuring benefits for all population groups. Emphasizing the need for the trade policies of developing countries to suit their needs and circumstances, the Consensus calls for concentrated focus on the difficulties faced by commodity-dependent developing countries. The document also urges increased support for restructuring and diversification of their businesses' competitiveness, including by enhanced market access.

Both the meeting's final documents were structured around the four "main pillars" of the São Paulo event: development strategies in a globalizing world economy; building productive capacity and international competitiveness; assuring development gains from the international trading system and trade negotiations; and creating partnerships for development.

Welcoming the adoption of the São Paulo Consensus as "another important milestone on UNCTAD's historic journey, which had begun in 1964", a representative of the "Group of 77" developing countries and China said that the outcome of the Conference underlined the important role that the organization was required to play in the follow-up to major United Nations conferences, supporting developing countries in post-Doha multilateral trade negotiations, and in adapting to new and emerging developments in trade and transport security, he said.

And, for the first time ever, a final document of UNCTAD -- and, indeed, any negotiated multilateral text -- included a paragraph on "policy space" in pursuance of development objectives. The launching of the third round of negotiations on the Generalized System of Trade Preferences among developing countries in São Paulo this week underscored the importance, increased relevance and timeliness of UNCTAD's work on South-South trade. However, the Group had had much higher expectations regarding the outcome of such issues as policy space, corporate responsibility, commodities, capital flows, debt, official development assistance (ODA), innovative financial mechanisms and trade.

Conference Highlights

Devoted to an overall theme of "Enhancing coherence between national development strategies and global economic processes towards economic growth and development, particularly of developing countries", this year's event dealt specifically with such concerns as improving developing countries' access to markets and the need to redress past imbalances in the world trading system. The participants of the event looked at an increasingly critical issue in today's interdependent world: the link between the national and international dimensions of trade and development.

Exploring policy approaches and the Conference's contribution to the implementation of the Millennium Development Goals, including the commitment "to an open, equitable, rule-based, predictable, and non-discriminatory multilateral trading and financial system", speakers in the debates agreed that the fundamental challenge was to design an effective international trading system, that would bring commercially meaningful and measurable gains for developing countries. Also considered were options

and strategies to support developing countries' competitiveness in the most dynamic sectors of international trade.

Participants in numerous interactive sessions, seminars and side events explored links between trade and development and sought ways to increase developing countries' capabilities and competitiveness and strengthen UNCTAD as a forum to advance cooperation, demonstrate the cohesive force of South-South cooperation, open up more channels of understanding between North and South, and to find mutual solutions and address impediments to trade and development. The Conference also tackled new challenges and opportunities presented by modern information and communication technologies, including the use of e-commerce and access to the Internet for the developing world.

Addressing the Conference on several occasions, United Nations Secretary-General Kofi Annan called for true partnerships between developed and developing countries and action to create a "critical mass of new resources to deal with a wide spectrum of human hardship". New resources would help countries to rely on themselves and would be an investment in the future well-being and security of the world, he said.

"Analysis should not become an excuse for paralysis", he said in remarks at a high-level panel on innovative sources of financing for development on 15 June, noting a United Kingdom proposal for an international financial facility as one of the most innovative ideas discussed at the Conference. The initiative envisions "frontloading" aid to meet the Millennium Development Goals, and once agreement in principle is reached, the facility could be put in place quickly.

Among other initiatives launched in São Paulo was UNCTAD's Virtual Institute on Trade and Development -- a global academic network designed to prepare future generations for active participation in the global economy, by gaining access to the latest UNCTAD analytical work and resources and exchange of information. Also announced this week were new partnerships in support of biotrade in Brazil, Ecuador and the Amazon region, which are expected to promote trade and private sector investment to sustainable use and conservation of the environment.

Showcased during the Conference was the Joint Integrated Technical Assistance Programme (JITAP) designed to build capacity of developing countries of Africa and allow them to take advantage of new trade opportunities with better understanding of the World Trade Organization (WTO) rules and disciplines. Launched in 1996 and implemented jointly by the International Trade Centre (ITC), UNCTAD and the WTO, the project is financed by several donor countries. The second phase of the programme, which was launched in February 2003, is directed at 16 developing and least developed African countries.

Statements

Reporting on the outcome of the work of the Committee of the Whole, the Chairman of that body, ZUKANG SHA (China), said that consensus had been reached on the draft negotiated text. Despite numerous difficulties, delegations had been very flexible. In fact, the delegations had tested each other's flexibility on such issues as policy space and good governance and, at the last minute, on the word "the". Nonetheless, the spirit of consensus had prevailed. In addition, there had been an issue that was solved at the Bureau meeting of the Conference yesterday concerning voluntary financial mechanisms.

He submitted the text of the São Paulo Consensus to the Conference for formal adoption and recommended that the plenary attach an annex to the text on UNCTAD XI multi-stakeholder partnerships, on the understanding that the process of building those partnerships would evolve over time and that their implementation would depend on the availability of the necessary resources, to be provided by UNCTAD and other partners.

The text was then adopted by the Conference without a vote, which also proceeded to take note of a statement on financial implications, which was presented by the Deputy Secretary-General of UNCTAD, CARLOS FORTIN.

Also adopted was the São Paulo Declaration, which was presented by CLODOALDO HUGUENEY, Under-Secretary for Economic Affairs of Brazil.

RICHARD T. MILLER (United States) said that the outcome document reflected the Consensus, which was the result of months of negotiations, and the declaration embodied the positive spirit that had guided the deliberations in São Paulo. The United States had come to UNCTAD XI with the goal of promoting more rapid and broad-based development for the poor in developing countries and to help them take better advantage of the opportunities presented by globalization. All the evidence pointed to better economic governance -- ensuring the rule of law, protecting property rights, enforcing contracts, and eliminating excessive regulation and the corruption it fostered -- as the key to achieving sustainable development. Though that critical point was to some extent reflected in the texts, he believed it should have been given far more emphasis. The international community needed national regulatory environments that ensured fairness for all and that gave adequate space for individuals to unleash their entrepreneurial energies. Also needed was a rules-based international system to ensure a global framework of stability and certainty for producers, traders and investors.

The UNCTAD should focus its attention on issues that would have immediate and lasting impacts on the lives of the poor, he continued. Sometimes, it was too easy to get sidetracked on calls for innovative mechanisms when better and broader implementation of ideas and policies that had already proven themselves in national and international markets could promote real progress now. It was also easy to get sidetracked on politically and economically unsound proposals such as those for various forms of international taxation, when the resources for achievement of international development goals were already available from existing international and national financial institutions and the private sector.

The United States looked forward to working closely with UNCTAD in the years ahead to assure that developing countries got the advice and support they needed in order to fully integrate into international economy

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and take maximum advantage of the benefits and resources available there, to ensure that every individual in every country had an opportunity for a better life.

The Conference then adopted a resolution expressing gratitude to the people and Government of Brazil.

The representative of Ghana was pleased to note that his country was prepared to host UNCTAD XII, which highlighted the necessity of ensuring that Africa was actively and adequately involved in multilateral trade talks.

The representative of Tunisia said that his country had also expressed its readiness to host UNCTAD XII.

Senegal, coordinating the African Group's negotiations within the Conference's selection committee on the host for the next UNCTAD, said that it had received several nominations and would weigh them all equally and would submit them, along with the nominations of other regional groups, when the Conference was set to make its final decision.

Speaking on behalf of the "Group of 77" developing countries and China, RANSFORD A. SMITH (Jamaica) said that the adoption of the Sao Paulo Consensus was another important milestone on the historic journey, which had begun with the first UNCTAD in 1964. Its unanimous adoption was a major and significant outcome, which the Group welcomed. Recent events had shown that multilateral agreement on trade and development issues was not by any means assured, and that made the outcome of the Conference all the more noteworthy. The consensus achieved in Sao Paulo affirmed the potential and relevance of multilateralism. It ensured that UNCTAD would be able to continue to play its unique role as the focal point in the United Nations system for trade and development and interrelated areas of finance, technology, investment and sustainable development.

The text adopted today was not ideal, he pointed out, but the Group was aware of the fact that an outcome that was based on consensus required that legitimate interests and concerns of all parties be accommodated. The Group regretted that the treatment of some key issues of primary interest to its members diverged significantly from the position that the Group had adopted in the input it had provided to the president of the Preparatory Committee last December. The Group had had a much higher expectation with regard to the outcome of issues, such as a policy space, corporate responsibility, commodities, capital flows, debt, official development assistance (ODA), innovative financial mechanisms and trade. Having said that, he assured the Conference that the Group would give its full support and would work vigorously and tirelessly for the implementation of the Sao Paulo Consensus.

From the start, a key objective of the Group had been to ensure that after 40 years of existence, UNCTAD would not be marginalized, but would instead be strengthened in its vital role of supporting developing countries through its three pillars -- consensus building, research and analysis, and technical assistance and capacity-building. The basis for that had been laid in the Sao Paulo Consensus, which also affirmed continued relevance of the Bangkok Plan of Action and took into account important developments since UNCTAD X. The examples of some key issues in that regard included the important role that UNCTAD was required to play in the follow-up to major United Nations conferences, supporting developing

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countries in post-Doha multilateral trade negotiations and in adapting to new and emerging developments in trade and transport security.

The Group had repeatedly underscored the importance of policy space in pursuance of development objectives, he said. While the Group's expectations in that respect had not been fully met, the inclusion of a paragraph on that important issue in the Consensus was a significant development. That was the first time that the issue was appearing in the final document of UNCTAD and, indeed, in any negotiated multilateral text. The text had struck an appropriate balance with regard to UNCTAD's participation in the United Nations reform process and in respect of the Conference's cooperation with other organizations and entities. UNCTAD's role in development should be rightfully recognized through continued participation in the high-level meeting of the Economic and Social Council with international financial institutions and the World Trade Organization (WTO).

In the area of trade, the Group was fully convinced that the Conference could play a positive role in deepening understanding of the issues of major concern to developing countries in the Doha negotiations, he continued. It should also lay the ground for continued support in that area through its three pillars. That had largely been achieved. In addition to its ongoing work on multilateral trade negotiations, the Group anticipated benefits for developing countries from UNCTAD's work on such new activities as those relating to dynamic sectors of world trade, development benchmarking and the interface between the multilateral trading system (MTS) and regional arrangements. The launching of the third round of negotiations on the Generalized System of Trade Preferences (GSTP) among developing countries in Sao Paulo this week underscored the importance, increased relevance and timeliness of UNCTAD's work on South-South trade.

Discernible progress had been made on such issues as home country measures and security-related measures and their impact on trade, he continued. He was also pleased that UNCTAD now had increased scope to address issues in the areas of information and communication technologies (ICT) and development. On the matter of corporate responsibility, the negotiated outcome fell well short of the Group's aspiration that UNCTAD's work should go beyond voluntary arrangements. Notwithstanding that disappointment, it should be possible for UNCTAD to undertake very useful work in that area.

He expressed the Group's deep concern over increased application of coercive economic measures and unilateral sanctions against developing countries, including new attempts aimed at extraterritorial application of domestic law, which constituted a violation of the United Nations Charter, the principles of the MTS and WTO rules. The Group firmly rejected the imposition of laws and regulations that entailed extraterritorial consequences and all other forms of coercive economic measures against developing countries and reiterated the urgent need for their immediate repeal.

Nowhere had the Group's flexibility been tested more than in the negotiations on governance, which, he maintained, was applicable to both national and international levels, and especially so in the context of the Conference whose theme was enhancing coherence between national development strategies and global economic processes towards economic growth and development. While the Group had not achieved all or, indeed, many of its objectives, he believed the Sao Paulo Consensus was substantive and

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meaningful in its content, both for the members of the Group and for UNCTAD. He welcomed the launching of multi-stakeholder partnerships in the areas of ICT for development, commodities, investment, capacity-building and training.

It would now be the international community's collective task to ensure that the Consensus was fully and expeditiously implemented, he concluded. The Group of 77 and China would cooperate fully with all its partners to ensure that its goals were achieved.

The representative of Ireland, speaking on behalf of the European Union, welcomed the adoption of the "São Paulo Consensus" and said that the work completed over the past few months had produced an important document that would guide the work of UNCTAD for the next four years, particularly the work that would promote the efforts of developing countries and least developed countries to use trade to overcome poverty and promote development.

The European Union had identified regional integration, supply-side constraints and the importance of South-South trade as issues of top priority, he said. It had been impressed by the cooperative approach of all negotiating delegations and the spirit of cooperation of all the regional groups, as well as the spirit of the people and Government of São Paulo and Brazil.

The representative of Benin speaking on behalf of the least developed countries, said his group represented those nations, which were forced to battle the most extreme forms of poverty and hunger on an almost daily basis. They continued to face an era of exclusion and marginalization, even in spite of the best efforts of their home governments. He reaffirmed the group's commitment to the Brussels Declaration on behalf of least developed countries and welcomed the holding of the upcoming session of the United Nations Economic and Social Council, which would be devoted to mobilizing international efforts in that regard.

He urged UNCTAD to continue to support international efforts to help find responses to the very real concerns of the least developed countries. The organization was irreplaceable, particularly for the world's poorest countries. And while its decisions and recommendations were welcomed, it was necessary to move swiftly towards action, so that São Paulo would not become "just another conference". He urged all delegations to continue to support the least developed countries.

A representative of Norway, speaking on behalf of Japan, United States, Canada, Australia and New Zealand, welcomed the success of the session and expressed his gratitude to all those who had made it possible. He particularly noted the warm hospitality of Brazil. A lot of effort had been required to find consensus solutions, and he appreciated the spirit of compromise on behalf of the delegations. The Conference had become a marketplace of approaches and policies on sustainable development and poverty eradication.

A representative of Paraguay on behalf of landlocked developing countries, underscored the importance of UNCTAD XI in addressing the issues of importance to the group he represented. In São Paulo, the group sought the understanding of its specific concerns and difficulties. Those countries' vulnerability called for special treatment in today's globalized world. UNCTAD XI had been an important step forward in that regard.

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Included in the outcome texts were several paragraphs, which specifically referred to landlocked developing countries.

A statement of appreciation was also made by the representative of the Russian Federation, coordinator of Group D, who welcomed the fact that participants in the negotiations had demonstrated the political will to reach agreement on important matters. Having adopted the outcome documents, UNCTAD had provided a clear road map for future action.

A representative of the Civil Society Forum thanked the people of Brazil and all those who had worked for the success of the Conference. Civil society attached political importance to the fact that the Conference had adopted a consensus document at a time when it had proven difficult to do the same on such platforms as that of the WTO.

The current model of trade liberalization, which was based on the tenet of market access, had benefited large corporations and intensified marginalization of the poor and unskilled people, reducing their political power to fight for their rights over employment, resources and livelihoods. The representative added that, dangerously, those corporations had used their power to subvert fundamental human rights of people. They had also found partners in some governments, which had made every effort to subvert the United Nations and its processes.

The illegal occupation of territories under any guise, as well as economic blockades, had only made societies and economies poor and eroded their capabilities to trade, he continued. Conditionalities attached to financial and trade packages negotiated at bilateral and multilateral levels under the name of structural adjustment had only intensified debt problems and had shrunk the policy space, which was politically very important for the achievement of nations' developmental goals.

Having been submitted to negotiations at the WTO and to the model of market access and efficiency, the commodity sector, particularly in Africa and in least developed countries, had lost its capacity to support the livelihoods of people, he said. The UNCTAD had failed to build a consensus that would respect its own research and policy analysis and was seen to be providing technical assistance that supported the agenda of the WTO negotiations. There existed alternatives and solutions to development. Sadly, those alternatives found space only in alternative socio-economic literature as they did not take forward the agenda of existing power centres.

Expressing his belief in UNCTAD's ability to reverse those trends, he went on to make recommendations to the Conference, saying, among other things, that UNCTAD should recognize that the WTO was not the only multilateral regime of trade and that it was possible to have more flexible, inclusive and consensus-driven multilateral trading systems. The Conference should also come out with policy recommendations on the commodities sector, incorporating its analysis and discussions taking place on multilateral trading platforms. He also advocated work in partnership with civil society and active work with UNCTAD members with a view to enhancing their policy space. The UNCTAD should be able to continue to provide a visionary and proactive leadership for the promotion of trade and development.

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Closing Ceremony

HELIO BICUDO, Deputy Mayor of Sao Paulo, welcomed the holding of the Conference on behalf of the Mayor and citizens of São Paulo. He said the city had been proud to host the Conference, particularly since the organization had placed a priority focus on improving the plight of the world's poor, particularly those in the least developed countries.

São Paulo had been built with the blood and sweat of myriad ethnic groups and, over some 450 years, had become an example of tolerance and diversity, promoting civil and human rights and supporting the wider efforts of the Latin American region to ensure the achievement of the Millennium Development Goals. São Paulo had striven to receive delegations with an open spirit and had been pleased that it had been chosen to represent the people and spirit of Brazil.

UNCTAD Secretary-General RUBENS RICUPERO thanked the people and Government of Brazil and all those who had helped support the smooth running of the Conference's eleventh session. Thousands of Brazilians -- ministers, civic groups, police and military officers, volunteers and students -- had been a significant part of that effort, and he was more than grateful.

He praised the work of the Bureau and other Conference Secretariat officials, and said that he himself had tried to ensure that the session had been innovative and interactive. He had been pleased that UNCTAD XI had addressed topics related to trade and poverty reduction, trade and gender, and the role of creative industries in fostering development -- an area in which the poor had much to contribute because of the richness of their own cultures.

He hoped that the meeting provided the participants with food for thought, that they had a better understanding of each other and recognized the merit of a global forum for the development debate. He also praised the Conference efforts to ensure that the views of civil society groups were included at all events. Another innovation had been that, for the first time at a United Nations conference, the general debate had been broadcast live on the Internet.

He told the ministers that UNCTAD's eleventh session would be his last. He would not have a formal farewell, because he was shortly off to New York to participate in the high-level segment of the United Nations Economic and Social Council. He had been pleased with the sincerity and sense of determination he had seen over the past week. He urged everyone to keep in mind that in order to integrate developing countries into the world trading system, it was necessary to not only promote fair trade negotiations, but to address supply side constraints.

Those were very serious and complex issues, he continued. So many developing countries feared trade negotiations because they knew in their hearts that, with their dependence on just one or two commodities, they were not competitive. How could one expect them to participate enthusiastically in such negotiations when they had very little to contribute, but so much at stake?

So UNCTAD must be used as a tool to help integrate the world's poorest people into the world economy, while at the same time maintaining its focus on poverty eradication, gender equality and culture. The UNCTAD

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was proud of being the voice of least developed countries, he added. As nations had expressed solidarity in the war on terror, he urged them to express solidarity with the world's poorest countries to eradicate poverty, alleviate hunger, turn back the spread of HIV/AIDS, and secure broader social and economic development.

While UNCTAD did not have the resources to compete with many other international organizations, it believed its principles and ideals could compete with any of them. The pride of the organization was to be innovative and ahead of the curve, making mistakes sometimes, but trying again and again to help poor countries find real solutions to their problems.

Highlights of São Paulo Consensus

The Consensus notes that as the United Nations focal point for the integrated treatment of trade and development and interrelated issues of finance, technology, investment and sustainable development, UNCTAD is expected to contribute to the implementation of international development goals, as well as specific actions requested in the Programme of Action for the Least Developed Countries, the Monterrey Consensus, the Johannesburg Declaration on Sustainable Development, and the Plan of Implementation of the World Summit on Sustainable Development and the Declaration of Principles and the Plan of Action of the World Summit on the Information Society. It should also help to further the implementation of internationally agreed goals in the Doha Ministerial Declaration and other relevant decisions.

Describing the Bangkok Plan of Action as a comprehensive blueprint for the work of UNCTAD in the four years since its tenth session, the text says that the São Paulo Conference reaffirms that the Plan should continue to guide the organization in the years to come. UNCTAD XI constitutes an opportunity to identify new developments and issues arising since Bangkok, and to generate greater understanding of the coherence between international processes and negotiations, on the one hand, and the development strategies and policies that developing countries need to pursue, on the other.

Given the social and human dimension of globalization, the Consensus states, development strategies must aim to minimize its negative social impact and maximize its positive effects, while ensuring benefits for all population groups, particularly the poorest. The market and the State have important and complementary roles in the development process, the private sector being critical for higher investment and faster growth, which require a suitable policy environment, and the latter being vital for implementing development strategies, reducing poverty and attaining equitable income distribution, building infrastructure, addressing market failures, and providing enabling macroeconomic conditions, as well as a sound regulatory framework.

The Consensus states that the increasing interdependence of national economies and the emergence of rule-based regimes for international economic relations have meant that the scope for domestic policies, especially in trade, investment and industrial development, is now often framed by international disciplines, commitments and global market considerations. Each government, particularly those of developing countries, must evaluate the trade-off between the benefits of accepting

international rules and commitments and the constraints posed by the loss of policy space.

According to the text, capital inflows, including foreign direct investment (FDI), are generally welcome as a source of development finance. However, volatile international financial markets have destabilized many developing countries, in particular, emerging-market economies lacking the necessary institutional capacities and regulatory frameworks. In addition, official development assistance (ODA) continues to be an essential complement to other development-financing sources, playing a critical role in improving the environment for private sector activity and in providing the largest source of external financing for many least developed countries, small island developing States and landlocked developing countries.

The Consensus notes that during the 1990s, reduced ODA flows adversely affected productive investment, as well as social and human development, particularly in many African countries and least developed countries, even as a build-up of unsustainable debt further hindered socio-economic development. Notwithstanding the implementation of the enhanced Heavily Indebted Poor Countries (HIPC) Initiative and substantial debt-relief measures by bilateral official creditors, long-term debt sustainability and a reduction in poverty remain out of reach for many low-income countries.

UNCTAD's Contribution

According to the text, UNCTAD's analytical capacity to undertake research on the interdependence of macroeconomic policies, finance, debt and poverty should serve to assist developing countries and those with economies in transition to face the challenges of globalization. In its work on globalization and development strategies, UNCTAD should focus on interdependence and coherence:

- Identifying specific needs and measures arising from the interdependence between trade, finance, investment, technology and macroeconomic policies from the viewpoint of its effect on development;

- Contributing to a better understanding of coherence between international economic rules, practices and processes, on the one hand, and national policies and development strategies, on the other; and

- Supporting the efforts of developing countries to formulate development strategies adapted to globalization challenges.

Based on its analytical work, the text states, UNCTAD should continue to help developing countries to build capacities in debt management and participate in multilateral negotiating processes and international decision-making. Its work on development strategies should pay attention to the problems of countries facing special circumstances, notably African trade and development problems, in support of the New Partnership for Africa's Development (NEPAD). Further, in view of the increasing marginalization of least developed countries, UNCTAD should continue to play a leading role in the substantive and technical implementation of the Programme of Action for the Least Developed Countries for the Decade 2001-2010. It should also continue to examine the causes of the decline in the least developed country share of world trade and the links between trade,

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growth and poverty reduction with a view to identifying long-term solutions.

Building Productive Capacities and Competitiveness

Noting that an enabling international environment is essential for developing countries and transition economies to integrate into the world economy, the Consensus also stresses the importance for those countries of building stronger supply capacities responsive to market demands; promoting technology development and transfer; encouraging enterprise networking; increasing productivity; and improving the competitiveness of their enterprises. Building productive capacities and enhancing international competitiveness require a collective and coherent effort, primarily by the developing countries, but also by home countries, investors and the international community as a whole.

The text states that the objective of UNCTAD's work is to assist developing countries, particularly least developed countries, to design and implement active policies for building productive capacity and international competitiveness, based on integrated treatment of investment, corporate responsibility, technology transfer and innovation, enterprise development and business facilitation (including transport and ITC) competitiveness, diversification and export capacity in order to sustain a high level of growth and promote sustainable development.

Assuring Development Gains from Trade

More than 50 developing countries depend on the export of three or fewer commodities for more than half of their export earnings, according to the Consensus. The decline and instability of world commodity prices and resulting terms-of-trade losses have reduced economic growth, particularly in countries that are not diversified, such as least developed countries and those in Africa. On the other hand, the dynamic sectors in world trade represent new and emerging trading prospects for developing countries, most of which have made important efforts at trade liberalization under very difficult circumstances, underscoring their interest in using trade as an engine of development and poverty reduction.

Emphasizing the need for the trade policies of developing countries to suit their needs and circumstances, the Consensus calls for a concentrated focus on the difficulties faced by commodity-dependent developing countries. Their efforts to restructure, diversify and strengthen the competitiveness of the commodity sectors, including through local processing, should be supported, including by enhanced market access on a secure and predictable basis, adequate technical and financial assistance, and the strengthening of capacity and institutions. UNCTAD's contribution should include building on and strengthening the implementation of the Bangkok Plan of Action.

To achieve that aim, the text says, UNCTAD should:

-- Continue to monitor and assess the evolution of the international trading system and of international trade trends from a development perspective;

-- Convene reviews on dynamic sectors of world trade;

-- Assist in consensus- and confidence-building;

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-- Help to build capacities in developing countries to establish their own negotiating priorities;

-- Enhance support to developing and transition countries in formulating, implementing and reviewing national trade and trade-related policies and options;

-- Help strengthen human resources, know-how and competence, as well as institutional and regulatory frameworks and infrastructure;

-- Elaborate development benchmarks;

-- Help ensure that anti-competitive practice do not impede or negate benefits arising from liberalization; and

-- Assist developing countries to integrate trade and development concerns into their development plans and poverty-reduction strategies.

Partnership for Development

The Consensus notes that international development for cooperation relies increasingly on a multi-stakeholder approach, adding that UNCTAD has played a pioneering role in developing partnerships with various components of civil society. Since UNCTAD X, the concept of partnership has evolved significantly, in particular, from its conceptual development towards actual implementation. The experiences of the Monterrey and Johannesburg Conferences have allowed Member States to further refine mechanisms for interacting with non-State actors, to define the principles guiding the building of multi-stakeholder partnerships, and to contribute to their implementation.

The UNCTAD should make civil society participation, particularly by non-governmental organizations and academic circles, the private sector and other organizations of the United Nations, more systematic and better integrated with governmental processes. The objective should be to enhance the value added and the result orientation of such cooperation for the benefit of UNCTAD's work and that of Member States.

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