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IMPLEMENTATION OF THE SÃO PAULO CONSENSUS

Report by the UNCTAD secretariat*

Annex I

LESSONS LEARNED

1. The experience of implementing the São Paulo Consensus over the last two years has provided a number of lessons that traverse the full range of UNCTAD activities under the three pillars of research and analysis, intergovernmental processes and technical cooperation.
2. All programmes point to the importance of **research and analysis** as the basis of UNCTAD's work programme. However, research needs to be “ahead of the curve” and should address emerging and challenging issues on the international agenda, for example in relation to strategic issues in trade, debt and poverty, as well as the role of investment and other sources of finance, developments in the macroeconomic situation, new patterns of interdependence in the world economy, and new global priorities such as those arising from the 2005 World Summit. Such research and analysis has been found to foster informed and enhanced participation of developing countries in trade and trade negotiations, enabling them to obtain greater development gains. However, there is scope for further improvement in the linkages between UNCTAD's analytical and operational activities.
3. A number of policy lessons have been derived from UNCTAD's research and analysis since São Paulo, and these have been delivered in flagship publications,

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parliamentary documentation and other studies, as well as in UNCTAD's technical cooperation programmes. The range of issues covered includes: (a) coherence between national development strategies and international processes, including the international monetary, financial and trading systems; (b) analysing the relationships between trade, growth, employment and poverty reduction in developing countries; (c) the role of investment in development, in particular in building supply and export capacity in developing countries, and its potential for enhancing South-South cooperation; (d) the complex and wide-ranging needs of the LDCs and other small and vulnerable economies; (e) developments in multilateral and regional trade negotiations, including South-South and regional cooperation; (f) implications of recent trends in commodity prices; (g) implications of global imbalances for national development and the impact of measures aimed at correcting such imbalances, including currency alignment; (h) science and technology, including ICT; (i) transport, trade facilitation, and customs operations and reform; and (j) interlinkages between environment policies and trade. These are all areas to which UNCTAD should continue to pay greater attention in its research and analysis.

4. **Databases and analytical tools.** UNCTAD's work in research and analysis and technical assistance has been supported by the development of databases and analytical tools in UNCTAD in areas such as debt management, investment, trade barriers and customs. These data and tools have proven to be valuable inputs for trade and development policy-making and even for norm-setting at national, regional and multilateral levels. However, significant investment is needed in backstopping and for continuous updating of such systems in cooperation with Governments and concerned international institutions.

5. **Intergovernmental processes.** UNCTAD's intergovernmental processes serve as a useful forum for discussions and consensus building outside a formal negotiating framework, enriching research and analysis and leading to clearer policy guidelines and adoption of best practices by Member States. In the last two years, interest in UNCTAD's intergovernmental processes has sometimes been intense, while participation in other meetings has been less than satisfactory. Expert groups have provided valuable inputs in a number of new areas, such as dynamic sectors in world trade, services assessment and non-tariff barriers. The dialogue that has taken place at different levels within the intergovernmental processes has helped to lay the foundation for value-added in key areas of UNCTAD's work, including technical cooperation. However, to be more effective, such processes require active and serious engagement by member States, as well as follow-up by well-resourced and sustained technical cooperation projects.

6. **Technical cooperation.** There are a number of lessons from UNCTAD's experience in technical cooperation across the full range of its programmes:

- Adequate, stable, multi-year funding is essential to provide timely and predictable responses and support to beneficiary countries. Flexibility is also required, particularly to cope with unforeseen circumstances such as natural disasters (e.g. the East Asian tsunami) or in difficult and volatile field conditions, as in the provision of assistance to the Palestinian people.
- In the medium and longer terms, there is a need for UNCTAD's technical cooperation programmes to nurture self-sustaining capacity – human, regulatory and institutional frameworks – in beneficiary countries.

- There has been a considerable increase in the demand for UNCTAD's analytical support and technical assistance, but given resource limitations, it is not possible for UNCTAD to cover all areas of work mandated by the SPC with equal intensity or to respond to all requests for analytical work or technical assistance.
- One lesson is that global or regional technical cooperation and capacity-building activities are complementary to those carried out at the national level. Global, regional and subregional projects and programmes are a cost-effective means of reaching a group of countries on general issues, such as the multilateral trade negotiations opportunity, and permit the direct exchange of national experiences (which can also be fostered by direct networking). National projects, on the other hand, focus more on specific problems and solutions tailored to the needs of particular beneficiary countries. There is, therefore, a need to find an appropriate blend of approaches according to purpose, needs and circumstances.
- A key lesson for the effectiveness of technical cooperation programmes is the importance of commitment and a sense of ownership on the part of beneficiaries.

7. **Importance of international cooperation/coordination.** UNCTAD, as the focal point in the UN system for the integrated treatment of trade and development and interrelated issues in the areas of finance, technology, investment and sustainable development, is working closely with other agencies in carrying out its work and in order to avoid duplication of effort. Experience in implementing the SPC also suggests that there are synergies to be gained from such collaboration through complementarities in the expertise of UNCTAD and that of other development partners. However, in mobilizing funds for technical cooperation, there is a need to avoid competition among agencies.

8. **Partnerships** and other cooperative arrangements – such as those launched at UNCTAD XI – have proven to be useful mechanisms that extend the reach and impact of UNCTAD's work. The experience in implementing the SPC shows that innovative and focused thematic partnerships involving developed and developing country Governments, business sectors, producers and civil society can lead to valuable trade and sustainable development outcomes. Collaboration with academic institutes, with their pedagogical expertise, has been invaluable in programmes such as the Virtual Institute, TRAINFORTRADE and the Training Courses on Key Issues on the International Economic Agenda. With a view to enhancing the outreach and impact of UNCTAD's work, it is desirable to continue to encourage greater involvement of business, civil society and experts from national capitals in the intergovernmental process.

9. **Dissemination.** While the academic community and other organizations are generally aware of UNCTAD's work, greater efforts are needed to disseminate UNCTAD's research and analysis, especially to developing country Governments, and to raise international awareness of critical issues such as the development problématique in Africa. Similarly, not all Governments are aware of the range and usefulness of UNCTAD's technical cooperation activities. A more coordinated and effective communications strategy needs to be designed. This makes increased interdivisional coordination critical in all respects.

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