

Lecture by Dr. Mukhisa Kituyi, Secretary-General of UNCTAD

"UNCTAD vision and activities and the path towards UNCTAD XIV"

Diplomatic Academy of Peru

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Excellencies, Friends,

I am pleased to be here in Lima this evening with you. Tonight I wish to discuss the current state of economic diplomacy and the challenges facing the multilateral system from the point of view of the United Nations Conference for Trade and Development, which I serve as Secretary-General. I would like to talk about the role that UNCTAD plays in the multilateral system, and about how Peru can contribute to this role going forward, particularly in light of the upcoming UNCTAD XIV quadrennial conference, which will take place here in Lima in 2016.

Already, this year -- 2014 -- marks an important moment in the multilateral system. A number of institutions are celebrating major anniversaries, which allow us to look back from where we have come. This year UNCTAD celebrates fifty years since its founding Conference in 1964. The International Trade Centre is also marking its fiftieth anniversary. And the Bretton Woods Institutions are marking 70 years of existence this year. So, collectively, this year offers the international community the chance to reflect on our origins and accomplishments to date.

At the same time, this year our multilateral system as a whole is engaging in a serious collective discussion of where we are going in the years to come and how we will make ourselves "fit for purpose" given the substantial challenges that we face as a world. Our reflections on how the multilateral system should

move forward over the medium term will benefit from a number of important opportunities this year.

First, as I am sure you are aware - the multilateral trading system received a strong boost of confidence at the WTO ministerial in Bali just a few short months ago. Efforts to realize a fair, equitable and transparent global trading system that serves the interest of all countries have been reinvigorated.

This year the Second UN Conference on Landlocked Developing Countries will take place in Vienna this November. The challenges facing landlocked countries are an important reminder of the uneven patterns that can emerge from trading relationships without adequate international investment in infrastructure and connectivity. This is particularly relevant for Latin America, given the landlocked status of Bolivia and Paraguay.

It is also an important year for the Small Island Developing States, who will meet in Samoa in September for their Third International Conference to galvanize global attention on their unique vulnerabilities. The Small Island Developing States are of concern for all of us because their plight hints at the challenges that we may all collectively face in the years to come. The threats facing Small Island States from rising seawater and global warming are indeed an alarming harbinger of what may be in store for the world as a whole if we don't meet the challenge of rising global temperatures.

Finally, this year also offers us the most important opportunity for moving forward our collective multilateral agenda with the launch of official negotiations on the Sustainable Development Goals, this fall at the UN General Assembly in New York.

As you know, UN Member States are gearing up to kick-off the official intergovernmental negotiations in September for a successor framework to the Millennium Development Goals. These negotiations will ultimately result in a valuable blueprint for the entire United Nations system that will guide our actions for at least the next fifteen years.

It is in this context I am pleased to be here in Lima, which will host our 14th UNCTAD quadrennial Conference in 2016. As you may know, the quadrennial Conference is the driving force behind everything we do at UNCTAD -- through the mandate that the Conference delivers every four years, our work programme for the following four years is spelled out and our benchmarks for success are set. The UNCTAD XIV Conference here in Lima will be especially important in this respect because it will be the first opportunity for our Member States to weigh in on how UNCTAD should help implement the Sustainable Development Goals. Lima will thus be the venue for important deliberations on how to best position UNCTAD to deliver results in the post-2015 era that serve the broader agenda of the UN system.

Exactly fifty years ago the inaugural UNCTAD Conference was underway in Geneva. In many respects, it was a very different world then, than it is today. In those days, trade was a source of unsustainable, systemic imbalances and asymmetries in the world economy. At that time, trade perpetuated a skewed and biased international division of labour. Former colonies exported raw materials to their ex-colonial masters, and in turn, imported high-value-added manufactured goods. This core and periphery relationship maintained the sharp distinction between North and South that had existed prior to decolonisation. It raised doubts that political independence alone could provide the former colonies with economic freedom.

With the founding of UNCTAD in 1964, the universal membership of the United Nations embraced for the first time an inclusive and forward-thinking development perspective. Since its creation, working with our member states, UNCTAD has strived to build a world economy that serves the interests of all. We have pursued this goal through analytical research and innovative policy proposals; through inter-governmental negotiations and consensus-building; and through technical cooperation with developing countries to support their efforts to benefit from globalization.

Independent UNCTAD thinking has contributed many useful and innovative policy ideas to the development discourse over the years. Preferential tariffs under the Generalized System of Preferences paved the way for industrialization in many of today's emerging economies. UNCTAD thinking led to the creation of the Least Developed Country category, which recognises the special needs of small and vulnerable economies. UNCTAD was also first to propose donor country targets for official development assistance that supported the scaling up of aid flows. The idea of "special drawing rights" to create a new form of international liquidity also originated at UNCTAD. Over our history, UNCTAD has supported the Paris Club debt renegotiations and has devised sustainable debt mechanisms; we issued early warnings on financial crises and global capital flow spillovers; and today we are identifying new policies for south-south trade, to take note of the very different global environment that exists compared to 50 years ago.

The world has changed profoundly in the past fifty years. Reflecting this, UNCTAD's work has evolved from North-South relations and problems to have a greater focus on inter-dependence. That is, not only inter-dependence between all the countries of the globe, but also across the different sectors

that make up the global economy. In today's world, the divisions between North and South, and indeed between East and West have blurred. A number of emerging countries have enjoyed unprecedented growth performance over the past decade and the share of global population living in extreme poverty has declined dramatically. At the same time, a number of least developed countries, landlocked developing countries and small-island developing states have remained at the margins of the world economy. Moreover, the greater interdependence that characterizes today's world implies that problems and challenges affecting these countries threaten the broader world economy as a whole. The obstacles that face the poorest countries - disease, conflict, inequality, poverty, biodiversity loss due to climate change - they also affect the developed countries and the emerging countries, as well. These cross-border challenges require that the multilateral system work together to deliver global public goods that can help overcome these externalities.

Coordinated international action is crucial to meet these truly global challenges. And so, today we are asking again, as our predecessors did at UNCTAD's first meeting in Geneva, are the structures designed to govern the global economy really "fit for purpose"? This is an appropriate year to ask these questions; and not only because of the institutional anniversaries we are celebrating but also because negotiations on both development and climate are moving into uncharted territory.

Today the world is more interconnected and interdependent than ever. Building a better and more effective system of multilateral cooperation is in the best interest of all countries. How can UNCTAD contribute to building a more inclusive multilateral agenda? We have made the most difference when our research, our consensus building efforts and our technical cooperation activities all push in the same direction. Bold ideas require technical support to

help them adapt to local conditions. Only a truly integrated framework -- both internally and with the broader UN system as a whole -- can ensure a lasting relevance for UNCTAD. All of the above calls for a repositioning of UNCTAD to better respond to old and new developmental challenges. In doing so, we will need the committed leadership and guidance of our Member States, like Peru. In the immediate future, this guidance begins with setting the post-2015 agenda and will culminate with the UNCTAD XIV Conference in Lima in 2016.

An ambitious agenda for sustainable development, which has its origins in the Rio and Rio+20 Conferences, is now being debated and discussed by Member States in New York. The understanding is that this agenda should be adopted by the United Nations General Assembly next year in the form of aspirational and transformative Sustainable Development Goals, or SDGs, as we have begun to call them.

I have made strengthening UNCTAD's role through this process one of my key priorities, since taking office as Secretary-General last fall. Delivering the ambitious agenda which the SDGs entail will require unprecedented commitments on the part of all stakeholders. To make UNCTAD fit for the purpose of delivering the post-2015 agenda, in Geneva we have been convening informal and constructive sessions of frank dialogue among Member States, Geneva-based UN agencies and other stakeholders like the business community. Our aim is to stimulate engagement and to promote coherence and communication. Our most recent Geneva Dialogue a few weeks ago brought together the Director General of the WTO with other Geneva-based experts and Member State representatives. Together we openly debated how to find synergies between the post-Bali work programme and the post-2015 Sustainable Development Agenda.

I mention this discussion because it is of the utmost importance to students and practitioners of diplomacy, such as yourselves. The key criteria for ensuring that these parallel diplomatic processes can lead to a win-win outcome is to ensure coherence between the positions that countries are taking in each set of negotiations. This puts a heavy burden on diplomats to align national concerns about the SDGs with their objectives in other international negotiations, including on trade and on climate change, among others. Such coherence is needed for all these parallel tracks to work together to be part of a wider process that delivers lasting and inclusive economic development.

At UNCTAD are also closely supporting the activities of the Open Working Group on Sustainable Development Goals in New York. Together with the World Bank, UNCTAD is co-leading the group of agencies working on "means of implementation" for the SDGs. The basic idea is that when each goal is agreed to next year, we must already have in our minds ideas about the strategies and resources that individual countries will need to implement to achieve each goal. We must understand that some countries will need more headroom than others to implement their commitments. This, we hope, will provide a new vision of global partnership that can pick up where the unfinished business of the Millennium Development Goals leaves off.

I congratulate Peru on its strong engagement in forging the post-2015 development agenda in the deliberations in New York. Beyond that guidance that your engagement will give to the entire UN system going forward, I look ahead with immense anticipation to the deliberations we will undertake together here in Lima in 2016. I am pleased to be here tonight to start this discussion with all of you. It is my sincere hope that we can maintain an open

and constructive spirit of dialogue onwards all the way to UNCTAD XIV and beyond. Fifty years of UNCTAD history has taught us the value of this type of open dialogue and informal exchange. In this spirit, I will conclude my statement here and am eager to react to questions and comments from the audience. I am also anxious to hear your reactions to my thoughts, and to hear your views on not only how we can make UNCTAD XIV a success, but also on how we can make the entire UN system is "fit for purpose".

Thank you.