

FINLAND

**STATEMENT BY HER EXCELLENCY
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**Statement made on the occasion of the luncheon for heads of delegation
"Delivering on development: the role of UNCTAD"
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"Delivering on development: the role of UNCTAD"

UNCTAD XII, in Accra, Ghana

Tuesday, 22 April 2008, 13:00 - 15:00

Presidents and Ministers,
Mr. Secretary-General,
Ladies and Gentlemen,

Introduction

Let me start by thanking you Dr. Supachai for your invitation to present this key note speech under the title "Delivering on development: the role of UNCTAD" for this high level audience. We have worked together on several occasions for example when I was co-chairing with Benjamin Mkapa of Tanzania the World Commission on the Social Dimension of Globalization, whose recommendations have been endorsed quite widely, not least by the African Union. Our cooperation was intensified further in 2005 and 2006 after you invited me to participate in the Panel of Eminent Persons of UNCTAD.

Our Conference here in Accra began only day before yesterday and has shown already how versatile trade and development agenda is. We have discussed many issues related to the opportunities and challenges facing the developing and developed countries in the complex process that we are used to call as globalization. Whatever each of us thinks about globalisation, two things are clear: we need to make it fairer and we certainly need to continue our support to the poorest and the most unfavoured countries of the world to surpass their challenges and to enhance their opportunities to participate in the global economy.

UNCTAD's 12th conference takes place in an interesting moment: the Doha Development Round is still going on; the Monterrey Consensus will have its review meeting at the end of this year; progress of Millennium Development Goals will also be reviewed this year. Instead of watching too much backwards, we should rather concentrate on the future: how to make it better, how to make it more efficiently and effectively and - how to make it faster. And by "it" I mean our support to the developing countries. This is the fundamental reason for this Conference too - to give UNCTAD a better and a more focused mission.

Millennium Development Goals

The Millennium Development Goals are very close to my heart, not only because I chaired the Millennium Summit together with Mr Sam Nujoma, the President of Namibia. The goals were selected and adopted in order to manifest the political will of the international community to turn the wheel for development so that every nation could contribute.

Many of us have pointed out that the Millennium Development Goals are not being met. We have made a promise, yet to be fulfilled. The Millennium Development Goals can be met, but we need to take immediate action. The MDGs should be a guiding principle while setting the agenda for the next four years of UNCTAD. With right means and determination we will succeed.

UNCTAD Panel of Eminent Persons

Let me come back in time to year 2005, when Secretary-General Supachai as one of his first acts decided to form the Panel of Eminent Persons. The Panel was set up as a body independent from the governments with a broad assignment to consider how to enhance the development role and impact of UNCTAD. We discussed in several meetings UNCTAD's strategic orientation, working methods and relevance in today's world among other things.

At that point we, the panel members, posed many questions. We realised that the difference of opinions in UNCTAD was often partly a product of misunderstandings. Different words were used to mean same things. Our objective was and is to make UNCTAD better, more focused, more relevant, in order to deliver more to the developing countries. UNCTAD should be strengthened by reforming it.

Context: UN reform process

We have to remember that strengthening of UNCTAD by reforming it takes place within a broader political context, particularly in the ongoing reform process of the United Nations.

The Reform of UN system is to make the UN function better, to deliver more - peace, security, human rights and development - to all of us. UNCTAD is a part of UN's development architecture and we should be careful not to waste our limited resources overlapping our work unduly with other organisations.

The momentum of the UN reform was an opportunity to seize for the Panel of Eminent Persons. We tried to find the strengths of UNCTAD as part of the UN system. And I think we did find them. The Panel gave its recommendations in a report titled "*Enhancing the Development Role and Impact of UNCTAD*" in June 2006. Consequently the intergovernmental process of UNCTAD endorsed a number of our recommendations in 2007 and some of them are still on the table for this conference to take decision on.

The Role of UNCTAD

Integrating developing countries to the world economy and international trading system is the main goal of UNCTAD. We have to be humble in front of this task. There are many ways how to do this and no way alone can solve all the problems. When UNCTAD conferences started in 1964, there was a clear demand for them. Now UNCTAD's role vis-à-vis other economic organisations like WTO, Bretton Woods institutions as well as OECD should be defined. UNCTAD would be better positioned to fulfil this mission. It should concentrate on some, but only some, issues more profoundly. The challenge for UNCTAD is to find its strategic position and define its core competences and expertise.

Trade is a powerful tool for development, but not a magic trick which brings benefits to everyone. Trade is important for the development process, but the developing countries need support in this process. We also have to remember that the developing countries have responsibility for their own development, which the developed countries can support. One of this kind of initiatives is Aid for Trade. It is an area where UNCTAD should continue to contribute *inter alia* through its wide-ranging experience in analytical work.

UNCTAD does have a good record in such areas of work as investments, technology, the LDCs and the development aspects of trade. It seems logical that UNCTAD could have a higher profile in its work programme of analysis and research. The focus of the work needs further clarification in the new, ever-changing environment.

The implementation of UNCTAD's technical assistance is closely linked to the operational activities of the UN system in the field. Moreover, the donor coordination, harmonization of aid programmes, and the impact evaluation are all critical issues that are under scrutiny in many organisations and in national administrations.

UNCTAD is encouraged to join the forces with the other UN agencies and other relevant partners so that the UNCTAD inputs would become integrated to the common efforts. In that way they would have increased impact and become more visible. There are existing coordination mechanisms like the UN Development Group. Broader questions of system-wide coherence and synergy are dealt by the Chief Executives' Board for Coordination, where UNCTAD is participating as well.

Benefits of focusing

The winners in today's world are those who succeed in focusing and positioning themselves in few core competences. For UNCTAD these areas could be for example in investments, commodities, South-South trade and regional integration. UNCTAD should give special priority to Africa and the Least Developed Countries.

Investment policy reviews and investment facilitation are the cornerstones of UNCTAD's work. World Investment Report is a recognised publication that should be kept at the forefront. It is particularly relevant today when it is linked to energy shortage, food crisis and sustainable development. Commodity questions have been in UNCTAD's agenda since its foundation.

I have to mention once more the importance of LDC work in general and the LDC work of UNCTAD in particular. It has received only a limited part of UNCTAD's human and financial resources but has anyway reached a recognised status internationally. Here in Accra we should give a strong mandate for UNCTAD to strengthen its work for LDC's along the lines of Brussels Program of Action and as we already promised in São Paulo Consensus.

UNCTAD should concentrate to enhance its strengths in economic expertise and bring this expertise to the use of international development community. It should not try to do everything, not even in the sphere of trade and development, because there are simply not enough resources to accomplish all. Collaboration with other intergovernmental organisations and partnerships with non-governmental organizations and private sector would bring UNCTAD more to the mainstream of the international cooperation and dialogue. Without cooperation there is less chance for success and a risk of marginalisation. UNCTAD should actively seek cooperation within the UN family and even outside of it.

The World Investment Forum is a good example of such a multi-stake holder approach as recommended by the Panel of Eminent Persons.

Conclusions

UNCTAD is at crossroads. Like I told before the challenge for UNCTAD is to find its strategic position and expertise. It needs to show its relevance to all its members. UNCTAD needs success. Today maybe more than ever. We do not question UNCTAD's role. However, UNCTAD needs to better adapt to the present global environment and to the pace of change. Open discussion about UNCTAD's role and functions has continued

for two years in the intergovernmental process. Here in Accra, we have now reached the moment of decision.

UNCTAD has great potential to become stronger. UNCTAD has for example knowledge of issues and processes of WTO, it has knowledge of trade and development strategies of developing countries, competence for trade analysis and trade-related capacity building activities. UNCTAD through its analytical and research work and through technical cooperation activities can be an important actor in the operationalization of Aid for Trade.

Excellencies,
Ladies and Gentlemen,

As I already mentioned earlier, trade is a strong tool for development - a cliché that cannot be repeated too many times. UNCTAD's history is a proof that when we, the countries of the world combine our efforts and show strong common responsibility and commitment - the world can be changed and has been changed. Ghana has done tremendous work to offer us this fine arena for discussions.

I thank President Kufuor and the host government for all its hospitality. Now it is up to us to make decisions. With these words I want to close my remarks and wish us good luck here in Accra to reform and strengthen UNCTAD for years to come.