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Report of the Trade and Development Board on its sixty-fifth session, part II

Held at the Palais des Nations, Geneva, from 1 to 4 October 2018

Report to the United Nations General Assembly

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Introduction

The sixty-fifth session, part II, of the Trade and Development Board was held at the Palais des Nations, Geneva, from 1 to 4 October 2018. In the course of the session, the Board held six plenary meetings, the 1175th to the 1180th.

I. Action by the Trade and Development Board on substantive items on its agenda

A. Evaluation and review of UNCTAD implementation of the quadrennial conference outcome

Agreed outcome 540 (LXV)

The Trade and Development Board

1. *Takes note* of the report prepared by the UNCTAD secretariat, entitled “Midterm review of the Nairobi Maafikiano”, as contained in document TD/B/65(2)/CRP.1;

2. *Expresses general satisfaction* with the UNCTAD secretariat’s implementation of the Nairobi Maafikiano, while recognizing that the midterm review was an opportunity in which member States identified areas for improvement;

3. *Encourages* the UNCTAD secretariat to implement the Nairobi Maafikiano in the remainder of the quadrennium taking into account the views, comments and recommendations expressed by member States;

4. *Requests* the secretariat to focus its efforts on the parts of the mandate that are not yet on track for completion in this quadrennium, as identified by the deliberations of the midterm review;

5. *Recognizes* that the policy analysis of the Nairobi Maafikiano, accompanied by action paragraphs, informs operational activities of UNCTAD;

6. *Encourages* UNCTAD, reaffirming the importance of the intergovernmental machinery of the Conference, to strengthen the interlinkages among all three pillars and enhance interdivisional coherence for optimal results;

7. *Recommends* that progress on the issues from the midterm review be included in the annual report of UNCTAD, be an integral part of the report of the Secretary-General to member States and be addressed during the regular quarterly management briefings.

*1180th (closing) plenary meeting
4 October 2018*

B. Evaluation and review of UNCTAD implementation of the quadrennial conference outcome

Decision 542 (LXV)

At its 1180th (closing) plenary meeting, on 4 October 2018, the Trade and Development Board decided that, in order to afford sufficient time for member States to fully reflect on the content of flagship publications prior to their intergovernmental consideration, the English versions of flagship reports should be made available at least four weeks before the respective sessions of the Trade and Development Board in which they will be considered and, henceforth, requested the secretariat to adequately synchronize the circulation to member States of the flagship publications with the relevant sessions of the Trade and Development Board in which they will be considered.

C. Other action taken by the Board

Evaluation and review of UNCTAD implementation of the quadrennial conference outcome

1. At the 1180th (closing) plenary meeting of the Trade and Development Board, on 4 October 2018, the Board adopted the agreed outcome on the midterm review, under agenda item 2, as contained in a non-paper made available in the room (see chapter I, section A, above).

2. Also at the closing plenary meeting, under agenda item 2, the Board adopted a decision presented orally by the President on the consideration of flagship reports at future sessions of the Board (see chapter I, section B, above). The President of the Board noted that the explanation provided by the Deputy Secretary-General of UNCTAD at the opening plenary meeting complemented the decision (see chapter III, paragraph 80).

Interdependence and development strategies in a globalized world

3. At its 1177th plenary meeting, on 2 October 2018, the Trade and Development Board concluded discussions under and consideration of agenda item 3, while agreeing that member States not in a position to participate during the current session would be able to express their views on the *Trade and Development Report 2018* at the executive session of the Board in December 2018.

Economic development in Africa

4. At its 1179th plenary meeting, the Trade and Development Board took note of the report by the secretariat on activities undertaken by UNCTAD in support of Africa, as contained in document TD/B/65(2)/2.

Report on UNCTAD assistance to the Palestinian people

5. At its 1178th plenary meeting, on 2 October 2018, the Trade and Development Board took note of the report by the UNCTAD secretariat (TD/B/65(2)/3) and the statements made by delegations. In accordance with General Assembly decision 47/445, the report of the Trade and Development Board on its sixty-fifth session, part II, to the General Assembly would include an account of the deliberations under the agenda item.

II. President's summary

A. Evaluation and review of UNCTAD implementation of the quadrennial conference outcome

(Agenda item 2)

Opening statements

6. At the opening plenary meeting, the Secretary-General of UNCTAD said his statement complemented the midterm review of the Nairobi Maafikiano, as contained in document TD/B/65(2)/CRP.1. The midterm review assessed the persistent and emerging challenges that developing countries had faced over the last two years and how the work programme agreed in Nairobi was maintaining its relevance. The deliberations would help the UNCTAD secretariat in the lead up to the fifteenth session of the United Nations Conference on Trade and Development.

7. Obstacles that had arisen since the fourteenth session of the Conference in 2016 included the crisis in multilateralism for trade, a looming debt crisis and the dramatic drop in value of many currencies. A difficult road lay ahead for development, with global confidence in the liberal international economic order and global solutions waning. The Nairobi Maafikiano had strengthened UNCTAD, within the limits of existing resources, though those resources were in effect shrinking and an additional 10 per cent cut had recently been applied to all United Nations entities. Thus, there was mixed progress in implementing the pledge for strengthened assistance to the Palestinian people and strengthened work on the digital economy, nor could UNCTAD meet the demand for its advisory services in those areas.

8. The Secretary-General noted that UNCTAD had been contributing to the ambitious reform agenda of the United Nations to better “Deliver as one” in support of the 2030 Agenda for Sustainable Development, putting to use its strengths and advantages, as outlined in *From Actions to Results: Implementation of the Nairobi Maafikiano in a Changing Environment* in December 2017. Notably, he was co-chairing the results group on strategic financing of the United Nations Sustainable Development Group, and UNCTAD had deepened its engagement with United Nations development system entities, including the Department of Economic and Social Affairs and the regional commissions. One example of UNCTAD increasing its presence on the ground was the recently launched European Union–UNCTAD joint programme for Angola, Train for Trade II. Furthermore, UNCTAD had increased its cross-divisional collaboration, particularly on statistics, gender, financing for development and South–South cooperation, and implemented results-based management and mainstreamed gender equality, in line with the Nairobi Maafikiano and United Nations-wide reform efforts.

9. Africa's outward-looking perspective had resulted in agreement on the Continental Free Trade Area earlier in 2018; UNCTAD contributed significantly towards the successful negotiations. UNCTAD work on competition policy and consumer protection, as well as on readiness for electronic trade and digital entrepreneurship was urgent, as the digital economy continued to grow and expand, offering hope for new markets to revitalize globalization, though market power concentration and disruption to labour and product markets posed challenges.

10. Building on the success of the annual UNCTAD E-commerce Week, Africa would host the first regional e-commerce week, in December 2018, to work towards practical ways in which Africa's embrace of new technologies could help the continent to move beyond current challenges. In October, UNCTAD would welcome an estimated 5,000 investment stakeholders, including Heads of State, in Geneva at the UNCTAD World Investment Forum 2018.

11. In closing, the Secretary-General expressed hope that the midterm review exercise would reassure member States that UNCTAD was on the right track and stated his intention to begin preparations for the fifteenth session of the Conference, to address rising challenges together.

12. The following speakers made statements: the representative of Pakistan, speaking on behalf of the Group 77 and China; the representative of the Sudan, on behalf of the African Group; the representative of the European Union, on behalf of the European Union and its member States; the representative of Costa Rica, on the behalf of the Group of Latin American and Caribbean Countries; the representative of Japan, on behalf of the JUSSCANNZ group; the representative of Estonia, on behalf of Group D; the representative of Bangladesh, on behalf of the least developed countries; the representative of Algeria, on behalf of the Arab Group; the representative of China; the representative of Egypt; the representative of Uganda, the representative of Iraq; the representative of Morocco; the representative of Chad; the representative of Zimbabwe; the representative of Kenya; the representative of the State of Palestine; the representative of Ethiopia; and the representative of the Islamic Republic of Iran.

13. The representatives of many regional groups and many delegates expressed appreciation for the midterm review, including tracking of progress of implementation by paragraph of the mandate from the fourteenth session of the Conference.

14. One regional group and some delegates noted that, in the context of the overall difficult environment for multilateralism, and for the multilateral trading system, the midterm review exercise was timely for UNCTAD to strengthen its work and support to developing countries on economic development and an opportunity to tackle current issues affecting developing countries.

15. Some regional groups commended UNCTAD on incorporating the Sustainable Development Goals and the 2030 Agenda throughout its work and noted the progress in areas including investment promotion, e-commerce and migration. However, there was much room for progress in areas such as tax evasion and avoidance, transfer of technology, illicit financial flows and trade and intellectual property. Another regional group said there were gaps in how UNCTAD had integrated the Sustainable Development Goals into its work.

16. Several regional groups expressed reservations about the format of the midterm review, which did not allow for analysis of the implementation challenges UNCTAD was facing or ways to improve and said that the methodology used to assess progress was unclear. Some regional groups expressed doubts about the self-assessment that all but two operative paragraphs of the Nairobi Maafikiano were on track. One regional group clarified that analysis had been requested through a traffic light system that provided a score and the level of completion for each paragraph of the Nairobi Maafikiano; the document did not meet that expectation.

17. Some regional groups regretted that the findings of recent subprogramme evaluations and the decision on an UNCTAD-wide evaluation of work plans and resources were not reflected in the midterm review. One regional group requested the secretariat to clarify how the results of subprogramme evaluations had been taken into account.

18. Several regional groups and one delegate welcomed the midterm review's horizontal, cross-divisional and task-based approach. They expressed satisfaction with implementation of results-based management in all technical cooperation activities, while stressing that results-based management needed to be integrated into all UNCTAD work and requested additional information on the status and progress of the work of the UNCTAD results-based management task force. One regional group said that the Nairobi Maafikiano stipulated the need to strengthen efficiency and effectiveness across the UNCTAD to deliver better services and the midterm review did not refer to those challenges. There remained a need for a regular exchange on management issues, through a standing item on management at the annual session of the Trade and Development Board and reinstatement of regular management briefings.

19. One regional group stated that flagship publications with some chapters or mention of gender was not the same as a comprehensive effort to achieve Sustainable Development Goal 5 on gender equality. The UNCTAD *Trade and Gender Toolbox* was an excellent tool for mainstreaming gender into public policy, though mainstreaming gender into macroeconomic policy should be considered when approving the focus of upcoming research and flagship reports. One delegate mentioned that, while the focus on gender was welcome,

the same level of resources and attention should be devoted to economic structural transformation, value addition, economic diversification and technology transfer.

20. Several regional groups and one delegate commended enhanced UNCTAD cooperation and collaboration with external partners, such as with the World Trade Organization, and increased synergies with the entities of the United Nations Sustainable Development Group, particularly cooperation with the Economic Commission for Africa and the United Nations Office on Drugs and Crime to measure illicit financial flows in Africa.

21. Some regional groups expressed concern about the decreased funding of UNCTAD trust funds in 2017, while, globally, official development assistance increased overall, and called on UNCTAD to analyse the underlying reasons. Some delegates expressed concern over the declining budget, which could impact UNCTAD capacity to support vulnerable countries, including least developed countries and landlocked developing countries, particularly on illicit financial flows, debt, the digital economy and transportation. One regional group expressed concern regarding the sharp decline in developed country contributions for technical cooperation activities. The trend could affect the sustainability of many projects if it was not halted immediately.

22. Several delegates and some regional groups welcomed efforts on revitalization of the intergovernmental machinery, a process which required positive contributions by all Board members, and expected efforts and progress to continue. Some regional groups noted the limited outcomes of the process for revitalization of the intergovernmental machinery, which one regional group said affected rebranding image of UNCTAD and said that some regional groups were more open to engaging on the process than others, while another regional group was determined to continue its efforts.

23. Several regional groups and delegates commended UNCTAD efforts on the creation of the Intergovernmental Groups of Experts on E-commerce and the Digital Economy and on Financing for Development and encouraged UNCTAD to further strengthen them.

24. One regional group and one delegate reminded the secretariat that a single-year expert meeting on promoting value addition remained outstanding four years after its adoption by the Board and asked about the timing and arrangements the secretariat would make to ensure the meeting was held.

25. Some regional groups and delegates expressed concern regarding implementation of paragraph 55 (dd), which was not possible due to budgetary constraints and limited extrabudgetary support and called on UNCTAD to fully implement the decision in support of the Palestinian people, requesting the secretariat to provide a detailed proposal and estimates on the budget required to fulfil the mandate.

26. Some regional groups and delegates stated that the midterm review exercise needed to add value by analysing strengths and weaknesses in implementation and informing the general direction of UNCTAD in preparation for the fifteenth session of the Conference.

27. In response, the UNCTAD Secretary-General stated that the secretariat understood that member States had not agreed on a format for the midterm review and, thus, the matrix format represented a compromise solution. The presentation by sub-themes reflected the cross-cutting approach of the Nairobi Maafikiano, which in turn made provision of results by subprogramme not possible. Furthermore, UNCTAD work within subprogrammes did not match the timetable of the midterm review; subprogrammes followed a five-year cycle and could be discussed at the next quadrennial conference.

28. While official development assistance had been increasing, most of the surge had been directed towards humanitarian aid and migration, not towards economic development or the least developed countries at the core of the UNCTAD mandate. The secretariat would study the decreasing budget for technical cooperation further and carry out the necessary analysis of trends.

29. The UNCTAD Secretary-General agreed that the revitalization of the intergovernmental machinery process had not yielded the expected results and that the secretariat would have preferred a more ambitious agreement. Given the lack of compromise between regional groups, progress on the issue depended on member States.

30. The Secretary-General noted that recent analytical work, such as the *Economic Development in Africa Report 2018* focused on migration for structural transformation and the fiftieth edition of the *Review of Maritime Transport 2018*, were examples of cutting-edge work on new issues and responding to global challenges through provision of policy recommendations and research to member States.

31. Examples of areas under the Nairobi Maafikiano that UNCTAD had strengthened were expansion of e-commerce work, beyond what was initially planned, and the joint programme for Angola, which allowed for both cross-divisional work and delivery on the ground.

32. Finally, the Secretary-General also noted the arrival of the new Director of the Division on International Trade and Commodities whose appointment was another step towards ensuring gender parity at UNCTAD, in line with the United Nations-wide gender parity strategy and with a view to achieving gender parity across divisions by 2022.

Discussions by sub-theme

Introduction by the UNCTAD secretariat

33. The Secretary-General recalled that the Nairobi Maafikiano was organized around four sub-themes, which provided for a unified work programme that cut across divisions and was reflected in the midterm review.

34. Work on sub-theme 1, on multilateralism for trade and development, was closely aligned with Sustainable Development Goal 10 on reducing inequality within and among countries and involved strengthening the voice of developing countries in global economic governance. In the current multilateral environment and with no progress at the World Trade Organization, UNCTAD had convened a Geneva Dialogue on trade in crisis earlier in 2018. One successful example of UNCTAD contributions under the sub-theme was the agreement on the African Continental Free Trade Area.

35. Sub-theme 2, on sustainable and inclusive economic growth, was linked to Sustainable Development Goal 8. Important achievements under the sub-theme included the *Trade and Gender Toolbox*, Empretec entrepreneurship trainings, paragraph 166 courses, expansion of the eTrade for all initiative and growth of the Sustainable Stock Exchanges Initiative. The UNCTAD secretariat would sharpen the focus on the digital economy and South–South cooperation going forward, e.g. through an e-commerce week in Africa and the Second High-level United Nations Conference on South–South Cooperation (BAPA+40) in 2019. Some notable setbacks concerned securing necessary resources to strengthen UNCTAD support to the Palestinian people and meeting demand for work on e-commerce.

36. Sub-theme 3, on productive capacities for structural transformation, was related to Sustainable Development Goal 9 (industry, innovation and infrastructure). Under the sub-theme, secretariat support to least developed country graduation continued, such as through the joint programme for Angola, the largest UNCTAD country programme to date, and increased support to the Committee for Development Policy of the Economic and Social Council, which oversaw the graduation of least developed countries. UNCTAD had supported the launch of the Technology Bank for the Least Developed Countries and strengthened its support to middle-income countries facing transformational challenges through the Development Centre of the Organization for Economic Cooperation and Development. *The Least Developed Countries Report 2017*, on Goal 7, and the *Economic Development in Africa Report 2017*, on migration, had both received unprecedented attention in New York and in the field. UNCTAD was working closely with other United Nations entities, such as the United Nations Industrial Development Organization and the regional commissions, to ensure the challenges of structural transformation were more fully embraced.

37. Sub-theme 4, on implementing the 2030 Agenda for Sustainable Development, focused on support to Sustainable Development Goal 17 and the Global Partnership for Sustainable Development, had faced a challenging environment for financing for development and lack of ambitions for multilateralism. The strongest UNCTAD contribution to date had been at the Economic and Social Council forum on financing for development

follow-up. The Secretary-General would address issues facing multilateralism at the International Monetary Fund/World Bank meetings in October 2018. The secretariat successfully operationalized the two new intergovernmental groups of experts and made a strong attempt to make the Trade and Development Board and the intergovernmental machinery more responsive to the accountability needs of the United Nations system on the Sustainable Development Goals. However, as revitalization of the intergovernmental machinery had been limited, it was necessary to look to the fifteenth session of the Conference for further progress.

Sub-theme 1: multilateralism for trade and development

38. One regional group understood the “traffic light” format for the midterm review had been agreed and asked for the implications for different subprogrammes in view of current challenges, noting that it was important to look into recommendations for each challenge, and requested seeing how the midterm review had taken into consideration evaluations of previous subprogrammes. On sub-theme 1, the regional group requested an update on the status and progress of the results-based management task force and an assessment of progress on paragraphs related to gender and whether the gender unit needed strengthening.

39. Another regional group said the secretariat would receive detailed comments in a separate document. In general, on sub-theme 1, while the midterm review adequately addressed some paragraphs, there was no policy analysis, which was an integral part of the Nairobi Maafikiano. As one of the main purposes of UNCTAD was consensus-building, the intergovernmental machinery needed to be strengthened. The midterm review did not elaborate on financing for development, including illicit financial flows and taxation, a major challenge for developing countries.

40. Furthermore, on investment, debt management and support to the least developed countries, the regional group expressed concern regarding the low share in global trade for LDCs and in global exports. The regional group requested that the secretariat provide support to countries on accession, noting that the issue was not covered in the midterm review. Technology transfer was an important area of work and the secretariat should provide analysis and policy options on the area to requesting countries. On the multilateral trading system, the regional group commended UNCTAD for organizing the Geneva Dialogue and encouraged UNCTAD to continue the initiative. Finally, as many paragraphs of Nairobi Maafikiano related to systemic issues, UNCTAD should seek avenues to inform member States on emerging issues.

41. The Secretary-General of UNCTAD responded that the secretariat understood there was flexibility in addressing the “traffic light” proposal for the midterm review’s format. As the sub-themes were cross-cutting, it was difficult to report on results by subprogramme. Results-based management would not be addressed at the session on sub-themes, as it was a managerial issue.

42. While the projection for least developed countries was to attain 2 per cent of global exports, that had declined to 1.8 per cent, given the current difficult environment and trade wars; UNCTAD would focus on building productivity capacities of least developed countries. The joint programme for Angola was the best example of UNCTAD work on graduation. UNCTAD was an important player on illicit financial flows and would continue to formulate proposals. Finally, the paragraph 166 programme involved systemic issues, and UNCTAD would consider how to better publicize the work and results.

Sub-theme 2: sustainable and inclusive economic growth

43. One delegate commended UNCTAD reports on assistance to the Palestinian people, improved statistics, e-trade programmes and the Automated System for Customs Data. He expressed concern regarding the reduced budget for technical assistance, as technical assistance programmes were important to implement the mandate on support to the Palestinian people.

44. The representative of one regional group said the secretariat would receive detailed comments on sub-theme 2 in a separate document, while highlighting the areas of e-commerce, gender and assistance to Palestinian people. He encouraged the secretariat to make the new intergovernmental group of experts on e-commerce more visible and strengthen linkages between Geneva and New York on outcomes. He acknowledged various results and products achieved related to gender and encouraged some member States to change how they assessed the issue and have a constructive dialogue on promoting gender in UNCTAD work. Finally, he expressed concern that assistance to Palestine was one of the few areas where the secretariat had not made positive progress and requested the secretariat to analyse the issue and present an assessment of the resources needed to implement the mandate.

45. The representative of another regional group noted that the Nairobi Maafikiano asked UNCTAD to reinforce work on links between gender equality, women's and girls' empowerment and trade and development¹ and, thus, he asked the secretariat to assess whether gender links had been strengthened.

46. One delegate stressed that assistance to Palestinian people needed to be strengthened and requested the secretariat to provide an assessment of whether the main issue affecting implementation of the mandate was financial or human resources.

47. The Deputy Secretary-General of UNCTAD stated that she would be able to provide more information on assistance to the Palestinian people after the session. On gender, despite tools that UNCTAD had produced, one challenge was countries' lack of sex-disaggregated data. The UNCTAD Gender Task Force worked across divisions on the formulation of policies based on data on gender.

Sub-theme 3: productive capacities for structural transformation

48. The representative of one regional group said the secretariat would receive detailed comments on sub-theme 3 in a separate document. He said that most activities listed in the midterm review were related to technical assistance. However, as there were no criteria to measure success, the assessment could not be objective; it was important to have performance measurements in place. Structural transformation was key in achieving economic development, but there was a lack of progress due to poor infrastructure. He encouraged UNCTAD to focus on productive capacity strategies and structural transformation. He also encouraged more work on diversification and value addition. Creation of an environment for sustainable economic development relied on good governance at the global level to regulate trade activities. Topics such as tax avoidance and illicit financial flows thus needed to be addressed more in secretariat activities, while on technology transfer, delivery on policy was expected rather than only capacity-building.

49. The Deputy Secretary-General of UNCTAD confirmed that most interventions were in the form of reports and technical assistance. The secretariat would carefully consider the detailed comments the regional group would provide.

Sub-theme 4: implementing the 2030 Agenda for Sustainable Development

50. One regional group said that the secretariat would also receive detailed comments on sub-theme 4 and that feedback was expected. The role of UNCTAD in implementing the Sustainable Development Goals was an important issue. As UNCTAD was a leader in the provision of statistical data, it was also important to look at linkages with other United Nations entities, such as the regional commissions. In participating in major conferences or global level events, the secretariat also represented its member States. Thus, participation would be improved through consultations with member States before and after major meetings, to formulate a common position. Flagship reports should not represent only the views of certain regional groups or countries, and it was important to align their issuance with the calendar of Trade and Development Board meetings to make them available for consideration in a timely manner.

¹ TD/519/Add.2, paragraph 55 (bb).

51. The Deputy Secretary-General of UNCTAD responded that UNCTAD was responsible for contributing primarily to Sustainable Development Goals 8, 9, 10 and 17. The secretariat was linking its work and results to implementation of the Sustainable Development Goals, and one example of the approach was the *UNCTAD Annual Report 2017*, which underscored those links for readers. UNCTAD participated in the high-level political forum and was actively preparing for the next one that would address Sustainable Development Goals 8, 10 and 17. The UNCTAD Statistics Coordination Task Force was created to improve the collection and compilation of statistical data and, thus, quality. As UNCTAD was a conference representing its member States, she welcomed the proposal to improve coordination and balance points of view, by consulting member States before major events. The secretariat was currently working on a more accurate timeline for flagship reports and, if there were differences in perspectives on certain topics, the focus would always be on development as the most important objective of UNCTAD research and analysis.

52. One regional group reiterated the issue of results-based management, as the Trade and Development Board was the place to discuss management issues and requested a standing item on management during the Board. The Deputy Secretary-General of UNCTAD stated that the Trade and Development Board was not the appropriate forum to discuss the matter, which would be addressed at the next management briefing for member States planned in October 2018. Results-based management was an institutional priority and she remained available for briefings on progress.

B. Interdependence and development strategies in a globalized world (Agenda item 3)

53. Drawing on the *Trade and Development Report, 2018: Power, Platforms and the Free-Trade Delusion*, the UNCTAD secretariat noted that the multilateral system was in crisis and the global economy remained fragile, highlighting concerns regarding footloose capital, persistent inequality, rising debt, stagnant wages, growing asset bubbles and low real investment. The report stressed that trade and digitalization were prone to rent-seeking behaviour by large firms. It then called into question the push to suppress developing country policy options that had recently lifted hundreds of millions of people out of poverty.

54. One panellist commended UNCTAD for its analysis. On trade, he noted that the report clearly brought out how the promise of global value chains remained largely unfulfilled. He discussed the challenges of digitalization, including strengthening digital capacities, designing laws to regulate data flows, regulating digital monopolies and preserving policy space, echoing the concerns of several delegates. Another panellist highlighted the need to construct a new international financial and trade architecture to generate a sustainable and equitable growth model.

55. The representatives of several regional groups and delegates expressed appreciation for the report and called for more research on those crucial topics.

56. Many regional groups and delegates called for strengthening the rules-based multilateral trading system, while addressing its current imbalances. They also called for a more integrated perspective on infrastructure.

57. Some delegates sought recommendations on how to reform global governance to increase fiscal space and fight illicit financial flows. Another delegate expressed concerns about the impacts of market concentration on the least developed countries.

58. The UNCTAD secretariat acknowledged the need to circulate the *Trade and Development Report* sufficiently in advance of sessions of the Trade and Development Board. In response to concerns regarding the 2018 edition of the report, namely the judgmental character and the tone, which would not lend itself to creating synergies with the private sector, the Deputy Secretary-General of UNCTAD reaffirmed the role of UNCTAD in providing in-depth analyses even if findings might not portray a positive scenario. She also stressed the complementarity of other UNCTAD tools that offered solutions to current challenges.

59. Finally, the President of the Board stated that member States would be able to express further views on the content of the *Trade and Development Report, 2018* during the sixty-seventh executive session of the Trade and Development Board in December 2018.

C. Economic development in Africa

(Agenda item 4)

60. The representatives of several regional groups and many delegates commended UNCTAD technical cooperation activities and advocated continued support in building productive capacities and exchanging best practices to assist implementation of the Sustainable Development Goals and Agenda 2063.

61. Many regional groups and delegates raised concerns about the reduction in UNCTAD resources directed towards support to Africa. One regional group recommended an increase in UNCTAD resources towards Africa.

62. Several regional groups and many delegates requested that UNCTAD continue working across the three pillars of research and policy analysis, technical assistance and consensus-building.

63. Several regional groups and many delegates reiterated that UNCTAD should focus particularly on the following topics in the work programme concerning Africa: illicit financial flows, support to the African Continental Free Trade Area, debt management and financial analysis, least developed country graduation, tourism, value addition from raw materials and building of productive capacities.

64. Some delegations highlighted the importance of the UNCTAD regional office in Addis Ababa for the African Continental Free Trade Area. One regional group requested more information on UNCTAD activities on the ground in Africa, considering the United Nations development system reform process.

65. In response to a question, the UNCTAD secretariat thanked all delegations for their valuable contributions to a high-level panel on migration, organized as a side event to the United Nations General Assembly in September 2018, and stressed the efforts of UNCTAD to work together across divisions and with its regional office, the African Union and the regional commissions. The secretariat also thanked the Governments of Morocco and Rwanda for their collaboration in organizing the high-level panel on migration.

D. Investment for development

(Agenda item 5)

66. The Director of the UNCTAD Division on Investment and Enterprise presented the *World Investment Report 2018: Investment and New Industrial Policies*. Three panellists provided their perspectives: the Ambassador and Permanent Representative of Thailand to the United Nations in Geneva; the Chief Economist of the International Trade Centre; and a Partner of McKinsey and Company (Switzerland) and former Minister of Finance of Serbia.

67. The panellists commented on the negative outlook for global foreign direct investment flows and the stagnation of global value chains. They stressed the importance of continued efforts to stimulate investment for development, highlighting opportunities for regional integration, participation of small enterprises and medium-sized enterprises of developing economies in global value chains and digital development. They also commented on government efforts towards these objectives through industrial policies. Referring to recommendations in the report, one panellist focused on openness as a key characteristic of modern industrial policies, through the concept of “prosper thy neighbour”.

68. Several delegations expressed appreciation for and the usefulness of the analyses and policy options presented in the report and requested further analytical work on investment-related issues and policies. Several regional groups and delegates commended UNCTAD technical assistance on investment-related policies and international investment agreements and requested strengthening of capacity-building work to improve the investment

policy environment and implement effective policy measures for attracting quality foreign direct investment. Some delegations welcomed the forthcoming World Investment Forum 2018 as an important occasion to address critical development issues raised under the agenda item. Some regional groups encouraged UNCTAD to continue bringing different stakeholders together for promoting investments for inclusive and sustainable development.

69. Underscoring the importance of foreign direct investment as a major source of external finance for development, most delegations expressed grave concern over reduced foreign direct investment flows and stagnating global value chains. One regional group requested UNCTAD to examine the implications of such trends on financing the Sustainable Development Goals. One delegate called for a study on global value chains to increase participation of developing economies, by underlining insufficient progress in their integration. One regional group requested a dedicated section in future editions of the *World Investment Report* and related publications featuring Arab States.

70. Several delegations shared their initiatives to attract more quality foreign direct investment or mobilize public and private finance to Sustainable Development Goal sectors and other national development goals. One regional group encouraged UNCTAD to examine the effectiveness of some policy measures (i.e. performance requirements, incentives and special economic zones) that could facilitate achieving the Sustainable Development Goals but could hinder private investments or distort markets. Another regional group called for innovative approaches to close existing digital divides and technological gaps and to advance prosperity for all. The regional group stressed the need for policies and technical cooperation to promote investments, including private and public investments, in some Sustainable Development Goals targeting specific groups, such as women, migrants and youth. On mobilizing investments in the Sustainable Development Goals, the UNCTAD secretariat underscored the importance of appropriate policy action to facilitate private investment flows as private-sector participation was often limited.

E. Report on UNCTAD assistance to the Palestinian people

(Agenda item 6)

71. The representatives of seven regional groups and 17 member States expressed appreciation of the report (TD/B/65(2)/3), describing it as informative, relevant and essential.

72. The Deputy Secretary-General of UNCTAD stressed the importance of monitoring Palestinian socioeconomic conditions. She highlighted economic deterioration, illegal settlements and the crisis in Gaza. She urged member States to secure additional resources, without which UNCTAD would not be able to fulfil its mandate.

73. The secretariat welcomed the State of Palestine as a member of the Trade and Development Board and summarized the key points of the report and pioneering UNCTAD work on the Palestinian fiscal leakage that had resulted in Israel refunding \$350 million to the State of Palestine. Member States were urged to work with UNCTAD to secure resources to maintain a third professional post in the Assistance to the Palestinian People Unit and to work on the cost of occupation, as mandated by four General Assembly resolutions, as well as implement paragraph 55 (dd) of the Nairobi Maafikiano.

74. The Ambassador of the State of Palestine said he was pleased to represent his country for the first time as a member of the Trade and Development Board and indicated readiness to abide by all the obligations that entailed. He thanked UNCTAD for the support provided and deplored the Israeli occupation which was by nature apartheid. Israel exploited Palestinian natural resources and sold them back to Palestine, while leakage of Palestinian fiscal revenues to Israel should stop and occupation should end.

75. All delegates expressed concern about the deterioration in socioeconomic conditions and dim prospects, destruction of Gaza and humanitarian crises. They were particularly concerned by unemployment, poverty, annexation and expansion of illegal settlements. Many delegates called for respect for the Palestinian people's right to self-determination, including establishment of a State at 1967 borders, with East Jerusalem as its capital.

76. Many delegates expressed concern that paragraph 55 (dd) of the Nairobi Maafikiano had not been fulfilled and called for its full implementation.

III. Procedural and related matters

A. Opening of the session

77. The sixty-fifth session, part II, of the Trade and Development Board was opened on 1 October 2018, by Mr. Salim Baddoura (Lebanon), the President of the Board at its sixty-fifth session.

78. The President of the Trade and Development Board, in accordance with United Nations General Assembly resolution 1995 (XIX),² informed the Board that the State of Palestine had informed the Secretary-General of UNCTAD of the country's intention to exercise its right as a member of the Conference to take up membership in the Trade and Development Board. The President welcomed the State of Palestine as the newest member of the Trade and Development Board. He noted that the membership list would be updated to reflect the change in membership of the Trade and Development Board and would be issued accordingly.³

B. Adoption of the agenda and organization of the work of the session

(Agenda item 1)

79. At its 1175th (opening) plenary meeting, the Trade and Development Board adopted the provisional agenda for the session, as contained in document TD/B/65(2)/1 (annex I).

80. The representative of one regional group noted that his group approved the agenda on the condition that, in future, consideration of flagship reports would be undertaken when the reports were made available at least four weeks in advance of a session of the Board. The President of the Board confirmed that the regional group's request was in line with a proposal he had circulated to delegations to avoid similar situations in future. The Deputy Secretary-General of UNCTAD further clarified that the UNCTAD secretariat understood that, in future, if a delay in the circulation of a flagship report was observed, the secretariat would recommend to member States that consideration of the flagship report be postponed to the next session of the Trade and Development Board (see chapter I, paragraph 2).

C. Provisional agenda for the sixty-sixth session of the Trade and Development Board

(Agenda item 7)

81. At its 1180th (closing) plenary meeting, on 4 October 2018, the President of the Trade and Development Board noted that the Board had not had an opportunity to work on a draft provisional agenda for the sixty-sixth session of the Board, particularly as it would require taking into consideration the decision taken on flagship reports (see chapter I, section B). The Board decided that the extended Bureau would be seized of the issue and work on a draft provisional agenda with a view to having it formally approved at the sixty-seventh executive session of the Board in December 2018.

² As amended, on the establishment of the United Nations Conference on Trade and Development as an organ of the General Assembly, paragraph 8.

³ See TD/B/INF.241.

D. Other business

(Agenda item 8)

Topics of multi-year expert meetings

82. At the 1180th (closing) plenary meeting, the President of the Board informed member States that the extended Bureau had examined and approved proposed topics for multi-year expert meetings in 2019 and 2020, including a disclaimer on potential budgetary constraints that could affect the ability of the secretariat to organize some of the meetings. The Board approved the topics, as contained in a non-paper (annex II).

Candidates for officers of the Bureau of the Board

83. Also at its closing plenary meeting, in accordance with its rules of procedure, the Trade and Development Board elected as Vice-Presidents of the Bureau Mr. Jorge Valero (Bolivarian Republic of Venezuela) and Ms. Débora María Ponce Ogáldez (Guatemala). A number of delegations requested that their statements on this matter be included in the formal record of the session of the Board (see annexes III and IV).

E. Adoption of the report

(Agenda item 9)

84. At its (closing) plenary meeting, the Trade and Development Board adopted its report, which would include the President's summary on agenda items 2, 3, 4, 5 and 6. The report would contain the agreed outcome of the midterm review and the decision taken under item 2, the topics for multi-year expert meetings approved by the Board, as well as include procedural and related matters and reflect the proceedings of the closing plenary meeting. The Board further authorized the Rapporteur, under the authority of the President, to finalize the report to the General Assembly as appropriate, taking into account the proceedings of the closing plenary.

Annex I

Agenda for the sixty-fifth session, part II, of the Trade and Development Board

1. Adoption of the agenda and organization of the work of the session
2. Evaluation and review of UNCTAD implementation of the quadrennial conference outcome
3. Interdependence and development strategies in a globalized world
4. Economic development in Africa
5. Investment for development
6. Report on UNCTAD assistance to the Palestinian people
7. Provisional agenda for the sixty-sixth session of the Trade and Development Board
8. Other business
9. Adoption of the report

Annex II

Topics for sessions of multi-year expert meetings in the remainder of the quadrennium*

A. Multi-year Expert Meeting on Transport, Trade Logistics and Trade Facilitation

Topics

- (a) **Seventh session (2019).** Trade facilitation and transit in support of the 2030 Sustainable Development Agenda
- (b) **Eighth session (2020).** Climate change adaptation for seaports in support of the 2030 Sustainable Development Agenda.

B. Multi-year Expert Meeting on Trade, Services and Development

Topics

- (a) **Seventh session (2019).** Enhancing productive capacity through services
- (b) **Eighth session (2020).** Leveraging services, including infrastructure services, to achieve the Sustainable Development Goals

C. Multi-year Expert Meeting on Commodities and Development

Topics

- (a) **Eleventh session (2019):**
 - (i) Managing commodity price risk in commodity-dependent developing countries
 - (ii) Recent developments, challenges and opportunities in commodity markets
- (b) **Twelfth session (2020):**
 - (i) Greater transparency in commodity markets
 - (ii) Recent developments, challenges and opportunities in commodity markets

D. Multi-year Expert Meeting on Investment, Innovation and Entrepreneurship for Productive Capacity-building and Sustainable Development

Topics

- (a) **Seventh session (2019).** Responsible and Sustainable Business Practices and Corporate Social Responsibility and Enterprise Development
- (b) **Eighth session (2020).** Investment, Innovation and Enterprise for Development

* These planned expert group meetings will be held subject to the availability of the applicable resources within the secretariat.

E. Multi-year Expert Meeting on Enhancing the Enabling Economic Environment at All Levels in Support of Inclusive and Sustainable Development, and the Promotion of Economic Integration and Cooperation

Topics

- (a) **Third session (second quarter, 2019).** How can labour and macroeconomic policies contribute towards the achievement of the Sustainable Development Goals?
- (b) **Fourth session (second quarter, 2020).** Mobilization of financial resources for inclusive and sustainable development

Annex III

Note verbale from the Bolivarian Republic of Venezuela to the UNCTAD secretariat*

[English only]

11.2.S20.D.ONU.1

No.

The Permanent Mission of the Bolivarian Republic of Venezuela to the United Nations and other International Organizations in Geneva, presents its compliments to the Secretariat of the United Nations Conference on Trade and Development (UNCTAD), and has the honour to refer to the appointments of Vice-Presidents and Members of the Advisory Body within the framework of the sixty fifth session of the Trade and Development Board.

In this regard, the Permanent Mission of the Bolivarian Republic of Venezuela has the honour to inform that our Government has expressed support for the nomination submitted by the Republic of Guatemala, for the two appointments, one Vice-President and one for the Advisory Body, provided that Venezuela will take the other vacancy for the Vice-President corresponding to GRULAC.

The Permanent Mission of the Bolivarian Republic of Venezuela to the United Nations and other International Organizations in Geneva avails itself of this opportunity to renew to the Secretariat of the United Nations Conference on Trade and Development (UNCTAD), the assurances of its highest consideration.

Geneva, October 4, 2018

to the Secretariat of the United Nations Conference on Trade and Development
(UNCTAD) Geneva

* Dated 4 October 2018. The present annex is reproduced in the language in which it was received and without formal editing.

Annex IV

Note verbale from the Permanent Missions of Argentina, Brazil, Canada, Chile, Colombia, Costa Rica, Guatemala, Honduras, Mexico, Panama, Paraguay and Peru to the Intergovernmental Support Service of the UNCTAD secretariat*

[Spanish only]

Nota

Las Representaciones Permanentes de la Argentina, el Brasil, Canadá, Chile, Colombia, Costa Rica, Guatemala, Honduras, México, Panamá, el Paraguay y el Perú ante los Organismos Internacionales con sede en Ginebra saludan muy atentamente a la Representación Permanente del Líbano ante las Naciones Unidas y otros Organismos Internacionales en Ginebra, en su calidad de Presidente de la Junta de Comercio y Desarrollo de la Conferencia de las Naciones Unidas sobre Comercio y Desarrollo (UNCTAD), y se permiten hacer referencia a la elección de dos Vicepresidencias del Grupo C para la Mesa de la Junta de Comercio y Desarrollo, período 2018-2019.

Al respecto, las Representaciones Permanentes que suscriben, teniendo en consideración lo señalado en la Declaración de Lima del 8 de agosto de 2017, manifiestan no estar en posibilidad de apoyar la candidatura de Venezuela a una de las Vicepresidencias.

Las Representaciones Permanentes de la Argentina, el Brasil, Canadá, Chile, Colombia, Costa Rica, Guatemala, Honduras, México, Panamá, el Paraguay y el Perú ante los Organismos Internacionales con sede en Ginebra aprovechan la ocasión para expresar a la Representación Permanente del Líbano ante las Naciones Unidas y otros Organismos Internacionales en Ginebra, las seguridades de su distinguida consideración.

Ginebra, 4 de octubre de 2018

A la Representación Permanente del Líbano ante las Naciones Unidas y otros Organismos Internacionales en Ginebra
Ginebra.-

* Dated 5 October 2018, with a request to include the note verbale as a part of the formal record of the report of the Trade and Development Board on its sixty-fifth session. The present annex is reproduced in the language in which it is received and without formal editing.

Annex V

Attendance*

1. Representatives of the following States members of the Trade and Development Board attended the session:

Albania	Jordan
Algeria	Kenya
Angola	Kuwait
Argentina	Lebanon
Australia	Lesotho
Austria	Madagascar
Bahrain	Mali
Bangladesh	Mauritius
Belarus	Montenegro
Belgium	Morocco
Bhutan	Mozambique
Bosnia and Herzegovina	Namibia
Bulgaria	Nepal
Burkina Faso	Netherlands
Burundi	Nigeria
Cambodia	Oman
Cameroon	Pakistan
Canada	Panama
Chile	Paraguay
China	Peru
Congo	Philippines
Costa Rica	Portugal
Cuba	Qatar
Cyprus	Republic of Korea
Czechia	Republic of Moldova
Côte d'Ivoire	Russian Federation
Djibouti	Saudi Arabia
Ecuador	Senegal
Egypt	Serbia
El Salvador	Seychelles
Estonia	Spain
Ethiopia	Sri Lanka
Finland	State of Palestine
France	Sudan
Gabon	Switzerland
Germany	Syrian Arab Republic
Ghana	Thailand
Guatemala	Togo
Guyana	Tunisia
Indonesia	Uganda
Iran (Islamic Republic of)	Ukraine
Ireland	United Kingdom of Great Britain and Northern Ireland
Jamaica	United Republic of Tanzania
Japan	

2. The following members of the Conference attended the session:

Bahamas
Niger

* This attendance list contains registered participants. For the list of participants, see TD/B/65(2)/INF.1.

3. The following intergovernmental organizations were represented at the session:
African, Caribbean and Pacific Group of States
Cooperation Council for the Arab States of the Gulf
European Union
Organization of Islamic Cooperation
South Centre
 4. The following non-governmental organizations were represented at the session:
General category
Consumer Unity and Trust Society International
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