



**United Nations**

# **United Nations Conference on Trade and Development**

## **Report of the Trade and Development Board**

**Thirty-third to thirty-fifth executive sessions, twenty-first  
special session and fifty-first session**

### **General Assembly**

**Official Records**

**Fifty-ninth Session**

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*Note*

Symbols of United Nations documents are composed of capital letters combined with figures. Mention of such a symbol indicates a reference to a United Nations document.

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**Part one**  
**Report of the Trade and Development Board**  
**on its thirty-third executive session**  
**(Geneva, 23 September 2003 and**  
**30 September 2004)\***

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## Chapter I

### **Financing the participation of experts from developing countries and countries with economies in transition in expert meetings of the United Nations Conference on Trade and Development**

*(Agenda item 2)*

1. For its consideration of this item, the Board had the following document before it: a note by the secretariat of the United Nations Conference on Trade and Development (UNCTAD) — on financing the participation of experts from developing countries and countries with economies in transition in UNCTAD expert meetings (TD/B/EX(33)/2).

#### **A. Proceedings of the first part of the session (23 September 2003)**

2. The President of the Board said that, at the mid-term review in Bangkok in April/May 2002, the Board had established guidelines for the functioning of the intergovernmental machinery. With regard to financing the participation of experts in expert meetings, members had agreed to find a long-term solution for predictable financing based on the principle of equitable geographical representation, beneficiary needs, in particular the least developed countries (LDCs), and the expertise of the experts concerned.

3. At its twentieth special session, in January 2003, the Board had agreed that, on an experimental basis, the participation of experts in UNCTAD expert meetings would be financed on the basis of extrabudgetary contributions. It had also agreed that there would be a reserve fund that would be used to finance participation at any expert meeting for which there were not sufficient extrabudgetary contributions. It had decided that it would discuss the working of the scheme in late September 2003 on the basis of an evaluation provided by the Secretary-General of UNCTAD. As indicated in the secretariat's report, funding for the participation of experts in all six expert meetings financed so far in 2003 had been drawn from the reserve fund. This meant that by the end of the year the reserve fund would have been seriously depleted.

4. The Deputy Secretary-General of UNCTAD said that the substantive operation of the scheme had been very successful, since it had been possible to attract high-calibre experts from developing countries, and that had made the outcomes of expert meetings more representative. However, the evaluation of the financing scheme itself was not positive. The idea had been that experts attending expert meetings in 2003 would be financed from new voluntary contributions and that the reserve fund would be preserved as a means of backstopping the operation of the scheme, in particular to deal with cash flow problems. However, apart from one pledge of \$10,000, there had been no voluntary contributions, and all the expert meetings in 2003 to date had been financed from the reserve fund, which was now almost depleted. In that connection, the secretariat's note had omitted to mention a pledge of 100,000 euros made by Finland in 2002, before the new scheme had been introduced. However, that pledge was intended to finance the participation of experts from LDCs, which meant that, at the end of 2003, there would in fact be

funds to finance LDC experts throughout 2004 and beyond, but there would be no money at all for the 70 per cent of experts who did not come from LDCs. Accordingly, the secretariat's fundamental conclusion, that the experimental scheme based on extrabudgetary contributions had not so far met the requirement of providing a long-term solution for predictable financing, remained unchanged.

5. With regard to the options open to the Board, one was to try to make the scheme work by obtaining voluntary contributions, but if the scheme was to operate as intended, contributions would have to cover not only the cost of expert meetings in 2004 but also the replenishment of the reserve fund. Another option was the use of regular budget funds, but that was a matter for member States alone. If it chose to follow that route, the Board would have to take a decision for transmittal to the Second Committee and then the Fifth Committee. A decision to use the regular budget would involve either increasing the budget to cover the additional amount or reallocating funds from elsewhere in the budget, which would involve either reducing or terminating other activities. Other options that had been mentioned in the past, for example using unspent balances from projects, would not produce enough money to sustain the scheme.

6. The representative of Thailand, speaking on behalf of the Group of 77 and China, said that, although initially reluctant to accept the Board's decision on the financing of experts, since it did not fulfil the basic criteria of reliable and long-term funding, the Group had nevertheless agreed to give the scheme the opportunity to work and transform it into a reliable arrangement. The issue of financing of experts was very important to the Group, since expert meetings enriched the intergovernmental work of UNCTAD and contributed to consensus building. The participation of experts from different regions of the world had had a significant positive effect on the quality of the meetings and had helped attract more participants from developing countries paid for by their own Governments. It must be noted that experts from developing countries were at a disadvantage travelling to Geneva because of the distances involved, unlike their European counterparts.

7. However, the outlook for 2004 was bleak, and if members could not agree on a suitable arrangement, the future value of the intergovernmental work of UNCTAD would be adversely affected. The Group of 77 and China had therefore prepared a draft decision for consideration by the Board. The uncertainty over the issue during the past few years was certainly proof that extrabudgetary resources could not provide the secure and reliable long-term funding required. It was essential to stop looking for stop-gap measures and come up with concrete proposals. The use of the regular budget not only represented a reliable and long-term solution but also provided a more balanced and equitable allocation of resources reflecting the partnership of the whole community of nations. Since the General Assembly was responsible for allocating resources in the United Nations, it must decide how best to include funding for the participation of experts in the regular budget.

8. The representative of Italy, speaking on behalf of the European Union and the acceding countries, said that the secretariat's evaluation had not been made available in time, and it had not been possible to prepare adequately for the session. Moreover, the information available to countries members of the European Union did not show that UNCTAD was facing a crisis situation that would justify a course of action different from that taken at the twentieth session of the Board. The secretariat should provide a complete financial statement of donations and

expenditures. It was too early to conclude after just a few months since its inception that the experimental scheme based on extrabudgetary funding had not succeeded in providing a solution for the predictable financing of experts from developing countries attending UNCTAD expert meetings. He urged the secretariat to be more active in following up with bilateral and multilateral donors on the various possibilities for raising adequate contributions, emphasizing the priority that developing countries attached to those issues, above other potential uses of funds. Informal meetings would be required; costly Board meetings did not seem conducive to reaching a consensus on the matter.

9. The representative of Benin, speaking on behalf of the least developed countries, said that, nine months after the launching of the scheme, the reserve fund was being depleted at a worrying rate, and the future of expert meetings would be compromised if a solution to the problem of financing was not found. Use of the regular budget should be envisaged, and the appropriate recommendations should be addressed to the relevant bodies. The participation of developing country experts at UNCTAD expert meetings contributed to efforts to identify solutions to development problems, and the development partners, especially developed countries, were therefore invited to help solve the funding crisis.

10. The representative of Cuba said that the discussion on the question of financing of experts was not new, and it should be possible to reach a decision on the matter without delay. The Group of 77 had shown great flexibility at the Board's twentieth special session by accepting the experimental scheme. Now, however, a crisis had arisen, because 70 per cent of the funding required for 2004 was not available. It could not be claimed, therefore, that it was too soon to take a decision.

11. The representative of South Africa said that he was satisfied with the secretariat's evaluation and felt that it should not be questioned.

#### **Action by the Board on 23 September 2003**

12. The Board decided to suspend its session and requested the President to hold informal consultations with interested delegations.

### **B. Proceedings of the second part of the session (30 September 2004)**

13. The representative of Brazil, speaking on behalf of the Group of 77 and China, said that the issue of financing of experts was a very important one, since expert meetings had helped to enrich the intergovernmental work of UNCTAD and had contributed towards consensus building. The participation of experts from the different regions of the world had had a significant positive effect on the quality of expert meeting discussions and had helped attract increased participation of representatives from government, business and academic sectors of developing countries, all of whom came to Geneva at their own expense. Moreover, experts from the developing world were already at a disadvantage in having to travel long distances to Geneva, unlike their European colleagues.

14. It was unfortunate to be in a situation now where there were not enough financial resources available for the full number of experts even for the current year, and the outlook for the next cycle of expert meetings in 2005 looked even bleaker. If member States were not able to agree on an arrangement to finance the participation

of experts, the future value of the intergovernmental work of UNCTAD would be adversely affected.

15. The Group of 77 and China had submitted a draft decision for the consideration of member States. In the guidelines approved at the mid-term review in May 2002 the Board called upon member States to find a long-term solution for the predictable financing of the participation of experts in UNCTAD expert meetings. The uncertainty over the issue during the past few years was certainly proof that extrabudgetary resources could not provide reliable long-term funding. It was important to stop looking at temporary stop-gap measures and come up with concrete proposals to ensure that expert meetings remained relevant to member countries.

16. The use of the regular budget not only represented a reliable and long-term solution for the participation of experts but, because it did not rely on voluntary contributions, it would result in a more balanced and equitable allocation of resources that would better reflect the partnership of the whole community of nations in that important activity.

17. The representative of Cuba said that a solution to the problem of financing of experts must be found as a matter of urgency, otherwise developing countries would not be able to attend expert meetings. On the basis of information to be provided by the secretariat, it should be possible to learn from the experience of other organizations.

18. The representative of Colombia said that the secretariat should address the issue as to whether funds originally intended for other purposes could be used to finance the participation of experts in expert meetings.

19. The representative of Nigeria said that it would be important that consultations on the issue of financing of experts result in recommendations for consideration by the Board.

20. The representative of the secretariat said that the secretariat would reissue the material it had provided in the past, with a note to respond to new queries.

#### **Action by the Board on 30 September 2004**

21. The Board requested its President to use his good offices to hold consultations with regional coordinators and interested delegations with a view to finding a solution by the end of 2004 for predictable financing for the participation of experts from developing countries and countries with economies in transition in UNCTAD expert meetings and to report to the Board, with a set of recommendations, if appropriate, at an executive or special session.

## Chapter II

### Organizational matters

#### Adoption of the agenda

22. The Board adopted the provisional agenda as contained in document TD/B/EX(33)/1 (see annex I to the present chapter).

#### Bureau

23. For the first part of the session, on 23 September 2003, the Bureau of the Board was as elected at the forty-ninth regular session, namely:

President:	Mr. Dimiter Tzantchev	(Bulgaria)
Vice-Presidents:	Mr. Iouri Afanassiev	(Russian Federation)
	Mr. Boniface Chidyausiku	(Zimbabwe)
	Mr. Luiz Felipe de Seixas Corrêa	(Brazil)
	Mr. Nathan Iumba	(Uganda)
	Mr. Toshiyuki Iwado	(Japan)
	Mr. Douglas M. Griffiths	(United States of America)
	Mr. François Leger	(France)
	Mr. Samuel T. Ramel	(Philippines)
	Mr. Lester Mejía Solís	(Nicaragua)
	Mr. Eberhard Von Schubert	(Germany)
Rapporteur:	Mr. Mehdi Fakheri	(Islamic Republic of Iran)

24. For the second part of the session, on 30 September 2004, the Bureau of the Board was as elected at the fiftieth regular session, namely:

President:	Mr. Sha Zukang	(China)
Vice-Presidents:	Mr. Michel Adam	(Belgium)
	Mr. Iouri Afanassiev	(Russian Federation)
	Mr. Chitsaka Chipaziwa	(Zimbabwe)
	Mr. Djismun Kasri	(Indonesia)
	Ms. Melissa Kehoe	(United States of America)
	Mr. Mohamed Oulde Mohamed Lemine	(Mauritania)
	Mr. Lester Mejía Solís	(Nicaragua)
	Mr. Iván Mora Godoy	(Cuba)
	Mr. Mitsunori Nanba	(Japan)
	Mr. Dimiter Tzantchev	(Bulgaria)
Rapporteur:	Mr. François Leger	(France)

#### Report of the Board on its thirty-third executive session

25. The Board authorized the Rapporteur to finalize the report on its thirty-third executive session under the authority of the President.

## **Annex I**

### **Agenda for the thirty-third executive session of the Trade and Development Board**

1. Adoption of the agenda.
2. Financing the participation of experts from developing countries and countries with economies in transition in UNCTAD expert meetings.

At its twentieth special session, in January 2003, the Board decided, in decision 474 (S-XX), that, on an experimental basis, participation of experts in UNCTAD expert meetings would be financed on the basis of extrabudgetary contributions. It further decided that it would discuss the working of the scheme, including if necessary the issue of the replenishment of the reserve fund, in late September 2003 and regularly thereafter on the basis of an evaluation provided by the Secretary-General of UNCTAD, in the light of the criteria established by the Board at its nineteenth special session. The secretariat will prepare an evaluation for consideration by the Board (TD/B/EX(33)/2).

3. Other business.
4. Report of the Board on its thirty-third executive session.

## Annex II

### Attendance\*

1. The following States members of UNCTAD, members of the Board, were represented at the session:

Algeria	Madagascar
Angola	Malaysia
Argentina	Mauritius
Bahrain	Mexico
Bangladesh	Morocco
Belgium	Nigeria
Benin	Norway
Bulgaria	Oman
China	Paraguay
Colombia	Peru
Côte d'Ivoire	Philippines
Cuba	Poland
Czech Republic	Portugal
Democratic People's Republic of Korea	Romania
Dominican Republic	Saudi Arabia
Ecuador	Serbia and Montenegro
Ethiopia	South Africa
Finland	Spain
France	Switzerland
Germany	Thailand
India	United Kingdom of Great Britain and Northern Ireland
Indonesia	United States of America
Italy	Zambia
Jordan	Zimbabwe

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\* For the list of participants, see TD/B/EX(33)/INF.1.



2. The following non-member State was represented as an observer at the session:

Holy See

3. The following intergovernmental organizations were represented at the session:

African, Caribbean and Pacific Group of States

Organization of the African Unity

Organization of the Islamic Conference

4. The following United Nations organization was represented at the session:

Economic Commission for Africa

5. The following specialized agencies and related organizations were represented at the session:

Food and Agriculture Organization of the United Nations

United Nations Industrial Development Organization



**Part two**  
**Report of the Trade and Development Board**  
**on its thirty-fourth executive session**  
**(Geneva, 10 March 2004)\***

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## Chapter I

### **Matters requiring action by the Board arising from or related to reports and activities of its subsidiary bodies**

*(Agenda item 2)*

#### **Report of the Commission on Investment, Technology and Related Financial Issues, eighth session (26-29 January 2004)**

1. The representative of Barbados, speaking in his capacity as President of the Commission on Investment, Technology and Related Financial Issues at its eighth session, introduced the Commission's report (TD/B/COM.2/60 and Corr.1). Discussions under agenda items 3 and 4, on policy issues related to investment and development and issues related to investment agreements, had been rich and had not been hampered by events in Cancún or the current state of play in the World Trade Organization (WTO). The Commission had acknowledged that UNCTAD had internationally recognized expertise in the area of investment that needed to be reflected in the formulation of future work at the eleventh session of the United Nations Conference on Trade and Development and beyond, taking into account particularly the needs of LDCs.

#### **Action by the Board**

2. The Board took note of the report of the Commission, endorsed the recommendations contained therein, approved the provisional agenda for the Commission's next session and approved the topics for the next cycle of expert meetings.

#### **Report of the Commission on Trade in Goods and Services, and Commodities, eighth session (9-13 February 2004)**

3. The representative of Bulgaria, speaking in his capacity as President of the Commission on Trade in Goods and Services, and Commodities at its eighth session, introduced the Commission's report (TD/B/COM.1/67 and Corr.1). The Commission had deepened understanding of international and national policies required to enhance the beneficial integration of developing countries into the international trading system. There was a common view that UNCTAD played a critical role as a forum for policy analysis, confidence-building and consensus making on issues facing the international trading system, as well as capacity-building to support developing countries, especially LDCs.

#### **Action by the Board**

4. The Board took note of the report of the Commission, endorsed the recommendations contained therein, approved the provisional agenda for the Commission's next session, and approved the topics for the next cycle of expert meetings.

5. The representative of Switzerland noted that the Commission had not been in a position to adopt recommendations on the question of trade and the environment and

asked whether the absence of recommendations had affected or would affect the work of the secretariat.

6. The Director of the Division on International Trade in Goods and Services and Commodities said that member States normally used recommendations to highlight certain issues, and the absence of recommendations would not affect the secretariat's work. The secretariat had not been instructed to stop any work, and the statements made by member States in the Commission had provided the secretariat with guidance.

### **Report of the Commission on Enterprise, Business Facilitation and Development, eighth session (12-15 January 2004)**

7. The representative of Italy, speaking in his capacity as President of the Commission on Enterprise, Business Facilitation and Development at its eighth session, introduced the Commission's report (TD/B/COM.3/64). With regard to improving the competitiveness of small and medium-sized enterprises, certain underlying principles were common for successful countries, although there was no single "correct" strategy. Transport and trade facilitation were core elements in enhancing the participation of developing countries in global trade and attracting foreign direct investment. Information and communication technologies were important in boosting overall economic growth, and UNCTAD should continue conducting policy-oriented analysis of the economic implications of information and communication technologies for developing countries.

#### **Action by the Board**

8. The Board took note of the report of the Commission, endorsed the recommendations contained therein, approved the provisional agenda for the Commission's next session, and approved the topics for the next cycle of expert meetings.

#### **Statements**

9. The representative of Brazil, speaking on behalf of the Group of 77 and China, said that the work of the Commissions had made important contributions in many sensitive areas from a development perspective. The discussion on policy space in the Commission on Trade had been particularly important. Policy space was an appropriate tool for countries pursuing development strategies, especially as a growing constellation of trade agreements increasingly limited national policy options open to Governments. Present-day developing countries needed the policy space that today's developed countries had themselves enjoyed in the past. South-south trade was expanding nearly twice as fast as world trade, and it could play a complementary role in strengthening the multilateral trading system, for instance through the Global System of Trade Preferences among Developing Countries. It was disappointing that the Commission on Trade had not been able to agree on recommendations on trade, environment and development. UNCTAD member States should give more careful consideration to those issues.

10. The representative of the Islamic Republic of Iran, speaking on behalf of the Asian Group and China, said that all necessary means should be employed to ensure implementation of the outcomes of the Commission sessions. The lack of consensus

on the issue of trade, environment and development in the Commission on Trade was a matter of concern. It was the second time that the consensus-building function of UNCTAD had been challenged in that Commission. All delegations and the secretariat should consider all mechanisms agreed at UNCTAD X and the mid-term review to enhance the intergovernmental machinery. With regard to expert meetings, any further reduction in their length might affect the attainment of their objectives. It would be more important to enrich the content of the meetings and invite more eminent panellists.

11. The representative of the United States of America said that, with regard to the issue of transportation security measures, which was relevant to the work of both the Commission on Trade and the Commission on Enterprise, UNCTAD could provide useful analysis and assistance when it had a clearly defined role. However, the recommendations on transportation security agreed by the Enterprise and Trade Commissions were too broad and too vague. UNCTAD work in this area should be to assist developing countries in complying effectively with international transportation security standards through a carefully defined programme that did not overlap, conflict with, or interfere in the deliberations of other international organizations. A number of United Nations agencies, including the International Civil Aviation Organization, the International Maritime Organization and the International Labour Organization, and other international organizations already had active transportation security programmes, including technical assistance for developing countries. There was no indication that the security regimes developed through those organizations left any gaps that needed to be filled by UNCTAD, and UNCTAD had no role in reopening discussion of agreed standards. In line with its core mission, UNCTAD could have a role in helping developing countries participate more fully in international trade and complying with internationally agreed initiatives, and the United States stood ready to assist UNCTAD in that role.

12. The representative of Venezuela said that the Commissions had carried out important work in the context of the preparations for the eleventh session of the Conference. The discussions on WTO issues had produced a greater understanding of the current situation, and the deliberations on policy space had proved of crucial importance. In future, though, the Commissions should devote more time to interactive discussions with delegations. It was frustrating to see that it had not been possible for the Commission on Trade to agree on recommendations on trade, environment and development. UNCTAD had already worked in that area, which had also been referred to by the General Assembly in its resolution on trade and development and the work of UNCTAD. The task of the Commissions was to focus the organization's mandate and give guidance for future work, not to restrict the mandate. Finally, the Commissions had approved a series of expert meetings, but there might not be enough funds available to ensure the effective participation of developing countries, and that would seriously affect the intergovernmental machinery. This issue should be revisited, and new ways should be sought of covering the related costs under the regular budget.

13. The representative of Colombia said that the absence of agreement on recommendations on trade, environment and development in the Commission on Trade was disappointing. It must be emphasized in that connection that the biotrade programme enjoyed the unanimous support of all participating countries. The secretariat's assurance that the absence of recommendations would not affect the secretariat's work was welcome. With regard to the expert meetings approved by the

Commissions, a long-term solution for predictable financing for the participation of experts from developing countries must be found to allow developing countries to share the knowledge exchanged at the meetings.

14. The representative of Sri Lanka said that the Commissions had done useful work. In the Commission on Trade, useful ideas had been put forward on the liberalization of trade in services under mode 4, and this matter should be taken up in the context of the preparations for the eleventh session of the Conference. Small trade-dependent economies were particularly vulnerable in their efforts to integrate into the world trading system, and UNCTAD should develop a concrete programme of action and policy advice to help them. The issue of small economies should also be taken up at the eleventh session of the Conference.

15. The representative of Senegal, speaking on behalf of the African Group, regretted that the Commission on Trade had not agreed on recommendations on the issue of trade, environment and development. His Group had worked hard to try to get agreement, but it had not found the necessary flexibility among some of its partners. He hoped flexibility would be shown by all during the preparations for the eleventh session of the Conference. Concerning expert meetings, more experts from Africa must be enabled to attend, and the question of financing must be resolved. Investment was crucial for Africa, and African countries were making great efforts to attract it. However, the results had been disappointing so far, and he appealed to partners to help increase flows.

16. The representative of Barbados said that her country attached great importance to the outcomes of the Commissions' work. The discussion on policy space had been particularly appreciated, and it was hoped that it could be built on positively; it demonstrated the continuing relevance of UNCTAD in consensus building. With regard to the expert meetings that had been approved, the meeting on new and dynamic trade sectors was especially welcome. The absence of agreed recommendations on trade, environment and development was regrettable, but it must not restrict UNCTAD work in that area. The mandate in the Bangkok Programme of Action remained in force, and her country supported the continuing role of UNCTAD in that respect.

17. The representative of Egypt said that the UNCTAD mandate had been determined in 1964, and it could not be renegotiated by each Commission. With regard to expert meetings, it was important to ensure the participation of experts from a wider range of cultural and linguistic backgrounds in order to enable developing countries to make inputs. In that connection, the translation of all Board documentation into Arabic must be assured in order to permit the full participation of capitals in the work of UNCTAD.

18. The representative of Cuba said that the failure to reach agreement on recommendations on trade, environment and development in the Commission on Trade was a matter for concern, given the importance of the issue for all countries. Cuba attached particular importance to activities in that field, for which UNCTAD had a mandate, and it welcomed the secretariat's assurance that related activities would continue unaffected. Important ideas had been put forward in connection with policy space, and all members should focus on that issue if they wanted to help developing countries integrate into the world trading system. Special and differential treatment was another key element of that system. Finally, in the context

of the challenges facing developing countries, a one-size-fits-all approach was not appropriate.

19. The representative of Benin, speaking on behalf of the least developed countries, said that external debt and investment were the key issues discussed by the Commissions. The debt burden of least developed countries hindered all their development efforts, since once debt repayments had been made, there was nothing left to invest. The Heavily Indebted Poor Countries Initiative should therefore be extended to cover all least developed countries. The least developed countries attached importance to the issue of trade, environment and development, and the failure to adopt recommendations on that issue in the Commission on Trade was therefore disappointing. UNCTAD should continue its efforts in favour of least developed countries. Such efforts in favour of a particular group of countries were not discriminatory vis-à-vis other countries; they were simply a matter of justice. In that connection, the General Assembly had expressed profound concern about the poor implementation of the Programme of Action for the least developed countries, and all United Nations organizations, as well as the Bretton Woods institutions, had been invited to support the Programme's implementation.

20. The representative of Oman said it was important that all Board documentation be distributed in all official United Nations languages on time. The report of the Commission on Trade was not available in Arabic, and that caused difficulties for officials in capitals.

21. The representative of Switzerland said that the work of the three Commissions had demonstrated the important role of UNCTAD in consensus building and the generation of new ideas. At the same time, more thought had to be given to the ways in which these new ideas could be shared with a broader audience. Also, discussions should be more interactive, with more time for participation by member States. Because of the importance of the recommendations adopted by the Commissions, more time should be set aside for their consideration. The recommendations should focus on areas where UNCTAD had recognized competence and could add value, and they should not give the secretariat new functions that had not been shown to be appropriate. In general, there was a need to look critically at the way the organization worked.



## Chapter II

### Other business

*(Agenda item 4)*

#### Scheduling and financing of expert meetings

22. The President proposed that the Expert Meeting on Good Governance in Investment Promotion and the Expert Meeting on the Impact of Foreign Direct Investment on Development should be held back-to-back the same week, meaning that each meeting would last two and a half days instead of three.

23. The representative of the Islamic Republic of Iran said that such an arrangement could lead to problems for experts coming from capitals. Moreover, the problem of financing the participation of experts from development countries had not yet been resolved.

24. The representative of Brazil, speaking on behalf of the Group of 77 and China, said that the issue of financing of experts was very important. Expert meetings played an essential role in improving the intergovernmental work of UNCTAD and in consensus building, and the participation of experts from different regions had improved the quality of the meetings and helped disseminate their findings. It was therefore unfortunate that there were not sufficient resources to finance experts in 2004. The Group of 77 had reluctantly accepted the idea of financing the participation of experts through extrabudgetary contributions in the hope that this would produce a long-term solution, but that had not been the case. The use of regular budget resources was the only way of getting a reliable and long-term solution to the problem. The Board should take up the issue again within the framework of its thirty-third executive session with a view to agreeing on a long-term solution.

25. The representative of Egypt said that the participation of experts from developing countries in UNCTAD expert meetings was extremely important, and the secretariat should circulate a brief note on the impact of the proposal to hold two meetings back-to-back.

26. The representative of Benin, speaking on behalf of the least developed countries, said that it was important for developing countries to participate in expert meetings. The discussions on financing the participation of experts had gone on for too long, and a solution to the problem had to be found. His country did not have the means to finance the participation of its own experts at expert meetings.

27. The Deputy Secretary-General of UNCTAD said that the issue of financing the participation of experts in UNCTAD expert meetings had been on the table since the eleventh session of the Conference. Initially, financing had been provided from unspent balances under the regular budget, but that had been a one-off exercise and the funds had now been exhausted. The options considered to obtain alternative sources of financing had involved the use of voluntary contributions or resort to the regular budget. The UNCTAD secretariat had tried to include a provision in the draft United Nations regular budget, but without success. If the Group of 77 wished to recommend the use of the regular budget now, a proposal to that effect would

have to be submitted to the General Assembly, but it appeared that such a proposal was unlikely to meet with success.

28. The President reminded the Board that, at its thirty-third executive session, in September 2003, it had decided to hold consultations on financing the participation of experts, and he intended to resume the thirty-third session and return to the issue, possibly before May.

#### **Action by the Board**

29. The Board decided that the Expert Meeting on Good Governance in Investment Promotion and the Expert Meeting on the Impact of Foreign Direct Investment on Development should be held back-to-back the same week, meaning that each meeting would last two and a half days instead of three.

#### **Participation in the high-level meeting of the Economic and Social Council with the Bretton Woods institutions, the World Trade Organization and the United Nations Conference on Trade and Development**

30. The President recalled that, in its resolution 57/270 B of 23 June 2003, the General Assembly had decided to have the Trade and Development Board participate in the high-level meeting of the Economic and Social Council with the Bretton Woods institutions and WTO. That meeting formed part of the institutional follow-up to the Monterrey Consensus. For the purpose of preparing the high-level meeting, he had had a videoconference with the President of the Council on the overall theme of the high-level meeting and the specific topics, as well as the format of the meeting. The following potential themes had been mentioned for the 2004 meeting: trade and development, investment and development, and commodities and development; low-income countries; financial windows; international governance; trade; Heavily Indebted Poor Countries Initiative and debt sustainability and national experiences.

31. He had indicated that the selection of the overall theme, as well as of the specific topics to be discussed in the round tables, should take account of three basic elements: the need to contribute to the implementation of the Monterrey Consensus; the need to contribute to the General Assembly debate on financing for development; and the need to prepare for the 2005 comprehensive review of the United Nations Millennium Declaration. He had suggested that the theme of the high-level meeting could be related to increased coherence, coordination and cooperation for the implementation of the Monterrey Consensus, and he had indicated that the UNCTAD mandate and the Board's agenda were relevant to the review and implementation of the Monterrey Consensus, in particular in the areas of trade, investment, commodities, debt and interdependence. For the 2004 high-level meeting, the Board could make its contribution in the specific areas of trade and investment.

32. On the format of the meeting, he had indicated that, in accordance with existing practice, senior officials of the UNCTAD secretariat should continue to be involved in the round tables, including by serving as chairpersons of round tables in UNCTAD areas of competence (investment, trade). Such participation, both on

behalf of the Board, through its President, and from the leadership of the secretariat, would maximize the UNCTAD contribution to the high-level meeting.

33. The representative of Brazil welcomed the proposal concerning the President's participation in the high-level meeting.

34. The representative of Colombia expressed full support for the President's participation in the high-level meeting. Member States should come forward with concrete recommendations for the modalities of that participation, and it would be good if the President of the Board could serve as chairperson or vice-chairperson of one of the round tables. The Board must ensure that UNCTAD activities were in line with agreed priorities and that the activities of its Commissions were coordinated.

35. The representative of the Islamic Republic of Iran said that the role of UNCTAD in the follow-up to United Nations conferences was crucial, and he therefore welcomed UNCTAD participation in the high-level meeting. It would be important to determine the appropriate modalities for that participation.

36. The representative of Senegal, speaking on behalf of the African Group, welcomed the President's initiatives in connection with the high-level meeting. The Board certainly had a role to play, and all the topics mentioned were important. He requested further information on the format and venue of the meeting and the themes.

37. The representative of the United States of America asked whether those participating in the high-level meeting would present the views of the secretariat or member States and what mechanism would be used to allow member States to participate. She also asked what the outcome of the meeting would be, and expressed the hope that there would be no need to negotiate topics.

38. The representative of Ireland, speaking on behalf of the European Union, said that a new practice was in fact being created, and it was therefore important for member States to be fully apprised of the situation so that they could participate fully this year and in future years. More time should be given to allow them to prepare more substantially.

#### **Action by the Board**

39. The Board decided that the secretariat should circulate a note relating to the high-level meeting and asking member States for their views on the themes and topics for the meeting, on the format of the meeting, on what kind of statement the President of the Board should make, and on how the representatives of the Board should be chosen, how many should be chosen, and who should finance their participation. A meeting of the Bureau of the Board would then be convened at an appropriate time.

40. The representative of the United States of America said that the participation of representatives of the Board in the high-level meeting would not substantially change the intergovernmental process in UNCTAD. It would be best to have limited expectations for the first participation of UNCTAD in the meeting, and not to be overly optimistic about consensus on inputs to the event.

## Chapter III

### **Institutional, organizational, administrative and related matters**

#### **Opening of the session**

41. The session was opened by the President of the Board.

#### **Adoption of the agenda**

42. The Board adopted the provisional agenda as contained in document TD/B/EX(34)/1 (see annex I to the present chapter).

#### **Bureau**

43. The Bureau of the Board was as elected at its fiftieth session, except that the Board agreed that Mr. Mitsunori Nanba (Japan), who had left Geneva, should be replaced by Mr. Kiminori Iwama (Japan) as Vice-President, and that Mr. Lester Mejía Solís (Nicaragua), who had also left Geneva, should be replaced by Mr. Eduardo Castillo Pereira (Nicaragua) as Vice-President. The Bureau was thus as follows:

President:	Mr. Sha Zukang	(China)
Vice-Presidents:	Mr. Michel Adam	(Belgium)
	Mr. Iouri Afanassiev	(Russian Federation)
	Mr. Chitsaka Chipaziwa	(Zimbabwe)
	Mr. Djismun Kasri	(Indonesia)
	Ms. Melissa Kehoe	(United States of America)
	Mr. Mohamed Oulde Mohamed Lemine	(Mauritania)
	Mr. Eduardo Castillo Pereira	(Nicaragua)
	Mr. Iván Mora Godoy	(Cuba)
	Mr. Kiminori Iwama	(Japan)
	Mr. Dimiter Tzantchev	(Bulgaria)
Rapporteur:	Mr. François Leger	(France)

#### **Designation of intergovernmental bodies for the purposes of rule 76 of the rules of procedure of the Board**

44. The Board decided that the Latin American Technological Information Network, on which background information was supplied in document TD/B/EX(34)/R.3, should be included in the list provided for in rule 76 of its rules of procedure.

**Designation of non-governmental organizations for the purposes of rule 77 of the rules of procedure of the Board**

45. The Board decided that the Global Foundation for Democracy and Development and the International Air Cargo Association, on which background information was supplied in documents TD/B/EX(34)/R.1 and R.2, should be included in the list provided for in rule 77 of the rules of procedure.

**Inclusion of national non-governmental organizations in the Register in conformity with Board decision 43 (VII)**

46. The Board was informed that, following consultations with the member States concerned, namely Brazil and France, the Secretary-General of UNCTAD had decided that the Community Action of Brazil/Rio de Janeiro and Coordination SUD (Solidarity, Urgency, Development), on which background information was supplied in documents TD/B/EX(34)/L.1 and 2, would be included in the Register of national non-governmental organizations provided for under Board decision 43 (VII).

**Report of the Board on its thirty-fourth executive session**

47. The Board authorized the Rapporteur to finalize the report on its thirty-fourth executive session under the authority of the President.

## **Annex I**

### **Agenda for the thirty-fourth executive session of the Trade and Development Board**

1. Adoption of the agenda.
2. Matters requiring action by the Board arising from or related to reports and activities of its subsidiary bodies:
  - (a) Report of the Commission on Trade in Goods and Services, and Commodities, eighth session (9-13 February 2004);
  - (b) Report of the Commission on Investment, Technology and Related Financial Issues, eighth session (26-29 January 2004);
  - (c) Report of the Commission on Enterprise, Business Facilitation and Development, eighth session (12-15 January 2004).
3. Institutional, organizational, administrative and related matters:
  - (a) Designation of intergovernmental bodies for the purposes of rule 76 of the rules of procedure of the Board;
  - (b) Designation of non-governmental organizations for the purposes of rule 77 of the rules of procedure of the Board.
4. Other business.
5. Report of the Board on its thirty-fourth session.

## Annex II

### Attendance\*

1. Representatives of the following States members of UNCTAD, members of the Board, attended the session:

Algeria	Lebanon
Austria	Lesotho
Bahrain	Libyan Arab Jamahiriya
Bangladesh	Madagascar
Barbados	Malaysia
Belarus	Mali
Belgium	Mexico
Benin	Morocco
Bhutan	Mozambique
Bolivia	Netherlands
Botswana	Nepal
Brazil	Nicaragua
Bulgaria	Nigeria
China	Oman
Colombia	Panama
Congo	Paraguay
Cyprus	Peru
Cuba	Philippines
Czech Republic	Portugal
Democratic Republic of the Congo	Qatar
Dominican Republic	Republic of Korea
Ecuador	Russian Federation
Egypt	Saudi Arabia
El Salvador	Senegal
Ethiopia	Serbia and Montenegro
Finland	Slovakia
France	Sri Lanka
Germany	Switzerland
India	Syrian Arab Republic
Indonesia	Thailand
Iran (Islamic Republic of)	Trinidad and Tobago
Iraq	Ukraine
Ireland	United Kingdom of Great
Italy	Britain and Northern Ireland
Jamaica	United States of America
Japan	Venezuela
Jordan	Yemen
Kenya	Zimbabwe

\* For the list of participants, see TD/B/EX(34)/INF.1.

2. The following other States members of UNCTAD, not members of the Board, were represented as observers at the session:

Holy See  
Rwanda

3. The following intergovernmental organizations were represented at the session:

African, Caribbean and Pacific Group of States  
African Union  
Common Fund for Commodities  
European Community  
International Organization of la Francophonie

4. The Economic Commission for Africa was also represented.

5. The following specialized agencies and related organizations were represented at the session:

Food and Agriculture Organization of the United Nations  
International Labour Organization  
International Monetary Fund  
United Nations Industrial Development Organization  
World Trade Organization

6. The following non-governmental organizations (General category) were represented at the session:

International Centre for Trade and Sustainable Development  
International Confederation of Free Trade Unions  
International Council of Nurses



**Part three**  
**Report of the Trade and Development Board**  
**on its twenty-first special session**  
**(Geneva, 14 May 2004)\***

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\* Originally issued under the symbol A/59/15 (Part III).

## **Chapter I**

### **Substantive preparations for the eleventh session of the Conference**

#### **Report of the Preparatory Committee**

1. The President of the Board, speaking in his capacity as Chairman of the Preparatory Committee, reported on the work of the Committee and presented the results of that work, namely the draft negotiated text for the eleventh session of the Conference (TD(XI)/PC/CRP.7 and Add.1). After hearing reports by the Permanent Representative of India on the chapeau and subthemes 1, 2 and 4 and the Permanent Representative of the Philippines on subtheme 3, the Preparatory Committee approved document TD(XI)/PC/CRP.7, with some amendments, ad referendum. He informed the Board that he would draw the attention of the Committee of the Whole at the eleventh session of the Conference to the concerns of Paraguay, speaking on behalf of the landlocked countries, with regard to paragraph 33 of document TD(XI)/PC/CRP.7. He also requested delegations to give consideration to the question of what the text would be called, for example São Paulo Consensus, São Paulo Agreement or São Paulo Accord.

#### **Action by the Board**

2. The Board decided to transmit to the Conference the draft negotiated text for the eleventh session of the Conference (TD(XI)/PC/CRP.7), subsequently reissued as TD/368. Concerning the annex on multistakeholder partnerships (TD(XI)/PC/CRP.7/Add.1 subsequently reissued as TD/368/Add.1), the Board requested the secretariat to update the document in consultation with interested delegations, and to submit the final version to the Conference. It also requested the Conference to take note of the multistakeholder partnerships launched at the Conference and to decide to annex the corresponding text to the final negotiated text.

3. The Board mandated the President of the Board to use his good offices to try to make further progress on the draft negotiated text before the Conference, to invite all interested parties to participate in the exercise and to report to the Committee of the Whole at the Conference on progress made.

#### **Statements**

4. The representative of Jamaica, speaking on behalf of the Group of 77 and China, said that the Preparatory Committee had reason to be quite pleased with its work. Nevertheless, some of the most difficult hurdles still lay ahead, because the outstanding paragraphs dealt with issues that would define the character of the outcome of the Conference for the Group of 77 and China, including policy space, institutional issues, corporate responsibility and governance. The flexibility of his Group had been tested on cross-cutting issues such as globalization and the role of the State, as well as on a large number of specific issues. The matters on which agreement still had to be reached included issues that were of fundamental developmental importance to his Group and that were critical to the institutional role and mandate of UNCTAD. The resolution of these issues must be consistent with UNCTAD being able to function independently, effectively, and in a balanced

manner across and within all three pillars of its mandate. Any other outcome would not be acceptable. The Group of 77 and China also attached importance to the attachment to the negotiated text of the relevant annexes relating to subtheme IV.

5. Concerning the informal consultations on outstanding issues prior to the Conference, they should be fully transparent, all outstanding issues should be addressed, and any agreements should be reported to the eleventh session of the Conference for consideration by all members.

6. There were two issues that his Group had omitted to raise and which would involve additions to existing paragraphs in order to provide for technical assistance in two areas. They would be tabled at an appropriate time. The Group also intended to pursue the matter of innovative financial mechanisms in the hope of finding acceptable language.

7. The representative of the Islamic Republic of Iran, speaking on behalf of the Asian Group and China, said that the text being transmitted to the Conference was a particularly significant one, since it would determine the direction of UNCTAD work in the next four years. A multilateral consensus could be achieved only if all major concerns and interests were reflected properly and if all the parties were in a position to offer a certain flexibility on issues and language. The Conference would have to address the remaining important issues, including policy space, governance, the UNCTAD contribution to the United Nations reform process and the follow-up to major United Nations conferences, interagency collaboration and coercive unilateral measures. It was hoped that it would be possible to find new elements to shape the document in a way that would reflect a realistic image of the outcomes of globalization and international trade negotiations, whilst also taking into account the development needs of developing countries.

8. The representative of Paraguay, speaking on behalf of the landlocked developing countries, said that the landlocked developing countries were among the poorest countries in the world. The General Assembly had called for the effective implementation of the Almaty Programme of Action: Addressing the Special Needs of Landlocked Developing Countries within a New Global Framework for Transit Transport Cooperation for Landlocked and Transit Developing Countries (A/CONF.202/3, annex I), and it was important that UNCTAD contribute to that implementation.

9. The representative of Senegal, speaking on behalf of the African Group, said that it would be important to reach agreement on a good paragraph on debt.

10. The representative of Algeria said that the main theme of the Conference should be reflected on the front page of the negotiated text.

## **Chapter II**

### **Other matters**

#### **Certificate of origin of the generalized system of preferences**

##### **Action by the Board**

11. The Board approved the proposed amendments to the certificate of origin of the generalized system of preferences, Form A, as contained in document TD/B(S-XXI)/2.

#### **Strategic framework for the biennium 2006-2007**

##### **Action by the Board**

12. The Board, having been informed that the strategic framework for the biennium 2006-2007 would have to be reviewed by the Working Party on the Medium-term Plan and the Programme Budget before the Conference in order to meet the deadline for submission of the strategic framework to the Committee for Programme and Coordination, decided that a draft strategic framework would be made available to delegations by 19 May, that the following week there would be informal consultations, and that the Working Party would meet formally at the end of May or the beginning of June to approve the text, which would be forwarded to the Committee for Programme and Coordination upon adoption of the negotiated text by the Conference at its eleventh session.

## Chapter III

### Organizational matters

#### Adoption of the agenda

13. The Board adopted the provisional agenda contained in document TD/B(S-XXI)/1. The agenda was thus as follows:

1. Adoption of the agenda and organization of the work of the session.
2. Organization of the work of the eleventh session of the Conference:
  - (a) Selection by drawing of lot of the country that will head the seating pattern at the eleventh session of the Conference;
  - (b) Outstanding organizational matters.
3. Substantive preparations for the eleventh session of the Conference:
  - Report of the Preparatory Committee.
4. Institutional, organizational, administrative and related matters:
  - (a) Preparations for the review by the eleventh session of the Conference of the lists of States annexed to General Assembly resolution 1995 (XIX);
  - (b) Designation of intergovernmental bodies for the purposes of rule 76 of the rules of procedure of the Board;
  - (c) Designation of and classification of non-governmental organizations for the purposes of rule 77 of the rules of procedure of the Board;
  - (d) Provisional calendar of meetings for the remainder of 2004 and draft schedule of meetings for 2005.
5. Other business.
6. Adoption of the report of the Board.

#### **Selection by drawing of lot of the country that will head the seating pattern at the eleventh session of the Conference**

14. In accordance with established practice, Trinidad and Tobago was drawn by lot to be first in the alphabetical order to be used for seating arrangements at the eleventh session of the Conference.

#### **Provisional calendar of meetings for the remainder of 2004 and draft schedule of meetings for 2005**

15. The Board adopted the draft calendar for the remainder of 2004 and part of 2005 (TD/B(S-XXI)/CRP.1, subsequently reissued as TD/B/INF.200/Rev.1).

### **Adoption of the report of the Board**

16. The Board authorized the Rapporteur to prepare the report on its twenty-first special session under the authority of the President.

## Annex

### Attendance\*

1. Representatives from the following States members of UNCTAD attended the session:

Algeria	Latvia
Angola	Lebanon
Argentina	Libyan Arab Jamahiriya
Australia	Lithuania
Bahrain	Luxembourg
Bangladesh	Madagascar
Belarus	Malaysia
Belgium	Malta
Benin	Mauritius
Bhutan	Mauritania
Bolivia	Mexico
Botswana	Mongolia
Brazil	Mozambique
Bulgaria	Myanmar
Cameroon	Nepal
Canada	Netherlands
China	New Zealand
Côte d'Ivoire	Nicaragua
Croatia	Nigeria
Cuba	Oman
Czech Republic	Pakistan
Denmark	Panama
Dominican Republic	Paraguay
Ecuador	Peru
Egypt	Philippines
El Salvador	Poland
Ethiopia	Portugal
Finland	Republic of Korea
France	Republic of Moldova
Gabon	Romania
Germany	Russian Federation
Greece	Saudi Arabia
Honduras	Senegal
Hungary	Singapore
Iceland	Slovakia
India	Slovenia
Indonesia	South Africa
Iran (Islamic Republic of)	Spain
Israel	Sri Lanka
Italy	Sudan
Japan	Switzerland
Jordan	Syrian Arab Republic
Kenya	Thailand
Kuwait	Trinidad and Tobago

\* For the list of participants, see TD/B(S-XXI)/INF.1.

Tunisia	Uruguay
Uganda	Venezuela
United Kingdom of Great Britain and Northern Ireland	Yemen
United Republic of Tanzania	Zambia
United States of America	Zimbabwe

**Observers**

Bosnia and Herzegovina  
Brunei Darussalam  
Cambodia  
Holy See  
Kazakhstan

2. The following intergovernmental organizations were represented at the session:

African, Caribbean and Pacific Group of States  
African Union  
Common Fund for Commodities  
European Commission  
International Organization of la Francophonie



**Part four**  
**Report of the Trade and Development Board**  
**on its thirty-fifth executive session**  
**(Geneva, 21 September 2004)\***

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## Chapter I

### **Activities undertaken by the United Nations Conference on Trade and Development in favour of Africa**

1. For its consideration of this item, the Board had before it the report by the Secretary-General of UNCTAD on activities undertaken by UNCTAD in favour of Africa (TD/B/EX(35)/2).

2. The representative of Brazil, speaking on behalf of the Group of 77 and China, drew attention to the severity of the development problems facing the African continent, as reflected in the appalling statistics on human development indicators such as life expectancy, infant mortality and school enrolment, and low economic growth due to high commodity dependence, low rates of investment and limited economic diversification. Despite positive initiatives in recent years such as the establishment of the African Union and the New Partnership for Africa's Development, the region continued to face immense challenges, which demanded urgent attention. UNCTAD had a vital role to play in giving a concrete dimension to pledges of support for the New Partnership for Africa's Development, as embodied in General Assembly resolution 58/233 of 23 December 2003. He underscored the importance of research and policy analysis in the annual reports on economic development in Africa, and expressed support for the UNCTAD activities described in document TD/B/EX(35)/2. He called for a strengthening of activities relating to infrastructure, information and communication technologies, trade and investment, as well as joint technical assistance projects such as the Joint Integrated Technical Assistance Programme, the latter within the context of the Doha Round of trade negotiations; he called in particular for the implementation of the project on capacity-building and policy networking for sustainable resource-based development and the project for cotton-producing countries. In this regard, there would be a need for enhanced flows of official development assistance and debt relief measures, complemented by greater market access in the developed countries and the reduction of agricultural subsidies within the framework of the Doha Round. He urged UNCTAD to provide the necessary technical support for the third round of negotiations of the Global System of Trade Preferences among Developing Countries launched in São Paulo.

3. The representative of Nigeria, speaking on behalf of the African Group, also noted the appalling human development statistics of the African continent and the increasing recognition in the development community that Africa was not likely to meet the Millennium Development Goals. He praised the research and analytical contribution of UNCTAD in the area of trade and international development, in particular on issues such as poverty, commodities, external debt, investment and enterprise development and services, while urging it to continue to link its activities in favour of Africa to the New Partnership for Africa's Development, as well as orienting policy research findings and operational activities to build domestic capacity in specific areas. UNCTAD technical assistance programmes in the areas of the Joint Integrated Technical Assistance Programme, commercial diplomacy, regional initiatives, commodities and the integrated framework deserved special mention. He called for greater technical assistance from UNCTAD in improving trade efficiency, including trade facilitation and e-commerce. The support of the international community for UNCTAD would be critical if the secretariat was to increase the scope and extent of its activities undertaken in favour of Africa.

4. The representative of the Netherlands, speaking on behalf of the European Union, advised the UNCTAD secretariat to streamline its efforts in providing assistance to African countries, and welcomed the close collaboration between the UNCTAD secretariat, the New Partnership for Africa's Development secretariat and members of its Steering Committee. He drew attention to the comprehensive plan of action agreed between the European Union and Africa at the first European Union-Africa Summit in Cairo in 2000, and the four clusters on which the European Union and Africa had decided to focus its dialogue in November 2003: peace and security, governance, regional integration and trade, and key development issues (debt, food security, HIV/AIDS). He reiterated the concern of the European Union regarding the declining share of the African region in the total delivery of UNCTAD technical cooperation, and called upon the secretariat to set out a realistic and effective way of reversing this trend, to be discussed at the next session of the Working Party. There should be stronger feedback mechanisms between UNCTAD analytical work and technical cooperation, and the secretariat should indicate how it intended to achieve that goal within the mandate emanating from the São Paulo consensus. The allocation of human resources to least developed countries, particularly those in Africa, should be improved. He underscored the issue of supply-side constraints as a key element of the work of UNCTAD, while noting the importance of UNCTAD's involvement in the Joint Integrated Technical Assistance Programme and the integrated framework. He urged the secretariat to strengthen its activities in favour of Africa by providing coherent and effective assistance that met the short-term and long-term needs of recipient countries.

5. The representative of Benin, speaking on behalf of the least developed countries, expressed concern that Africa might not meet the Millennium Development Goals because of falling per capita incomes, a lack of economic diversification and increasing marginalization. He emphasized the importance of the United Nations revisiting the resolution adopted at the Third United Nations Conference on the Least Developed Countries in Brussels in 2001 and resolutions adopted in other international forums on behalf of least developed countries. He drew attention to the major problems afflicting least developed countries, such as the debt overhang, their negligible share of foreign direct investment, and their weak supply capacity. He acknowledged the benefits that least developed countries derived from technical cooperation programmes designed for them, such as the Joint Integrated Technical Assistance Programme, integrated framework, TrainForTrade, multilateral diplomacy and port improvement.

6. The representative of South Africa noted that document TD/B/EX(35)/2 responded to the requests made by the Board at its thirty-second executive session in July 2003. He underscored the relationship between the work of UNCTAD and that of the New Partnership for Africa's Development, while noting that the New Partnership for Africa's Development had adopted a number of action plans, the evolution of which should be reflected in the future work of UNCTAD relating to Africa. These action plans covered agriculture, tourism, science and technology, and market access. South Africa would be happy to share its views on the action plans with the secretariat.

7. The representative of Senegal expressed concern over the declining share of Africa in the global technical cooperation programmes of UNCTAD.

8. The Special Coordinator for Africa said that Africa remained the most disadvantaged continent in terms of social and economic indices. African countries had made genuine efforts to address some of the most fundamental challenges facing the continent. The adoption of the New Partnership for Africa's Development represented the manifestation of a real desire by African countries to address fundamental development problems in a meaningful and coherent fashion. The international community for its part had reiterated its readiness to support the New Partnership for Africa's Development process through various Economic and Social Council and General Assembly resolutions and decisions. However, there was now an emerging consensus that, under present conditions, it was unlikely that Africa would achieve the Millennium Development Goals in the foreseeable future. The recent report of the United Nations Secretary-General on the implementation of the New Partnership for Africa's Development (A/59/206) underlined the need for more aid, debt relief, foreign investment and trade opportunities. There must also be greater consistency in external policies, so that advances on one front were not undercut by delays on another. The Secretary-General cited progress in strengthening Africa's own peacekeeping capacities, as well as in advancing the African Peer Review Mechanism of the New Partnership for Africa's Development, a voluntary process by which African leaders agreed to subject their standards of democracy, human rights, governance and economic management to review by other Africans. According to the report, so far, 23 countries — nearly half of Africa's total — had joined the mechanism, and several more were considering joining.

9. Document TD/B/EX(35)/2 provided delegations with a broad picture of UNCTAD activities in the reporting period. No doubt future secretariat-wide activities would also draw on the outcome of the eleventh session of the Conference. In the context of substantive research and policy analysis, the Subprogramme on the Development of Africa had already responded to one of the concerns raised at the eleventh session of the Conference relating to debt sustainability, and the Board would have the opportunity to consider that matter at its fifty-first session in October.

10. The UNCTAD secretariat had continued to work closely with the New Partnership for Africa's Development in providing inputs to workshops and meetings of its Steering Committee. In the area of trade, the United Nations Development Programme (UNDP)/African Union (AU) project for Trade Capacity Development for Poverty Reduction and Human Development for Sub-Saharan Africa had been signed, and UNCTAD would be one of the participating agencies. There was considerable scope for a comprehensive and coherent review aimed at seeking ways and means to enhance UNCTAD's support for the continent by identifying areas of interest for African countries in respect of capacity-building. Such a review, to be facilitated by the secretariat, could be undertaken in consultation with the African Group and donor countries.

#### **Action by the Board**

11. The Board took note of the report by the UNCTAD secretariat, as contained in document TD/B/EX(35)/2.

## Chapter II

### **Matters requiring action by the Board arising from or related to reports and activities of its subsidiary and other bodies**

#### **Report of the Working Party on the Medium-term Plan and the Programme Budget, on its forty-second session**

12. For its consideration of this item, the Board had before it the following documentation:

(a) Report of the Working Party on the Medium-term Plan and the Programme Budget on its forty-second session (TD/B/WP/173);

(b) Review of the UNCTAD section of the proposed United Nations strategic framework for the period 2006-2007 (TD/B/WP/L.112).

13. The representative of Benin, speaking in his capacity as Chairman of the Working Party on the Medium-term Plan and the Programme Budget at its forty-second session, introduced the report of the Working Party.

14. The representative of Pakistan noted that the forty-second session of the Working Party had been held after the session of the Committee for Programme and Coordination dealing with the strategic framework. He wished to know which body the strategic framework for UNCTAD would be transmitted to and whether there were precedents for such a situation.

15. The representative of the secretariat said that the strategic framework for UNCTAD would be taken up by the Second Committee and then the Fifth Committee. The situation was unprecedented for UNCTAD but was simply the result of the timing of the eleventh session of the Conference in relation to the timing of the session of the Committee for Programme and Coordination.

#### **Action by the Board**

16. The Board took note of the report of the Working Party, endorsed the agreed conclusions adopted by the Working Party, and decided to transmit the proposed strategic framework for programme 10 on trade and development for the period 2006-2007 to the General Assembly at its fifty-ninth session.

## **Chapter III**

### **Organizational matters**

#### **Adoption of the agenda**

17. The Board adopted the provisional agenda as contained in document TD/B/EX(35)/1 (see annex I to the present chapter).

#### **Bureau**

18. For the thirty-fifth executive session, the Bureau of the Board was as elected at the fiftieth regular session, namely:

*President:*

Mr. Sha Zukang (China)

*Vice-Presidents:*

Mr. Michel Adam (Belgium)

Mr. Iouri Afanassiev (Russian Federation)

Mr. Chitsaka Chipaziwa (Zimbabwe)

Mr. Djismun Kasri (Indonesia)

Ms. Melissa Kehoe (United States of America)

Mr. Mohamed Oulde Mohamed Lemine (Mauritania)

Mr. Lester Mejía Solís (Nicaragua)

Mr. Iván Mora Godoy (Cuba)

Mr. Mitsunori Nanba (Japan)

Mr. Dimiter Tzantchev (Bulgaria)

*Rapporteur:*

Mr. François Leger (France)

#### **Report of the Board on its thirty-fifth executive session**

19. The Board authorized the Rapporteur to finalize the report on its thirty-fifth executive session under the authority of the President.

## **Annex I**

### **Agenda for the thirty-fifth executive session of the Trade and Development Board**

1. Adoption of the agenda.
2. Activities undertaken by UNCTAD in favour of Africa.
3. Matters requiring action by the Board arising from or related to reports and activities of its subsidiary and other bodies:  

Report of the Working Party on the Medium-term Plan and the Programme Budget on its forty-second session.
4. Other business.
5. Report of the Board on its thirty-fifth executive session.

## Annex II

### Attendance<sup>a</sup>

1. The following States members of UNCTAD, members of the Board, were represented at the session:

Afghanistan	Latvia
Argentina	Lebanon
Azerbaijan	Libyan Arab Jamahiriya
Bangladesh	Luxembourg
Belarus	Madagascar
Belgium	Malaysia
Benin	Mali
Bolivia	Mauritius
Botswana	Mexico
Brazil	Netherlands
Bulgaria	Nigeria
China	Oman
Cuba	Peru
Czech Republic	Philippines
Dominican Republic	Poland
Egypt	Portugal
El Salvador	Senegal
Finland	South Africa
France	Spain
Gabon	Sri Lanka
Germany	Sweden
Ghana	Switzerland
Greece	Turkey
Indonesia	Uganda
Iran (Islamic Republic of)	United Kingdom of Great Britain and Northern Ireland
Ireland	United States of America
Italy	Yemen
Japan	Zambia
Jordan	Zimbabwe
Kenya	

2. The following States were represented as observers at the session:

Holy See  
Kazakhstan

3. The following intergovernmental organizations were represented at the session:

African, Caribbean and Pacific Group of States  
European Community

4. The following United Nations organization was represented at the session:

International Trade Centre UNCTAD/WTO

<sup>a</sup> For the list of participants, see TD/B/EX(35)/INF.1.



5. The following specialized agencies and related organizations were represented at the session:

Food and Agriculture Organization of the United Nations  
United Nations Educational, Scientific and Cultural Organization  
United Nations Industrial Development Organization

6. The following non-governmental organizations (General category) were represented at the session:

International Centre for Trade and Sustainable Development  
International Confederation of Free Trade Unions  
International Federation of Business and Professional Women



**Part five**  
**Report of the Trade and Development Board**  
**on its fifty-first session**  
**(Geneva, 4 to 15 October 2004)\***

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\* Originally issued under the symbol A/59/15 (Part V).

## **Chapter I**

### **Introduction**

1. The fifty-first session of the Trade and Development Board was held at the Palais des Nations, Geneva, from 4 to 15 October 2004. In the course of the session, the Board held eight plenary meetings — the 956th to 963rd meetings.
2. The present report to the General Assembly has been prepared in accordance with the guidelines adopted by the Board in the annex to its decision 302 (XXIX) of 21 September 1984. The report records, as appropriate, the action by the Board on the substantive items of its agenda (chap. II), summaries of discussions under certain items (chap. III), and procedural, institutional, organizational and administrative matters (chap. IV).
3. Volume II of the report of the Board on its fifty-first session — to be issued subsequently in TD/B/51/8 (Vol. II) — will reflect the statements made in the course of the session on the various items of the agenda.

## Chapter II

### **Action by the Trade and Development Board on substantive items on its agenda**

#### **A. Review of progress in the implementation of the Programme of Action for the Least Developed Countries for the Decade 2001-2010**

##### **Agreed conclusions 479 (LI)**

*The Trade and Development Board,*

*Having considered* the Least Developed Countries Report 2004: Linking International Trade with Poverty Reduction in its annual review of the implementation of the Programme of Action for the LDCs for the Decade 2001-2010,

1. *Notes with appreciation* the efforts made by the UNCTAD secretariat in casting further light, through its research and policy analysis, on the complex relationship between trade and poverty reduction and in advancing understanding on the right mix of national and global policies required to put least developed countries on the path of sustained economic growth and development;

2. *Recognizes* the daunting challenges of development and poverty reduction faced by the LDCs, which require special national and international efforts in order to tackle the depth and persistence of underdevelopment and massive poverty; such efforts should be based on integrated policies and strategies aimed at making international trade a more effective engine of development and poverty reduction. This is particularly so for LDCs;

3. *Notes with concern* the lack of progress in LDCs towards achieving the international development goals, including those contained in the Millennium Declaration and the goals of the Programme of Action for the LDCs. Poverty in LDCs remains a mass phenomenon in spite of the extensive and deep process of trade liberalization and the economic reforms which have taken place in these countries, especially within the context of structural adjustment programmes, since the 1980s;

4. *Stresses* the urgent need for development strategies that respond to the development needs of the LDCs. Such strategies could include debt relief, enhanced official development assistance, enhanced investment flows, improved market access and a more conducive international trading regime, as well as a conducive domestic macroeconomic framework in order to make international trade work for poverty reduction in LDCs;

5. *Emphasizes* the absolute necessity for capacity-building in LDCs, especially in the field of trade, and *welcomes* contributions from development partners to enhance their financial support to enable UNCTAD to step up, within its mandates, its contribution to the implementation of the revamped Integrated Framework for Trade-Related Technical Assistance (IF) in an increasing number of beneficiary countries;

6. *Recommends* that, in order to enable the Special Programme dealing with least developed countries, small island developing countries, and landlocked and transit developing countries to fully and effectively discharge the tasks assigned to it, due consideration should be given to the outcomes of UNCTAD XI in the allocation of resources for this Programme for the biennium 2006-2007.

*963rd plenary meeting  
15 October 2004*

## **B. Economic development in Africa: issues relating to Africa's debt sustainability**

### **Agreed conclusions 480 (LI)**

*The Trade and Development Board,*

1. *Welcomes* the report by the UNCTAD secretariat entitled "Economic Development in Africa: Debt sustainability: Oasis or mirage?", as a contribution to the debate on debt sustainability;

2. *Underscores* that the continent's debt burden and debt overhang are a deterrent to investment, and damage prospects for economic growth and poverty eradication, and thus require urgent action towards a durable solution if Africa is to make progress in attaining the international development goals, including those contained in the Millennium Declaration;

3. *Considers* the enhanced Heavily Indebted Poor Countries (HIPC) Initiative to be an improvement on the original framework, and *welcomes* the extension of the sunset clause of the HIPC Initiative to the end of December 2006, and other international actions on debt issues in favour of developing countries;

4. *Notes with concern* that African HIPCs still face daunting challenges, including high levels of poverty as depicted by the socio-economic indices and the high incidence in particular of HIV/AIDS, malaria and tuberculosis. A significant number of African HIPCs continue to face serious difficulties in meeting their external debt service obligations, and several have returned to unsustainable debt levels even after graduating from the HIPC Initiative;

5. *Stresses* that debt sustainability depends on a wide range of variables, and therefore debt sustainability analyses should incorporate a comprehensive set of variables, including country-specific factors as well as vulnerabilities; and *considers* that this should be addressed by the international community. In this regard, there were suggestions that an independent panel of experts might be useful;

6. *Notes with great concern* that in some cases progress in implementing the Initiative has been slow. Funding has not always matched the estimated total costs of debt relief. These conditions, also considering current economic growth rates, contribute to the severe problems that many African countries face in achieving the internationally agreed development goals, including those contained in the Millennium Declaration, by any date close to 2015. In this regard the importance of interim debt relief was stressed;

7. *Notes* that a substantial majority of the 11 pre-decision countries are conflict and post-conflict African countries which face special challenges in

accessing HIPC debt relief. Among these challenges, substantial resources are needed for rehabilitation and reconstruction of infrastructure, returning and resettling of refugees and clearing large arrears to multilateral financial institutions (MFIs);

8. *Welcomes* efforts by donor countries and MFIs to consider additional ways to promote debt sustainability, including finding additional finance for debt relief, and *encourages* further efforts to address multilateral and bilateral debt in a meaningful way. The recent announcement by the Government of the United Kingdom that it would pay 10 per cent of the debt service for eligible poor countries was highlighted, as well as other innovative proposals;

9. *Recognizes* that even substantial relief would need to be complemented by additional flows from all sources, including official development assistance (ODA) and foreign direct investment, and that debt relief should be seen in the context of development policy as a whole, including commitments made in order to meet the internationally agreed development goals, such as those contained in the Millennium Declaration; and *stresses* that HIPC debt relief should not be a substitute for bilateral ODA flows;

10. *Welcomes* the establishment of the African Peer Review Mechanism of the New Partnership for Africa's Development (NEPAD) to promote good governance, including the adoption of prudent debt management systems;

11. *Takes note* of innovative ways for generating additional resources inflows for development in order to augment official sources of finance;

12. *Underscores* the shared responsibility of both creditors and debtors in preventing and resolving unsustainable debt situations and the importance of directing resources released by debt relief towards activities aimed at higher and sustained economic growth and development consistent with the attainment of the international development goals, including those contained in the Millennium Declaration; and *stresses* that for developing countries to be able to achieve their development objectives it would be important to take into account the need for appropriate balance between national development priorities and international disciplines and commitments;

13. *Stresses* that the issue of long-term sustainability in middle-income countries remains a concern and *notes* the new Evian approach of the Paris Club to treating debt in non-HIPC countries;

14. *Agrees* that UNCTAD should, within its mandate, continue to provide analysis and policy advice on African development and to support African countries in their endeavour to implement the programmes of NEPAD and to attain the international development goals, including those contained in the Millennium Declaration.

*963rd plenary meeting  
15 October 2004*

## C. Review of the technical cooperation activities of UNCTAD and their financing

### Decision 481 (LI)

*The Trade and Development Board,*

1. *Takes note* with appreciation of the information provided in the report on the review of technical cooperation activities of UNCTAD (TD/B/WP/172 and Add.1 and 2), and *requests* the secretariat to further improve the presentation of the information on the allocation of trust fund contributions to different regions and thematic areas;

2. *Takes note* of the information provided by the secretariat on the implementation of the new technical cooperation strategy adopted by the Trade and Development Board at its fiftieth session in October 2003 (decision 478 (L));

3. *Expresses its appreciation* to bilateral and multilateral donors for their contributions to UNCTAD trust funds, and *invites* them to continue contributing so that UNCTAD can respond to increasing demand for technical cooperation;

4. *Expresses* the need to ensure a more equitable distribution of resources among the developing country regions in the overall delivery of technical cooperation;

5. Notwithstanding some recent improvement in the delivery of technical cooperation to LDCs, which complies with paragraph 5 of the annex to decision 478 (L), *urges* donors and the secretariat to continue their efforts, building on the relevant conclusions of UNCTAD XI;

6. *Reaffirms the importance* of further implementation of the technical cooperation strategy with a view to enhancing the delivery of technical cooperation services of UNCTAD, in accordance with decision 478 (L) and the São Paulo Consensus;

7. *Takes note* of the conclusions and recommendations of the secretariat contained in document TD/B/WP/172;

8. *Requests* the secretariat, in cooperation with donors and beneficiaries, to continue disseminating the content of the technical cooperation strategy, as well as information regarding UNCTAD's operational activities and instruments;

9. *Requests* the secretariat to consider the possible implications of UNCTAD XI for the new strategy on technical cooperation;

10. *Takes note* of the cooperation between UNCTAD and other international and regional organizations, as well as development partners, including the private sector and civil society, in several UNCTAD technical cooperation activities, and requests the secretariat to continue its efforts in this regard, in accordance with paragraph 11 of the São Paulo Consensus.

*961st plenary meeting  
14 October 2004*



## **D. Other action taken by the Board**

### **UNCTAD contribution, within its mandate, to the implementation and review of progress made in the implementation of the outcomes of the major United Nations conferences and summits**

1. At its 961st plenary meeting, on 14 October 2004, the Board took note of the report by the secretariat on this item (TD/B/51/5).

### **Report by the President of the Trade and Development Board on his participation in the high-level meeting of the Economic and Social Council with the Bretton Woods institutions and the World Trade Organization**

2. At the same meeting, the Board took note of the report of the President of the Board. (For the statements under this item, see TD/B/51/8 (vol. II).)

### **Report on UNCTAD assistance to the Palestinian people**

3. At its 957th plenary meeting, on 6 October 2004, the Board took note of the report on UNCTAD assistance to the Palestinian people (TD/B/51/2 and Corr.1) and of the statements made by delegations. In accordance with General Assembly decision 47/445, it was decided that the report of the Board on its fifty-first session to the General Assembly would include an account of the deliberations under this item.

### **Report on multistakeholder partnerships for the eleventh session of the Conference**

4. At its 961st plenary meeting, on 14 October 2004, the Board took note of the report by the secretariat on this item (TD/B/51/CRP.3).

### **Hearing with civil society and the private sector**

5. At its 962nd plenary meeting, on 15 October 2004, the Board took note of the President's summary of the discussions under this item (TD/B/51/L.3).

### **Report of the Working Party on the Medium-term Plan and the Programme Budget on its forty-third session, 13-17 September 2004**

6. At the same meeting, the Board took note of the report of the Working Party on its forty-third session (TD/B/WP/176 and Corr.1), and endorsed the agreed conclusions of the Working Party on "Review of the UNCTAD programme of work for the biennium 2004-2005, in the light of the outcomes of the eleventh session of the Conference", "Follow-up to the evaluation of UNCTAD's trade, environment and development programme" and "Evaluation plan".

### **Progressive development of the law of international trade: thirty-seventh annual report of the United Nations Commission on International Trade Law**

7. At its 962nd plenary meeting, on 15 October 2004, the Board took note of the report of the United Nations Commission on International Trade Law on its thirty-seventh session, held in New York from 14 to 25 June 2004 (A/59/17).

**Report of the Joint Advisory Group on the International Trade Centre  
UNCTAD/WTO on its thirty-seventh session (Geneva, 26-30 April 2004)**

8. At its 961st plenary meeting, on 14 October 2004, the Board took note of the report of the Joint Advisory Group on its thirty-seventh session (ITC/AG(XXXVII)/200).

**Report by the President of the Advisory Body set up in accordance with  
paragraph 166 of the Bangkok Plan of Action on the implementation of courses  
by the secretariat in 2003-2004 and their impact**

9. At its 961st plenary meeting, on 14 October 2004, the Board took note of the report by the President on this item (for the statements under this item, see TD/B/51/8 (vol. II)).

## Chapter III

### Summaries of the Board's discussion on substantive items on its agenda

#### A. High-level segment: follow-up to the eleventh session of the Conference: new developments in international economic relations

##### President's summary\*

1. The Officer-in-Charge of UNCTAD introduced the background notes prepared by the secretariat (TD/404 and TD/B/51/6) and also provided a comprehensive overview of the stages of evolution of the South's role in the world economy and international trade, current opportunities and challenges for developing countries in the context of the evolving new trade geography, and strategies and policies for strengthening South-South trade and economic cooperation and integration.

##### Trends and implications

2. The trend towards a new trade geography was a welcome phenomenon and ushered in a sense of optimism as regards the performance of developing countries in international trade. The long-term trend was clearly for the share of developing countries in world trade and investment to increase, and within that process for the South-South share to continue to rise. There were three key interlinked determinants and trends that shaped the new trade geography: the increasing role and importance of the developing countries, and therefore of their development, to drive trade and growth; South-South trade and economic cooperation reaching a critical mass and growing vigorously; and the changing context of North-South interdependence and terms of engagement, as well as the South's economic relations with countries with economies in transition.

3. However, it was necessary to exercise due caution in the use of the concept of the new trade geography and to avoid unrealistic expectations in regard to its scope and impact. While these trends identified in the secretariat's reports were quite valid per se to help identify a critical path for developing countries and regions, it would be important to bear in mind the fact that many developing countries, particularly African countries and LDCs, appeared not to contribute significantly to this positive trend, and some even were losing market share; poverty and marginalization persisted, especially outside of the growth poles.

4. It was argued, therefore, that the time had not yet come to rewrite the international trade geography textbooks. Intra-South disparities in performance should be taken into account in future analyses in terms of both opportunities and challenges. There must be systemic efforts, including by developed countries and those developing countries that were leading the South's trade and investment dynamism, to replicate successful experiences in countries that were lagging behind, especially in African countries, LDCs and small island developing States. The particular concerns of landlocked and transit developing countries deserve special attention. Strategies must be designed to ensure that the dynamism evident in

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\* Included in the Board's report to the General Assembly by decision of the Board at its closing (963rd) plenary meeting.

several countries of the South was sustained and had a positive multiplier effect throughout developing countries.

### **South-South trade in the context of new trade geography**

5. The growth in South-South trade had been driven, in particular, by East Asia — initially by States members of the Association of South-East Asian Nations (ASEAN) and more recently by China, whose booming domestic economy was drawing in imports from both developing and developed countries. The high level of demand in China was also pulling up many commodity prices and enabling other developing countries to seize sizeable new export possibilities. Two thirds of South-South trade took place in Asia. Elsewhere — in Latin America or Africa — more “traditional” North-South trading patterns had been harder to shift.

6. Nevertheless, regional integration processes had gathered steam in these regions as well. For example, in Latin America, which had a long history of fruitful regional and subregional cooperation, economic integration arrangements were now being further developed in a manner compatible with the principle of “open regionalism”. The results appeared encouraging, and regional and subregional trade relations currently covered a significant amount of manufactured exports. The African region was pushing for the creation of integration arrangements such as internal common markets, which offered a unique opportunity to deepen South-South trade on a regional and subregional basis.

### **Policy options for enhancing South-South trade**

7. The real challenge before developing countries was to identify and consider more actionable proposals on South-South cooperation. The primary responsibility in increasing South-South trade and investment rested with individual developing countries. They needed to put in place and implement the best policy mix to stimulate export-oriented growth, attract and secure investment (both domestic and foreign) and promote their greater integration into the international trading system. With regard to trade policy, there was a need to strike the right balance so as to bring about progressive and managed liberalization — which would ensure a greater competitive stimulus to domestic firms without impeding any Government’s right to regulate. The role of small businesses was also important in promoting South-South trade and cooperation.

8. There were several routes open for developing countries to stimulate South-South trade, such as measures to reduce their own levels of border protection, including giving trade preferences for other developing countries, whether granted unilaterally or under a negotiated framework (such as the Global System of Trade Preferences (GSTP)); providing trade preferences specifically for the LDCs; and undertaking regional liberalization in the framework of regional trade agreements concluded among developing countries or among developed and developing countries.

9. South-South regional trade agreements also provided an opportunity for Governments to develop solutions to the legal, regulatory and “behind the border” challenges that also arose in the multilateral context — for example, product safety and health standards and other non-tariff barriers, as well as market entry barriers. Still another route was multilateral most favoured nation-based liberalization for products of mutual interest in the context of the current Doha negotiations.

10. Furthermore, in addition to trade, more investment flows should be present in South-South economic cooperation, while taking into account the fact that most developing countries were not capital exporters. At the same time, since foreign direct investment was in short supply and was concentrated in a few developing countries, development strategies relying on domestic or regional savings and investment were needed.

11. Another area of possible South-South cooperation would be to achieve complementarities by harmonizing national laws and regulatory frameworks, including those on corporate issues and competition policy. Developing countries also stood to gain from the multilateral negotiations on trade facilitation, as part of the Doha Round, provided the necessary resources were made available to them to meet the attendant costs.

12. There was also a need to strengthen South-South interregional cooperation and establish or reinforce strategic partnerships of developing countries. The international trade, financial and development institutions also had important roles to play, including as providers of development finance, technical assistance and support for capacity-building. They might tailor their policy approaches to support South-South cooperation.

13. The recent increases in oil prices and the burgeoning energy demand from the South contributed to increased interdependence among developing countries. In order to ensure the sustainability and quality of growth and development in the South, the management of this deepening interdependence warranted greater cooperation among developing countries.

#### **Complementary measures by the North to promote South-South trade**

14. South-South trade should be seen in the context of increasing interdependence between the North and the South, and should be supported by complementary measures by developed country partners. It was pointed out that trade barriers and certain trade-distorting and anti-competitive practices impeded South-South trade. Some participants expressed the view that many measures and policies could be undertaken by developed countries in enhancing South-South trade, enhancing supply-side capacity and diversification in developing countries, and increasing investment flows and transfer of technology to developing countries.

15. In view of the increasing significance of the South as an important source of growth and dynamism of the world economy and international trade, some suggested that it was in the enlightened self-interest of the North to give greater weight to the trade and development interests of developing countries in their national policies and policy coordination.

#### **Official development assistance**

16. A positive recent development related to an upward movement of official development assistance (ODA) flows. During the last two to three years, there had been an increase in the level of global ODA, although such increases would not be sufficient for the achievement of the Millennium Development Goals. ODA flows could help build supply capacity and improve competitiveness, thereby facilitating replication of successful experiences in countries that had lagged behind and in the process integrating them more closely in the world trading system.

**Policy space**

17. The São Paulo outcomes contained a pragmatic and balanced interpretation of policy space in the context of the application of different policy measures on the basis of concrete experience of what worked in a country and what did not. The need for diversity in the formulation of national development strategies was particularly important in enabling countries with different initial conditions and levels of development to effectively meet the challenges of sustained economic growth and development in a rapidly changing global economy.

**Corporate responsibility**

18. Over the years, transnational corporations had emerged as key actors in the global economic and trading systems, as well as impacting on the pace and quality of the development process of developing countries. At the same time, they were also a major beneficiary of this transformation. Many speakers suggested that it was important that the corporations fulfil their corresponding development obligations, not just in terms of written agreements but also in the larger social and human context. There were existing examples of voluntary frameworks such as the Global Compact and the Global Sullivan Principles of Corporate Social Responsibility. The view was expressed that there were, however, certain gaps in these frameworks, which needed to be filled. It was also important to ensure that home country standards and requirements should not act as disincentives to transnational corporations in locating in or sourcing from developing countries.

**Security-related issues and developing country trade**

19. Terrorism had given rise to increased security concerns, and some concerns were expressed to the effect that security-related measures were having a restrictive impact on developing countries' ability to trade in goods and services.

**Role of UNCTAD**

20. The importance and practical value of the substantive work of UNCTAD in analysing and interpreting the evolving new trade geography from a development standpoint was recognized. The high-quality reports prepared by the UNCTAD secretariat on this item (TD/404 and TD/B/51/6) contained fresh analysis and perspectives, as well as practical strategies. In continuing its research and analysis on this issue, UNCTAD was encouraged to take a disaggregated view of differential performance in developing countries and further elaborate strategic approaches to enhancing South-South trade in the overall context of the new trade geography. One analytical challenge would be to determine whether current developments portended a decisive or qualitative change in the economic situation of the South. The participation of developing countries in dynamic and new sectors should be reflected in such work.

21. It was suggested that UNCTAD should look into the impact of the growing number of free trade agreements with investment components and examine the impact of the multiplicity of such agreements on investment flows from North to South. Further, UNCTAD, as the focal point for development, trade and investment in the United Nations system, was expected to contribute to confidence-building between developed and developing countries and play a complementary role, especially in terms of technical assistance, particularly in the area of South-South

cooperation. In doing so, UNCTAD should cooperate closely with other relevant international organizations, including United Nations regional commissions, and organizations of the South.

### **Participants**

22. The Board considered agenda item 2 in its high-level segment on 5 October 2004. The debate proceeded in three interactive sessions and was facilitated by several high-level representatives and lead discussants, including: H.E. Hon. Arjuna Ranatunga, Deputy Minister of Industry, Tourism and Investment Promotion (Sri Lanka); H.E. Dr. Ziyad Bahaa Eldin, Chairman of the General Authority for Investment (Egypt); H.E. Mr. Rodolfo Severino, Presidential Adviser on Trade and Development, Department of Foreign Affairs (Philippines); Mr. Richard W. Behrend, Director, Office of Economic and Development Affairs, Bureau of International Organization Affairs, Department of State (United States of America); Ambassador Samuel Amehou (Benin); Ambassador Carlo Trojan (European Commission); Ambassador Hardeep Singh Puri (India); Ambassador Shotaro Oshima (Japan); Ambassador Gyan Chandra Acharya (Nepal); Ambassador Péter Balás (Hungary); Ambassador Ransford Smith (Jamaica); Ambassador Joseph Ayalogu (Nigeria); Ambassador Elizabeth Astete (Peru); Ms. Virginia Cram-Martos (Economic Commission for Europe); and Mr. Martin Khor (Third World Network).

## **B. Interdependence and global economic issues from a trade and development perspective: policy coherence, development strategies and integration into the world economy**

### **President's summary\***

1. The debate addressed current trends and prospects in the world economy, and especially the situation in developing countries. Delegations pointed to the beneficial effects of the current recovery for the developing world as a whole, for example through increased demand for primary commodities, but also expressed concern that the recovery has been uneven and that per capita income growth is still very low in LDCs and countries in sub-Saharan Africa, fuelling doubts about these countries' ability to attain the international development goals.
2. A number of other developing countries also remain very vulnerable with respect to commodity price developments and access to international financial markets. Recent improvements in their economic situation should not obscure the fact that many structural problems, such as unemployment, unequal income distribution, foreign debt and low levels of investment, remain to be solved in many countries.
3. Many delegations expressed doubts about the sustainability of the current pattern of growth of the world economy, particularly its dependence on a further expansion in the United States, but recent development in Asia might help to redress this imbalance to some extent. The rise in oil prices and uncertainties about exchange rates are also reasons for remaining cautious with regard to short-term growth prospects. If the oil price situation is not reversed soon, oil-importing

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\* Included in the Board's report to the General Assembly by decision of the Board at its closing (963rd) plenary meeting.

developing countries, especially the least developed ones, would face additional difficulties and might require assistance.

4. While increased interdependence can benefit the global economy, a simultaneous slowdown in the United States and Asia, if not counterbalanced by growth in other major economic centres, would seriously threaten global growth. Recent developments in the world market for oil are an example of the negative reverberations that actions or events in one country can have in a highly interdependent world economy. It was also suggested that oil price fluctuations, like fluctuations in the prices of other primary commodities, could have negative implications for the exporting countries as well.

5. The economic and social transformations unleashed by globalization remain a major challenge for many developing countries, which do not always have the capability to handle their consequences. Many of them continue to suffer from a host of problems, including poverty, lack of financial resources, a heavy debt burden and, in some cases, even a net outflow of resources. Deteriorating terms of trade, increasing financial risks and low levels of technological development were also considered major obstacles.

6. Improvements in national governance are important to remedy this situation, but the present set of global rules could reduce the options for developing countries to manage the processes of liberalization and integration effectively.

7. Sustained growth in all parts of the developing world is in the mutual interest of all countries. In the longer term, economic growth and the trading opportunities of the more advanced economies also depend on the expansion of industrial capacity and markets in the poorer countries. New ways may need to be explored at the international level to ensure that the low-income countries, especially in sub-Saharan Africa, and all groups of their populations, can reap greater benefits from the expansion of international trade, faster growth in the developed and other parts of the developing world, and globalization more generally.

8. Multilateral as well as domestic policy solutions are required to ensure that the trading environment is made truly supportive of rapid development. The international community should further enhance the coordination of development policy aimed at facilitating development financing, enhancing technical and financial support for the developing countries, and improving the international economic environment for developing countries to undertake effective economic reforms according to their national conditions.

9. A comprehensive approach to the present challenges of development should be people-centred, respect the need for adequate economic policy space at the national level, and comprise good governance of globalization with inclusive and transparent structures of international economic decision-making. It should aim at improving access to knowledge and technology; strengthening corporate social responsibility, including by transnational corporations; and ensuring adequate and innovative financing for development. With respect to the latter, recent new proposals for further debt relief for developing countries, especially LDCs and African countries, and further efforts to increase the quantity, quality, and effectiveness of aid are welcome.

10. A sense of shared responsibility was considered essential not only in development cooperation and in efforts to attain the objectives of human



development, but also in the fight against poverty, terrorism and corruption. In an interdependent world, this could contribute considerably to global security.

11. Another major theme of the debate was “Policy coherence, development strategies and the integration of developing countries into the world economy”. The debate was enriched by the analytical work contained in the *Trade and Development Report 2004* and a panel discussion with experts around the theme “Exchange rate effects on trade and implications for the international trading and financial systems”.

12. Many delegations agreed that, in the absence of a coherent approach to international economic relations, the unrestricted flow of capital, through its impact on exchange rates, can compromise the international competitiveness of companies and productive investment in developing countries, and thus have a profound impact on their trade and growth prospects.

13. The call for improved systemic coherence in support of development is one that goes back to the creation of the post-war international economic system. In today’s interdependent world, all countries must take even more account of the potential effects of their actions on others. The leading economies have a particular responsibility in this regard, since their policies impact on the entire global economic system and its stability.

14. For developing countries it is imperative to design policies at the national level that improve the climate for private investment and entrepreneurial risk taking, but only in a coherent international economic system can greater openness to trade and to international financial flows help developing countries to establish a virtuous circle between external finance, domestic investment and exports.

15. Greater coherence between international processes and negotiations in the areas of trade, investment, finance and technology, on the one hand, and the different national development strategies, on the other, can also contribute to efforts to achieve the international development goals.

16. There are great hopes that the negotiations towards the conclusion of the Doha Work Programme will lead to an equitable multilateral trading system, strengthen international economic and trade cooperation, and create the conditions for sustained development, including fair rules for trade in goods and services and non-distorted access to all markets. The developed countries were invited to face up to the need for structural reform in their economies and to abandon protectionism.

17. Macroeconomic factors can affect the competitiveness of companies in developing countries. This is especially the case for interest rates, a key factor for domestic investment, and exchange rates, a key factor for trade performance. Some delegations warned in this context that even if some more advanced developing countries used their policy space to maintain their exchange rates at deliberately low levels, such a use of policy space could not be recommended for all developing countries, and in particular not for LDCs.

18. It became clear that sharp currency depreciations, which typically occur in crisis situations, might not bring about the desired increase in cost competitiveness of domestic firms and might even lead to pressures for protectionism and competitive devaluation, with attendant risks for the world economy. It may

therefore be useful to search for solutions at regional and global levels to reduce currency volatility.

19. During the informal session, panellists considered that in developing countries the impact of real exchange rate volatility is generally much stronger than in developed countries, and confirmed that it is difficult to cope with exchange rate volatility at the country level. It has to be recognized, though, that the effects of overvaluation within regional integration agreements could be particularly severe. There are also some reservations about the possibility in most of the developing world of entering into regional monetary integration arrangements, because these require resources and the willingness to use them for the purpose of regional exchange rate stabilization.

20. Some delegations suggested that policy coherence in the governance of globalization in favour of development also requires broader and stronger participation of developing countries in international economic decision-making and norm setting.

21. The current situation in the oil market can also be looked at from the point of view of coherence, as it might call for closer cooperation between producers and consumers to stabilize prices, while such cooperation has become unpopular as a possibility of dealing with price volatility in the markets of other commodities. It was suggested that international mechanisms to ensure greater stability of commodity prices should be considered.

22. The *Trade and Development Report 2004* was perceived as providing useful data, analyses and ideas with regard to the interplay between trade, monetary and financial factors shaping trade performance. However, both the *Trade and Development Report* and the panel discussion left open the question of what a “better international financial architecture” would be and how it could be achieved. The proposal for a new multilateral exchange-rate arrangement requires a stronger conceptual foundation, and for a number of reasons it may be difficult to implement. It is also not clear if it would lead to net improvements over existing exchange rate regimes.

23. An assessment of how the General Agreement on Tariffs and Trade balance-of-payments provision could be used to address problems associated with the instability in financial flows may deserve further attention, although this provision is subject to stringent conditions which have made it difficult for developing countries to invoke it.

24. It has become clear again that a collective approach is needed to foster coherence between the international trading, monetary and financial systems. Although the protagonists in matters related to international policy coherence are the World Trade Organization (WTO) and the Bretton Woods institutions, UNCTAD can also contribute to the debate on how to achieve greater coherence thanks to its unique position, in which it is mandated to deal with all economic, commercial and social aspects of development in an integrated manner.

25. However, UNCTAD should not only examine which strategies have been successful in certain parts of the world and at certain times, but also present alternative scenarios, including concerted action the international community might take. UNCTAD should continue to sharpen its analytical work, and to broaden its

technical assistance programmes to help developing countries meet the complex challenges arising from trade liberalization and globalization.

### **C. Review of developments and issues in the post-Doha work programme of particular concern to developing countries**

#### **President's summary\***

1. The Board considered agenda item 6 in plenary session on 8 October 2004. The opening address was given by the Officer-in-Charge of UNCTAD, and the keynote address was delivered by the Director-General of WTO. The secretariat's background note (TD/B/51/4) and conference room paper (TD/B/51/CRP.1) were introduced by the Director of the Division on International Trade in Goods and Services, and Commodities.

2. Thirty-five statements were delivered on the agenda item by the following: Brazil (on behalf of the Group of 77 and China), the European Community (on behalf of the States members of the European Community), Mexico (on behalf of the Latin American and Caribbean Group), Pakistan (on behalf of the Asian Group and China), Nigeria (on behalf of the African Group), Benin (on behalf of the LDCs), Egypt, India, China, the Islamic Republic of Iran, Kenya, Bangladesh, Chile, Philippines, Zambia, the United States of America, Argentina, South Africa, Indonesia, Japan, the Russian Federation, Mauritius, Jamaica, Cuba, Senegal, Sri Lanka, the Republic of Korea, Venezuela, Norway, Belarus, Canada, Switzerland, Ethiopia, the Sudan, and the Economic Commission for Europe.

3. Most participants expressed appreciation for the secretariat's background note as providing a comprehensive account of development-related issues arising in post-Doha trade negotiations following the eleventh session of the Conference and the July 2004 WTO framework decision (July Package). Furthermore, it was noted by many that opening statements by the secretariat had set out certain important issues for discussion and consideration by the Board. They further recognized the Trade and Development Board's contributions towards identifying lessons learned from Cancún during the Board's previous session under the same agenda item and towards clarifying the development dimension in negotiations. Many also felt that the discussions under agenda item 6 at the present session would help with confidence- and consensus-building to advance negotiations on many of the issues contained in the July Package. The debate is summarized below.

#### **Progress since Cancún: eleventh session of the Conference and the WTO July Package**

4. The journey from Cancún to São Paulo to Geneva provides a fundamental lesson for trade negotiators, namely that development matters, and as a result, WTO Agreements must address the trade-related development concerns of its members if a successful conclusion of the current round of multilateral trade negotiations is to be achieved. Negotiators have thus learned that they must adhere to delivering the development promise of the Doha Declaration, not as a sequel to market access and in rules negotiations, but in parallel with them as an integral consideration in

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\* Included in the Board's report to the General Assembly by decision of the Board at its closing (963rd) plenary meeting.

liberalization undertakings. While this has proved difficult in the three years since Doha, participants shared the view that it is realistically achievable. Some expect that, while it may not be possible to conclude Doha negotiations by the time of the sixth Ministerial Conference in Hong Kong in 2005, the chances are good for their conclusion by 2006.

5. The Officer-in-Charge of UNCTAD emphasized that UNCTAD endeavours to play an active supportive role in making the development promise of Doha a reality, through technical assistance activities, analytical research work and consensus-building at intergovernmental deliberations.

6. The Director-General of WTO concurred with the UNCTAD secretariat's view that: "The decision reaffirms first and foremost the value of multilateralism, re-establishes the viability of the Doha work programme, reconfirms the centrality of development concerns, and recommits WTO members to fulfilling the development dimension of the Doha work programme. It also reconfirms special and differential treatment as an integral part of WTO agreements. It helps reduce uncertainty in the multilateral trading system, and calms protectionist fears." He further stated that the decision provides an excellent launching pad for further work and the conclusion of negotiations in due course. Integrating developing countries into the trading system is one of the foremost challenges facing WTO today. He cautioned that a great deal of work still remains, and that the coming months will be crucial.

7. As confirmed in the São Paulo Consensus, countries are committed to the multilateral trading system, and upholding and safeguarding it is a responsibility shared by all. For their part, developing countries emphasized that they have played a very constructive role in putting the Doha Round back on track and have shown willingness to find common ground in order to sustain the multilateral trading system. Many developing country participants cautioned that negotiations would not be fruitful without concrete progress in addressing their development concerns and ensuring balance and parallelism, within and between areas under negotiation.

8. Market access and technical assistance play an essential role in assisting countries to build supply capacities and competitiveness in their traditional and emerging areas of comparative advantage and complementarity. Many countries emphasized that the multilateral trading system should act to enhance, and not hinder, the ability of developing countries to adopt policies that advance national development objectives.

9. With the growing interdependence of national economies in a globalizing world, some referred to the importance of an appropriate balance between national policy space and international disciplines and commitments. While recognizing the responsibility of each Government to evaluate the trade-off between the benefits of accepting a rule-based and predictable multilateral trade system and commitments arising therefrom, as well as constraints posed by them, a number of participants stressed the need for overall coherence.

#### **The July Package: key determinants of progress on the development dimension**

10. It was recognized that the July Package marks the beginning of a new and difficult stage of negotiations that will be more technical and politically challenging. The momentum for negotiations regained in the immediate process leading to the

July Package should be maintained and reinvigorated so as to conclude the negotiations successfully.

11. It was emphasized that a major challenge facing WTO members in the new phase of negotiations is to deliver, through substantive negotiations, the Doha mandate to place the needs and interests of developing countries at the heart of the work programme. Addressing development issues will require purposeful and concerted efforts by all parties to incorporate special and differential treatment across the board in all areas of negotiations and to address implementation-related issues and concerns. It will also require finding appropriate solutions to their specific trade and development needs. In this context the point was made that it is necessary to take into account the specific development, financial and trade needs of developing countries, considering that there is no one-size-fits-all trade and development strategy.

12. It was considered particularly important that the multilateral trading system be sensitive to the special needs of LDCs. They need to benefit from duty-free and quota-free market access conditions for all products in developed countries and other countries in a position to grant such treatment, as called for in various international accords and exemptions from tariff and subsidy reduction commitments. In addition, the need to address the special development needs of small economies, including small island developing States, which remain highly vulnerable to external shocks, including natural disasters, was also referred to by a number of delegations. Moreover, the special trade-related development needs of landlocked and transit developing countries was underlined.

13. Agriculture is central to negotiations and is particularly relevant to development and poverty reduction. Genuine agricultural reform and liberalization would provide a level playing field and bring gains for agricultural exporting developing countries. The point was made that the full modalities should incorporate operationally effective special and differential treatment and take into account, in all three pillars of negotiations, specific development needs such as food security and rural development, including through special products and special safeguard mechanisms. Some delegations considered that special attention should be given to the establishment of mechanisms for net food-importing developing countries to address the adverse impact of terms-of-trade effects.

14. The need to deliver effectively on the commitment to address issues raised by the Sectoral Initiative on Cotton “ambitiously, expeditiously, and specifically” was emphasized by some delegations. The specific trade and development concerns of commodity-dependent countries need to be addressed, as these countries continue to remain marginalized in international trade. Reference was made to the report by the Group of Eminent Persons convened by UNCTAD on behalf of the General Assembly.

15. Given that manufactures account for 75 per cent of developing countries’ exports, non-agricultural market access represents an opportunity to pursue a positive agenda in trade negotiations. It was stressed that a balanced and development-oriented outcome would require further work on the specifics of some of the elements contained in the non-agricultural market access framework, including the formula, issues relating to the treatment of unbound tariffs, flexibilities for developing countries, the issue of participation in the sectoral tariff component, and preferences. It was considered important to find the right formula.

16. There were shared views that adjustment concerns of developing countries affected by preference erosion need to be adequately addressed.

17. The development potential of negotiations on services was widely recognized. It was stressed that the July Package gives a boost to negotiations on services by calling upon WTO members to submit the revised offers by May 2005.

18. In respect of trade facilitation, while its potential for promoting trade was recognized, concern was raised over its cost implications. It was thus a welcome development that the July Package adopted a new approach to negotiations by relating the financial, administrative and institutional capacities of developing countries, and the cost of implementation, to the adequacy of financial and technical resources made available to them and the level and timing of obligations.

#### **Other issues**

19. The importance for trade and development of ensuring the full and timely elimination of the quota system in the textile and clothing sector by 1 January 2005 was highlighted by a number of delegations. Restraining countries indicated their commitment to respect the deadline under the Agreement on Textiles and Clothing for the final stage of quota elimination. The adjustment concerns of less competitive LDCs and small economies heavily dependent on textile and clothing exports were raised, as the countries concerned are expected to incur losses. In this connection, the secretariat's conference room paper on "Assuring development gains from the international trading system and trade negotiations: Implications of termination of the Agreement on Textiles and Clothing on 31 December 2004" was welcomed by many.

20. The importance of negotiations on WTO rules was stressed. In addition, the need to restrain unilateral measures with extraterritorial effect was also mentioned. It was indicated that negotiations on trade and environment need to further the developmental, environmental and trade interests of developing countries. In respect of trade-related aspects of intellectual property rights, attention was drawn to the implications of the prospective expiration of the transition period for product patent protection in some areas such as the pharmaceutical sector, and to the need for a legally enforceable and usable mechanism for ensuring access to medicines.

21. Accelerating WTO accession for all developing countries and transition economies, in particular LDCs, consistent with the WTO General Council guidelines on accession of LDCs, without political impediments and in a manner consistent with their development status was emphasized. Also, the concerns of newly acceded countries need to be adequately addressed in negotiations.

#### **Larger universe of the international trading system**

22. The significance of regional trade agreements in the international trading system has increased with the proliferation, expansion and deepening of North-North, North-South and South-South agreements, which have become a driving force of the emerging new trade geography. This development points to the importance of securing a positive interface and coherence between regional trade agreements and the multilateral trading system, in particular in the context of substantive market access and rule-making negotiations under the Doha Work Programme. While concern was expressed over the behind-the-border development

implications of “WTO-plus” North-South agreements, it was noted that such deep commitments should be made conducive to increased trade and investment flows. At the same time, reference was made to a positive experience in North-South regional trade agreements. The significant progress made in South-South agreements was stressed. It was emphasized that the milestone decision reached in June 2004 to launch the third round of negotiations under the Global System of GSTP is expected to expand South-South trade on an interregional basis.

### **Role of UNCTAD and the Trade and Development Board**

23. The constructive contribution of UNCTAD consensus-building, analytical, and technical cooperation activities to multilateral trade negotiations was universally appreciated by participants. The usefulness of the Board’s annual review of developments in the post-Doha Work Programme of particular concern to developing countries was underscored, particularly as it provides a unique opportunity for all Governments to discuss issues outside a formal negotiating setting. The unique and comprehensive mandate of UNCTAD to support international trade negotiations was noted. In pointing to the mutually-supportive relationship between UNCTAD and the WTO processes, the two organizations were encouraged to strengthen their cooperation to assist countries derive development gains from multilateral trade agreements.

24. Appreciation was expressed for the unique value to developing countries and countries with economies in transition of UNCTAD technical assistance and capacity-building programmes on international trade and trade negotiations, especially in all key areas of the Doha negotiations and in the context of regional trade agreements. Developing countries thanked donors for their support for UNCTAD trade-related technical assistance programmes and called on them to increase such support so that UNCTAD can meet the growing demands and needs of developing countries.

## **D. Technical cooperation activities: report on UNCTAD assistance to the Palestinian people\***

1. For its consideration of this item, the Board had before it the report on UNCTAD assistance to the Palestinian people (TD/B/51/2).

2. The Coordinator for Assistance to the Palestinian people, introducing the secretariat’s report, said that the Board’s agenda had featured the item on assistance to the Palestinian people for 20 years, which attested to the complex political context in which this economic issue was widely perceived. It was an important achievement for UNCTAD that at the tenth and eleventh sessions of the Conference a consensus had been reached for work in this area. In operationalizing its mandate, the secretariat had combined the three pillars of UNCTAD work, namely research and analysis, technical assistance and intergovernmental consensus-building. In its efforts to mainstream UNCTAD global outlook into this programme of work, the secretariat had also recognized the uniqueness of the issue. While UNCTAD was not the forum to deal with the political, security, humanitarian or legal aspects of the

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\* Included in the Board’s report to the General Assembly in accordance with General Assembly decision 47/445.

question of Palestine, it was an appropriate United Nations forum to examine the developmental dimensions of the issue.

3. The report underlined the urgency of bringing relief, rehabilitation and development efforts into a cohesive framework determined by a genuine Palestinian development vision and agenda. The Palestinian economy continued to feature deep-seated structural imbalances and distortions, owing to occupation, geographic isolation and fragmentation, war and institutional attrition, and the uncertainty of implementation of the two-State solution envisaged in Security Council resolution 1397 (2002) and the international community's Road Map. Any political process should be paralleled by an economic development strategy, and even in the absence of political progress, the Palestinian economy had demonstrated resilience and coping strategies, which should provide the guiding elements for conflict and post-conflict development endeavours.

4. The policy message of UNCTAD on this had found growing resonance in Palestinian and international forums and had contributed to the UNCTAD programme of technical assistance to the Palestinian people in recent years, implemented in close cooperation with Palestine. UNCTAD had been fully engaged in supporting Palestinian development efforts and establishing new partnerships with the private sector and international development organizations. Increasingly, donors considered UNCTAD to be a transparent development agency capable of delivering cost-effective technical assistance to the Palestinian people.

5. At its tenth session, the Conference had welcomed UNCTAD assistance to the Palestinian people and called for it to be intensified. The São Paulo Consensus had again endorsed UNCTAD assistance to the Palestinian people and called for it to be strengthened with adequate resources. In view of the constrained institutional capacity of the Palestinian Authority and private sector institutions and the adverse field conditions, the Assistance to the Palestinian People Unit in UNCTAD played an indispensable role in liaison, research and ensuring policy cohesion in support of the work of other UNCTAD divisions. However, funding constraints were becoming increasingly critical, and this impaired the efficiency and impact of technical assistance. The secretariat's ability to forge ahead with the design and initiation of planned technical assistance activities was undermined by recurrent limitations and the unpredictability of extrabudgetary resources, as well as reduced core staff resources. The secretariat would not be able to accept new Palestinian Authority requests for technical assistance projects in the absence of the extra professional post that had been allocated to the Assistance to the Palestinian People Unit since 2001. Enabling systematic Palestinian participation in UNCTAD expert meetings was another capacity-building priority that the secretariat would emphasize in its work programme for the coming years.

6. Currently available regular budgetary resources were sufficient to maintain the secretariat's specialized knowledge and policy analysis capacity in specific areas, and to provide occasional advisory services. But they were not adequate for managing an intensified, multisectoral technical assistance programme, or to enable Palestinian sectoral representatives and experts to participate fully in UNCTAD expert meetings. In order to expedite action to remedy this situation, the secretariat was prepared to follow up on the Board deliberations with proactive resource mobilization efforts, in consultation with interested delegations and competent authorities in donor capitals.



7. The representative of Palestine said that, while the secretariat's Assistance to the Palestinian People Unit was small in size, its contribution to research into and understanding of the Palestinian economy and the impact of the Israeli occupation thereon was important. He appreciated all forms of assistance provided by UNCTAD to the Palestinian people, and he stressed the need to concentrate on capacity-building and economic policies of the emerging Palestinian state. He urged the secretariat and donor countries to provide resources as a positive contribution to the inevitable peace and as a translation into actions of the São Paulo Consensus.

8. The Oslo agreements provided for equality, mutual respect, partnership in peace and economic development. However, since their adoption, another decade of occupation had elapsed, with severe repercussions on all aspects of the life of the Palestinian people. The most recent Israeli killing of Palestinians, demolition of homes and razing of farms and fruit trees were samples of the practices of an occupation that sensed its end was approaching. Israel would like the Palestinian State to be run by private firms and NGOs that had favourable links with Israel rather than by an elected and legitimate Palestinian Authority that exercised sovereignty, and he wished to alert the international community and intergovernmental and non-governmental bodies and organizations to this rather absurd trap.

9. The insistence of Israel on taking unilateral measures and disregarding the Palestinian Authority was a futile strategy intended to divide the Palestinian territory through the separation of the Gaza Strip geographically and politically from the West Bank. The Palestinian position with regard to any possible Israeli withdrawal from Gaza Strip was governed by two basic considerations: that the West Bank and Gaza Strip constituted a single territorial unit; and that any withdrawal from Gaza Strip should correspond to similar steps in the West Bank in consistency with the Road Map and in full cooperation with the Palestinian Authority. He called upon all member States of the United Nations to comply with their legal obligations, as set out in the advisory opinion rendered on 9 July 2004 by the International Court of Justice, on the *Legal Consequences of the Construction of a Wall in the Occupied Palestinian Territory*. It was time for the international community to resort to concrete steps to make Israel comply with international law. He called for the boycott of firms and individuals associated with the building of the wall, and a ban on the import of Israeli settlements products, as necessary measures that would make Israel contemplate the costs of its continued occupation and violation of United Nations resolutions.

10. The Road Map would not bear fruit if it was not accompanied by an economic Road Map that showed the way out of Palestinian dependency on Israel and built confidence through measures aimed at placing the Palestinian party on a par with its Israeli counterpart. However, these measures in themselves would not be sufficient if not accompanied by political will on the part of Israel to facilitate the creation of an independent, democratic and sovereign Palestinian State with the defined borders of June 1967. In addition to the serious ramifications for the Palestinian economy of Israeli policies in terms of physical destruction and economic stagnation, there had been a severe contraction of the Palestinian human capital base through the loss of lives and the continuous brain drain via the emigration of highly skilled people in search of work opportunities elsewhere.

11. Human capital was indispensable for a country's balanced growth and sustained development, particularly in a post-war context. He urged the UNCTAD secretariat to take this into account in devising its future assistance programme for the Palestinian people and to focus on the untapped potential of the Palestinian enterprise sector and its ability to actively engage in the process of reconstruction and development. He welcomed the secretariat's proposals concerning the rehabilitation and development of the Palestinian economy for the period 2005-2006, including the proposal to strengthen the Assistance to the Palestinian People Unit, and he urged donors to help UNCTAD in its endeavour to assist the Palestinian economy.

12. In concluding, he referred to the Palestinian economic rebuilding strategy for enhancing dynamic growth, which would build on the lessons learned since 1994. Palestine was determined to rise to the challenge posed by the monumental tasks of economic rebuilding that lay ahead, particularly overcoming the cumulative impact of war and prolonged occupation. However, its efforts could fail unless Israel thought ahead and transformed itself from an occupying Power ruling through the barrel of a gun into a genuine partner in peace and economic development. Peace could be achieved, but while it took one party to start a war, it took two to conclude peace.

13. The representative of Brazil, speaking on behalf of the Group of 77 and China, commended the secretariat for its relentless efforts. He urged the secretariat to intensify those efforts to meet the growing requirements of the distressing situation of the Palestinian people, and he called upon the members of the Board to increase their support for the programme. He was concerned about the adverse impact on the Palestinian economy of the construction of the separation barrier. The effects on Palestinian agriculture in particular were enormous, and the land confiscated for the construction of the wall/barrier were to the east of the 1967 border and among the most productive agricultural land in the West Bank. The construction of the wall could lead to a reduction of agricultural production capacity by as much as 20 per cent.

14. One rare encouraging sign was the unprecedented social cohesiveness shown by Palestinian society, which managed to employ more workers domestically than in 1999. The international community should support the Palestinian Authority in meeting the challenges of increasing the wages and productivity of the domestically absorbed workforce and sustaining economic growth. The donor community should also work together to support the Palestinian efforts to build their own development agenda and priorities, even under the present circumstances.

15. Even though UNCTAD technical assistance for Palestine had been expanding, many proposed activities still lacked the required resources. For example, the Empretec project had been interrupted due to resource constraints. This highlighted the need for greater resource predictability for UNCTAD assistance to the Palestinian people. Lack of resources could seriously undermine the secretariats ability to respond to emerging needs and place further constraints on the Palestinian Authority's renewed development efforts.

16. In concluding, he said that the achievements of the secretariat attested to the relevance and impact of UNCTAD assistance. This progress in substantive and operational work had been possible only because adequate central resources had

been available since 2001. Maintaining the momentum would require sustaining an adequate level of resources, as affirmed in the São Paulo Consensus.

17. The representative of Pakistan, speaking on behalf of the Asian Group and China, expressed appreciation for the continuing support of UNCTAD to the Palestinian people. He stressed his Group's great concern at the continuation of the closure policy and the economic impact of the Israeli occupation of the Palestinian territory, especially the construction of the separation barrier within the occupied territory and the additional damage to Palestinian agriculture. This would further aggravate poverty and the structural weaknesses of the economy and therefore increase the Palestinian people's imposed dependence on Israel.

18. The donor community should support Palestinian efforts to set their own development agenda and priorities. However, he was greatly concerned with the lack of available resources, which had resulted in the suspension of one of the ongoing projects, and the lack of resources within the Assistance to the Palestinian People Unit. This would adversely affect the secretariat's ability to respond effectively to the São Paulo and Bangkok mandates providing for intensified assistance to the Palestinian people. He called on Board members to secure more predictable and comprehensive extrabudgetary support for the secretariat's work. Finally, he urged the international community to accelerate its support for the Palestinian people and work together to achieve lasting peace on the basis of international legitimacy and the two-State solution.

19. The representative of Nigeria, speaking on behalf of the African Group, expressed his full appreciation for the continued support of UNCTAD to the Palestinian people and commended the Assistance to the Palestinian People Unit for its work over the past 20 years. His Group was very concerned about the effects of occupation on the Palestinian people and the severe negative consequences of the conflict on economic activity. He called for intensified international support for the Palestinian people and highlighted the urgency of providing necessary resources for the UNCTAD programme of assistance to the Palestinian people.

20. It was essential to bring about improved economic conditions that would assist the Palestinian people and help them to build the institutions necessary to face current and future challenges. He also stressed the necessity of peacebuilding, to which the United Nations must remain committed. Finally, he expressed his solidarity with the Palestinian people for their admirable fortitude in the face of extremely difficult occupation conditions.

21. The representative of Israel questioned the need for a special item on the Palestinian economy or a special secretariat unit to deal with the issue. Forty-five of the 50 least developed countries had a much lower per capita gross domestic product than the Palestinian Authority, without benefiting from special treatment. Israel remained willing to act together with the Palestinians for the improvement of their economy, and supported the strengthening of the Palestinian economy and infrastructure.

22. He welcomed the measures proposed by the secretariat for the rehabilitation and reconstruction of the Palestinian economy, and affirmed that a realistic vision towards this goal was necessary. However, the goal could not be achieved as long as violence prevailed, and it was inconceivable to sustain economic development in a situation of continuous violence. The Palestinian economy, as well as the Israeli

economy, could only be reinvigorated once the Palestinians reversed their decision taken four years ago to launch a wave of violence against Israel.

23. The secretariat report was analytical and seemed comprehensive, it had been prepared in a professional manner, and he welcomed this effort. However, in many parts the report placed the responsibility for economic deterioration on the doorstep of Israel, while ignoring the responsibility of the Palestinian Authority for economic mismanagement, monopolies, corruption, lack of transparency and the absence of a supportive environment and clear planning for the economy. The report ignored the role of Israel in the improvements noted for 2003 and its consistent efforts to preserve the fabric of Palestinian civilian life, as well as the relative stability of prices thanks to the common trade regime. In sum, the report dealt with the results and not the causes. The immediate cessation of Palestinian terror in all its forms would result in a process of rejuvenation of the Palestinian economy.

24. Some of the facts and figures cited in the report, in particular the description of the consequences of the construction of Israel's security fence, were greatly exaggerated. The report did not mention the 24 gates opened along the fence to permit Palestinians to cultivate their land freely, nor the measures taken by Israel to re-route the fence in order to balance Israel's security needs and the welfare of the Palestinian population. The report also published erroneous figures, incompatible with the figures published by the Palestinian Bureau of Statistics, regarding the degree of physical damage and poverty suffered by the Palestinians.

25. In line with Israel's intention to disengage from Gaza, a dialogue had been initiated with the World Bank and the donor community to find a way to rehabilitate the Palestinian economy as a step towards the "day after". There were some insinuations in the secretariat report on the future of the Paris economic agreement, which had been reached after intensive bilateral negotiations and which should be revised or altered only through mutual agreement. Before embarking on requests for extrabudgetary resources, the secretariat should ask the Palestinian Authority for a report on the detailed steps it intended to take towards social and economic reforms, in conformity with international demands.

26. The representative of Egypt said that she would have preferred her statement to focus on positive developments in the area of assistance to the Palestinian people and the evaluation of such assistance. She would also have preferred at least neutral circumstances to make it possible to concentrate on meeting the needs of the Palestinian people, who had suffered from a bloody occupation for more than 50 years. However, the events on the ground and the practices of the Israeli occupying forces left no room for such important matters. The suffering of the Palestinian people as a result of Israeli incursions, especially in the last few weeks, included the destruction not only of infrastructure and water resources, but also of the human element itself and its inalienable rights. At the General Assembly on 24 September, the Egyptian Foreign Minister had warned about the practices of the Israeli occupying forces, which included the destruction of houses and infrastructure, the closure policy, assassinations and collective punishment.

27. The secretariat's report clearly showed the economic impact of the occupation and the suffering it imposed on the Palestinian people. The "separation wall" that was being built by the Israeli Government would lock in 13 per cent of the agricultural land between the green line and the wall. According to the International Court of Justice, the construction of the wall was illegal.

28. The international community should provide assistance that met the concerns and priorities of the Palestinian people in order to prevent the occupation from attaining its objective. The Board could strengthen international efforts by providing adequate resources to the Assistance to the Palestinian People Unit, as called for in paragraph 35 of the São Paulo Consensus. This was especially important in light of the lack of resources that the Unit was presently facing. The Board should meet its obligations to this programme not only through new extrabudgetary resources but also through the reallocation of the secretariat's regular budget resources.

29. The ultimate objective of all assistance to the Palestinian people was their full independence, and the desired outcome of assistance would not be realized in a highly negative military and political atmosphere. She called for the full implementation of all relevant resolutions, especially Security Council resolutions 242 (1967) and 338 (1973) concerning the withdrawal of Israeli forces from all occupied territories.

30. In conclusion, she proposed enhancing cooperation between Egypt and the UNCTAD secretariat, which had commenced recently in the area of transit transport between Palestine, Egypt and Jordan. She saluted the Palestinian people for their determination and persistence and affirmed that their struggle would definitely bear the fruit of national independence with international legitimacy.

31. The representative of the United States of America said that, while views might differ regarding the causes of the situation of the Palestinian people, there was no disputing the devastation that had overtaken them in recent years, for which the evidence was very clear. Her Government's approach to the problem had three parts. First, peace was paramount, and any progress on either the political or the economic front required peace. That, in turn, required an effective Palestinian security performance and a Palestinian Authority that could effectively direct its people towards peace. Secondly, progress required a serious political process that implemented the Road Map for peace and aimed at a two-State solution. Finally, the abiding economic crisis called for a continuing humanitarian effort, as well as efforts to build strong and responsible Palestinian institutions. This was ever more necessary in light of the very real challenges involved in revitalizing the Palestinian economy after Israeli disengagement from Gaza.

32. The United States had taken the lead in both development and humanitarian efforts and had provided over \$1 billion in assistance to the Palestinian Authority and the Palestinian people since 1993. In 2004 alone, United States assistance to the Palestinian people totalled over \$200 million. The United States was by far the largest bilateral donor in the West Bank and Gaza. However, as in so many other places in the world, money alone could not do the job. The good will of all was needed, as well as partners who would work together constructively to address Palestinian needs and help put the region back on the path towards peace.

33. The representative of Indonesia emphasized that the intolerable state of war in the occupied Palestinian territory could have severe consequences for the region, as well as repercussions for the world at large. Any efforts by the international community would not have the desired maximum effects if the Palestinian people were not given the chance to rebuild their economy in a peaceful environment. He expressed great concern regarding the construction of the separation barrier by Israel and its adverse impact on the Palestinian economy.

34. He was encouraged by the fact that UNCTAD had been consistently involved in the programme of development assistance for the Palestinian people. The unambiguous mandate of São Paulo in this area had to be followed up by more focused, integrated and comprehensive assistance in the future, for which the Board should give regular endorsement. He concurred with the need to build a link between relief, including emergency assistance, and development. However, he underlined the importance of more predictable resources so as to meet the multifaceted problems of the Palestinian people, and he urged donors to continue and increase their support to enable UNCTAD to strengthen delivery of its assistance to the Palestinian people.

35. The representative of the Islamic Republic of Iran commended UNCTAD for its assistance to the Palestinian people over the past 20 years. All macroeconomic indicators in Palestine had declined as a result of the occupation. The only figures going up were those of unemployment and deficits. He emphasized the vast negative effects caused by the construction of the separation barrier. He raised the question as to whether UNCTAD intended to continue its assistance to the Palestinians in the same form and framework as before or whether there would be changes in the structure of the assistance based on the recent situation imposed on the Palestinians. Finally, he requested that, in its future work, UNCTAD include analysis and evaluation of the socio-economic impact of the separation wall in terms of Palestinian development.

36. The representative of Tunisia thanked UNCTAD for its efforts in assisting the Palestinian people. The secretariat's report clearly showed the impact of Israeli occupation and its closure policy on the Palestinian people and economy. As the gross domestic product continued to decline, with serious consequences for unemployment, the poverty and suffering of the Palestinian people continued to deepen, and such economic devastation had not been seen since the Second World War. UNCTAD work had responded to the expanded needs of the Palestinian people, and his delegation therefore appealed to the donor community to increase its support for this programme.

37. The representative of Cuba expressed her appreciation for the report and welcomed the successes achieved by the secretariat, despite the difficult field conditions. She emphasized the full solidarity of her Government with the struggle of the Palestinian people. Cuba was convinced of the role of UNCTAD in economic development, especially in the framework of the programme for the Palestinian people. She reiterated the appeal to help the Palestinian people through the provision of more predictable and comprehensive resources for UNCTAD activities in that area.

38. The representative of Morocco said the secretariat's report showed that the Palestinian economy continued to suffer, with dire consequences in terms of the vulnerability of the people. There was a need to refocus the assistance to the Palestinian people to meet their urgent needs. The war-torn economy, road blocks and other practices by the occupation authorities hindered the growth and economic development of the Palestinian people. Nor was it possible to ignore political and social issues, as they were main factors underlying economic matters. He stressed the need to implement the São Paulo Consensus as it related to the Palestinian people, and he called upon the donors and international community to support the

Palestinian people. He also called for an end of the occupation, since only a just and lasting peace would lead to the well-being of all.

39. The representative of Jordan stressed the need to continue providing technical assistance to the Palestinian people, especially in light of the recent escalation of the practices of the occupation forces, including confiscation of agricultural land, the closure policy and destruction of livelihoods. Jordan remained extremely concerned with the situation and had always done its utmost to build peace in the region.

40. The representative of Benin, speaking on behalf of the least developed countries, expressed appreciation for the work of the Assistance to the Palestinian People Unit, especially under very difficult field conditions. War, poverty and people's suffering reinforced one another. The assistance provided by the international community was being destroyed, and the Palestinian people were living under precarious conditions. The efforts of the international community would not achieve the desired results unless the situation changed. He referred to the Board's discussion on investing in peace in Sri Lanka, and urged the international community to commit to peace to bring the Palestinian people back to their country in order to help rebuild their communities.

41. The representative of the Russian Federation expressed his appreciation for the secretariat's report, especially given the complexity of the situation on the ground. The work done in this area was commendable, and the report provided very valuable information on the economic situation of the Palestinian people. He stressed the sincere wish of his country for the continuation of UNCTAD work in this area, which was a contribution to the efforts towards a lasting peace in the region.

42. The representative of China commended the comprehensive analysis in the secretariat's report of the challenges facing the Palestinian people. UNCTAD technical cooperation activities were well tailored to the specific needs of the Palestinian people and their efforts to elaborate economic development strategies. On the whole, he expressed his satisfaction with UNCTAD work but emphasized his concerns about the shortage of resources faced by the Assistance to the Palestinian People Unit in a period when the Palestinian economy was in urgent need of recovery. He hoped that the international community could provide more resources for UNCTAD in this respect. He also expressed his country's deep concern with developments on the ground and the need for a conducive environment for development through peace. UNCTAD was the only United Nations agency that provided such specialized development assistance to the Palestinian people, and its work was sincerely appreciated.

43. The representative of the Sudan expressed his appreciation for the comprehensive work of UNCTAD as well as the report on assistance to the Palestinian people. The situation on the ground was making the situation more complex and peace more difficult to achieve. He called on the members of the international community to do everything they could to help the Palestinian people to rebuild their infrastructure and economy.

## Chapter IV

### **Procedural, institutional, organizational, administrative and related matters**

#### **A. Opening of the session**

1. The fifty-first session of the Trade and Development Board was opened on 4 October 2004 by Mr. Sha Zukang (China), the outgoing President of the Board.

#### **B. Election of officers**

*(Agenda item 1 (a))*

2. At its 956th (opening) plenary meeting, on 4 October 2004, the Board elected Mrs. Mary Whelan (Ireland) by acclamation as President of the Board for its fifty-first session.

3. Also at its opening plenary meeting, the Board completed the election of officers to serve on the Bureau of the Board at its fifty-first session by electing 10 Vice-Presidents and the Rapporteur. Accordingly, the elected Bureau was as follows:

*President:*

H.E. Mrs. Mary Whelan (Ireland)

*Vice-Presidents:*

Mr. Iouri Afanassiev (Russian Federation)  
Mr. Luciano Barillaro (Italy)  
H.E. Mr. Doru Romulus Costea (Romania)  
H.E. Ms. Sarala M. Fernando (Sri Lanka)  
Mr. Kiminori Iwama (Japan)  
Ms. Melissa J. Kehoe (United States of America)  
Mr. Ernesto Martínez Gondra (Argentina)  
H.E. Mr. Jorge Ivan Mora Godoy (Cuba)  
H.E. Mr. Love Mtesa (Zambia)  
Ms. Preeti Saran (India)

*Rapporteur:*

Mr. Patrick Krappie (South Africa)

4. In accordance with past practice, the Board agreed that the regional coordinators and China, as well as the Chairpersons of the Sessional Committees, would be fully associated with the work of the Bureau.

#### **C. Adoption of the agenda and organization of the work of the session**

*(Agenda item 1 (b))*

5. At its opening meeting, the Board adopted the provisional agenda for the session contained in TD/B/51/1 (for the agenda as adopted, see annex I to the present chapter).



6. At the same meeting, the Board established two sessional committees to consider and report on items on its agenda as follows:

Sessional Committee I on item 4: Review of progress in the implementation of the Programme of Action for the Least Developed Countries for the Decade 2001-2010;

Sessional Committee II on item 5: Economic development in Africa: Issues relating to Africa's debt sustainability.

7. The following officers were elected to serve on the Bureau of Sessional Committee I:

*Chairperson:*

Ms. Mary Whelan (Ireland)

*Vice-Chairperson-cum-Rapporteur:*

Ms. Preeti Saran (India)

8. The following officers were elected to serve on the Bureau of Sessional Committee II:

*Chairperson:*

Mr. Ousame Camara (Senegal)

*Vice-Chairperson-cum-Rapporteur:*

Mr. Stefano Lazzarotto (Switzerland)

#### **D. Adoption of the report on credentials**

*(Agenda item 1 (c))*

9. At its 963rd plenary meeting, on 15 October 2004, the Board adopted the report of the Bureau on the credentials of representatives attending the fifty-first session, thereby accepting the credentials.

#### **E. Provisional agenda for the fifty-second session of the Board**

*(Agenda item 1 (d))*

10. At the same meeting, the Board decided to refer this item to the Consultations of the President of the Board. The provisional agenda would thus be submitted for approval at an executive session at an appropriate time.

#### **F. Appointment for 2005 of the members of the Advisory Body set up in accordance with paragraph 166 of the Bangkok Plan of Action**

*(Agenda item 11 (a))*

11. At its 961st plenary meeting, on 14 October 2004, the Board appointed the members of the Advisory Body for the period October 2004-October 2005, as follows: Ms. Mary Whelan (Ireland); Mr. Iouri Afanassiev (Russian Federation); Mr. Sergei Aleinik (Belarus); Mme Naela Gabr (Egypt); Mr. Joseph Ayalogu (Nigeria); Mr. Charles Mutalemwa (United Republic of Tanzania); Mrs. Clemencia

Forero Ucros (Colombia); Mr. Guillermo Valles Galmes (Uruguay); Mrs. Lilia Carrera (Panama); Mr. Ahmed M. Masoud Al-Riyami (Oman); Mr. Shaukat Umer (Pakistan); Mr. Zukang Sha (China); Ms. Barbara Rietbroek (Netherlands); Mr. Frederik Arthur (Norway); and Mr. Emmanuel Farcot (France).

**G. Designation of non-governmental organizations for the purposes of rule 77 of the rules of procedure of the Board**

*(Agenda item 11 (c))*

12. At its 962nd plenary meeting, on 15 October 2004, the Board decided that Tradecraft Exchange, on which information was provided in document TD/B/51/R.1, should be accredited to UNCTAD and should be classified in the General Category under the provisions of paragraph 12 (a) of Board decision 43 (VII).

**H. Review of the calendar of meetings**

*(Agenda item 11 (d))*

13. At its 963rd plenary meeting, on 15 October 2004, the Board approved the calendar of meetings for the remainder of 2004 and the indicative calendar of meetings for 2005 (TD/B/INF.202).

**I. Membership of the Working Party for the Medium-term Plan and the Programme Budget for 2005**

*(Agenda item 11 (e))*

14. At its 963rd plenary meeting, on 15 October 2004, the Board approved the membership of the Working Party for 2005, as follows: Bangladesh; Bulgaria; China; Cuba; Finland; Indonesia; Italy; Japan; Morocco; Peru; Philippines; Romania; Russian Federation; Senegal; Switzerland; United Kingdom of Great Britain and Northern Ireland; United States of America; Venezuela; and South Africa.

**J. Administrative and financial implications of the actions of the Board**

*(Agenda item 11 (f))*

15. At the same meeting, the Board was informed that there were no financial implications arising from the work of its fifty-first session.

**K. Adoption of the report**

*(Agenda item 12)*

16. At its 963rd plenary meeting, on 15 October 2004, the Board took note of the reports of Sessional Committee I (TD/B/51/SC.1/L.1) and Sessional Committee II (TD/B/51/SC.2/L.1 and Add.1) and decided to incorporate them into the final report of the Board on its fifty-first session.

17. At the same meeting, the Board adopted the draft report on its fifty-first session (TD/B/51/L.4 and Add.1-5), subject to any amendments that delegations might wish to make to the summaries of their statements. The Board further authorized the Rapporteur to complete the final report as appropriate and to prepare the report of the Trade and Development Board to the General Assembly.

## Annex

### **Agenda for the fifty-first session of the Trade and Development Board**

1. Procedural matters:
  - (a) Election of officers;
  - (b) Adoption of the agenda and organization of the work of the session;
  - (c) Adoption of the report on credentials;
  - (d) Provisional agenda for the fifty-second session of the Board.
2. High-level segment: Follow-up to UNCTAD XI: New developments in international economic relations.
3. Interdependence and global economic issues from a trade and development perspective: Policy coherence, development strategies and integration into the world economy.
4. Review of progress in the implementation of the Programme of Action for the Least Developed Countries for the Decade 2001-2010.
5. Economic development in Africa: Issues relating to Africa's debt sustainability.
6. Review of developments and issues in the post-Doha work programme of particular concern to developing countries.
7. UNCTAD's contribution to the implementation of and follow-up to the outcomes of the major United Nations conferences and summits in the economic and social fields:
  - (a) UNCTAD's contribution, within its mandate, to the implementation of, and to the review of progress made in the implementation of, the outcomes of the major United Nations conferences and summits, under its relevant agenda items;
  - (b) Report by the President of the Trade and Development Board on his participation in the high-level meeting of Economic and Social Council with the Bretton Woods institutions and the World Trade Organization.
8. Technical cooperation activities:
  - (a) Review of the technical cooperation activities of UNCTAD (report of the Working Party on its forty-third session);
  - (b) Report on UNCTAD's assistance to the Palestinian people;
  - (c) Investment Policy Review of Sri Lanka.
9. Matters requiring action by the Board in the follow-up to the eleventh session of the Conference and arising from or related to reports and activities of its subsidiary and other bodies:
  - (a) Report on UNCTAD XI multistakeholder partnerships;

- (b) Hearing with civil society, in accordance with paragraph 117 of the São Paulo Consensus;
  - (c) Report of the Working Party on the Medium-term Plan and the Programme Budget on its forty-third session, 13-17 September 2004.
10. Other matters in the field of trade and development:
- (a) Progressive development of the law of international trade: thirty-seventh annual report of the United Nations Commission on International Trade Law (14-25 June 2004, New York);
  - (b) Report of the Joint Advisory Group on the International Trade Centre UNCTAD/WTO on its thirty-seventh session (Geneva, 26-30 April 2004).
11. Institutional, organizational, administrative and related matters:
- (a) Report by the President of the Advisory Body set up in accordance with paragraph 166 of the Bangkok Plan of Action on the implementation of courses by the secretariat in 2003-2004 and their impact; and the appointment of the members of the Advisory Body for 2005;
  - (b) Designation of intergovernmental bodies for the purposes of rule 76 of the rules of procedure of the Board;
  - (c) Designation of non-governmental organizations for the purposes of rule 77 of the rules of procedure of the Board;
  - (d) Review of the calendar of meetings;
  - (e) Membership of the Working Party for 2005;
  - (f) Administrative and financial implications of the actions of the Board.
12. Other business.
13. Adoption of the report.
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