

Deborah James, Committee of the Whole, UNCTAD, July 18, 2016 - Based on the CSO Forum Declaration

Greetings from over 400 civil society organizations from around the world who are participating in the UNCTAD XIV CSO Forum; thank you to Dr Kituyi, the Chair, and the UNCTAD member states for inviting us here to speak. We hope you have seen both the letter endorsed by 331 CSOs on the specific mandate, delivered prior to this conference, as well as the CSO Declaration agreed upon here which is now available here. The ramifications of the 2008 global financial and economic crisis, and the current economic model of trade and investment agmts, have allowed business to develop global supply chains which are infested with precarious work, child labor and slavery - problems which affect women disproportionately and which, together with inappropriate and tax and debt policies, have exacerbated inequality between and among countries globally. Added to these, the escalating climate and humanitarian crises and natural disasters threaten the very survival of humanity, with impoverished and vulnerable peoples and countries suffering the worst impacts.

UNCTAD is uniquely positioned to help reverse these trends by playing a leading role in the global achievement of the ambitious commitments made by all countries on the Agenda 2030 last year, as well as the follow up to the Financing for Development process, the Paris Climate Agreement and the 10th Ministerial of the WTO.

It is absolutely critical to continue and strengthen UNCTAD's integrated approach 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.

Paradoxically, however, the developed countries seek the opposite agenda for UNCTAD's future. As is clear from the positions they have taken in the negotiations on UNCTAD's mandate, these countries are trying to curtail UNCTAD's ability to provide independent and critical policy perspectives. If they succeed, UNCTAD will be undermined in its role of providing the much-needed corrective and balance to the chorus of positions that usually emanate from dominant players like the World Bank, IMF, the WTO, the OECD, and the like.

CSOs have been united in our demands: UNCTAD's role must be strengthened with regards to debt issues, and not just debt management; UNCTAD's role must be strengthened as the primary stakeholder for the treatment of tax issues globally; and UNCTAD's trade work must advocate for a fair and just trade system, including Special and Differential Treatment, and for structural transformation especially in Africa; for investment policies that promotes development, and importantly, for **policy space** for developing countries to undertake development policies.

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, rather than focused on trade liberalization or simply increasing trade. UNCTAD must play an active role in assisting developing countries to advocate for a fair multilateral trading system, **Special and Differential Treatment (SDT) for all developing countries**, and addressing the imbalances in the current trade regime, particularly in agriculture

and cotton. It is not “new approaches” which are needed but the **fulfillment of the development mandate** of the DDA. UNCTAD must not be transformed into an implementation agency for trade agreements concluded elsewhere.

Trade and investment agreements do not support development without the right policy environment, which necessitates **policy space**, an effective and developmental state able to sustain its own resource base responsible for safeguarding people’s human rights, gender equality, and a more coherent, inclusive and representative global architecture for sustainable development, with broader and stronger participation by developing countries.

UNCTAD’s trade work must also continue and strengthen its mandate to support developing countries in their processes towards **regional integration**, as well as helping them **assess the increasingly complex (positive or negative) implications of plurilateral and mega-regional trade agreements**.

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-State Dispute Settlement (ISDS) mechanisms, **UNCTAD’s mandate should be intensely invested in helping developing countries to unwind and reform these agreements and to craft investment policies that will ensure a positive impact on national or regional development strategies**. UNCTAD’s members should strengthen its mandate to support not the attraction of investment as a goal in itself but rather its contribution to development. The establishment of an Intergovernmental Expert Group (IGEG) on Trade and Investment Rules and Policy Reform would be helpful in this regard.

The above work necessitates research and policy analysis including positive and negative impacts of trade rules on national or regional development strategies, and on the achievement of the SDGs, independently of the WTO, which does not share the developmental mission of UNCTAD.

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.

UNCTAD should be involved in monitoring the role of the private sector, particularly foreign investors and their impacts (both positive and negative) on mobilization of domestic resources, fiscal and debt sustainability, development, human rights, the SDGs and climate goals. In particular, we strongly caution about support and promotion of **Public Private Partnerships (PPPs)**.

Technology transfer is essential to the enabling of sustainable development and UNCTAD should continue to take a lead role in **supporting these efforts by developing countries rather than in enforcing intellectual property rules** that benefit protectionist patent- and copyright- holders in developed countries.

Recent policy initiatives in the G7, the G20 and the OECD have created momentum for legal and right-based solutions to the deficits of decent work through living wages and living income in global supply chains. It is timely to examine ways to utilize the UN Guiding Principles on Business and Human Rights with a view to establishing accountability and liability of business enterprises. UNCTAD should work to create consensus in multilateral institutions to address the lack of extra-territorial liability for business activities, including with mandatory human rights due diligence. (unfortunately cut for lack of time)

To further allow implementation of these mandates, there is a need to scale up the international financial and human resource support of member governments towards UNCTAD and its overall mandate. The organization should not become more dependent on project-based funding from developed countries, or priorities would shift in the direction of donor states rather than the agreed-upon mandate.

As civil society organizations we urge you to adopt the above positions and ensure that UNCTAD continues and strengthens its role in the integrated relationship of trade, finance, investment, macroeconomics, and technology as they affect the growth and development prospects of all developing countries.