

**GROUP OF 77 & CHINA
GENEVA**



**The G-77 and China Geneva Chapter's
Input
on UNCTAD and the UN Reform Process**

We take note of the ongoing deliberations in the process of system-wide coherence in the areas of development, humanitarian assistance and the environment in pursuance of the 2005 World Summit Outcome.

We reaffirm the Declaration and the Plan of Action adopted at the Second South Summit in Doha and the statement adopted by the Special Ministerial meeting of the G-77 AND China at Putrajaya on May 29, 2006. Paragraph 21 in the statement on UNCTAD is of particular importance.

The UN should be able to lead the international community's efforts to achieve internationally agreed development goals including those of the Millennium Declaration.

The United Nations should not reduce its role in macro economic issues, trade and finance. Reduction of duplication and increase in efficiency does not mean getting rid of complementarities or of those mandates that are important for meeting the developmental needs of the Member States of the UN. The exercise of system wide coherence should not erode the mandate, resources and activities of organizations and units in the UN system. It should pay attention to balance, complementarity and diversity.

There is a need to enhance development oriented coherence and interface among the United Nations system, IFIs and WTO. In this context, we need to preserve and strengthen mandate of the United Nations Conference on Trade and Development (UNCTAD). Its organizational integrity must be upheld. UNCTAD was established for successful integration of developing countries in international economy. It was endorsed by the United Nations General Assembly in 1964. The Group of 77 and China was established in conjunction with UNCTAD which remains the United Nations' main organization for addressing development issues in trade, finance, investment, and technology. The Group of 77 and China and UNCTAD have a symbiotic relationship.

It is important that the three pillars of UNCTAD - research and analysis, consensus building and technical assistance - must be preserved and strengthened. In terms of a sequential approach the research and analysis should feed into the consensus building pillar which in turn should guide the technical assistance. Work of each of the three pillars and the different divisions of UNCTAD must be in conformity to the needs and priorities of developing countries. We reaffirm that technical assistance in UNCTAD should work in tandem with research. It should *not* become the organization's flagship project. In fact this is the time for institutional revival of UNCTAD. Its intellectual integrity in elaborating policy options and identifying the necessary policy space for the developing countries to exercise these options must be strengthened in pursuance of the Sao Paulo Consensus. All the existing programmes and units must be preserved. UNCTAD's proven competence and utility should be harnessed to develop soft law to, inter alia, promote rule making in WTO and

other organizations. This UN body must function effectively towards development oriented consensus and confidence building for successful integration of developing countries in the world economy.

Being home to a number of UN bodies and specialized agencies, Geneva has a significant role in promoting system wide coherence. Development is the cross-cutting theme in the work of UNCTAD and a number of Geneva based international organizations including WHO, WTO, WIPO, IOM, ITU and ILO. The Geneva Chapter of the G-77 and China is mandated to contribute substantively towards the development oriented processes in the relevant organizations within and outside the UN system.

A number of areas in the work of Geneva based organizations with pronounced development dimensions need attention. Intellectual Property for instance is not only dealt with in WIPO but also in WTO and UNCTAD. It is important to have a development oriented coherence in the work of UNCTAD, WTO and WIPO so that the whole range of issues in the development agenda including genetic resources, traditional knowledge and folklore, with particular reference to matters pertaining to disclosure of source and country of origin, is mainstreamed into the IP system. Development content of Multilateral Environment Agreements is also important.

Information technology for development is being dealt with in the ITU and UNCTAD. The mandate for strengthening the Commission on Science and Technology for Development to assist system wide follow up of the WSIS outcome must also be respected.

Although IOM is the lead organization on migration, the cross-cutting issue of migration is important to both sending and recipient states is discussed in UNCTAD as well as in ILO, UNHCR, and WTO and the United Nations General Assembly. In preparation for the United Nations General Assembly's High Level Dialogue on International Migration and Development to be held in September 2006, different options for a coordinating mechanism to enhance coherence on the issue of migration must be weighed.

The two exercises of review of mandates and system-wide coherence must not dilute, supplant or subsume the mandates of important bodies like UNCTAD. These mandates have been put in place through consensus based intergovernmental processes. UNCTAD's mandate is provided on a four yearly basis by the ministers. The Sao Paulo Consensus is only two years old. It does not as such fall in the purview of the review which is being undertaken for mandates more than five years old.

We recommend attention to the existing mandates on coherence. UNCTAD must continue to advance the important objective of coherence for development i.e. generating a greater understanding of the interface and coherence between

international processes and negotiations on the one hand and the development strategies and policies that developing countries need to pursue on the other. In this regard, UNCTAD has been mandated by the Sao Paulo Consensus to promote systemic coherence including through cooperation with other international organizations and follow-up to major UN conferences and summits in the fields of social and economic development.