

Trade and Development Board, fifty-third session

27 September 2006

Civil Society Statement

Delivered by

**Sam Kuloba Watasa
Uganda Consumers' Protection Association (UCPA)**

Trade and Development Board, fifty-third session Civil Society Statement

The hearing with civil society organizations convened as part of the fifty-third session of the Trade and Development Board of UNCTAD was held on 22 September 2006. In recognition of the traditional role and the three pillars of UNCTAD, as well as the current trends with respect to global trade and international trade negotiations and policy processes, discussions covered a wide range of issues. However, the following specific issues were noted and are presented here for further deliberation and consideration by the board.

CSOs who attended the Board's hearing extend their gratitude and appreciation for the invitation extended to them and reaffirm their commitment to working with UNCTAD in pursuance of the common objective of delivering on the development dimension of trade.

In order to achieve the above, it was noted and is hereby stated as follows:

1. The Role of UNCTAD

In the present circumstances, CSOs urge that UNCTAD be made more effective and that its political engagement in the context of global governance, especially with respect to trade, be enhanced. Accordingly **UNCTAD's partnership with CSOs needs to be upgraded to a more proactive, strategic, consistent and predictable level.** This will enable UNCTAD to get a direct feel for the situation as it is manifested at the grass-roots level where the major thrust of policy implementation is experienced. This will further make it possible to channel and integrate grass-roots views into global processes. CSOs therefore need to and seek to participate, even as observers, in events where substantive discussions in respect to trade and development are dealt with.

Secondly, CSOs urge member countries to **clarify UNCTAD's role in the context of trade negotiations in order to make it more effective and to continue its work of independent analysis, technical assistance and consensus building.** NGOs in particular and developing countries will thus continue to benefit from the work of UNCTAD both here in Geneva and in country activities.

It is anticipated that the beginning of a higher-profile relationship between UNCTAD and CSOs will be demonstrated in the preparatory

processes for and during UNCTAD XII, including the Mid-Term Review and other substantive discussions at intergovernmental meetings.

Thirdly, the ability of developing countries and especially LDCs to carry out independent advance policy analysis and impact assessment studies is limited in terms of financial, technical and human resource capacities, and this in the context of an ever-increasing number of LDCs and an expanding range of complex frameworks and structures for trade negotiations. This underpins the need to **strengthen the position, redefine the scope and increase the resources of UNCTAD** to enable it to deliver on its mandate, and the Board is urged to take up this issue and member States are encouraged to adopt appropriate measures.

2. Trade as a means for development

Concerns were expressed about the challenge of globalization and trade liberalization for employment and working conditions. Some commitments were made by member States at the recent UN Summit and the ECOSOC High-Level Segment, but **improvements are still needed in both quantitative and qualitative terms, particularly with reference to employment for women and young people.** Trade liberalization should not be viewed as a goal in itself but rather as a tool to achieve employment objectives.

So far liberalization has in many cases led to job destruction, uneven distribution of income and progressive weakening of workers' bargaining power. UNCTAD should work to **promote more policy space for developing countries including the possibility of use of tariffs and ensure proper assessment of trade policy measures before implementation.** This will enable LDCs to project the extent of impact (negative or positive) prior to making commitments in the multilateral trading framework or to establish mitigating measures in the event of such commitments.

In many developing countries, women and youth form the bulk of the population and are therefore collectively the largest group of people most affected by the impact of international trade policy measures. While this is so, global processes relating to these measures tend to focus on the macro and corporate dimension, with the micro-level impact taking a secondary place. In view of this reality, UNCTAD is urged to **undertake an in-depth examination of the gender and trade perspective, particularly in view of the higher participation of women in informal, small and micro enterprises and self-employment subsectors.**

There are convincing data showing that trade is an important route for countries in achieving poverty reduction and national development objectives. In order for trade to be effective, however, the multilateral trading system requires to be more democratic and dynamic, respond to all circumstances and address existing imbalances, provide room for representation of the silent majority of workers and farmers, and take account of consumer/demand-side constraints in order to promote sustainable production for domestic and international markets. **A number of reports have been released by UNCTAD in connection with realigning trade to development objectives, and member States, through the Trade and Development Board, are enjoined to reassess the relevance of this work within the framework of multilateral trade negotiations.**

3. Development of productive capacities in poverty reduction

Developing countries and specifically LDCs have not taken advantage of the potential “benefits” of the multilateral trading system because the structure and pace of liberalization imposed by the system have not enabled them to build productive capacities, either as a result of investment or as a result of aid. Many farmers and small and micro enterprises are excluded from international trade flows because of lack of economies of scale, underdeveloped managerial skills, obstacles created by quality and safety standards in developed country markets, and inability to market their products. **In this context, building productive capacities was considered an important issue for developing countries.**

Declarations have been made about doubling aid for Africa in particular, making aid work for developing countries, etc. **Aid should lead to the creation of wealth, human resources development and reduction of poverty in order for the affected countries to move from the raw material supply stage to industrialization, which is fundamental for sustainable growth.** It was noted that, in the past, aid and country support were based on a Government-to-Government approach, and it was recommended that the new approach should include a Government to private sector and private sector to private sector approach in order to build the critical productive capacities necessary to move developing countries and LDCs to the next stage in international trade.

Whatever the structure for the management of the Aid for Trade package, it will only play an effective role if it makes it possible to build

institutional and productive capacities in LDCs and developing countries, as well as avoiding overlaps and resource wastage in diverse aid agreements and aid management. **The consultative process now under way between UNCTAD, civil society and the private sector should contribute to mapping a way for deployment of investment and aid** in order to focus on productive resources development.

In general, the international and multilateral systems and processes need to give recognition to the special needs of LDCs and Africa in particular in order to eliminate imbalances and achieve equity.