

## EU priorities for the UN Conference on Trade and Development (UNCTAD)

The 14th session of the United Nations Conference on Trade and Development (UNCTAD XIV) will take place in Nairobi (Kenya) from 17 to 22 July 2016. This quadrennial conference brings together Heads of State and Government, representatives from the private sector, civil society and the academic world, to discuss international trade and development issues. While the EU has reservations about UNCTAD's economic stance, it appreciates its technical expertise on these matters.

### Background

Held for the first time in 1964, the Conference was granted the status of a permanent 'subsidiary body' of the UN General Assembly. In its first three decades, [UNCTAD](#) (or its French acronym, CNUCED), was a forum for the [G-77](#), a group of developing countries advocating a new international economic order ([NIEO](#)) for better control of their resources, over foreign investments and international trade. As a result, UNCTAD is at the origin of several agreements intended to ease the access of developing countries to the international market. The best known are the [generalised system of preferences](#) schemes, allowing developing countries to access external markets with lower duty rates on a range of products or services. In recent years, UNCTAD lost leverage, as the G-77 group, now an intergovernmental organisation of 134 member states, has become [less cohesive](#). Members of the G-77 range from least developed countries ([LDCs](#)) to [emerging economies](#), and their objectives are more diverse than in the past (in particular Brazil, India, China and South Africa have their own agenda as part of the [BRICS](#)). New arrangements in global governance also reduced UNCTAD's outreach: trade issues are now negotiated within the World Trade Organization, and global financial analysis is devolved to the International Monetary Fund. [In 2012](#), the '[Doha mandate](#)' (paragraph 18), and an [inspection report](#) criticising UNCTAD for overlaps with other institutions, set some interinstitutional boundaries. UNCTAD has to focus on **three pillars**: analytical **research** and statistics on [trade and development](#) – but not all trade aspects – and [foreign direct investment](#) – but not global finance; **technical assistance** to developing countries in their trade negotiations; and **consensus-building** in promoting a 'positive agenda' for developing countries, mainly through its quadrennial conference.

### 'From decision to action: moving toward an inclusive and equitable global economic environment for trade and development'

Sub-themes of the 14th UNCTAD Conference, Nairobi, Kenya, 17-22 July 2016:

1. 'Challenges and opportunities in multilateralism for trade and development.
2. Promoting sustained, inclusive, and sustainable economic growth through trade, investment, finance, and technology to achieve prosperity for all.
3. Advancing economic structural transformation and cooperation to build economic resilience and address trade and development challenges and opportunities, at all levels, within the UNCTAD mandate.
4. Contributing to the effective implementation of and follow-up to the 2030 Agenda for Sustainable Development, and relevant outcomes from global conferences and summits, as related to trade and development.'

[The World Investment Forum](#), [The Global Commodities Forum](#), a [Youth Forum](#) and a [Civil Society Forum](#) also form part of the conference.



## EU position on UNCTAD

In line with the [EU policy coherence for development](#), EU trade policy with developing countries must be [compliant with development](#) objectives. UNCTAD is therefore a [relevant partner](#) for the EU.

All EU Member States are also [UNCTAD Member States](#). They are represented by the EU Delegation to the United Nations in Geneva, but retain their participation in the Working Party, which reviews UNCTAD activities and financing. EU development-related trade policy has taken some UNCTAD initiatives on board, for instance, the [Generalised System of Preferences](#). The EU and UNCTAD both back the UN Commission on International Trade Law (UNCITRAL) [transparency standards](#) on investor-state dispute settlements ([ISDS](#)).

However, the EU and UNCTAD carry out divergent economic analyses. The EU, for example, promotes enhanced regional trade agreements with developing countries, in particular the [Economic Partnership Agreements](#) with African, Caribbean, or Pacific regions as a way to ‘help ACP partners attract investment and boost their economic growth’; UNCTAD, on the contrary, is rather wary of these clustered agreements, which it considers could lead to a ‘[fragmented and exclusive trading system](#)’. As concerns the root causes and means to address the financial crisis, UNCTAD points to the ‘lack of an effective mechanism to better manage external debt crises’. UNCTAD considers that ‘involving the IMF [International Monetary Fund] in IMS [International Monetary System] reform that meets the needs of developing countries requires prior [reform of IMF governance](#)’; the EU, which has a [strong position in IMF](#), ‘maintain[s] that the [IMF is the primary forum](#) to discuss sovereign debt restructuring.’ The European Commission is therefore careful to ensure that UNCTAD keeps strictly within the scope of its mandate, which does not include assessing ‘global financial infrastructure’. In its [proposed EU position](#) in view of UNCTAD XIV, the Commission also paid close attention to the draft programme. Recalling that neither ‘trade system’ nor ‘global economy’ are within UNCTAD’s mandate, it expressed satisfaction that any wording tending to ‘suggest that the existing International Financial System (IMF, WB) is not working properly’ had been avoided.

Despite UNCTAD’s marginalisation on the international scene, its conference is still an important benchmark as it takes stock of its members’ positions on trade and development issues. In this regard, it should be noted that a discrepancy exists between the EU and the ACP Council of Ministers, which is ‘all for the further [strengthening of UNCTAD](#)’, rather than confining it to its Doha mandate. The outcome of the conference, and the consensus reached, could help assess the balance of powers and the possible rapprochement, at a time when the negotiating positions for the [future of ACP-EU](#) partnership are being prepared.

### EU priorities for UNCTAD work programme

The UNCTAD work programme for the next four years is also decided at the conference. In its [Conclusions of 26 October 2015](#), the Council of the EU highlights that the future UNCTAD work programme should remain within its mandate’s three pillars: consensus-building, research, technical assistance.

The Council sees UNCTAD as a provider of expertise, technical cooperation and capacity building to contribute to the implementation of the [Sustainable Development Goals](#) (SDGs) and to help developing countries achieve specific SDG targets related to environmental sustainability and climate action, taking [COP21 outcomes](#) into account. It also encourages UNCTAD to promote gender equality in all its activities, in particular in supporting women’s entrepreneurship.

The Council is specifically interested in research and capacity-building work to enhance the cooperation between private and public sectors (part of [SDG 17](#)) and the integration of micro, small and medium enterprises (MSMEs) in regional and global value chains.

The Council suggests UNCTAD develop its cooperation with other international institutions and with academic institutions. In this framework, the Council invites UNCTAD to focus on vulnerable economies (LDCs, African economies, landlocked or island developing countries, and fragile states) and on the means to achieve job-rich growth.