

## Letter from Global Civil Society on UNCTAD's Role and Mandate towards UNCTAD 14, July 2016

July, 2016

Dear UNCTAD Member States,

We are writing you out of concern regarding the current negotiations towards the outcome document of the upcoming conference of the United Nations Conference on Trade and Development, UNCTAD 14, which will be held in July in Nairobi. We believe that UNCTAD can play a unique role in the panorama of international economic institutions thanks to its focus on the interdependence of trade, finance, investment, macroeconomics, and technology as they affect the growth and development prospects of developing countries. However, to live up to its name and promises, its role must be development-centered, and not tied to the liberalization goals of other institutions.

Following directly after the adoption of the 2030 Sustainable Development Agenda, governments made important commitments during the Financing for Development (FfD) process and the 10<sup>th</sup> Ministerial meeting of the World Trade Organization (WTO). We urge you to ensure that the UNCTAD 14 mandate is consistent with ensuring that UNCTAD can support developing countries in using trade for their own development purposes. Thus:

- As an institution with a long history of helping developing countries to use trade for their development, it would be self-defeating if UNCTAD were transformed into solely an implementation mechanism for trade agreements concluded elsewhere. While a multilateral system of trade rules is preferable to a fragmented system, the rules must be fair and balanced, taking into account the various levels of development across the UN membership, rather than focused on trade liberalization or simply increasing trade flows. UNCTAD must play an active role in assisting developing countries to advocate for a fair multilateral trading system (Paras 8, 13), Special and Differential Treatment (SDT) for all developing countries (Paras 5 bis, 25, and 40 (bb)), addressing the imbalances in the current trade regime (40 (bb primus)), particularly in agriculture (Para 40 (c)) and cotton (Para 60 (d) bis). It is not 'new approaches' (Paras 8 and 14) which are needed but the fulfillment of the *development mandate* of the Doha Development Agenda (Paras 8, 9, and 25). The phrase "new approaches" will be seen as importing WTO debates about the "Singapore issues" into the UN system, and has no place in the outcome document.
- Trade and investment agreements do not support development without the right policy environment (Paras 12 and 48), which necessitates policy space (Para 14 bis), an effective and developmental state able to sustain its own resource base responsible for safeguarding people's human rights (Para 71), and a more coherent, inclusive and representative global architecture for sustainable development. Also required is more responsive, inclusive, participatory and representative international decision-making through effective, accountable and inclusive international institutions, with broader and stronger participation by developing countries (Para 88.)
- Common but Differentiated Responsibilities (CBDR) and SDT are long-standing multilaterally-negotiated principles that recognize that developed and developing countries cannot be treated in the same manner because of their differing development and economic circumstances. Thus they have different levels of responsibility with respect to environmental degradation, climate change and sustainable development. Failing to take this into account would be self-defeating, as the aspiration to promote universal advances in development and trade would be undermined.
- The integrated approach of UNCTAD to the evolution and management of globalization and on the interdependence of trade, finance, investment and technology as they affect the growth and development prospects of developing countries is absolutely critical and must be continued and strengthened (Para 40 (b)); just as the linkages between international trade, financial and macroeconomic issues, with particular emphasis on issues related to crisis management is a critical role of UNCTAD (Paras 40 (t) and 40 (aa)). The United Nations would be failing its responsibility to the many countries that need this service if it does not take a more robust role in this regard.
- Likewise, UNCTAD must continue and strengthen its mandate to ensure that the trading system enhances the integration of developing countries including Least Developed Countries (LDCs) first on a regional level, the structural transformation of African economies (Para 61), gender equality and women's rights (Para 60 (y)) in relation to the structural and global issues in trade and finance; and the promotion of sustainable development, centered in the promotion of a higher self-sufficiency in basic food staples, and by ensuring decent work, and peasant, Indigenous, and worker's rights. These goals necessitate that UNCTAD undertake a review of proposed and existing trade agreements with a view to promoting sustainable industrialization and equitable transitions to a low-carbon

economy, reversing the reductions of labor's share of income, supporting the implementation of agreements regarding LDCs, and strengthening the negotiating capacity of developing countries in trade negotiations.

-In addition to work on the multilateral trading system, UNCTAD's trade work must continue and strengthen its mandate to support developing countries in their processes towards forms of regional integration (Para 26) that primarily work for the people most affected by development challenges, as well as helping them assess the increasingly complex (positive or negative) implications of pluri-lateral and mega-regional trade agreements for their own development (Para 40 (n)) as well as advancing their interests within those negotiations.

-Given UNCTAD's long history encouraging developing countries to sign International Investment Agreements (IIAs) and the negative impacts developing countries have experienced, particularly due to the Investor to State Dispute Settlement (ISDS) mechanisms, UNCTAD's mandate should be intensely invested in helping developing countries craft investment policies that will contribute to development (Paras 60 (p) and 60 (w)), rather than just 'balance the interests' of investors and development (Para 21); as well as to unwind and reform these agreements (Paras 26 and 60 (ii)). UNCTAD's mandate to support not the attraction of investment as a goal in itself (60 (w)) but rather its contribution to development (Para 55, 60 (w)) must be strengthened. The establishment of an Intergovernmental Expert Group (IGEG) on Trade and Investment Rules and Policy Reform (Para 40 v) would be helpful in this regard. This IGEG should develop a mechanism to engage civil society organizations to develop a framework for IIAs that would establish investors' legal responsibility and adequate procedures for accountability, including mandatory due diligence assessments across supply chains, as well as developing policy options to increase tax transparency in the operations of multinational enterprises.

- The above work necessitates research and policy analysis including positive and negative impacts of trade rules on development (Para 40 (n)) and on the achievement of the SDGs in the Trade and Development Report (40 (d)) and independently of the WTO, which does not share the developmental mission of UNCTAD (Para 40 (k)).

- UNCTAD should be involved in monitoring the role of the private sector, particularly foreign investors and their impacts (positive or negative) on mobilization of domestic resources and debt sustainability, development (Paras 40 (aa), 54, and 60 (dd)) human rights, and the SDGs (Para 40 (k)). Supporting Public Private Partnerships (PPPs) should also be conditional upon such requirements rather than addressed as ends in themselves (Para 46 and 60 (x)).

- The document must continue and strengthen UNCTAD's mandate on curbing tax evasion and aggressive tax avoidance including in commodities markets (Para 27) and through investment policies (Para 55 (bis)). More broadly, the issue of changing international tax rules and closing loopholes which facilitate and enable international tax evasion and aggressive avoidance cannot just be 'dealt with' by the OECD, which excludes the vast majority of developing countries. It must be at the centre of a multilateral intergovernmental process under the auspices of the United Nations. As part of its contribution to curbing tax dodging internationally, UNCTAD must play a vital role in the development of a normative definition of 'illicit financial flows' (Para 40); in developing guidelines and building global consensus towards public country by country reporting; in providing policy support and capacity building to enhance the involvement of developing countries in addressing Base Erosion and Profit Shifting to safeguard their taxing rights. This would go a long way towards countries being able to sustain their own development needs (Paras 22 and 27) as would the establishment of an IGEG on global tax issues (Para 40 (z)).

- UNCTAD's work on debt workout mechanisms and responsible lending and borrowing (Paras 15, 20, 32, 33, 40 (e), 40 (e) bis, 40 (f), 53, and 107 (e)) has been uniquely useful and should be strengthened, including by supporting further work on these issues at the UN General Assembly level. UNCTAD should also follow up on its conceptual work, support the implementation of responsible lending and borrowing practices in Member States and monitor progress. Moreover, UNCTAD should develop an alternative and development-oriented methodology on debt sustainability analysis and support national vulture funds legislation in line with the Addis Ababa Action Agenda (AAAA). It is important to restate the shared responsibility of creditors and debtors in achieving debt sustainability.

-Technology transfer is essential to the enabling of sustainable development in developing countries and UNCTAD should continue to take a lead role in supporting these efforts by developing countries (Paras 48, 60 (l), 82 (dd)) rather than in enforcing intellectual property rules that benefit protectionist patent- and copyright- holders in developed countries (Para 60 (q)).

-UNCTAD's important role in Financing for Development (FfD) should be affirmed and expanded, including through the creation of an IGEG on Financing Development (Para 40 (w)), as well as monitoring the implementation of

commitments on ODA (Paras 40 (y), 46, 47, 52, and 107 (r)). ODA is a long-standing but essentially unfulfilled commitment by the developed countries; it is central to North-South cooperation; and it must be differentiated from, and not substituted by South-South cooperation and other sources of international public finance.

-Finally, there is a need to scale up the international financial and human resource support of member governments towards UNCTAD and its overall mandate. As the organization becomes more dependent on project-based funding from developed countries, priorities shift in the direction of donor states rather than the agreed-upon mandate, and this tendency must be curbed by robust renewed general support funding from the member states.

We believe that the further UNCTAD moves toward seeing developing countries mainly as engines to increase trade - and thus deviating from its mission to support the use of trade for development, the more it risks redundancy and irrelevancy. As civil society organizations deeply committed to human rights and social justice, the achievement of the SDGs and sustainable development for all, we urge you to adopt the above positions and ensure that UNCTAD continues and strengthens its role in trade, finance, investment, macroeconomics, and technology as they affect the growth and development prospects of all developing countries.

Sincerely,

Endorsers as of July 7, 2016:

## **International Steering Group**

ActionAid International  
Asian Peoples' Movement on Debt and Development (APMDD)  
Center of Concern  
European Network on Debt and Development -EURODAD  
FEMNET  
Financial Transparency Coalition  
Jubilee USA  
Latin American Network on Debt, Development and Rights - LATINDADD  
Our World Is Not For Sale Network -OWINFS  
Public Services International  
Regions Refocus  
Society for International Development  
Southern and Eastern Africa Trade Information and Negotiations Initiative-Uganda  
Tax Justice Network Africa -TJN-A  
Third World Network-Africa

## **International/Regional Organizations**

African Forum and Network on Debt and Development (AFRODAD)	Regional / Zimbabwe
ACP Civil Society Forum (Africa, Caribbean, Pacific)	International
ActionAid International	International
African Women Economic Policy Network (AWEPON)	Regional / Kenya
Association for Women's Rights in Development (AWID)	International
CIDSE	International

DAWN (Development Alternatives with Women for a New Era)	International
LDC Watch	Regional/Nepal
Migrant Forum in Asia	Regional
Plataforma Interamericana de Derechos Humanos, Democracia y Desarrollo (PIDHDD Regional)	Regional / Ecuador
Society of Catholic Medical Missionaries	International
Women In Development Europe+ (WIDE+)	Europe

## National Organizations

ANPFA	Nepal
ACEMS/LDC Watch Zambia	Zambia
Africa Development Interchange Network (ADIN)	Cameroon
Alliance for Development	Ghana
AP Vyavasaya Vruthidarula Union - APVVU	India
ARCADE	Senegal
Australian Fair Trade and Investment Network (AFTINET)	Australia
Canadian Community Economic Development Network (CCEDNet)	Canada
Center for Peace Building and Democracy (CEPEBUD)	Liberia
Central Unitaria de Trabajadores del Peru	Peru
Centre for Mozambican and International Studies (CEMO)	Mozambique
Centro de Derechos Economicos y Sociales (CDES)	Ecuador
Centro de Documentación en Derechos Humanos "Segundo Montes Mozo S.J." (CSMM)	Ecuador
Centro de Iniciativas en Políticas Ambientales	Nicaragua
Centro de los Derechos del Campesino	Nicaragua
Centro para la Defensa del Consumidor (CDC)	El Salvador
CNJ/ODD/REJEFAC (Comité National des Jeunes pour les ODD, Le Réseau des Jeunes pour les Forêts d'Afrique Centrale)	Chad

Colegio de Profesionales en Ciencias Económicas (COLPROCE)	El Salvador
Comunidad Ecuménica Martin Luther King	Chile
Consumers Protection Association (CPA)	Lesotho
Coordinadora Civil	Nicaragua
CRADDES NGO	Benin
Cyber Forum de la Socièté Civile	Mauritania
EDUCON	Czech Republic
Equity and Justice Working Group Bangladesh (EquityBD)	Bangladesh
Federation of Democratic Labour Unions	Mauritius
FOCO (Foro Ciudadano de Participación por la Justicia y los Derechos Humanos)	Argentina
Forum Against FTAs	India
Freedom from Debt Coalition	Philippines
Friends of the Landless	Finland
Fundación Etica en los Bosques	Chile
Fundación por un Movimiento Ciudadano Participativo	Chile
Galway One World Centre	Ireland
GARJAN-Nepal	Nepal
Gender Equity: Citizenship, Work and Family (Equidad de Genero: Ciudadania, Trabajo y Familia)	Mexico
Globalization Monitor	HongKong China
Governance Links	Tanzania
Growth Partners Africa	Kenya
INFAM (Indian Farmers Movement)	India
Instituto de Estudos Socioeconômicos (INESC)	Brazil
Instituto del Tercer Mundo	Uruguay
Instituto Latinoamericano para una Sociedad y un Derecho Alternativos, ILSA	Colombia

International Network for the Promotion of Social Solidarity Economy (RIPESS)	Canada
International-Lawyers.Org	Sierra Leone
Jubilee Debt Campaign	United Kingdom
KATARUNGAN	Philippines
Kenya Debt Relief Network (KENDREN)	Kenya
Kenya Food Rights Alliance	Kenya
KULU - Women and Development	Denmark
Labour,Health and Human Rights Development Centre	Nigeria
Le Réseau Euromed Maroc des ONG	Morocco
Malawi Economic Justice Network	Malawi
Mauritius Trade Union Congress	Mauritius
Migration and Sustainable Development Alliance	Mauritius
Mom Loves Taiwan Association	Taiwan
Nagpur Municipal Corporation Employees Union	India
Namibia Consumer Trust	Namibia
National Association of Industrial Transformation	Mexico
National Hawker Federation	India
National Working Group on Patent Laws	India
Niger Delta Women's movement for Peace and Development	Niger
Observatorio de Victimas, Convivencia y Seguridad Ciudadana	Colombia
PAPDA	Haiti
Philippine Movement for Climate Justice	Philippines
Plateforme Congolaise pour la Dette	Democratic Republic of Congo
Platform Aarde Boer Consument	Netherlands
Policy Analysis and Research Institute of Lesotho (PARIL)	Lesotho

Red Mexicana de Acción frente al Libre Comercio (RMALC-México)	Mexico
Rede Brasileira Pela Integração dos Povos (REBRIP)	Brazil
RENAPESS	Mali
River Basin Friends (NE)India	India
Rural Area Development Programme (RADP)	Nepal
S.O.S - CEDIA/LDC Watch Angola	Angola
SEND - Ghana	Ghana
Sisters of Charity Federation	United States
Social Watch Czech Republic	Czech Republic
Somali Organisation for Community Development Activities (SOCDA)	Somalia
Spire	Norway
The Group of 78	Canada
The International Grail Global Justice Network	Australia
Trócaire	Ireland
Union of Sisters of the Presentation of the BVM	Ireland
Union Universal Desarrollo Solidario - Espana	Spain
Vanuatu Association of Non-Governmental Organisations (VANGO)	Vanuatu
WDGpa - World Democratic Governance project association	Spain
WIDE Austria - Network for women's rights and feminist perspectives in development	Austria