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**The UNCTAD XII Draft Ministerial Text:  
Main Areas for Negotiation Going to Accra**

On 7 April 2008, at its plenary meeting, the Preparatory Committee of the Trade and Development Board decided to transmit the draft UNCTAD XII Negotiated Text (version as of 9 April 2008, 11.00 am), to the Conference. Of the 223 paragraphs in the text, 68 remain to be negotiated.

This note provides an overview of the main areas of divergence between basically the G-77 and China (representing developing countries) and developed countries (including the EU and the US) in relation to specific paragraphs of the UNCTAD XII text.

Overall, the key issue remains the extent to which UNCTAD as an institution will be able to provide to its Member States, in particular developing countries, policy research, technical assistance, and consensus-building, that jumps off from a broad and systemic understanding and critique of the current global economic framework (including other issues that are intricately linked to it such as intellectual property, migration, and climate change) and the challenges that it poses for developing countries' development prospects. This issue underlies the differences of perspective between developed and developing countries in the remaining bracketed texts.

**On UNCTAD's Three Pillars: Policy Research and Analysis, Intergovernmental Consensus-Building, and Technical Assistance**

1. **Commodities issues: para 3, 82, 83 and 84** – the debate, especially in paragraph 83, is over the extent to which the international factors that contribute to commodity market failures are identified and which UNCTAD should address through its work (favoured by G77 but opposed by developed countries), and what commodity-dependent countries should do domestically to reform their economies (favoured by developed countries but opposed by G77)
2. **Policy space: para 4, 19, 42** – the G77 wants UNCTAD to have a clear mandate to work on the concept of policy space on the basis of the need for such concept to be the basis for macroeconomic policies and analysis in order to stress that there is no one-size-fits-all approach to development policy, but developed countries are averse to discussing this concept at the operational level or for UNCTAD to work on this at such operational level
3. **Good governance: para 5, 40(e), 41, 100(d)** – the difference between G77 and developed countries over the concept of good governance relate mainly to the elements of good governance to be mentioned, and the level at which good governance should be undertaken (G77 wants it at all levels so as to include the international level while developed countries would like to focus only on developing country good governance)

4. **Palestine: para. 47 and 47alt** – the G77 is pushing for a reference to the prolonged Israeli occupation and the objective of the creation of a Palestinian state, which developed countries are opposed to, as the context for UNCTAD’s assistance to the Palestinian people
5. **Unilateral trade measures: para. 56, 57, 103(c bis)** – the G77 supports strong language on the need to avoid unilateral trade measures, developed countries (especially the US) are opposed to strong language
6. **Migration, remittances, temporarily labour movement: para 61, 62, 87, 88, 89, 102** – the G77 wants language on migration issues in the text because of the recognition that migration (especially with respect to temporary movements of people for work) will have trade and development-related implications, but developed countries are opposed because they regard the issue of migration and remittances as being outside the purview of UNCTAD since such issues are being taken up in other forums
7. **Climate change: para 107, 139, 174 ; investment in context of climate change: para 152** – the G77 would like UNCTAD to do more work on the trade and development-related aspects of climate change so that it can contribute its expertise to the climate change debate, but developed countries are opposed because they think that any discussion of climate change issues is outside UNCTAD’s remit
8. **Intellectual property issues: para 113, 126alt, 127, 142alt, 142altbis 143, 159** – the G77 wants operational language for UNCTAD to undertake work on the broader trade, innovation and development-related aspects of intellectual property rights, especially in support of developing countries’ development and of the WIPO Development Agenda. Developed countries do not want UNCTAD to be working on IPR issues, saying that the WIPO is the competent forum for this.
9. **Technical cooperation: para 215(a), (b) and (f)** – there is a debate going on about the country focus of UNCTAD’s technical cooperation work, with various groups of developing countries expressing their desire to have their specific needs be explicitly recognized in terms of UNCTAD’s technical cooperation work.
10. **Investment: para 152, 154, 157** – the G77 wants UNCTAD to be more focused on the development dimension of investment agreements and on supporting developing countries’ effective participation in the debate on international investment agreements. Developed countries on the other hand are opposed to this and instead want UNCTAD to work with the OECD in particular to promote FDI (e.g. investment liberalization).

11. **Systemic analysis: para. 187(c)** – G77 wants UNCTAD’s research and analysis to also cover systemic issues related to trade and development, but developed countries want UNCTAD’s research to be more narrow in scope – e.g. focus only on technical trade-related issues – rather than contextualize the technical issues within the broader systemic developmental issues that affect development prospects

### **On Improving UNCTAD’s Intergovernmental Machinery**

1. **Increasing, reducing or abolishing UNCTAD’s intergovernmental Commissions: paras. 202-208** – the G-77 is calling for the retention of the existing three Commissions and the establishment of a new Commission on Globalization and Development Strategies, and further is pushing for the Commissions to be able to have agreed policy outcomes. Some developed countries such as the US, Japan, Canada, Australia, New Zealand, Israel have called for no commission at all. For these countries, UNCTAD’s intergovernmental machinery should work only through the Trade and Development Board and multi-year Expert meetings. The EU suggests that the existing three be merged into only two Commissions (one on trade, another on Investment) and also rejects the Commission on Globalization. Developed countries are also united in not wanting the Commissions to have agreed policy outcomes – i.e. they do not want the Commissions to become negotiating forums for normative policy outcomes.

Developed countries seek to limit UNCTAD’s mandate to a set of issues relating only to trade and investment, hence limiting UNCTAD from undertaking work on other issues such as financial issues, intellectual property, climate change, migration etc. as they relate to trade and development issues. By rejecting a Commission on Globalization under UNCTAD, they seek to avoid giving UNCTAD the mandate to look at broader systemic issues as they relate to trade and development such as the implication of financial crisis to trade and development.

The debate over the number, names and mandates of UNCTAD’s Commissions boil down basically to different perceptions over the role of the Commissions. For the G-77, the Commissions are important because they serve as the formal intergovernmental mechanism through which specific trade and development-related topics are discussed at the intergovernmental level, and their outcomes then serve to guide the secretariat’s work on these topics, although the functioning of these commissions could still be improved. The G77’s position is based on a clear appreciation that the Commissions provide venues for intergovernmental discussions on specific topics within the UNCTAD framework, while the Trade and Development Board focuses on serving as the day-to-day governing body of UNCTAD in between sessions of the Conference. Developed countries on the other hand generally view the Commissions as a waste of time and resources and

would much rather have the Trade and Development Board serve as the main venue for intergovernmental discussions on trade and development-related topics. The developed country position would effectively tie up the TDB from performing its governing body functions by cutting further its limited time in forcing it to discuss topics which might not necessarily be about governing UNCTAD. This could have the effect of further weakening UNCTAD.

2. **UNCTAD's consensus-building: paras. 191-193** – generally, the G-77 want UNCTAD to be able to cover, discuss, and provide normative, specific and practical policy options and outcomes with respect to trade and development-related policy issues (including systemic issues), and to make sure that UNCTAD situates itself to be better able to contribute towards the achievement and review of internationally agreed development goals. Developed countries generally do not want UNCTAD to have any normative policy outcomes.
3. **Mid-term review in 2010 of UNCTAD XII implementation** – the G-77 is pushing for a mid-term review to take place. Developed countries are opposed.
4. **Expert meetings: paras. 210 and 213** – developed countries generally favour the holding of expert meetings on specific topics that are to be specifically identified in the UNCTAD XII text. The G-77 is opposing an a priori listing of topics before the terms of reference for the expert meetings are established while developed countries already want such a listing to be made. Developed countries are opposed to the idea of having UNCTAD's regular budget bear the cost for funding the participation of developing country experts in these expert meetings.
5. **UNCTAD's contribution to Aid for Trade** – developed countries basically would like to see UNCTAD's technical assistance programmes to be linked more closely to the Aid for Trade initiative, whereas the G-77 is wary about such linkage being explicitly made.

**Note: UNCTAD's publications and intellectual independence**

The issue of relating to UNCTAD's intellectual independence in the production of its publications has been resolved with the adoption ad referendum of paragraph 188, which states as follows:

188. UNCTAD's research and analysis should stimulate and underpin, and draw input from, the discussion at all levels of the intergovernmental machinery in the areas of UNCTAD's mandate. The published outcome of UNCTAD's research and analysis should be subject to an effective clearance process within the secretariat to ensure coherence by the organization in all areas of major policy importance. In its research, UNCTAD should make use of inputs from national and regional think tanks and academia. It should also enhance its peer reviews to improve the quality of its work further. Greater impact and effectiveness of UNCTAD's policy research and analysis can

be achieved by focusing the research commitment within each sub-programme element, ensuring interdivisional cross-fertilization and collaboration and further promoting creative partnerships with other United Nations entities and other international organizations, enhancing development-oriented complementarity, synergies and coherence consistent with each organization's mandate, and conducting systematic evaluation of research products.



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