Once in four years, UNCTAD holds a Conference to review the global situation and to set out UNCTAD's work for the next four years. UNCTAD XIV, held in Nairobi in July, renewed the UNCTAD mandates but only after long negotiations where developing countries under the G77 and China had to fight hard to resist attempts to dilute UNCTAD’s work.

This issue of South Bulletin carries analyses of the process and outcome of UNCTAD XIV, reports on some of the key sessions, and statements of G77 Ministers and of the South Centre.

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UNCTAD XIV reaffirms UNCTAD mandates, but only after significant wrangling

The 14th UNCTAD Conference was a tense affair, with its main declaration agreed to only in the last hours, after long late night sessions. This demonstrated the shaky state of North-South relations and of multilateral cooperation.

The United Nations’ leading development organisation UNCTAD has obtained a renewed mandate for its work, but not without difficulty. This is because the developed countries are now much more reluctant to give concessions to the developing countries, thus showing up the present shaky state of North-South relations and of development cooperation.

The 14th session of the United Nation Conference on Trade and Development (dubbed UNCTAD XIV) concluded in Nairobi on 22 July with the adoption of two documents. One was a political declaration, and the other was a more detailed and substantive document called the Nairobi ‘Maafikiano’, or the Nairobi consensus document.

It sets out an agreed text on some aspects of the global economy, and also gave UNCTAD another four-year mandate for its work programme and activities of research, intergovernmental meetings and technical assistance.

Reaching this consensus was hailed as a success in multilateral cooperation on trade, development and related issues. However, agreement was reached, on what should have been non-controversial issues, only after a lot of difficult wrangling between the developed and developing countries.

Formed in 1964, UNCTAD is the UN’s premier economic development organisation. In its hey-day from the 1960s to the 1980s, it was the world’s most important negotiating forum on trade issues, specialising in global commodity agreements.

It helped lead the developing countries’ initiative for a “new international economic order”. It was also designated the UN’s focal point for the integrated treatment of trade and development and with areas of finance, technology and investment.

For over half a century, UNCTAD has championed the cause of developing countries. But in recent decades, under the influence of developed countries, its role was downgraded. Many of its important issues were passed on to other organisations over which the developed countries have more control, such as the OECD, World Trade Organization, IMF and World Bank.

The developing countries have had to fight continuously to slow down or stop the decline of UNCTAD and the UN in general.

At UNCTAD XIV, the delegations spent hectic days and sleepless nights to thrash out hundreds of disputed paragraphs which could not be agreed on even after many months of negotiations in Geneva.

Principles or even phrases that have long been agreed to as part of global cooperation are now challenged or even made taboo by the developed countries.

They had previously been amenable to place on record the need to transfer technology and provide financial resources and special treatment to developing countries.

Now it is considered almost too sensitive to propose language on “additional financial resources” and “technology transfer”, while big battles have to be waged to reaffirm the long-accepted principles of “common but differentiated responsibility” and “special and differential treatment for developing countries.”

The developed countries have become less secure in their domination over the global economy and thus they are no longer willing to recognise many of the rights and concessions to the developing countries that are embedded in the global development system.

It was thus a big challenge for the developing countries, led by their umbrella group, the G77 and China, to get their developed-country partners to reach a consensus at UNCTAD 14, as illustrated by the following examples.

First, the developing countries fought to re-affirm the need for countries to have “policy space”. This con-

By Martin Khor

UNCTAD XIV saw many events and panel discussions. Its central activity was the negotiations for the final outcome and the talks were long and hard before the text was adopted.
cept, agreed to at an earlier UNCTAD conference, implies that developing countries should be given the right to make use of policies and instruments required for their development.

Many trade and investment agreements have been identified as containing provisions that restrict or even eliminate the ability of developing countries to pursue pro-development policies.

The developing countries proposed language on policy space in many parts of the document, but they faced resistance. Eventually only a mild and conditioned reference was accepted, as follows: “...and respecting each country’s policy space while remaining consistent with relevant international rules and its commitments.” (Para. 3 of the Declaration).

Second, the developing countries wanted an expanded mandate for UNCTAD’s important work on external debt issues. UNCTAD has been the UN system’s main organisation on debt; it has championed debt relief for poor countries, and the need for an international debt restructuring mechanism to resolve debt crises.

Developing countries wanted to stress that UNCTAD has a role in the prevention and resolution of debt crises and not just debt management, but this faced objections. Further, language was introduced to narrow the scope of UNCTAD’s debt work to one of complementing the work of the IMF and World Bank, which would have curbed its independence.

At the last minute, developing countries managed to add “as appropriate”, implying that the “complementing” function would be used only at UNCTAD’s own discretion.

Third, the developing countries wanted to mention the need to rapidly conclude the Doha Round at the World Trade Organization. This is hardly a radical idea since the need to conclude the Doha trade negotiations has been a longstanding mantra for many years in international discussions and many declarations on development.

However the developed countries have recently decided to give up on the Doha Round altogether, to the frustration of developing countries. Thus, at their insistence, work on the Round was not even mentioned in the UNCTAD XIV outcome.

Fourth, in many other fora, including the UN climate change convention, “technology transfer” has become a taboo phrase, and even its mention has been opposed, especially by the US.

It is to the credit of developing countries that this term appears several times in the UNCTAD 14 declaration, including that UNCTAD should assist developing countries to identify ways to operationalize technology transfer.

Para. 40 (f) states that UNCTAD should: “Continue to help developing countries to participate effectively in international discussions on technology transfer and knowledge sharing, and to identify policy options and best practices. UNCTAD should furthermore continue to assist developing countries in identifying ways and means to operationalize technology transfer and undertake research on the impact of transfer of technology on trade and development.”

Fifth, the need for international cooperation on tax issues (including how to deal with tax evasion, tax avoidance and tax havens) has become a hot topic recently. Most developing countries have been excluded from the international discussions on these issues as they are mainly held at the OECD (the club of developed countries) of which they are not members.

The G77 and China asked during the UNCTAD negotiations for the setting up of a UN committee on tax issues at which all countries could discuss and make decisions, but this was not acceptable to the developed countries.

However the final document does mention taxation a number of times, thus providing UNCTAD a mandate, though limited, in pursuing the issue.

A positive element at UNCTAD XIV was its reaffirmation of the role of UNCTAD as the focal point in the UN system dealing in an integrated manner with trade and development and interrelated areas of finance, technology and investment.

“The important role of UNCTAD will be strengthened as the focal point in the United Nations for the integrated treatment of trade and development and interrelated issues in the areas of finance, technology, investment and sustainable development,” states Para. 14 of the Declaration.

Also reaffirmed is the importance of the UNCTAD Secretariat’s independent research and analytical work. “Independent development oriented analytical work of UNCTAD is crucial to inform the deliberations of member States. It should continue to provide regular analysis of the global trends in trade and development and interrelated issues with a particular focus on the implementation of the 2030 Agenda and the Sustainable Development Goals” (Para. 100).

These reaffirmations of UNCTAD’s roles and mandates were hailed as a victory for it was uncertain until the last hours whether an overall agreement could be reached on the declaration.

Negotiations taking place at UNCTAD 14.
South losing up to 67% of commodity export earnings: UNCTAD report

UNCTAD XIV did not receive the media attention it deserved. One of the most interesting reports launched there carried the startling news that developing countries are losing up to 67% of their commodity export earnings due to misinvoicing of the true value of their exports. The losses come up to hundreds of billions of dollars.

Trade misinvoicing takes place when a company deliberately increases the prices of goods it imports or reduces the prices of its exports in order to report lower earnings and profits and thus reduce or escape taxes.

It is thought to be one of the largest drivers of illicit financial flows from developing countries, so that the countries lose precious foreign exchange earnings, tax, and income that might otherwise be spent on development, according to UNCTAD.

Released during UNCTAD’s Global Commodities Forum, the study uses data from up to two decades covering exports of commodities such as cocoa, copper, gold, and oil from Chile, Côte d’Ivoire, Nigeria, South Africa, and Zambia.

Findings of the report include:

- Between 1996 and 2014, under invoicing of oil exports from Nigeria to the United States was worth $69.8 billion, or 24.9% of all oil exports to the US.
- Between 1995 and 2014, Zambia recorded $28.9 billion of copper exports to Switzerland, more than half of all its copper exports, but these exports did not show up in Switzerland’s books.
- Between 1990 and 2014, Chile recorded $16.0 billion of copper exports to the Netherlands, but these exports did not show up in the Netherlands’ books.
- Between 2000 and 2014, under invoicing of iron ore exports from South Africa to China was worth $3 billion.
- Between 1995 and 2014, Côte d’Ivoire recorded $17.2 billion of cocoa exports to the Netherlands, of which $5.0 billion (31.3%) did not show up in the Netherlands’ books.

Reports such as these show the valuable research that UNCTAD has been doing. The renewed mandate obtained in Nairobi will enable the UNCTAD secretariat to produce more useful reports in the future.

UNCTAD XIV reaffirms UNCTAD mandates...

(Continued from page 3)

Thus there was much relief that UNCTAD’s existing mandate was reaffirmed. Ironically, this is now seen, in recent UNCTAD sessions, as a criterion for success. This unhappy situation depicts the underlying conflicting positions, with the South desiring that UNCTAD expand its mission to champion the cause of development and the North attempting to restrict the role of UNCTAD to a bare minimum.

As UNCTAD 14 neared conclusion, UNCTAD Secretary General Mukhisa Kituyi remarked: “I’m delighted that our 194 member states have been able to reach this consensus, giving a central role to UNCTAD in delivering the sustainable development goals.”

It is to the credit of the developing countries and the G77 and China, that they succeeded in having many of their main points, although in diluted form, included in the UNCTAD XIV outcome.

UNCTAD has a fresh mandate to carry out its three roles — to seek international consensus on development issues, to undertake research and analysis, and to provide technical assistance to developing countries — for at least another four years, until UNCTAD XV.

Thus although it may not have the clout as in its high years some decades ago, UNCTAD lives on to fight another day.

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UNCTAD 14: Nairobi “Maafikiano” barely saves minimal finance and development mandates

On some important issues, UNCTAD XIV barely reaffirmed UNCTAD’s existing mandates, whilst the conference also lost the opportunity to provide UNCTAD with a clear mandate to work on very relevant topical issues. This article is by a civil society leader who played an active role in UNCTAD XIV and who spoke at the UNCTAD XIV closing ceremony representing the CSOs.

By Aldo Caliari

Due to UNCTAD’s decidedly pro-South and uncompromising development-focused mission, its quadrennial conferences have traditionally been North–South showdowns. Coming a few months after the adoption of the ambitious and universal 2030 Agenda for Sustainable Development and its 17 associated goals, the theme of the XIV Quadrennial Conference of UNCTAD (the United Nations Conference on Trade and Development) was “From Decisions to Actions.” There was, therefore, reason to expect that this time members would bridge their differences for the sake of reinforcing mandates of the organization critical to the Agenda’s implementation. But that was not the case, and the dynamics were a lot more akin to the difficult ones witnessed in the inaugural Financing for Development (FFD) Forum last April.

The conference, held from July 17 through 22, 2016, in the city of Nairobi (Kenya), adopted by consensus the Nairobi “Maafikiano” – word that in Swahili means Outcome (“the Outcome”).

At the beginning of the conference, more than 400 civil society organizations united to make a case for strengthening the mandates of UNCTAD so it could more effectively and adequately support developing countries in their quest for structural transformation. “The organization’s foundational vision,” they said, “is as critical today as it was 50 years ago, when it was established as a platform for thought and action on broad issues of trade and development explicitly formulated around the challenges and perspectives of the vulnerable and marginalized majority of nations within the international system, and the people in them for systemic change.”

The statement underscored that everybody could share in the gains of strengthening the one international organization that was able to spot the last global financial crisis before it happened, and that pushed issues such as inequality and sovereign debt restructuring onto the international development agenda. It is also in everybody’s interest that developing countries be on a better footing to face their development challenges and make their contribution to the global pledge of achieving the Sustainable Development Goals by 2030.

Civil society also called for reinforcing UNCTAD’s role in analyzing “the compatibility of a range of investment, trade, debt, macroeconomic and financial policies that, without proper checking, risk undermining efforts to achieve the Sustainable Development Goals.”

But even the simplest things became heroic achievements in the context of the tough negotiations. This was the case with, for instance, repeating the commitment achieved last year in the Addis Ababa Action Agenda, that “UNCTAD’s important role will be strengthened as the focal point in the United Nations for the integrated treatment of trade and development and interrelated issues in the areas of finance, technology, investment and sustainable development.”

Furthermore, such agreement is captured in only a narrative section. Since the UNCTAD XII Conference, in Accra (2008), UNCTAD conference outcomes feature two sections, one on narrative and one on UNCTAD’s mandates. Only the latter spells out what UNCTAD actually will be able to do to address the issues raised in the former — even if the narrative, of course, is an important interpretative element. Looking at the commitment to strengthen UNCTAD in the light of the actual mandates it has received, it is hard to argue any such strengthening has happened.

Against such backdrop, civil society organizations had reason to celebrate commitments to merely continue important work that UNCTAD had been performing so far. Importantly, UNCTAD secured critical mandates to continue performing analysis and research on trends in the international financial system, including the faultlines exposed by the global financial crisis. It will be able to continue “its research and analysis on prospects and impacts of global economic trends,” “work on the linkages between international trade, financial and macroeconomic issues,”

Civil society representatives in a strategy meeting at UNCTAD XIV.
and “identify specific needs and measures arising from the interdependence between trade, finance, investment, technology and macroeconomic policies.”

The organization will also be able to continue work on South-South cooperation and integration, as well as regional mechanisms to facilitate the mobilization of financial resources for inclusive and sustainable development.

UNCTAD’s debt work, in particular, was a target given the role of the organization promoting alternatives on sovereign debt restructuring and responsible lending and borrowing that often had not sat well with Northern creditors. But concerted campaigning by a worldwide network of debt organizations – which gathered to strategize in advance of the conference – ultimately succeeded. The Outcome asks UNCTAD to “continue its analytical and policy work and technical assistance on debt issues, . . . and to promote policies for responsible sovereign borrowing and lending, complementing the work done by the World Bank and the IMF and other stakeholders as appropriate.”

The pledge to establish two new Inter-Governmental Expert Groups should not be minimized, even though it was the only possible deal after several new Inter-Governmental Expert Groups were initially proposed in the negotiating draft. One of them will be on Financing for Development “as reflected in the Addis Ababa Action Agenda and UNCTAD’s work,” a topic of interest of developing countries, and the other on “E-Commerce and the Digital Economy” – which developed countries wanted. Even this limited agreement came with the condition that it should be fulfilled from within existing resources. This means “resources and time allocations of the existing expert group meetings and the two Commissions” will have to be redirected to that purpose.

However, as lamented by civil society in their concluding remarks, delivered at the closing ceremony, the conference missed the opportunity to give UNCTAD more tools on other issues that would have been critical to developing countries’ ability to meet development goals and transform their economies.

Perhaps the highest-profile struggle took place on tax issues, where the debate reproduced the divisions already witnessed at the Third Financing for Development Conference. As it happened last year around this time in Addis Ababa, this year in Nairobi developing countries’ call for more democratic participation in the design of tax cooperation rules was defeated by developed countries, who prefer to maintain the OECD – where only rich countries are members – as the forum for that purpose. Proposals to have an intergovernmental expert body at UNCTAD, or even lower-profile proposals to enable UNCTAD to engage in tax policy, were defeated, too. Conspicuously, in a sentence that would have called on UNCTAD to support developing countries participation “on an equal footing,” this latter expression was objected by developed countries. In the end, the Outcome only provided a narrow mandate for UNCTAD to “continue its work on taxation as it relates to investment policy.”

Also continuing on the trends already visible in Addis Ababa last year, private sector financing ideas took center stage. In their declaration, civil society organizations called for caution in the promotion of Public-Private Partnerships (PPPs), and reminded about the lack of proof that they were delivering positive economic, social and environmental outcomes. “Where unavoidable,” they said, PPPs “should be subjected to rigorous standards and criteria on transparencies, feasibility, auditing, social and environmental safeguards, the affordability, accessibility and quality of the services and sustainable infrastructure that they are expected to deliver, the prevention of unsustainable debt burdens and the consent and participation of people and communities that will be impacted by public-private partnership projects.”

Unfortunately, such calls were neglected in the final language, which upholds acritical support for Public-Private Partnerships, with a vague reference to the “policy challenges” they face and a weakly-worded call for “guiding principles” to deal with them. A mandate for UNCTAD to play a meaningful role in such development is nowhere to be found in the document. To add insult to injury, the UN Economic Commission for Europe cosponsored a side-event to promote its “People first PPPs,” an initiative by which, as denounced by scores of civil society groups, the regional body with membership limited to European countries has given to itself the role of developer of global standards on the matter.

On global value chains, only with a lot of goodwill could one read in the Outcome a mandate to address the chains’ governance and the distribution of gains across them. The document requests UNCTAD to “undertake research and analysis and provide technical assistance on the changing international trade landscape, including identifying means of stimulating economic diversification, reducing trade costs, promoting value-added production, including in global value chains for goods and services, while addressing transparency, social and environmental responsibility and their potential development impacts.”

Given the growing momentum around rethink of international investment agreements and their dispute settlement mechanisms, developing countries could have used a bolder mandate for UNCTAD to support the many countries embarked in reviewing such agreements. The Outcome only refers to UNCTAD continuing “its existing programme of meetings and consultations with member States on investment agreements in accordance with the Addis Ababa Action Agenda, maintaining its role as a forum for international discussion on investment agreements, and assist member States in their efforts to strengthen the development dimension, as appropriate.” UNCTAD should also continue to “build a better understanding of investment issues and investment policies that promote development, and promote a better understanding of issues related to international investment agreements and their development dimension.”

According to one of the narrative paragraphs in the Outcome, “for the effective implementation of the 2030 Agenda, it is important that relevant international agreements, rules, and standards are . . . consistent with and support, progress towards the Sustainable Development Goals.” The failure to strengthen an institution greatly positioned to do just that, will be sorely felt.

Aldo Caliari is Director of the Rethinking Bretton Woods Project, Center of Concern.
We need an ambitious outcome at UNCTAD XIV: G77 & China plenary statement

Opening the plenary debate of UNCTAD XIV, the Tanzanian Minister for Industry, Trade and Investment, Mr. Charles Mwijage spoke on behalf of the Group of 77 and China. He called for an ambitious outcome that strengthens UNCTAD’s capacity to support developing countries in pursuing development and fulfilling UNCTAD’s role as the UN system’s focal point on trade and development. Below is his statement.

I have the honour to deliver this statement on behalf of the Group of 77 and China.

We meet at a time of great challenge and uncertainty. Since we last met in Doha, global growth has been slowing down and looks set to remain below its potential, possibly for some time to come. Trade is growing at a slower rate than global output and capital flows are becoming increasingly volatile. Furthermore, commodity prices have entered a downward phase and interest rates are expected to rise in the coming months, raising serious concerns in developing countries about the sustainability of debt positions, both sovereign and private. All of this implies important constraints on the opportunities for inclusive and sustainable economic growth of developing countries.

Indeed, the global economic system remains decidedly undemocratic and deeply unbalanced; socio-economic gaps, within and across countries and communities, are wide, and heightened cross-border economic and financial architecture are a source of instability as well as growth.

The distribution of global income remains extremely unequal, and in absolute terms the income inequality between rich and poor countries has continued to grow. The varied growth enjoyed by most developing countries since the start of the millennium can be attributed partly to their own efforts. These modest gains are now being eroded; deteriorating with the rise of austerity economics in these same economies.

We are encouraged in the midst of these difficulties by the far-reaching global decisions taken by consensus in 2015 - beginning in March 2015 with the adoption of the Sendai Framework for Disaster Risk Reduction; in July, the Addis Ababa Action Agenda, and then, in September 2015, world leaders adopted the comprehensive and ambitious 2030 Agenda for Sustainable Development.

With Agenda 2030, we committed ourselves to eradicating poverty, including extreme poverty, in all its forms and dimensions. In December 2015, the Conference of the Parties to the UNFCCC agreed, with similar ambition, to address the challenges related to climate change. In the same month, the Tenth Ministerial Conference of the World Trade Organization adopted several key decisions that reaffirmed the centrality of development in the WTO’s work.

It is now urgent and critical that we seek to find effective solutions, to enable all countries, in particular, developing countries, to implement the ambitious development agenda to which we have all committed. For this, we must take advantage of the ambitious goals that we have agreed and move from decisions to action. This is the goal to which this 14th UNCTAD Ministerial Conference must be dedicated.

The theme of this Conference, “From Decisions to Action: moving toward an inclusive and equitable global economic environment for trade and development”, must be reflected in all our work here in Nairobi.

We must, therefore as Ministers, agree an ambitious Outcome at this Ministerial, which strengthens UNCTAD’s capacity to meet its goal of supporting developing countries in pursuing development through trade, by deepening their integration into the multilateral trading system, and fulfilling UNCTAD’s role as the focal point in the UN system for trade and development.

We must, also, embrace UNCTAD’s role in addressing, through its three pillars, the range of trade and development challenges impeding the sustainable development prospects of developing countries. UNCTAD must continue its vital work in monitoring and assisting in addressing global challenges arising from the imbalances in the global financial and economic architecture.

The Ministers of the Group of 77 and China have issued a Ministerial Declaration that sets out in more detail, our views and recommendations on the mandate and further work of UNCTAD, as well as on other critical issues of concern to our Group. The G77 and China is ready to work with you and with all of the UNCTAD family to ensure the success of this Conference.

Tanzanian Minister for Industry, Trade and Investment, Mr. Charles Mwijage, spoke on behalf of the Group of 77 and China.

We, the Ministers of the Member States of the Group of 77 and China, meeting in Nairobi on the occasion of the fourteenth session of the United Nations Conference on Trade and Development (UNCTAD XIV),

Express our appreciation and gratitude to the Government and people of Kenya for hosting the ministerial meeting, and for the warm hospitality and the excellent organization from which we have benefited since our arrival,

Reaffirm our support for the outcomes of previous UNCTAD ministerial conferences, in particular, the Doha Mandate of 2012 and the Accra Accord of 2008,

Also reaffirm previous declarations of the Group of 77 and China; in particular, the declaration emanating from our ministerial meeting held in Doha on the margins of UNCTAD XIII in 2012, and the Ministerial Declaration of the thirty-ninth Annual Meeting of Ministers for Foreign Affairs held in New York in 2015, as well as the declaration “For a new world order for living well” adopted by the Summit of Heads of State and Government on the occasion of the fiftieth anniversary of the Group of 77 in Santa Cruz, Bolivia, in 2014,

Welcome all decisions made at the international level in 2015 that underscore the crucial role of the United Nations in sustainable development and in enhancing international economic and financial governance, in particular, the 2030 Agenda for Sustainable Development, the Addis Ababa Action Agenda, the Sendai Framework for Disaster Risk Reduction, the Paris Agreement under the United Nations Framework Convention on Climate Change, as well as the decisions reached at the Tenth Ministerial Conference of the World Trade Organization (WTO),

Reaffirm the importance of the implementation of the Programme of Action for the Least Developed Countries for the Decade 2011–2020 (Istanbul Programme of Action), the Vienna Programme of Action for Landlocked Developing Countries for the Decade 2014–2024 (Vienna Programme of Action) and the Small Island Developing States Accelerated Modalities of Action (SAMOA) Pathway, as well as Agenda 2063 of the African Union and the New Partnership for Africa’s Development,

Underscore the importance of public-private partnerships for infrastructure development and ask UNCTAD to take note in its work of the outcome documents of the other United Nations bodies in this regard,

We must now focus on moving from decisions to actions

In this regard:

1. We stress that the ambitious collective outcomes reached in 2015 represent both opportunities and challenges for developing countries, and that the call for the universality of the challenges should be fully cognizant of the respective capabilities and specific circumstances of developing countries, which poses particular challenges to them in dealing with issues such as industrialization and macroeconomic stability, climate change, health and achieving poverty eradication and sustainable development, and that dealing with those challenges requires a global enabling environment that ensures the ef-
effective transfer of technology on preferential terms and sustainable, predictable and adequate flows of finance to support the national efforts of developing countries.

2. We reaffirm the need for committed multilateralism with an architecture that is truly fair, inclusive, democratic and supportive of sustainable development; an architecture that focuses on enabling developing countries to achieve prosperity and well-being for their people by fulfilling their development goals.

3. We call for the reform of global economic and financial governance structures with the participation of all, on an equal footing, as being crucial to development and to the implementation of the Sustainable Development Goals and demand that efforts to sideline developing countries. This should be avoided.

4. We reaffirm that planet Earth and its ecosystems are our home and that Mother Earth is a common expression in a number of countries and regions; and we agree to deepen engagement with our partners and stakeholders in support of sustainable development efforts and to address our development needs.

5. We confirm that the right to development is an inalienable human right and that equality of opportunity for development is a prerogative both of nations and of individuals who make up nations.

6. We recognize that practical and pragmatic steps must be taken to address challenges consistent with the profile, needs and development goals of individual developing countries in a people-centred manner, eschewing a one-size-fits-all approach.

7. We underscore that adhering to principles such as equity, inclusiveness, common but differentiated responsibilities, special and differential treatment, less than full reciprocity and the right to development, are crucial to strengthening the role of developing countries in the global economy.

8. We recognize that the potential of women to engage in, contribute to and benefit from sustainable development as leaders, participants and agents of change has not been fully realized. We support prioritizing measures to promote gender equality and the empowerment of women and girls in all spheres of our societies. We resolve to unlock the potential of women as drivers of sustainable development through many measures and commit to creating an enabling environment for improving the situation of women and girls everywhere, particularly in rural areas and local communities among indigenous peoples and ethnic minorities.

9. We stress the need to build strong economic foundations for all our countries, and recognize, in this context, that, since our meeting in Doha, developments at the global level have created new and aggravated existing challenges for the entire international community, in particular, the peoples of the developing world.

10. We reiterate that the global economic, financial and trading system, including the multilateral trading system, remains unbalanced; that global inequality remains with many still in the abyss of poverty; that the high volatility of food and commodity prices is a persistent challenge and that, furthermore, the impact of the global economic and financial crisis has revealed new vulnerabilities, affecting, in particular, developing countries.

11. We also recognize that new opportunities have emerged, and resolve that developing countries should intensify efforts to take advantage of these opportunities, while underlining the importance of a conducive international environment to complement these efforts.

12. We stress the importance of multilateral efforts to tackle increasingly complex cross-border challenges that have serious effects on development, such as financial market volatility and spillovers to developing countries, illicit capital and financial flows, tax evasion and tax avoidance, sovereign debt crisis prevention and resolution, cyber security, the influx of refugees, foreign terrorist fighters and bribery, as well as the need for technology transfer, absorption and its financing, and commend UNCTAD for its work, as appropriate, regarding addressing these challenges and other systemic issues, and request UNCTAD to strengthen such work.

13. We recall that sovereign debt matters should concern both developed and developing countries. This should be considered as a matter that has the potential to adversely impact the global economy and the achievement of the Sustainable Development Goals if left unchecked. We recognize the need to assist developing countries in attaining long-term debt sustainability through coordinated policies aimed at fostering debt financing, debt relief, debt restructuring and sound debt management, as appropriate. We reiterate our concern about the activities of so-called vulture funds and their actions of a highly speculative nature, which pose a risk to all future debt-restructuring processes for developing countries. We urge all United Nations Member States to further discuss sovereign debt restructuring and management processes, with active, inclusive participation and engagement by all relevant stakeholders, in order to nurture and strengthen these processes to make them more effective, equitable, durable, independent and development-oriented, and reaffirm the roles of the United Nations and the international financial institutions in accordance with their respective mandates. We also welcome the adoption of General Assembly resolution 69/319 on basic principles on sovereign debt restructuring processes on 10 September 2015 as an important step.

14. We take note of the increasing calls by ordinary citizens across geographic regions and within developed and developing countries, for their Governments to secure adequate policy space within the context of bilateral, regional and international agreements and commitments, in order to ensure their well-being. In this regard, we therefore demand that international rules must allow for policy space and policy flexibility for developing countries, which are crucial to enabling our countries to formulate development strategies, in accordance with their sovereign right, that reflect national interests and differing needs, which are not always taken into account by international economic policymaking in the process of integration with the global economy.

15. We stress the importance of respecting policy space, recognizing national priorities and leadership to formulate, identify and pursue the most appropriate mix of economic and social policies to achieve equitable and sustainable development, understanding that national ownership is key to achieving development.
16. We stress that unilateral coercive measures and legislation are contrary to international law, international humanitarian law, the United Nations Charter, the norms and principles governing peaceful relations among States and the rules and principles of the World Trade Organization. These measures impede the full achievement and further enhancement of the economic and social development of all countries, particularly developing countries, by imposing unconscionable hardships on the people of the affected countries.

17. We stress that effective taxation, including combating tax evasion and reducing opportunities for tax avoidance by multinational corporations, will be critical in the mobilization of resources for the implementation of the Sustainable Development Goals and the overall economic advancement of developing countries, and hence requires collective and inclusive, democratic action with the active participation of developing countries, at the global level, while respecting the policy space of countries.

18. We call for economic structural transformation that strengthens productive capacities, productivity and productive employment; financial inclusion; sustainable agriculture, rural and fisheries development; sustainable industrial development; universal access to affordable, reliable, sustainable and modern energy services; sustainable transport systems; and infrastructure that is resilient and of a high standard. We reaffirm the importance and crucial and effective role of the State in leading and promoting development, even as efforts to strengthen the contribution of all stakeholders, including the private sector and civil society, are enhanced.

19. We express serious concern over the widening income and other inequalities between the developed and developing countries. We, therefore, reaffirm the Group’s objective to nurture a community of the shared future of humankind through a new type of international relations based on win-win cooperation to ensure inclusive development. For this purpose, we call upon the international community to intensify development cooperation, make financial resources available for development, build a more vigorous multilateral partnership and create a better enabling environment for development, as well as prevent the politicization of the international trading system, depriving many developing countries of the opportunity to be integrated into, and benefit from, the multilateral trading system.

20. We reiterate the importance of achieving, in particular, targets for official development assistance of 0.7 per cent of gross national income as official development assistance to developing countries and 0.15 per cent to 0.2 per cent of gross national income as official development assistance to the least developed countries, as well as further enhancing the resources for the least developed countries.

21. We call for active and strong global partnerships and cooperation and for greater focus on building productive capacities to address the main challenges to our achievement of sustainable and inclusive socioeconomic development, including poverty, hunger, food insecurity, unemployment, inequality, the lack of access to renewable energy and relevant technologies, the adverse effects of climate change and burgeoning debt levels, as well as the promotion of industrialization, the diversification of economies, the promotion of value addition, the implementation of national and regional hubs of innovation and development and the realization of the modern and successful infrastructure of communications. We request UNCTAD to continue capacity-building activities, including TrainForTrade and in the framework of paragraph 166 of the Bangkok Plan of Action.

22. We recognize that achieving sustainable economic growth requires the talents, creativity and entrepreneurial vigour of the entire population, as well as supportive policies towards micro, small and medium-sized enterprises, skills development, capacities to innovate and absorb new technologies and the ability to produce a higher quality and greater range of products, infrastructure and other investments.

23. We call for continued and enhanced North–South cooperation, which is the core of the Global Partnership for Sustainable Development and remains critical in overcoming global development disparities, and recognize its importance, along with triangular cooperation.

24. We recognize that global challenges and opportunities have reinforced the need for continued and enhanced cooperation and solidarity among developing countries; it is in this spirit that we also call for enhanced South–South cooperation, including the sharing of home-grown approaches and best practices in sustainable development and governance; increased dialogue and coordination in major regional and international issues; strengthening of South–South business initiatives; and enhanced cooperation in areas such as agriculture, education, industrialization and infrastructural development, as an important element of international cooperation for development as a complement, not a substitute, to North–South cooperation.

25. We note that the digital economy is an important and growing part of the global economy, and that information and communications technologies have a great potential to create jobs, enhance innovation and enhance market access, in particular for developing countries.

26. We express concern that a digital divide remains between developed and developing countries, and that many developing countries lack affordable access to information and communications technologies, which remains a critical challenge to many developing countries, which needs to be addressed through, among others, international cooperation and technology transfer, including through the effective participation of developing countries in research and development, equal participation in Internet governance forums and stronger commitment from the private sector in the developed countries to support the private sector in developing countries.

27. We stress that the expeditious and effective transfer, dissemination and diffusion of appropriate technology to developing countries, on favourable terms, including on concessional and preferential terms, as mutually agreed, respect for policy space to build technological and absorptive capacities and the promotion of innovation in developing countries remain important. This is most important as we recognize the opportunities and challenges posed by rapid advances in information and communications technology and the need to address the digital divide and other systemic and
entrenched inequalities within the sphere of information and communications technology, including the Internet.

28. We call, in this regard, for the enhanced support and cooperation of key partners, such as UNCTAD and the International Trade Centre, the Group of 15 and the South Centre, as well as other multilateral and regional institutions and stakeholders, in advancing our goals and objectives.

29. We express our continued support to the Secretary-General of UNCTAD and look forward to the strengthening of the bond between UNCTAD and the Group of 77 and China.

30. We reaffirm the central role of UNCTAD as the focal point within the United Nations for the integrated treatment of trade and development and interrelated issues, including in the areas of finance, debt, technology transfer, transit and transport issues, regional and global value chains, the international investment regime and sustainable development.

31. We call for the strengthening of the mandate of UNCTAD and its three pillars of research and analysis, consensus-building and technical cooperation, as well as the intergovernmental machinery, recognizing its central role as the focal point within the United Nations for the integrated treatment of trade and development and interrelated issues such as those within the areas of finance, technology, investment and sustainable development. In this context, the outcome of UNCTAD XIV should identify key issues where consensus would be built in the period between UNCTAD XIV and the following session, with a view to specific and measurable intergovernmental action. A benefit would be that intergovernmental decisions and agreements would form a coherent and holistic body of work that would serve as an important input in the preparation for the following session. To this end, adequate and additional budgetary and human resources should be provided to UNCTAD from the United Nations regular budget to enable UNCTAD, as a body of the General Assembly, to effectively and fully carry out its mandate under its three pillars.

32. We recognize the vital role of investment in support of sustainable development and will work intensively with UNCTAD, as well as other multilateral and regional institutions and stakeholders, to reform the international investment regime, improving the development dimension of international investment agreements, ensuring a balance between investor rights and obligations and safeguarding the right of States to regulate in the public interest, including through alternative approaches to dispute settlement, to better serve and reflect the new context of the 2030 Agenda for Sustainable Development. In this regard, we take note with appreciation of the Report of the Group of 77 Meeting on Investment for Sustainable Development, held from 4 to 5 May 2016 in Pattaya, Thailand.

33. We express serious concern at the lack of meaningful progress in the WTO Doha Round, particularly on domestic support and market access issues of interest to developing countries and the efforts by some members to undermine the commitments contained in the Doha Development Agenda, while welcoming the commitment of the Tenth Ministerial Conference to maintain development at the centre of future negotiations and its reaffirmation of the principles of special and differential treatment, flexibilities for developing countries and collective commitment to advancing on the Doha Round issues. In this context, we urge all WTO members to uphold and reiterate their commitment to promote an apolitical, universal, fair and balanced, open, inclusive, non-discriminatory, transparent, equitable, rules-based and predictable multilateral trading system, that has development at its centre, which would enable developing countries and especially the least developed countries, to secure a share in the growth of international trade commensurate with the needs of their economic development and to fully integrate into the multilateral trading system.

34. We underscore the need to improve global economic governance by, among others, strengthening the multilateral trading regime and increasing the representation and voice of developing countries in the international system with equal rights to participate in international rule-making. In this regard, we endeavour to enhance the participation in and role of developing countries in the areas of trade, investment and development in international economic forums, including the Group of 20.

35. We emphasize the need to focus on analysing and monitoring how subsidies and various forms of market access restrictions from developed countries have historically affected and continue to undermine the development of productive capacities in the agricultural sector of developing countries.

36. We underscore the importance of collective international action towards achieving the graduation of half of the least developed countries by 2020, as envisioned in the Istanbul Programme of Action.

37. We emphasize the importance of facilitating accession to WTO, especially for developing countries, recognizing
the contribution that this would make to the rapid and full integration of these countries into the multilateral trading system. In this regard, we urge that the accession process be accelerated without political impediments and in an expeditious and transparent manner for developing countries that have applied for WTO membership, and reaffirm the importance of the WTO decision of 25 July 2012 on accession by the least developed countries. We also underscore and commend the pivotal role of UNCTAD in this regard, particularly through its technical assistance and capacity-building to developing countries before, during and after the process of accession to WTO. We call upon UNCTAD to strengthen this work. We welcome the results from WTO accessions so far. These results have contributed to the strengthening of the rules-based multilateral trading system.

38. We will continue to fight against all threats to economic growth and development, including all forms of protectionist measures and unilateral economic pressures, especially by the leading industrial economies, while preserving our policy space.

39. We, therefore, firmly reject the imposition of laws and regulations with extraterritorial impact and all other forms of coercive economic, financial and trade measures, including unilateral sanctions against developing countries, and urge the international community to take urgent and effective actions to eliminate the use of such measures.

40. We call upon UNCTAD to enhance its work towards addressing the trade and development challenges of all developing countries and, in so doing, to strengthen its work on the special problems of the least developed countries; African countries; landlocked developing countries; small island developing States; structurally weak, vulnerable and small economies and the related problems and challenges faced by middle-income countries, as well as to assist transit developing countries with their specific needs and challenges, particularly in relation to infrastructure development and transport.

41. We further call upon UNCTAD to provide the appropriate support necessary to contribute to the implementation of specific actions requested in the Addis Ababa Action Agenda, the Istanbul Programme of Action, the Vienna Programme of Action and the SAMOA Pathway. UNCTAD should also support the implementation of Agenda 2063 of the African Union and the New Partnership for Africa’s Development. In this regard, adequate and additional resources should be provided to UNCTAD.

42. We call for the allocation of additional human and budgetary resources from the United Nations regular budget to enable UNCTAD to implement its mandate, which has a great relevance for all countries and in particular for developing countries, including its work on systemic issues, global macroeconomics and finance, debt, taxation, investment, trade and development and technology transfer.

43. We reaffirm our commitment to strengthen our ability as a Group to collectively promote our interests, particularly within multilateral trade and development forums, and commit, in this context, to ensuring that the Group continues to be a proactive force in the global effort to solve global issues, building on its solidarity, maximizing its competitive advantage and applying its collective capacity. We welcome steps taken to enhance coordination among Group chapters, and urge that these efforts be deepened.

44. We reiterate our call for support to the Palestinian people to be sustained by relevant research, policy analysis, advisory services and effective technical cooperation activities to alleviate the adverse economic impact of the unbearable conditions imposed by the prolonged Israeli occupation, and urge UNCTAD to strengthen and intensify its programme of assistance to the Palestinian people with adequate resources; and support paragraphs 9 of General Assembly resolutions 69/20 and 70/12, which request UNCTAD to report to the General Assembly on the economic cost of occupation for the Palestinian people and exert all efforts to secure the resources required to fulfil these resolutions.

45. We reaffirm the need for the Government of Argentina and of the United Kingdom of Great Britain and Northern Ireland to resume negotiations in accordance with the principles and the objectives of the United Nations Charter and the relevant resolutions of the General Assembly, in order to find, as soon as possible, a peaceful solution to the sovereignty dispute relating to “the Question of the Malvinas Islands”, which seriously damages the economic capacities of Argentina and the need for both parties to refrain from taking decisions that would imply introducing unilateral modifications in the situation while the Islands are going through the process recommended by the General Assembly.

46. We reaffirm the need to find a peaceful solution to the decolonization and sovereignty issues affecting developing countries, recognizing that failure to resolve these issues will seriously damage and undermine the development and economic capacities and prospects of these countries. In this context, recalling the concerns expressed by the Summit of Heads of State and Government and the Ministers for Foreign Affairs of the Group of 77 and China in their previous declarations regarding the dispute over the Chagos Archipelago, including Diego Garcia, which was unlawfully excised by the United Kingdom from the territory of Mauritius prior to independence, and the “marine protected area” that was declared by the United Kingdom around the Chagos Archipelago, we take note of the ruling of the Arbitral Tribunal in the case brought by Mauritius against the United Kingdom under the United Nations Convention on the Law of the Sea that the “marine protected area” was unlawfully established under international law.

47. We urge UNCTAD and other partners in the international community to assist developing countries facing specific circumstances, in particular related to terrorism, increasing numbers of displaced populations or hosting large numbers of refugees in protracted situations, in addressing the challenges they face in the implementation of national development goals and the 2030 Agenda for Sustainable Development.

1 The Republic of Nicaragua is not a party to the Paris Agreement.
South Centre on six points to make UNCTAD XIV a success

The South Centre stressed at UNCTAD XIV that developing countries need international rules that allow them the policy space required for development. It also mentioned some key points that are needed in the outcome to make UNCTAD XIV a success. Below is the statement of the South Centre’s Executive Director Mr. Martin Khor, at the plenary general debate on 21 July. It was delivered by Dr. Yuefen Li on his behalf.

UNCTAD XIV is taking place against the backdrop of uneven and protracted recovery from the 2007/8 global financial crisis which has slowed down and even reversed in some cases the economic catching up process of emerging and developing countries.

Negative and destabilising spillovers from some of the crisis management measures together with the legacies of the global crisis have hit the developing countries hard. Dramatic swings in exchange rates, volatile and speculative capital flows, anaemic or even negative growth, declining trade, rising debt levels, higher unemployment especially among the young, and commodity price fluctuations are among the problems the policy makers and ordinary citizens have to cope with, even though there are variations between countries.

In addition, political risks which have their roots in the economic plights are also on the rise. Forecasts from major international institutions have warned us of moderate to low economic growth and headwinds in the coming few years.

The last time UNCTAD held its conference in Nairobi was in 1976 for UNCTAD IV. That was the time when the world just started to emerge from the 1970s stagflation for some developed countries. The economic recovery then was followed in the 1980s by debt crisis in Latin America and severe crisis in HIPCs which were concentrated in Africa.

Yet, this period also saw big developing countries like China and India starting to grow rapidly, and the increasing integration of the global economy through the rise of globalization.

It was a time marked with despair but also hope. We could observe similarities and differences in terms of development challenges for developing countries between UNCTAD IV and UNCTAD XIV. However, one thing that has stood out is that the desire to strengthen UNCTAD has been stronger more than ever at times of crisis.

At that time, UNCTAD shone in being the UN system’s premier institution providing UN Member States, and particularly the developing countries, with important development policy research, rigorous and innovative analytical thinking about multilateral trade and development issues, and a strong norm-generating intergovernmental machinery.

Since the last time that UNCTAD was in Nairobi forty years ago, UNCTAD’s work and mandates have shifted. It has developed its technical assistance pillar on trade and investment policies and largely retreated from serving as a multilateral norm-setting machinery while retaining its strong tradition of independent, critical and heterodox policy research and analysis for development policies particularly on globalization and development strategies.

But despite the impressive development and industrialization progress among a number of developing countries, particularly in Asia, in the past four decades, the fundamental development gap between developed and developing countries continues to exist – in many ways even exacerbated by the very processes of globalization and speculative financialization of the global economy during the last decade of the 20th century and the first decade of the 21st century.

This continuing development gap lies at the heart of what UNCTAD’s mandate and activities should be responding to, given that it is the UN system’s focal point for the integrated treatment of trade and development, and the interrelated issues in the areas of finance, technology, investment, and
sustainable development. UNCTAD has done excellent work on the interlinkages among these key issues and should continue its analytical activities on this.

The theme of UNCTAD XIV “From Decisions to Actions” reflects what UNCTAD should do in light of the present turbulence in the global economy, the adverse effects on developing countries, and the growing concerns on the alarming inequalities and social divisions arising from globalisation. UNCTAD should also contribute to the actions in implementation of the outcomes of the 2030 Agenda including the SDGs, and the financing for development conference of 2015 and to the ongoing efforts to combat climate change following the Paris Agreement.

For the purpose of promoting development, it is imperative to respect the important principles affirmed in the aforementioned international outcomes, including policy space for developing countries as one of the main principles shaping global economic relations. This stresses the need for international rules to allow policy flexibility for developing countries in view of their development stage and the gap that exists with the developed economies. Special and differential treatment in the context of multilateral trade relations; and common but differentiated responsibility and equity, in the context of sustainable development, environment, and climate change, reflect this principle of policy space.

Allow me to mention the views of the South Centre on a few areas of UNCTAD’s work that we believe should be reflected in clear outcomes here in Nairobi:

One, UNCTAD should be given a clear mandate to work on the integrated treatment of trade and development, and the interrelated issues in the areas of finance, technology, investment, and sustainable development. The fact that UNCTAD is the focal point in the UN system with this mandate should be reaffirmed.

Two, technology is one of the interrelated issues for promoting trade and development that UNCTAD has been mandated to work on. This is because the development of domestic technological capabilities is an important means for promoting economic development and the implementation of the SDGs and the Paris Agreement.

Three, the Addis Ababa Action Agenda on Financing for Development indicated the need to scale up international tax cooperation. Recent developments have also pointed to the importance of international tax regime reform which can be a significant avenue for resource mobilization as well as addressing income inequality. UNCTAD should continue to work in this area.

Four, UNCTAD has a long and solid track record in working on debt issues for developing countries. Debt explosion is one of the most important legacies of the global financial crisis and up to now much of the world GDP growth, though slow, has been financed and driven by debt creation. In view of debt vulnerabilities for an increasing number of developing countries including post-HIPC initiative countries, it would be important for UNCTAD to be mandated to strengthen its work on debt issues including UNCTAD’s work on debt workout mechanisms and responsible lending and borrowing.

Five, UNCTAD has distinguished itself by providing deep and cutting edge analyses of globalisation and development strategies including analyses and recommendations on the recent global financial and economic crisis and the uneven benefits or losses from globalisation. UNCTAD must continue and indeed expand its work in this area.

Six, in order to take effective actions to implement the decisions made by the international community, it is important to strengthen UNCTAD’s institutional ability to support Member States, especially developing countries, in implementing the 2030 Agenda for Sustainable Development, the Addis Ababa Action Agenda on Financing for Development, and the UNFCCC’s Paris Agreement, particularly through increasing the budgetary and human resources made available to UNCTAD from the UN’s regular budget to conduct its research and analytical and technical assistance.

In concluding, the South Centre expresses its readiness to work with developing countries and development partners in strengthening UNCTAD and implementing the 2030 Agenda. We wish this Conference a great success.
Some highlights of UNCTAD XIV

The UNCTAD XIV Opening Ceremony on 17 July saw speeches by Kenyan President Uhuru Kenyatta, UN Secretary General Mr. Ban Ki Moon and UNCTAD Secretary General Dr. Mukhisa Kituyi. On 18 July at a special session for political leaders, President Hage Geingob of Namibia spoke on the role of the UNCTAD, warning of attempts by some countries to transfer its mandate to other organisations.

At the General Debate, Ministers and senior officials of many developing countries spoke of the need for policy space, a central theme in the negotiations. They also reaffirmed their strong support for UNCTAD’s work.

Below is a report of these sessions, which constitute some of the highlights of UNCTAD XIV.

By Adriano José Timossi

Opening: Political leaders and UN heads on world economy and UNCTAD

At the opening ceremony of UNCTAD XIV on 17 July, Dr. Mukhisa Kituyi, Secretary General of UNCTAD, recalled that 40 years ago the UNCTAD membership for the first time had chosen to host its conference in Africa. Kenya hosted UNCTAD IV in 1976. And today Kenya is the first developing country to host an UNCTAD conference for a second time.

Kituyi said that forty years ago UNCTAD IV was marked by an expression of solidarity. Today, the three agreements adopted in 2015 -- the Addis Ababa Financing for Development, the Agenda 2030 and Sustainable Development Goals and the Paris Agreement -- give a message of optimism but we need to move from promises in 2015 to actions and implementation, he stated.

UN Secretary General Ban Ki-moon, who was attending his third UNCTAD conference said that much has changed in 40 years, but many of the challenges raised at UNCTAD IV remain on the international agenda. The vulnerability of developing countries to volatile commodity markets was a main focus at UNCTAD IV, he said. “Today, with a global trade slowdown and declines in commodity prices, this issue is again a hot button development issue”. But beyond trade, a bigger and more complex set of questions challenges the international community, he noted. Vulnerability today derives not only from volatile markets, or from social instability, but also from a fragile global environment weakened by climate change.

There are worrying signs that people around the world are increasingly unhappy with the state of the global economy, he said. “High inequality, stagnant incomes, not enough jobs -- especially for youth -- and too little cause for optimism stoke legitimate fears for the future for many in all regions”. Trade, he said, must provide prosperity in ways that work for people and planet and respond to the challenges of climate change. Trade, finance, technology and investment can be positive forces to end poverty. Used wisely, they can ensure that we leave no one behind, he noted. The Sustainable Development Goals (SDGs) represent the change we need to restore people’s trust in the global economy.

President Uhuru Kenyatta of Kenya argued for the strengthening of UNCTAD “so that it can play a more meaningful role in the implementation of the new global agenda”. Since UNCTAD IV in 1976, there have been momentous changes in the world economy. Many of the issues then still demand our attention.

Now, as then, commodities is a central issue. Since 1976, most countries have undergone socio-economic and political transformation. “The huge responsibilities with which we members entrusted UNCTAD in 1964 are more relevant today than before. Let our commitment to this organization therefore grow, rather than diminish” he stated. He also called for a global partnership for development that will surely be able to “achieve the targets we have set in Agenda 2030”.

Namibian President: Oppose attempts to downgrade UNCTAD

At the World Leaders Summit on July 18, Mr. Hage Geingob, President of Namibia, the country representing the African Group in UNCTAD negotiations, said that UNCTAD has been thinking for decades about the plight of the developing world and has led the debate about constraints that developing nations are confronted with in a globalized world. “The organization played a leading role in pointing out that the global trading system was unfair towards developing nations”. During the past two decades, we have been dealing with the Millennium Development Goals [MDGs] and...
UNCTAD has contributed enormously during the review of the MDGs, and in particular brought to fore the importance of inclusivity and true partnership.

We have now the Sustainable Development Goals that are more structured, inclusive and reflective of true partnership, he said. At a continental level the Africa Union has also agreed on Agenda 2063, which is a multifaceted development path with targets to be achieved by 2063. While developing countries, in particular African nations, have done much to put in place sound macro-economic fundamentals, by pursuing prudent and disciplined fiscal and monetary policies, “sadly our efforts continue to be frustrated by an unjust global trading and financial system,” remarked the President.

The current system makes it extremely difficult for developing countries to industrialize, he said. “However, no developed nation today can claim that it is where it is without having industrialized. In the process of industrialization, developed countries preach fair play, but in actual practice do not play fair when they are negotiating with developing countries. The playing field is always in their favour. Why should developing countries be denied similar opportunities, why kick away the ladder?”

President Geingob added: “We should be vigilant against attempts by some countries to down grade the mandate of UNCTAD or outsource its responsibilities to other multilateral agencies such as the World Bank and IMF that are famous for their destructive structural adjustment programs in African countries”.

General Debate: Developing Countries Call for UNCTAD’s Strengthening

At the UNCTAD XIV General Debate, the Ministers and senior officials of many developing countries spoke of the need for policy space, which had been a central theme in the UNCTAD XIV negotiations. They also reaffirmed their strong support for UNCTAD’s work, including giving it a strengthened mandate on debt restructuring and management; a bigger voice on key issues such as tax evasion and tax avoidance; and the strengthening of research and analysis, particularly on economic and financial issues of importance for developing countries.

South Africa’s Minister of Trade and Industry Rob Davies stated that UNCTAD XIV was taking place in the midst of a deepening global crisis. The sharply depressed commodity prices are having a significant impact on developing countries, including in Africa. Many developing countries remain confined in the low value added parts of Global Value Chains as suppliers of primary products and commodities. He called for intensification of efforts to diversify developing countries’ economies away from an over reliance on primary, unprocessed products, and move up the value chains through pursuing industrialization. A development integration agenda is being pursued in the African continent combining market integration, infrastructure and industrial development.

In light of these dynamics, UNCTAD must continue to play an active role in assisting developing countries to understand profound developments underway in the world economy and issues of trade, finance, investment, macroeconomics, and technology that affect the development prospects of developing countries. “At the heart of UNCTAD’s mandate is a development-centred approach that eschews a one-size-fits-all approach”, the Minister stated. The global economic, financial and trading systems remain unbalanced and the current economic crisis has had significant impacts on the ability of developing countries to implement measures to address the consequences of sustained economic turbulence.

The Minister for Foreign Affairs of Argentina, Susana Malcorra, highlighted the importance of UNCTAD XIV as the first UN conference in the Post-2015 era, thus it will contribute to transforming into specific action plans the significant international multilateral agreements adopted in 2015. She called for an ambitious mandate for UNCTAD in its three pillars.

UNCTAD has contributed with invaluable work in support of countries in their search for development. Developed countries should comply with their commitments in ODA and transfer of technologies on favourable terms. Argentina welcomed UNCTAD’s important work on trade issues. The WTO decision on eradicating export subsidies on agricultural products was an important first step, she said, for a fundamental reform in agriculture, a key sector for many developing countries.

Brazil emphasized the crucial role of UNCTAD since its inception in providing analysis ahead of the curve in anticipating the problems of developing countries. Eight years after the outbreak of the financial crisis we have still failed to achieve a robust recovery, there are concerns about a “secular stagnation" and there is a lot of talk about a so-called "new normal." “Well, let us collectively make sure that the new normal is not just more of the same old patterns of inequality and asymmetrical trends of development,” he said.

Brazil said in light of the 2008 financial crisis, the advanced economies...
resorted to unorthodox monetary policies. These led to the depreciation of their currencies and a surge in global liquidity levels and are keeping interest rates at low levels. Such policy options are simply not available for developing countries. These asymmetries highlight the importance of safeguarding policy space for developing countries and the need to recognize the different levels of development and capacities. "UNCTAD has a responsibility in the implementation of the new development agenda and we have an obligation to create the enabling conditions for the Organization to fulfil this task," he said, also stressing the value of UNCTAD’s expertise in measuring and analysing flows associated with tax avoidance.

Bolivia said that the proliferation of plurilateral agreements of trade, the financialization of the economy, high volatility of the international financial system, fiscal evasion and avoidance, lack of an equitable system of restructuring debt and the practices of vulture funds among others have resulted in an exacerbation of inequality among countries and the concentration of wealth in the hands of a very few. Bolivia called for a strengthened UNCTAD in its three pillars.

Areas of importance for UNCTAD’s work include the analysis of trends of globalization, international economic governance, reform of bilateral agreements of investments in order to guarantee a balance between the rights and responsibilities of investors and respect for policy space of the host countries. Others are debt management and restructuring; technology transfer; financing for development; tax evasion and avoidance; diversification and industrialization; monitoring the impact of unilateral measures and the economic impacts of the occupation of Palestine.

Pakistan, speaking on behalf of the Asian Group, said that the current international economic landscape poses acute challenges especially to developing countries. Rising inequality among and within countries, unequal participation of developing countries in international economic and financial decision making, persistent debt burdens, commodity dependence, difficulties in accessing technologies, and unilateral coercive measures demand the immediate attention of the international community, he stated.

UNCTAD, being the focal point in the UN system for trade, development and interrelated issues of finance, technology, investment and sustainable development, should be strengthened to address these grave challenges. “But, we note with concern that this is being resisted”, he said. Issues that are of critical importance to developing countries are being ignored, and there is an effort to erode UNCTAD’s ability to meaningfully address these issues. “We are witnessing an alarming fraying of consensus on the fundamental norms underpinning the global economy”, said Pakistan. The uneven benefits of globalization, deepening inequalities, and a dogmatic insistence on austerity-led policies, are giving rise to intense political demands for changes in trade and economic policies. These demands need to be heard. Policies need to be reviewed. Measures need to be taken to ensure broad based prosperity, and equitable and inclusive growth.

UNCTAD, with its expertise on economic, trade and development issues, is a key international forum for consensus building. This consensus building should be guided by two considerations: it should proceed on the basis of accepted principles including ensuring equitable and inclusive growth, allowing policy space, and providing special and differential treatment; and issues of special concern to developing countries, such as technology transfer, debt management, tax avoidance/tax evasion and volatile commodity prices, should be seriously addressed.

The Minister for Commerce of Bangladesh, H.E. Mr. Tofail Ahmed, delivered a statement on behalf of the LDCs. He said the LDC group reaffirmed the importance of policy space and Special and Differential Treatment in all multilateral agreements targeting development. It is also important that the Right to Development of the developing countries, including the LDCs, is recognized. It is crucial for the LDC Group that UNCTAD continues to provide support for enabling graduation of half of the LDCs from the LDC category by 2020, which is a target of the Istanbul Programme of Action for LDCs.

On WTO issues, the outcome and decisions of the 9th and 10th WTO Ministerial conferences must be implemented. It is utmost important that the concerns and request of the LDCs relating to substantial reduction of domestic support for cotton be addressed with the view to their elimination. UNCTAD’s work on LDCs needs further strengthening, he concluded.

Indonesia said the rapid expansion of trade and new technologies help to spur economic growth but growth does not necessarily translate directly into sustained and equitable development. Progress has been uneven, fuelling disenchantment. Inequalities persist and many small and vulnerable economies remain peripheral. Poverty and inequality, both between and within nations, remain a pervasive challenge.

Indonesia stressed that we should not allow the downgrading of the broad mandate of UNCTAD. The organization is a crucial element of the UN system in empowering developing countries to respond to multifaceted problems. UNCTAD XIV must
deal with issues critical to most developing countries such as sovereign debt crisis prevention and resolution, tax evasion and tax avoidance, and the reform of international investment agreements.

Indonesia highlighted three key issues that UNCTAD needs to address. First, there are systemic issues, and many policies of developed countries have major impacts on developing countries. Secondly, inadequate participation of developing countries in international economic decision making, norm-setting and global economic governance. Third, almost all countries, in particular developing countries, are vulnerable to external shocks due to their integration into an international economic and financial system that is prone to instability.

Mr. Wang Shouwen, Vice Minister of Commerce of China, said that the world economy is still struggling for recovery, with sluggish trade growth and uncertain prospects of global FDI flows. In recent years, we have seen the lingering unbalanced development between North and South, and poverty eradication remains the top priority of developing countries.

China enumerated three main actions that are needed. Firstly, we need to take actions to ensure equitable development for all. Countries are at different stages of economic development. Therefore, when pursuing shared objectives, they should bear common but differentiated responsibilities. Assistance should be given to developing countries to strengthen their development capacity. It is of crucial importance to improve global economic and financial governance and increase the representation and voice of developing countries, and give all countries equal rights to participate in international rule-making.

Secondly, we need to take actions to ensure open development to deliver benefits to all. Countries should oppose all forms of protectionism, uphold a free, open and non-discriminative multilateral trading system, explore ways to improve global investment rules, build an open world economy and come to share development benefits through mutual consultation and joint collaboration.

Thirdly, due to economic globalization, the development of all countries is increasingly interlinked. No country can maintain growth with its own effort, and no country can achieve development out of other countries’ underdevelopment. Thus, we need to build a global community of common destiny and shared interest and support the development of other countries.

Fourthly, we need to take actions to ensure innovative development. Innovation is a driving force for development and growth will be unsustainable if it merely relies on financial incentive measures or unconventional monetary policies. In addition, the growth gained from excessive resource consumption and environmental pollution cannot make up for the losses.

The Minister of Commerce of Algeria, Bakhti Belaib, said that the current economic and social situation remains worrying. Instability of prices of raw materials, reduction in financing for development and increasing of developing countries’ debt threat are reducing the already small successes made in the realization of the MDGs. “The creation of wealth is increasing and, at the same time, inequality has never been so high,” he stressed. The fundamental principles recognized in the Declaration of Algiers, which was adopted on the occasion of the First Ministerial Meeting of the Group of 77, still remain valid, as it was 50 years ago.

UNCTAD must be assured of resources to continue implementing its mandate to promote the right conditions to reduce socio-economic disparities between north and south and, to install an international society that is more equal. Algeria expressed concern also over the weakening of multilateralism in favour of bilateral and plurilateral preferential trade agreements.

The Secretary of Commerce of India, Rita A. Teotia, said that since its inception UNCTAD was the focal point for an integrated and holistic management of all trade and related development challenges. It has been a useful forum for challenging conventional wisdom and, thereby, providing policy analysis to help transform and democratize international economic relations. Policy space for all countries should be preserved as we move towards achieving SDGs, she asserted. “This freedom of choice is especially important for developing countries because their public policies and national development strategies are still evolving”.

For India, the multilateral trading system is particularly crucial in the current global economic slowdown. It is also important that trade remains inclusive and is able to support countries’ development initiatives. The implementation of the Bali and Nairobi Ministerial decisions would produce positive outcomes and restore the credibility of the WTO. “Advancing negotiations on the remaining Doha issues, including in the area of agriculture, should remain a priority for the multilateral trading system”. She said India had provided zero tariff market access for LDCs for up to 98.2% of its tariff lines and its services sector has also been considerably liberalized for LDCs.

Adriano José Timossi is Senior Programme Officer of the Global Governance for Development Programme (GGDP) of the South Centre.
Kituyi informed participants that UNCTAD XIV had the participation of four Heads of States and Government, 78 Ministers, 27 Vice Ministers and over 6,000 delegates registered from more than 149 countries and with more than 100 meetings being held, including Ministerial round tables, high level segments, World Investment Forum, Commodities Forum, Global Services Forum, Civil Society Forum, and the inaugural Youth UNCTAD Forum.

Kenya’s Cabinet Secretary for Foreign Affairs and International Trade, H.E. Amina Mohamed and president of UNCTAD XIV, welcomed the successful outcomes in Nairobi, particularly on the mandates for UNCTAD to continue working on the global macroeconomic and financial trends exposed and created by the global financial crisis, their systemic sources and their spillovers in developing countries. Also, on responsible lending and borrowing and a range of other debt issues and, on Financing for Development, through a newly-created Inter-Governmental Expert Group.

However, he said, “We also want to convey our sadness at the lost opportunity to give UNCTAD more tools on other issues critical for developing countries to implement Agenda 2030”.

On taxation, he pointed out, UNCTAD 14 sadly became yet another example of how determined rich countries are to ensure the exclusion of developing countries, not just from decision-making on tax matters, but also from the possibility of getting independent advice on how to stop the enormous losses of money they suffer from illicit financial flows, including tax avoidance and evasion. He said: “In the negotiating text, we first saw deletion of the right of developing countries to participate on an equal footing in international tax forums. Second, the intergovernmental expert group on tax was stripped out of the text, and lastly, the references to expanding the mandate of UNCTAD to do more work on tax were deleted.”

To be clear, we strongly appreciate the work that UNCTAD has been doing on tax, and we look forward to receiving an entire new international economic order, she said, the Nairobi outcome like the 1976 Nairobi Chapter has seen a major success and represents a bold and positive step towards the eventual realization of a new and truly international economic order, she said.

The CSO representative, Aldo Caliari, Center of Concern, speaking on behalf of 400 civil society groups, provided a brief analysis of the outcome document and its impacts for developing countries. CSOs welcomed the important outcomes reached in Nairobi, particularly on the mandates for UNCTAD to continue working on the global macroeconomic and financial trends exposed and created by the global financial crisis, their systemic sources and their spillovers in developing countries. Also, on responsible lending and borrowing and a range of other debt issues and, on Financing for Development, through a newly-created Inter-Governmental Expert Group.

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UNCTAD has emerged from the Nairobi conference with a substantially stronger mandate, said the UNCTAD Secretary General Dr. Mukhisa Kituyi at the closing ceremony of UNCTAD XIV. “This will allow UNCTAD to undertake its partnerships and implementation activities towards the support of the Sustainable Development Agenda,” he said. “It reaffirms the role of UNCTAD within the UN family as the organization in charge of delivering prosperity for all.”

Dr. Kituyi reviewed some of the achievements of UNCTAD XIV, especially the two documents adopted by consensus, the Nairobi Maafikiano (outcome document) and Nairobi Azimio (political declaration), that reaffirm UNCTAD’s work programme and strengthen its role of making globalization work for SDGs implementation. UNCTAD comes out of this conference with a substantial stronger mandate.

Dr. Mukhisa Kituyi, Secretary General of UNCTAD, at UNCTAD XIV.

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Kenya’s Cabinet Secretary for Foreign Affairs and International Trade, H.E. Amina Mohamed and president of UNCTAD XIV, welcomed the successful results, saying that the Nairobi outcomes captured the concerns and the aspirations of all parties and stakeholders. She also said that it captured the desire expressed by Kenya’s founding President, Jomo Kenyatta, who forty years ago during the UNCTAD IV (1976), said: “What is required is nothing less than a Nairobi chapter for some new and truly international economic order”. While it may not entail
ing more outputs. But continuing business as usual is not going to be sufficient to ensure that developing countries have the tools they need to overcome the immense challenge of halting illicit financial flows”.

Caliari added: “We would have liked to see a bolder mandate to engage in reforms of investment agreements and their dispute settlement systems, which have proved inimical to poor countries’ development aspirations, and to enlarge policy space for regulations that safeguard people’s human rights, sustainable development and gender equality”.

“On trade, at a time when the inequality and unrest triggered by globalization are haunting the fabric of entire societies, we would have liked a clearer mandate to examine the pros and cons of trade liberalization, engage in the critical rethink of trade rules and recommend ways to fulfil the WTO Doha Development mandate. On global value chains, a stronger mandate to work on their governance, so as to address unfair distribution of gains across the chain, and detrimental impacts on employment conditions and inclusive growth, was needed.”

A representative of the Youth Forum of UNCTAD, representing over 250 participants from 140 nationalities, said the process of involving youth in UNCTAD had just started. “We have entered the door and have no intention to leave it, let’s together shape the world we want.”

President Kenyatta closed the conference. Below are extracts of his speech.

I am pleased to note that UNCTAD 14 has produced two important documents: Nairobi Azimio and Nairobi Maafikiano.

Azimio is a Swahili word for a declaration. The Nairobi Azimio outlines the important role of UNCTAD as the focal point within the United Nations system for the integrated treatment of trade and development in the areas of finance, technology, investment and sustainable development.

Maafikiano is a Swahili word that means “coming together” in consensus. Nairobi Maafikiano brings together new consensus in the work programme, which UNCTAD will undertake in the next four years.

UNCTAD was established to support developing countries address issues of trade and development in the areas of finance, technology, investment and sustainable development, with a view to enhancing their rapid integration into the global economy.

During the fourth UNCTAD Conference which was held in this same venue in 1976, President Mzee Jomo Kenyatta reminded us that “the developed and industrial nations must appreciate that their momentum may only be secured if what is called the developing world is enabled to…enjoy an equitable share of international prosperity.”

A great deal of progress has been made since then, extreme poverty has been reduced significantly across the world and many developing countries have been integrated into the global economy. Nonetheless, prosperity is still unevenly distributed across and within countries.

We need therefore to deepen our actions to conquer poverty and ensure prosperity is evenly shared globally.

In this regard, I note that the Nairobi Azimio upholds the decisions taken at previous UNCTAD Conferences. I urge all member States to implement the Nairobi Maafikiano.

I am confident that the implementation of the Azimio and Maafikiano declarations will enable us to accelerate progress towards shared prosperity.