

South Centre Analytical Note March 2004

THE UNCTAD XI: DEFINING UNCTAD'S FUTURE MANDATE

TABLE OF CONTENTS

I. INTRODUCTION	1
II. STATE OF PLAY OF UNCTAD XI NEGOTIATIONS	1
A. About the Conference	1
B. Pre-Conference Events	2
C. Over-all Negotiating Positions of States	3
III. PARAGRAPH BY PARAGRAPH NEGOTIATING POSITIONS OF STATES	5
A. Sub-Theme I – Development Strategies in a Globalizing World Economy	5
B. Sub-Theme II – Building Productive Capacities and International	
Competitiveness	7
C. Sub-Theme III – Assuring Development Gains from the International Trading	,
System and Trade Negotiations	.11
D. Sub-Theme IV – Partnership for Development	.26

I. INTRODUCTION

1. This paper is intended to provide readers with a brief overview of the current state of play (as of late March 2004) of the pre-conference negotiations, and then goes on to describe, paragraph by paragraph, the differences in negotiating positions among various countries. However, it should be noted that not all of the paragraphs for which there have been submissions from delegations, as reflected in the early March 2004 compilation of the pre-conference negotiating text, are covered by this paper.

II. STATE OF PLAY OF UNCTAD XI NEGOTIATIONS

A. About the Conference

- 2. UNCTAD will be holding its eleventh ministerial-level meeting at Sao Paulo, Brazil, on 13-18 June 2004. The conference is UNCTAD's highest decisionmaking body. It meets every four years to set priorities and guidelines for the organization, and provides an opportunity to debate key economic and development issues.
- 3. During the week-long conference, a number of sessions on trade, investment, finance, technology and development-related topics will be organized around the main theme of *"Enhancing the coherence between national development*

strategies and global economic processes towards economic growth and development, particularly of developing countries." (see UNCTADXI/PROGR/Rev.4 for the provisional program of events at the conference).

- 4. There are four sub-themes for the conference:
 - Development strategies in a globalizing world economy
 - Building productive capacity and international competitiveness
 - Assuring development gains from the international trading system and trade negotiations
 - Partnership for development

B. Pre-Conference Events

- 5. The provisional agenda for UNCTAD XI (TD/B/EX(31)/L.3) was approved by the UNCTAD Trade and Development Board (TDB) in May 2003. The TDB is UNCTAD's main decision-making body (like the WTO's General Council) in between the quadriennial ministerial-level meetings of UNCTAD. Brazil's hosting of the conference was first announced in June 2003, and preparatory activities for UNCTAD XI commenced soon after.
- 6. The UNCTAD Secretary-General issued his overview report and the initial pre-conference text in early August 2003 (see TD(XI)/PC/1). The first meeting of the UNCTAD XI Preparatory Committee (PrepComm) was held on 15-16 October 2003, as a result of which the PrepComm process was agreed upon and the PrepComm Chair (China) asked delegations for comments and suggestions on text that would be included in the initial Chair's text (see TD(XI)/PC/2). The first draft of the Chair's pre-conference negotiating text was circulated in mid-December 2003 (see TD(XI)/PC/3).
- 7. In January and February 2004, the PrepComm had one-day hearings with civil society and private sector representatives to discuss the theme and sub-themes of the conference, and to solicit civil society and private sector input on the overall contents of the pre-negotiating conference text (see TD(XI)/PC/4 and TD(XI)/PC/5). A third hearing with civil society and the private sector is planned for 22 April 2004.
- 8. In the meantime, since December 2003 up to late February 2004, delegations have been submitting proposals and suggestions for textual changes to the original Chair's text released in mid-December 2003.
- 9. During the first week of March 2004, the UNCTAD Secretariat released the marked-up pre-conference negotiating text for each of the sub-themes containing a compilation of both the original Chair's text and the suggested amendments submitted by delegations. The PrepComm had its second and third meetings from 22-26 March 2004 and from 29 March to 2 April 2004.

These meetings were focused on negotiations on the pre-conference negotiating text and the suggested amendments thereon.

10. The fourth (and last) PrepComm meeting will be on 3-7 May 2003. The PrepComm Chair has announced that pre-conference negotiations will conclude at that meeting. Any agreed-upon text up to that point will be brought to Sao Paulo for adoption by the conference, while any text not agreed-upon will be the subject of ministerial-level negotiations at Sao Paulo.

C. Over-all Negotiating Positions of States

- 11. The negotiations on the pre-conference negotiating text are currently deadlocked, principally due to differences in perspectives between the G-77 and China and developed countries led by the US, the EU, Canada and Switzerland mainly over two of the conference's sub-themes, i.e. "assuring development gains from the international trading system and trade negotiations" and "development strategies in a globalising world economy."
- 12. In general, developed countries want UNCTAD XI to avoid discussing issues under negotiation in the WTO. They also want the negotiating text to avoid criticizing the work of the major global economic organizations and for UNCTAD to have a more limited mandate. In addition, they want to focus and move UNCTAD's work away from broad developmental and economic policy analysis towards more narrow and focused policy research and on providing technical assistance for national governments.
- 13. Their internal differences notwithstanding, G-77 and China have thus far been united in their positions. Developing countries want to strengthen the Bangkok Declaration adopted at UNCTAD X in 2000 and to extend UNCTAD's mandate to areas such as the impacts of new bilateral agreements on developing countries and WTO accession. They want UNCTAD to play a monitoring and advisory role and help identify relevant development perspectives in these areas. They are trying to resist developed countries' views that UNCTAD's work should be tied to, and must be complementary with, the work of the IFIs and the WTO. In addition, developing countries are pushing hard to introduce and support the concept of expanding the policy space for developing countries to adopt and implement policies that promote their development objectives and provide for a more sequenced liberalization process. The potential of domination by the developed country donors in defining UNCTAD's agenda is also giving developing countries much wory.
- 14. In between the meetings of the PrepComm, and with UNCTAD XI a few weeks away now, small negotiating groups have been convened by a number of governments outside the formal preparatory sessions in hopes that more informal settings will allow convergence in perspectives to emerge.

III. PARAGRAPH BY PARAGRAPH NEGOTIATING POSITIONS OF STATES

A. Sub-Theme I – Development Strategies in a Globalizing World Economy

- 15. Paragraph 8 Proposals from the US, EU, and Japan all seek to remove critical references to the low levels of debt relief being provided by developed country creditors to developing country debtors. The G77's own proposal seeks to retain most of the original Chair's text and to delete a reference that bilateral creditors have provided debt relief beyond their HIPC commitments.
- 16. Paragraph 15 and 15bis Proposals from the US, Norway, and Switzerland seek to mellow, delete, or narrow down the original Chair's text that is critical of the impact of WTO and IFI obligations, commitments, or conditionalities, on developing countries' policy space. The G77's proposal, on the other hand, seeks to strengthen the original Chair's text to highlight the need for ensuring that domestic policy space remains with developing countries.
- 17. Paragraph 38 Proposals from the US, EU, and Switzerland seek to change the original Chair's text in order to add references to the role of developing countries (especially the more developed of these) – in addition to existing references to the role of developed countries – in ensuring stable growth and benefits from globalization. On the other hand, G77, Thailand, and China's respective proposals all seek to highlight and stress the major role that developed countries' macroeconomic decisions have on developing countries' economies and the maximization by the latter of their development opportunities.
- 18. Paragraph 39 Proposals from Norway, EU, and Korea seek to effectively eliminate references to short-term capital flows (especially the sources and movement of speculative capital) and the possible adverse impacts of global financial integration. The G77 proposal, on the other hand, seeks to add a reference to the right of developing countries to have flexibility in choosing their exchange rate regimes.
- 19. Paragraph 40 and 40bis The EU proposal seeks to highlight the role of debtor countries, in the context of concerted international efforts, to solve the external debt problem of developing countries. The US proposal seeks to limit discussions on assessing the sustainability of debt of developing countries only to HIPC-eligible developing countries and thus exclude developing countries that would not qualify under the HIPC initiative. Switzerland's proposal seeks to ensure that any assessment of debt sustainability should cover a country's whole debt (private and public, domestic and external), and thus: (i) effectively dilute any assessment of the external conditions (such as those from private and public creditors from developed countries or from the

IFIs), and (ii) requires looking into a country's domestic policies with respect to public and private borrowing, the uses to which borrowed money are put to, and how borrowed money is utilized in the domestic context. The **G77** proposal seeks a review of the HIPC initiative with a view to expanding its scope and relaxing its mechanisms so that more developing countries can avail of it.

- 20. Paragraph 41 The **G77** proposal seeks to strengthen the original Chair's text by linking the commitment of developed countries to provide technical and financial assistance to developing countries to the achievement of the Millennium Development Goals and the achievement of the targets for ODA to developing countries set in the Monterrey Consensus.
- 21. Paragraph 42bis The **G77** proposal seeks to highlight the need to eliminate the continued use of coercive economic and trade measures against developing countries. The **US** is proposing to delete this paragraph in its entirety.
- 22. Paragraph 42ter The **Switzerland** proposal seeks to highlight the role of PRSPs as a development tool. It should be noted, in this context, that the Swiss proposal is also suggesting that PRSPs should "include private sector development and trade issues more systematically." This could have the effect of making PRSPs also become another tool through which the market access and investment rules harmonization agenda of developed countries would be advanced at the expense of developing countries.

B. Sub-Theme II – Building Productive Capacities and International Competitiveness

- 1. Paragraph 14 The **US** and **EU** proposals seek to amend the original Chair's text in ways that would lessen the impact of the original Chair's text's suggestions on developing countries' development strategy. The **US** and **EU** are calling for removal of original text that implicitly push for the integration of developing countries into the global economy on terms that support their development, promote the competitiveness of their enterprises, and provide support to local enterprises. In addition, the **EU** is proposing the inclusion of language that seeks to link economic policy to non-economic areas such as political stability, good governance, respect for property rights, and human capital.
- Paragraph 16 The G77's proposal seeks to amend the original Chair's text by highlighting the fact that FDI flows to developing countries are low or are even declining. The EU and Switzerland separately seek to put in amendments that further qualify the extent to which FDI can provide social and economic benefits.
- 3. Paragraph 17 The US proposal seeks to effectively eliminate references in the original Chair's text to policies that the home countries of FDI and TNCs need to put in place in encourage investment, and further seeks to de-link investment flows from benefits that developing countries should obtain therefrom. The G77, on the other hand, supported by the EU and Swiss proposals, is seeking to strengthen the original Chair's text in stressing the importance of FDI/TNC home country policies in ensuring that investment flows provide benefits to developing countries. The EU proposal, in addition, seeks to include environmental considerations into the original Chair's text.
- 4. Paragraph 18 The G77 proposal seeks to amend the original Chair's text so as to put additional stress on the factors that prevent developing countries from benefiting from new information and communication technologies. The US proposal, on the other hand, seeks to place stress on the factors that can support further ICT market development and market access opportunities. The EU is suggesting that the entire original Chair's text paragraph be deleted.
- 5. Paragraph 19 and 19bis The G77 proposal, supported by an EU proposal, seeks to link measures relating to the international transport of goods to the social and economic development needs of developing countries. The US proposal, on the other hand, seeks to remove all references in the original Chair's text to the impact of new security-related measures and requirements imposed (especially by the US) on the international transport of goods after the 9-11 attacks in the US.

- 6. Paragraph 55bis The **Japan** proposal seeks to link FDI inflows to the adoption by FDI host countries of "business-friendly policies."
- 7. Paragraph 56 The G77 proposal for this paragraph seeks to delete references in the original Chair's text to international and national rule-making in the investment area due to possible fears that this could lead to further pressure being placed on developing countries to agree to negotiations on investment rules in the WTO and other forums. Canada's proposal seeks to recognize UNCTAD's provision of technical assistance and capacitybuilding in the investment area in collaboration with other organizations like the WTO and OECD.
- 8. Paragraph 57 Canada's proposals seek to change the original Chair's text by also stressing the role that TNC host countries can play in stimulating investment inflows and economic development, and by identifying some host country policies that can be done in this regard. Canada also sought to eliminate reference to the provision of fiscal support or incentives to export-oriented investors. The US proposal essentially seeks a closer link between TNC home country promotion of technology transfer to changes in the TNC host country's investment and intellectual property rights protection policies.
- 9. Paragraph 57bis The US proposal for this paragraph seeks to place the private sector as the primary agent for development, and downplays or minimizes the role that State intervention can play in effectively channeling and guiding economic activity in order to ensure that growth and wealth are distributed equitably and social and economic development occur. This reflects the US perspective that market forces, through the actions of private sector participants, can mostly by themselves provide the social and economic regulatory functions that are required in order to promote sustainable and equitable development. Considering that developing countries are pushing for increased domestic policy and regulatory space vis-à-vis market forces, this US proposal should be opposed or at least watered-down.
- 10. Paragraph 58 The G77 proposal seeks to establish a closer link between TNCs' activities and their social responsibilities, especially to host countries, by calling for a mandatory effort to establish international instruments in this regard. The Switzerland proposal, on the other hand, seeks to expand the coverage of the original Chair's text beyond TNCs to also cover "other international companies" - e.g. State-owned or controlled companies that have international operations – while calling for a best endeavor effort to come up with international instruments regarding TNCs and other international companies' social responsibilities. The EU and Canada proposals, both separately and jointly, suggest economic factors that corporations can affect in host countries (such as the environment, human resource development, etc.) Canada is also seeking the inclusion of language that would stress the role that developing country host governments can play in supporting

TNC activities – e.g. providing an "investment-friendly policy and regulatory framework, a skilled work force and adequate infrastructure."

- 11. Paragraph 58bis **Switzerland** is proposing language that seeks to promote competition policy as part of the UNCTAD XI document. This could become an opening through which negotiations on competition policy in other forums such as the WTO could be pushed for. Considering that developing countries have been generally opposed to the launch of negotiations on competition policy in the WTO, this Swiss proposal should be opposed.
- 12. Paragraph 59 The G77 proposes to strengthen the original Chair's text language on the link between ICT, economic development, developing country participation in decision-making in ICT-related international discussions, and the achievement of the Millennium Development Goals. The US proposal, however, seeks to provide "best endeavor" language with respect to developing country participation in ICT-related international discussions and decision-making. The EU is proposing the deletion altogether of language in the original Chair's text on the need to ensure such participation on the part of developing countries. The Switzerland proposal seeks to move the original Chair's text away from its focus on ensuring developing country participation in ICT-related international discussions and decision-making by proposing that instead of participating, developing countries should instead "obtain greater understanding of ICT-related issues" and focus their attention on how these issues affect developing countries' own Internet industry.
- 13. Paragraph 60 The original Chair's text called for improvements in the way that global transport and logistics services and systems are being regulated, stressing that the lack of a uniform international legal regime has resulted in varying national, sub-regional, and regional solutions and fragmented international approaches. The original text also makes reference to the security issues in maritime and container transport that have been raised in the context of the work of the G8, the US, the IMO, and the EU. The US and Norway's separate proposals on this paragraph both call for the deletion of references to the lack of and need for a uniform international legal regime in this area and to security issues. The EU is also opposing, in its proposal, the original Chair's text's call for the adoption of a global coordination approach.
- 14. Paragraph 61 The **EU**'s proposal basically seeks to link competitiveness policies to the institutional aspects of building productive capacity – e.g. providing the institutional and policy framework for fostering productive capacity. The **G77** wants to move away from the original Chair's text language calling for the establishment of an intellectual property rights framework that is consistent with the country's level of technological development towards language that would link such a framework as a contributory element to the country's technological development. The **US** is seeking to put in changes that would link domestic investment

policies and domestic savings policies, and which would also identify some elements that investment promotion efforts should include.

- 15. Paragraph 62 The G77 seeks to replace the original Chair's text with new language that would highlight the importance for developing countries to formulate and implement national ICT policies and strategies with the involvement of all stakeholders. The G77 proposal also stresses that national ICT policies need to be linked to other development policies such as education, trade and investment.
- 16. Paragraph 63 and 63bis The G77 has placed a conditional qualifier (i.e. "where relevant") to references in the original Chair's text (under paragraph 63bis) to the need to implement trade facilitation measures on the basis of internationally agreed rules. This is due to developing countries' opposition in the WTO context to the launch of negotiations on trade facilitation. The US proposal calls for the deletion of all references to the challenges that developing countries face in complying with new security regulations and security measures, and is also calling for the de-linking of trade facilitation measure from the implementation of transport security measures.
- 17. Paragraph 64 Switzerland's proposal in amending the original Chair's text for this paragraph seeks to ensure that UNCTAD's work becomes narrowed down to undertaking technical assistance, capacity-building, and research activities in only a few areas such as investment, corporate responsibility, technology transfer and innovation, enterprise development, and business facilitation, rather than ensuring that UNCTAD's broad original mandate of supporting developing countries' development efforts is maintained. The Swiss proposal essentially seeks to convert UNCTAD into a purely technical assistance and capacitybuilding agency like the ITC and UNIDO. The G77 proposal, on the other hand, seeks to preserve UNCTAD's capacity to act as prime source of analyses and assistance for developing countries in their efforts to build productive capacity and competitiveness.
- 18. Paragraph 70bis **Switzerland** is proposing the continuation by UNCTAD of its work on competition law and policy.
- 19. Paragraph 76 The **US** seeks the deletion of all references in the original Chair's text for this paragraph to security issues in relation to trade and transport facilitation.

<u>C. Sub-Theme III – Assuring Development Gains from the International Trading</u> <u>System and Trade Negotiations</u>

- Paragraph 5 The G77 and China proposal seeks to highlight the 20. relationship between world commodity prices and the unfavorable terms-of-trade of many developing countries, in particular LDCs and African countries, and links such relationship to the achievement of the Millennium Development Goals and to the Cotton Initiative of some African countries in the WTO negotiations. The **EU** proposal links the commodity price issue, the difficulties that developing country commodity producers face in terms of retained added value to their products, and the market structures that they face, to the lack of competition legislation in many countries. This provides the EU with an opening to raise the issue of establishing international rules on competition policy in relation to trade, an issue which many developing countries have opposed in the context of the WTO. Australia is proposing a link between the commodity price issue and the WTO's agriculture negotiations. The US seeks to delete references to the difficulties developing country commodity producers face in favor of linking the commodity price issue to the strengthening of capacities and institutions, good governance, and market-based risk management. In doing so, the US effectively seeks to de-link commodity price issues from developing countries' commodity market access problems (brought about mainly by market access restrictions in developed country markets) and move the discussion towards what developing countries should do domestically – i.e. effectively implying that developing country commodity exporters' market access problems are due to their own domestic failures rather than due to the market access restrictions that developed countries have put in place vis-à-vis their commodity imports.
- 21. Paragraph 6 The G77 and China proposal seeks to link developing countries' participation in new products and services to their realization of development gains from international trade and trade negotiations. In addition, they are also proposing that a stronger link be made in terms of ensuring that developed countries' policies (and the trade negotiations) are supportive of developing countries' efforts to improve the contribution of their creative industries to their exports. The EU, with G77 and China, seek the deletion of specific references to audiovisual services.
- 22. Paragraph 20 The G77 and China's proposal seeks to highlight the impact that multilateral trade rules have on developing countries' development policy choices, and thus stressing the importance of ensuring that developing countries continue to have policy space. The G77 and China stress that trade liberalization should not affect or limit developing countries from adopting policies needed to promote their

development objectives. The **EU**'s proposal seeks to incorporate environmental- and sustainable development-related language into the original Chair's text. **Norway** is proposing language that would link trade policies to national development plans and poverty reduction strategies.

- 23. Paragraph 21 The **EU** proposal for this paragraph seeks to establish a level of differentiation of treatment among various developing country categories.
- 24. Paragraph 22 The **G77 and China** proposal seeks to add more stress in the original Chair's text to the developmental objectives of the Doha Work Program, and that the outcomes of the negotiations should take developmental aspects into account. The **US** proposal, however, is to totally delete this paragraph, thereby implicitly saying that this issue should not be discussed or raised in UNCTAD in view of the work thereon on-going in the WTO.
- 25. Paragraph 23, 23bis, and 23ter The G77 and China proposals on these paragraphs seek to stress the autonomous economic liberalization that developing countries have undertaken, and that such autonomous liberalization should be taken into account in the WTO negotiations, and further reiterates the need for policy space for developing countries. The EU seeks to include language on concerns from preference-receiving countries relating to the erosion of preferential schemes in the context of the WTO market access negotiations. Australia's proposal wants to stress that the issues being raised by other governments were all being discussed in the WTO negotiations implicitly stating that UNCTAD is not the proper forum for discussing these issues. The US, meanwhile, is proposing the complete deletion of this paragraph, implicitly saying that these issues do not belong in UNCTAD but rather in the WTO.
- Paragraph 24 The original Chair's text refers to the GATS negotiations, in 26. particular Mode 4. Canada's proposal, given Canada's economic need for new migrant workers, seeks to recognize improved commitments in Mode 4 as being of particular interest to developing countries, and where both developing and developed countries could realize significant welfare gains. The G77 and China proposal lays stress on the need for developed countries to further liberalize services trade in sectors of interest to developing countries. With respect to Mode 4, the G77 and China proposal lays stress on the temporary nature of Mode 4 movements of natural persons and on the need to distinguish between Mode 4 movements and other movements of natural persons (e.g. for permanent migration). In addition, the G77 and China also stress that domestic regulatory issues also need to be addressed. The EU's proposal seeks to eliminate most references to Mode 4 commitments, and instead tries to focus the paragraph on identifying certain services sectors as being sectors that could benefit developing countries such as

financial, telecommunications, IT, transport and other infrastructure, environmental, and tourism services (which also happen to be among the major services exports of the EU). **Japan** seeks to have the paragraph's focus shift from simply movement of natural persons to liberalization of services trade in all categories and modes. **Norway** seeks to qualify the paragraph's reference to movement of natural persons to "temporary" movements. Finally, the **US** is proposing the complete deletion of this paragraph, implicitly saying that discussion of this issue does not belong in UNCTAD but rather in the WTO negotiations.

- 27. Paragraph 25 – Switzerland seeks to tone down the original Chair's text's description of the various market-entry barriers affecting developing country exports, as well as to add new language relating to the use of environmental and social labels. The G-77 and China's proposal seeks to highlight the existence of developed country oligopolies and cartels and arbitrary standards and practices as barriers to developing country exports in international markets. Australia wants only "unjustified" (as opposed to the original "stringent") technical barriers to trade and SPS measures and the "abuse" of contingency protection measures to be considered as barriers. The EU seeks changes in the original Chair's text to eliminate explicit references to stringent TBT and SPS measures, governmental environmental requirements, and voluntary private sector or NGO-created standards so that they would not be identified as constituting non-tariff trade barriers. The EU also wants to add new language stressing that the protection of public health, consumers, and the environment are shared and legitimate concerns. Canada's proposal also takes basically the same line as the EU's proposal. The US, again implicitly saying that discussion of this issue belongs in the WTO and not in UNCTAD, is proposing the complete deletion of this paragraph.
- 28. Paragraph 26 and 26bis The **G77 and China** are proposing that the original Chair's text be replaced by new language that stresses and highlights the implementation-related issues and concerns that developing countries have been raising in the WTO, these issues' link to the broader developmental context of developing countries, and the fact that most of these issues have not yet been effectively addressed. The **EU** proposal, on the other hand, seeks to water down even more the original Chair's text on implementation issues by stressing that many of the WTO agreements provide flexibility for developing countries (through longer transition periods and the provision of technical assistance for implementation) and that many of these issues were already addressed at Doha and that negotiations had already been initiated on the others. The **US**, in contrast, is proposing the complete deletion of this paragraph.
- 29. Paragraph 27 The **G77 and China** are proposing that the original Chair's text be completely replaced by new language that would discuss and

stress the nature of special and differential treatment (SDT), its elements and linkage to development, its place as an established principle in the WTO's legal framework and the WTO's Doha Work Program, and the fact that there have not yet been any commercially meaningful outcomes and resolutions to the over 88 proposals submitted by developing countries. Canada, on the other hand, is seeking changes in the original Chair's text that would eliminate references to SDT as a principle in the WTO and to the role that SDT can play in addressing imbalances between developed and developing countries. In addition, Canada wants to delete a reference to one of the Doha SDT mandate's objectives - i.e. to identify those SDT provisions that should be made mandatory and make recommendations thereon (see Para. 12.1 of the Doha Decision on Implementation Issues). The EU wants to change the original Chair's text to clarify that SDT provisions are "temporary" in nature, and that in the WTO, Members had decided to consider how to incorporate SDT into the WTO rules architecture. The US is suggesting the complete deletion of this paragraph.

- 30. Paragraph 28 – The G77 and China proposal seeks to strengthen the original Chair's text on developing countries' accession to the WTO by stressing that the non-economic considerations should not be barriers to the accession process for developing countries, and that the terms of accession should not erode developing countries' policy space, their sovereign rights to their natural resources, and their right to realize their trade and developmental objectives. Canada and the EU, in separate proposal, both seek to water down the original Chair's text by removing references to the difficulties faced by developing countries in their terms of accession due to obligations being demanded from them during the accession process that are inconsistent with their status as developing countries. Canada also seeks to highlight the fact that several developing countries have already acceded to the WTO since the Doha Ministerial Conference. The Russian Federation seeks the addition of the phrase "countries with economies in transition" to ensure that its own accession process problems are reflected in the text. The **US** is calling for the complete deletion of this paragraph.
- 31. Paragraph 30 and 30bis The **G77 and China** are suggesting amendments to the original Chair's text that would stress the mutual supportiveness of trade and environment and that environmental protection considerations should not be used as a guise for trade protectionism. In addition, the **G77 and China** are also proposing, with respect to the trade and competition, that the focus of the original Chair's text be shifted to stress that trade and competition policy should be focused on the importance for developing countries to protect and support their firms from TNCs' anti-competitive behavior and their abuse of dominance and cartels. **Australia**, in a separate proposal, echoes the thrust of the **G77 and China** proposal on the mutual supportiveness of trade and environment and that environmental measures should not be

used for trade protectionist purposes. The **EU** is suggesting the removal of references to TNCs in the original Chair's text's language on trade and competition. **Switzerland** seeks the addition of language referring to the anti-competitive behavior of large national firms (e.g. State-owned firms of developing countries) as having adverse impacts on the positive effects of trade liberalization for consumers and SMEs. The **US** is suggesting the removal of references to TNCs and to the need to respond to anti-competitive practices in international markets.

- 32. Paragraph 81 –The G77 and China proposal seeks to replace the original Chair's text with language that would highlight the developmental issues – such as substantial market access improvement for developing countries, elimination of export subsidies, substantial reduction in trade-distorting domestic support, and SDT (such as the special products (SP) and special safeguard mechanism (SSM) initiatives of developing countries) – in the WTO agriculture negotiations. The EU, Japan, Norway, and Switzerland, all made separate proposals that effectively seeks to link the original Chair's text to Paragraph 13 of the Doha Ministerial Declaration and, in particular, stress that non-trade concerns raised by developed countries should also be taken into account in the agriculture negotiations. The US is proposing the total deletion of this paragraph.
- 33. Paragraph 82 The **G77 and China**'s proposals for this paragraph are aimed at strengthening the link between the WTO NAMA negotiations and the products of export interest to developing countries, as well as to stress the need for policy flexibility for developing countries and the concept of less than full reciprocity. The EU is proposing language that would note the negative effects that erosion of preferences and textile quotas would have for some LDCs. The US is suggesting the complete deletion of this paragraph.
- Paragraph 83 The G77 and China are proposing the complete replace of 34. the original Chair's text with new language that highlights the developmental objectives of the GATS negotiations, and stresses developing countries' interests in Mode 4 (including suggestions on how Mode 4 liberalization could be achieved to benefit developing countries - e.g. a GATS visa) and in the establishment of an emergency safeguard mechanism prior to the conclusion of GATS market access negotiations. Both Canada and Switzerland are suggesting small changes in the original Chair's text to ensure that the paragraph covers both developed and developing countries. Canada also seeks the inclusion of basic utility services and the exclusion of references to transport and audiovisual services in the paragraph. The EU is proposing language that would link GATS negotiations to the objective of promoting economic growth and development of developing countries. The EU also seeks to stress that the GATS negotiations should cover additional services sectors (such as finance, telecommunications, IT, transport, environmental, and tourism

services) but sought the elimination of reference to some other services sectors such as health, education, utilities, transport, and audiovisual services. The **EU** also seeks to water down some of the strong language in the original Chair's text referring to developing countries' concerns of ensuring that the social dimension of services "must" (the **EU** suggests "should") be taken into account, especially vis-à-vis the "universal" (the **EU** suggests deletion of "universal") provision of essential services. The **US** is proposing the complete deletion of this paragraph.

- 35. Paragraph 84 The **G77 and China** proposal for this paragraph highlights the need for developing countries to remove and prevent market entry barriers (including unilateral measures and standards) so as to allow developing countries to fully exploit market access opportunities. The proposal also seeks to link voluntary standards and technical regulations to developing countries' trade prospects.
- 36. Paragraph 85 The **G77 and China** seeks to amend the original Chair's text so as to include a strong reference to the need for the Doha Work program to effectively address the outstanding implementation issues raised by developing countries. The **EU** proposal seeks to water down the original Chair's text by removing references therein to ensuring the provision of adequate technical and financial resources to developing countries to implement multilateral trade agreements, and to replace these references with weak "best endeavor" language.
- Paragraph 86 The G77 and China proposal seeks to replace the original 37. Chair's text with language that would stress the developmental nature of SDT provisions, linking SDT provisions to the provision of greater policy space and flexibility for developing countries, and noting the need for the WTO to agree on expeditious and commercially meaningful actions on the agreement-specific SDT proposals of developing countries in the WTO. Canada, however, takes a very different view of the nature of SDT by saying that SDT is a trade implementation tool rather than a developmental tool, and that the whole function of SDT is to help developing countries integrate better into the global trading system. Japan, while agreeing that SDT is a developmental tool, seeks to move the focus of the paragraph away from the developing countries' SDT proposals in the WTO to a mere annotation that on-going work on SDT in the WTO should be continued and that the outcome of such work should be "balanced" (so as to implicitly say that developed countries' trade interests should not be adversely affected). The EU also agrees that SDT is a developmental tool, but qualifies it by proposing that it should be "temporary" - i.e. time-limited - and that work on the agreementspecific SDT proposals should be undertaken together with all the other elements of the WTO's SDT work program (this means that no priority in the WTO should be given to coming up with positive results

in the agreement-specific SDT negotiations as "early harvest'). The **US** and **Norway** are suggesting the complete deletion of this paragraph.

- Paragraph 87 and 87bis The G77 and China proposal seeks to expand and 38. strengthen the original Chair's text by stressing the need to ensure that market access for LDCs into developed country markets is substantially improved through improvements of existing preferential schemes, avoidance of contingency measure and NTBs against LDC products, and substantial increases in technical and financial assistance for LDCs. In addition, the G77 and China proposal suggests new language that would strengthen and provide more focus on the need to address the problems of small developing countries. Canada wants developing countries (and not only developed countries) to also open their markets to LDC exports. In the same vein, the EU wants "advanced" developing countries to open their markets to LDC exports, and also that the Doha Work Program on Small Economies should focus on helping small and vulnerable economies integrate more fully into the multilateral trading system. Japan seeks the introduction of "best endeavor" language (such as the insertion of the word "appropriate") in some parts of the text relating to the provision of assistance to LDCs and, like Canada and the EU, also seeks to shift the focus away from developed countries having to open their markets to LDC products towards having both developed and developing countries do so. The US is proposing the complete deletion of this paragraph.
- 39. Paragraph 88 The **G77 and China** proposal wants the text to make a clear reference to the need to ensure that developing countries' WTO accession terms are transparent and non-discriminatory and do not affect their policy space or their sovereign rights to their natural resources. The **EU** seeks to eliminate an implicit indirect reference in the original Chair's text that developing countries' WTO accession terms might not be consistent with their developing country status by wanting to delete the first sentence of the original Chair's text for this paragraph. **Japan** wants the paragraph's reference to the need to ensure that WTO accession terms are consistent with developing country status to refer only to LDCs, so as to give it leeway to argue that other developing countries (other than LDCs) may be pressured to agree to terms of accession that may be inconsistent with their developing country status. The **US** seeks the complete deletion of this paragraph.
- 40. Paragraph 89 The **G77 and China** are suggesting changes in the original Chair's text to stress the need to provide measures including technical assistance) to mitigate the adverse impacts of the erosion of trade preferences. The **EU** wants to delete the reference to technical assistance in the original Chair's text in favor of a weaker formulation that calls on the international community to support the diversification efforts of preference-dependent countries, and seeks to have developing countries (not just developed countries) also open their

markets to preference-dependent countries. **Japan** seeks the introduction of "best endeavor" language (such as the insertion of the word "appropriate") in some parts of the text, while the **US** seeks changes that would narrow the focus of the paragraph. **Canada** wants the paragraph changed to provide language linking the measures to address preference erosion to enhancing the ability of preference-dependent countries to "more open international markets."

- Paragraph 91 The G77 and China proposal seeks to improve on the 41. original Chair's text with respect to commodity issues by linking the outcomes of the WTO agriculture negotiations to improving the prospects of commodity price stabilization and the diversification of developing country exports away from commodity exports. The EU and Switzerland, as well as the US, propose the deletion of references in the text to compensatory financing systems so as to avoid discussions about the creation of a commodity price stabilization fund or suggestions that developed countries should compensate developing country commodity exporters to mitigate the adverse impacts of low commodity prices or of the loss of commodity markets in developed countries. The EU is proposing that more focus needs to be given to the potential of regional integration and cooperation vis-à-vis commodity trade and diversification. The US also seeks amendments that would link economic diversification and export growth by commodity exporters to domestic structural reforms, policy reforms to encourage FDI, financial policy reforms, and political reforms for good governance and accountability. Australia and New Zealand want a direct reference to the WTO agriculture negotiations to be included, implicitly saying that such negotiations would be the proper forum for discussing commodity issues.
- Paragraph 92 and 92bis The G77 and China proposal seeks to include a 42. mandate for analyses on environmental goods and services of actual and potential export interest to developing countries, as well as environmental measures affecting developing country exports, to be carried out. In addition, G77 and China also want to stress the need to protect, preserve, and promote traditional knowledge, innovation and practices, and biological resources of developing countries. Norway, Canada, and the EU, separately, want the reference to improving market access of environmentally friendly products to include not only developed countries but also developing countries. Korea wants the principle of sustainable development to be referred to in the text. The US and EU, separately, want to avoid references to the market access and competitiveness needs of developing countries, and to the requirement that environmental and health requirements should be "compatible" and "legitimate." The EU also wants references to trade distorting and environmentally damaging subsidies removed from the text due largely to its positions thereon in the WTO. In the alternative, the EU is also suggesting the complete deletion of this paragraph.

- Paragraph 93 The G77 and China proposal seeks to change the original 43. Chair's text to make it sound less mandatory (by adding the phrase "should consider the") when it speaks of the need for developing countries to establish competition laws and frameworks. In addition, the G77 and China want the paragraph to highlight the point that competition policy also involves preventing and dismantling the anticompetitive structures and practices of TNCs, including by promoting corporate social responsibility and accountability. Japan and the US are proposing the deletion of text that refer to home countries and TNCs having to dismantle anti-competitive structures and practices, and for them to work with developing countries take advantage of trade liberalization. Japan and the US have always been traditionally opposed to efforts to regulate TNC activities. Both Canada and the EU want references to home countries and TNCs deleted so as to make the paragraph applicable to home (mostly developed) and host (both developed and developing) countries.
- 44. Paragraph 94 The **US** is proposing the deletion of language in the original Chair's text referring to the provision of financial assistance to developing countries for capacity-building in the field of competition law and policy. It is also proposing the deletion of language referring to the prevention and dismantling of anti-competitive structures and practices at the international level. Japan seeks to mellow down the original Chair's text by saying that countries should take measures "against" (instead of "prevent and dismantle") anti-competitive practices (deleting "structures" so as to avoid an indirect reference to TNCs). Japan also wants domestic anti-competitive practices to be covered (by deleting "international level"). The EU seeks to advance its competition policy agenda (which it had been pushing at the WTO) by seeking deletion of references to preventing and dismantling anticompetitive structures and practices and instead promoting the creation of international commitments on competition law and policy. The G77 and China, on the other hand, is calling for the complete deletion of this paragraph.
- 45. Paragraph 95 The **G77 and China** seek to strengthen the original Chair's text on trade, debt, and finance, by calling for mechanisms that would better tailor debt relief to the trade and development needs of developing countries, and that the WTO's work on trade, debt, and finance, and on trade and transfer of technology should continue. The **US**, on the other hand, is proposing the complete deletion of this paragraph.
- 46. Paragraph 96 The proposal from G77 and China seeks to add to the original Chair's text by stressing policy space flexibility and that there is no "one-size-fits-all" approach to trade and development. The EU has several proposals, including adding a reference to sustainable development (together with Norway), preferences, and weakening language (together with the US, by changing "should be" to "are

potential") that identifies various policies as the means towards reducing poverty and supporting sustainable development. **Norway** also sought the addition of a reference to gender equality. The **EU** is also pushing for additional language that seeks to weaken the original Chair's text's policy recommendation for developing countries to pursue a strategic and sequenced approach to the liberalization process by first pegging such approach to the prior conduct of analysis in "key sectors." This implicitly indicates that such sequenced approach should be undertaken in only a few sectors, and that rapid liberalization should still be undertaken as an overall general policy. Finally, the **EU** is also pushing for additional language that could give it an opening to renew its calls for a multilateral investment policy framework agreement in the WTO.

- 47. Paragraph 97 Both the US and the EU are suggesting the complete deletion of the original Chair's text language calling on the international community to support developing countries' efforts to protect and promote their creative industries and traditional knowledge. Canada is proposing changes in the original Chair's text to make its recommendation applicable to all countries and not just developing countries. The G77 and China have not made any proposals on the original Chair's text.
- 48. Paragraph 98 The G77 and China proposal seeks to add on to the original Chair's text to link such text relating to South-South trade to the actions that developed countries can take to support such trade. The EU wants the original Chair's text amended so as to make it broader and include North-South trade, and (together with Switzerland) to also emphasize that developing countries also need to provide market access commitments in favor of LDCs.
- Paragraph 99 The G77 and China wants the original Chair's text referring 49. to international negotiations on transport to remove references to the GATS negotiations, and instead focus its attention to the on-going work at the UNCITRAL. This could help ensure that the UNCITRAL forum does not get linked de facto to the negotiating context in the WTO. In addition, the G77 and China are seeking the elimination of implicit references and focus in the original Chair's text to the provision of technical and financial assistance for transport and trade facilitation measures, and are suggesting language that would broaden the focus so that the provision of technical and financial assistance would apply not only to trade facilitation measures but to broader issues relating to the reduction of trade-related transactional costs. Canada wants an explicit reference to land-locked countries. The EU wants a stronger reference to the GATS maritime transport sector liberalization negotiations. The US wants the entire paragraph deleted completely.

- Paragraph 100 and 100bis The G77 and China wants the original Chair's 50. text amended so as to link UNCTAD's work program more closely to the implementation of the Bangkok Plan of Action and to highlight the need for UNCTAD to ensure that the development dimension is taken into account in the context of the WTO's negotiations. Canada and Switzerland's separate proposals seek to change the original Chair's text to implicitly limit UNCTAD's role and functions so as to ensure that it does not encroach on the perceived trade-related "competencies" of other international economic organizations like the WTO. Switzerland is also proposing new language as paragraph 100bis that would explicitly ensure that there should be a "division of labor" between UNCTAD, WTO, and ITC in terms of providing trade-related technical assistance, and that UNCTAD's trade-related technical assistance should "complement" those of the WTO and ITC. The EU is even more explicit by stressing that UNCTAD's trade-related work should be done in coordination with the WTO and be simply limiting providing developing countries with technical assistance. to Effectively, developed countries are suggesting that UNCTAD be focused more on becoming primarily a technical assistance-focused organization rather than be a forum in which broad policy issues relating to trade and development could be discussed and whose conclusions and outcomes could then be reflected in other international forums.
- 51. Paragraph 102 The **EU** is proposing changes in the original Chair's text that would give an unequivocal statement that trade provides developmental benefits and that would require UNCTAD to also look at the impact of the trade policies of "advanced developing countries" on other developing countries. **Switzerland** wants new language that would try to focus UNCTAD's work on regional integration by developing countries. The **US** wants an implicit reference that UNCTAD's work should be done with other organizations and, like the **EU**, seeks to portray trade and providing unequivocal benefits to developing countries.
- 52. Paragraph 103 and 103bis The G77 and China wants UNCTAD's policy analysis on the implications of regional and bilateral trade agreements to be linked to their impacts on development policies of developping countries. The US, however, wants UNCTAD to effectively refrain from looking at the impacts of RTAs, BTAs, and North-South trading arrangements, and instead throw its support (through technical assistance) into the making of more RTAs and BTAs. The EU wants UNCTAD to provide more support for South-South trade and regional integration (and hence shift the focus of UNCTAD's work away from looking at broader North-South economic arrangements and issues). Japan also wants UNCTAD to move away from looking at North-South trading arrangements.

- 53. Paragraph 104 The G77 and China are proposing the deletion of language in the original Chair's text so as to focus UNCTAD's work on addressing trade preferences and the erosion thereof. The EU wants new language to refer to South-South trade (and thereby dilute the focus on North-South trade arrangements). Switzerland is seeking language that would focus the paragraph on LDCs and link it to the ongoing WTO negotiations. In addition, Switzerland is proposing that UNCTAD explore the desirability of having international guidelines to make preference schemes more predictable.
- 54. Paragraph 105 and 15bis The G77 and China, together with the Russian Federation, is seeking new language to have UNCTAD support the WTO accession efforts of oil exporting developing countries. The G77 and China also want additional focus on UNCTAD's supportive role in the WTO accession efforts of LDCs. The US seeks to qualify the support that UNCTAD can provide to developing countries in the process of accession to the WTO to only "technical" support and then only "upon the request of the acceding country", thereby effectively saying that UNCTAD should not provide such support on its own initiative.
- 55. Paragraph 106 and 106bis – The G77 and China are proposing new language that would make UNCTAD's work vis-à-vis issues on GATS Mode 4 include looking at how commercially meaningful liberalization outcomes can be achieved with respect to independent service providers of varying degrees of skills (so as to include low- and highskilled workers seeking to export and provide their services independently - i.e. outside of intra-corporate transfers) from developing countries. Switzerland wants UNCTAD to focus on providing sector-specific analysis and technical support to strengthen the domestic services capacity of developing countries, and also wants to weaken the original Chair's text on Mode 4 by having UNCTAD's analysis focus on how administrative impediments to Mode 4 can be reduced as opposed the G77 and China's proposal on how Mode 4 commitments can be further expanded. The EU is also seeking to weaken the language of the paragraph by eliminating the original Chair's text's Mode 4 linkage to commercially meaningful liberalization outcomes. Instead, the EU wants the text to include references to the services sectors that are of likely export interest to the EU. The US wants to remove the reference to Mode 4, and instead wants UNCTAD to look at all issues in GATS that would push for further liberalization.
- 56. Paragraph 107 Switzerland wants to change the original Chair's text so as to link UNCTAD's work on strengthening the development dimension in IPR rule-making to investment regime policy-making. In addition, Switzerland also wants UNCTAD's work on traditional knowledge, genetic resources, folklore, and fair and equitable benefit sharing to be guided by and be complementary to other organizations' work i.e. the

work on-going thereon in the WTO and WIPO. The EU wants UNCTAD's work to include regional dimensions, and for it to also examine how to improve technology transfers (including its IPR aspects) but "without prejudice" to the work on these issues in other forums. The US wants the elimination of references to the development dimensions of IPR rule-making, and instead wants UNCTAD to focus its analysis on the benefits arising from the implementation of TRIPS provisions, and for UNCTAD to basically defer to the WIPO with respect to issues relating to traditional knowledge, genetic resources, and folklore. The US also wants the deletion of all references to fair and equitable benefit sharing from intellectual property rights, especially from genetic resources and traditional knowledge, so as to avoid discussion of the appropriation of genetic resources and traditional knowledge by US-based TNC IPR rights-holders and also because the US is not a party to the Convention on Biological Diversity which mandates such fair and equitable benefit sharing.

- 57. Paragraph 108 Switzerland wants UNCTAD to coordinate with, and ensure that its work on commodity issues complements the work of, other international commodity organizations. The G77 and China wants new language added to make UNCTAD strengthen its work on oil and oil products. The EU wants to do away with the original Chair's text and replace it with text that would have UNCTAD work together with other international actors (including "non-State actors" such as, perhaps, TNCs) in assisting commodity dependent countries cope with changing commodity markets, and that such work should be regional in focus (so as to move UNCTAD's attention away from looking at the link between North-South trade arrangements and commodity trade). Norway, the US, Japan, and New Zealand, in separate proposal, seek a weakening of language so that UNCTAD, instead of being required to follow-up the recommendations of the Eminent Persons on Commodity Issues, would simply "consider" such recommendations (as Norway suggests), or "undertake further discussions" on such recommendations (according to **Japan**), or totally avoid doing any action on such recommendations (as the US and New Zealand want). The US is also seeking the elimination of references to ensuring that UNCTAD's work on commodity issues include looking at ways to ensure a more equitable distribution of revenues along the commodity supply chain.
- 58. Paragraph 109 The **G77 and China** are proposing language to the original Chair's text that would have the UNTAD address the problem of oversupply for many commodities and linking such to looking at the possibilities for financial support to diversification efforts. **Japan** wants UNCTAD's analysis on mechanisms to mitigate the consequences of commodity price fluctuations to take into account the experiences of past inter-governmental commodity compensatory financing schemes, as well private sector expertise in compensatory financing and the use of market-based risk sharing and risk-

management instruments. The **EU** wants removal of references to compensatory financing mechanisms. The **US** wants the original Chair's text to be totally replaced by new text that would totally reverse the original focus of the Chair's text, The **US** wants UNCTAD, instead, to discourage price stabilization and financing schemes, and instead encourage and assist developing countries to use market-based financial instruments (such as commodity swaps and futures markets) to try to enhance commodity export earnings.

- 59. Paragraph 110 and 110bis The **G77 and China** want new language that would mandate UNCTAD to work on looking at the trade and trade-related aspects of open and collaborative ICT-related projects (such as open source software) and their potential for supporting development of developing countries. **Switzerland** and the **EU**, however, are suggesting the complete deletion of Paragraph 110 in the original Chair's text, which would have the effect of eliminating UNCTAD's mandate to do work on, and the forum for discussing, issues relating to creative industries and the contributions that they can provide to developing countries' development process.
- 60. Paragraph 111 The **G77 and China** want broader and more flexible language in relation to UNCTAD's work in support of developing countries on the linkages between trade and poverty and trade and gender by the removal of references to the provision of technical assistance and capacity-building thereon. **Switzerland** wants a special mention of LDCs. The **EU** wants UNCTAD to support governments in developing a mutually supportive trade and investment policy regime.
- 61. Paragraph 112 The **EU** wants the original Chair's text referring to UNCTAD's mandate as a forum for the clarification of issues relating to investment, competition policy, and trade facilitation, to also include a reference to transparency in government. These are the four "Singapore issues" that the EU has been championing in the WTO. The **G77 and China**, on the other hand, want the discussion of these issues to be focused on developing a wider understanding of the development dimension of these issues, and especially their impact on developing countries' needs for retaining and expanding their policy space for development. The **US** is suggesting the complete deletion of this paragraph.
- 62. Paragraph 113 The **G77 and China** want broader language so as to ensure that UNCTAD's work on trade and environment issues are not limited solely to capacity-building and technical assistance for developing countries. The **G77 and China** also want to make sure that UNCTAD's work on such issues is focused on those which are of interest to developing countries. Switzerland wants a stronger linkage be made between UNCTAD's trade and environment work and work thereon being done in the WTO. The **EU** wants inclusion of a specific reference on fair trade labeling and on trade and environment linkage

assessments. The **US** wants narrower language for the paragraph in terms of both the issues to be addressed and the organizational work that the UNCTAD should pursue in this area.

- 63. Paragraph 114 The G77 and China's proposal want the original Chair's text's language amended so as to shift its focus on the anti-competitive practices of TNCs as the focus of UNCTAD's analytical work and capacity-building activities with respect to competition law and policy. Switzerland wants new language that would focus UNCTAD's mandate in this area to capacity-building for developing countries. The US wants language that seeks to maintain the status quo level of UNCTAD's competition law and policy-related work, while the EU wants UNCTAD to look at regional-level restrictive business practices.
- 64. Paragraph 115 The **G77 and China** want UNCTAD to undertake analysis of trade, debt, and finance issues insofar as these relate to the interests of developing countries (e.g. debt relief and debt sustainability, capital controls), and that UNCTAD should provide "action-oriented recommendations in this regard." The **US**, **Switzerland**, and the **EU**, on the other hand, all propose the complete deletion of this paragraph.
- 65. Paragraph 116, 116bis, 116ter, and 116quat – With respect to its work on issues relating to transport and trade facilitation, the G77 and China are proposing language that would mandate UNCTAD to assist developing countries in the UNCITRAL discussions, and to provide technical assistance to developing countries in general (as opposed to simply just "landlocked" developing countries). The EU's proposal seeks to ensure that UNCTAD's work on trade facilitation and complementary to those of other international transport is organizations (such as the World Bank, the World Customs Organization, and [but without mentioning it] the WTO). The US wants to delete language that would mandate UNCTAD to assist developing countries in negotiations affecting international trade and transport (e.g. WTO and UNCITRAL). The G77 and China want to add, as Paragraph 116bis, an UNCTAD mandate to analyze the impact of security initiatives on trade and transport, and to contribute to discussions on this issue; as Paragraph 116ter, a mandate for UNCTAD to intensify its trade and trade-related technical cooperation and capacity-building activities; and, as Paragraph 116quat, for UNCTAD to support the establishment of institutions in developing country regions that would provide training and capacity-building assistance for developing countries with respect to their efforts to integrate into the global economy.

D. Sub-Theme IV – Partnership for Development

66. Paragraph 117bis – The **US** wants new text to be included that would refer to the role of the private sector as partners in the development process. The **G77 and China** want new language that would highlight the responsibility of governments to exercise leadership in formulating the legal and policy framework for such public-private partnerships.



Chemin du Champ d'Anier 17 Case postale 228, 1211 Geneva 19 Switzerland

Telephone : (41 22) 791 8050 Fax : (41 22) 798 8531 Email : <u>south@southcentre.org</u>

Website: http://www.southcentre.org