



UNITED NATIONS CONFERENCE ON TRADE AND DEVELOPMENT BACKGROUND GUIDE 2013

Written By: Felipe Ante, Patrick Parsons,
Omar Torres-Vasquez, Lauren Pfeifer



NATIONAL MODEL UNITED NATIONS

nmun.org



17 - 21 March - Conference A
24 - 28 March - Conference B

POSITION PAPER INSTRUCTIONS

Two copies of each position paper should be sent via e-mail by 1 MARCH 2013

1. TO COMMITTEE STAFF

A file of the position paper (.doc or .pdf) for each assigned committee should be sent to the committee e-mail address listed here. Mail papers by 1 March to the e-mail address listed for your particular venue. Delegates should carbon copy (cc:) themselves as confirmation of receipt. Please use the committee name, your assignment, Conference A or B, and delegation/school name in both the e-mail subject line and in the filename (example: GA1st_Cuba_ConfA_MarsCollege).

2. TO DIRECTOR-GENERAL

- Each delegation should send one set of all position papers for each assignment to the e-mail designated for their venue: positionpapers.nya@nmun.org or positionpapers.nyb@nmun.org. This set (held by each Director-General) will serve as a back-up copy in case individual committee directors cannot open attachments.

Note: This e-mail should only be used as a repository for position papers.

- The head delegate or faculty member sending this message should cc: him/herself as confirmation of receipt. (Free programs like Adobe Acrobat or WinZip may need to be used to compress files if they are not plain text.)

- Because of the potential volume of e-mail, only one e-mail from the Head Delegate or Faculty Advisor containing all attached position papers will be accepted.

Please use the committee name, your assignment, Conference A or B, and delegation/school name in both the e-mail subject line and in the filename (example: GA1st_Cuba_Conf A_Mars College).

COMMITTEE

EMAIL - CONFERENCE A

General Assembly First Committee	ga1.nya@nmun.org
General Assembly Second Committee	ga2.nya@nmun.org
General Assembly Fourth Committee	ga4.nya@nmun.org
Special Committee on Peacekeeping Operations	c34.nya@nmun.org
ECOSOC Plenary	ecosoc.nya@nmun.org
Commission on the Status of Women	csw.nya@nmun.org
Commission on Crime Prevention and Criminal Justice	ccpcj.nya@nmun.org
Economic Commission for Africa	eca.nya@nmun.org
Economic and Social Commission for Western Asia	escwa.nya@nmun.org
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United Nations Development Programme	undp.nya@nmun.org
United Nations Settlements Programme	unhabitat.nya@nmun.org
UN Conference on Trade and Development	unctad.nya@nmun.org
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UN Permanent Forum on Indigenous Issues	unpfii.nya@nmun.org
Committee on the Exercise of the Inalienable Rights of the Palestinian People	ceirpp.nya@nmun.org
Security Council A	sca.nya@nmun.org
Security Council B	scb.nya@nmun.org
Security Council C	scc.nya@nmun.org
International Atomic Energy Agency	iaea.nya@nmun.org

COMMITTEE

EMAIL - CONFERENCE B

General Assembly First Committee	ga1.nyb@nmun.org
General Assembly Second Committee	ga2.nyb@nmun.org
General Assembly Third Committee	ga3.nyb@nmun.org
General Assembly Fourth Committee	ga4.nyb@nmun.org
ECOSOC Plenary	ecosoc.nyb@nmun.org
Commission on the Status of Women	csw.nyb@nmun.org
Commission on Crime Prevention and Criminal Justice	ccpcj.nyb@nmun.org
Economic Commission for Africa	eca.nyb@nmun.org
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United Nations Children's Fund	unicef.nyb@nmun.org
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Committee on the Exercise of the Inalienable Rights of the Palestinian People	ceirpp.nyb@nmun.org
Security Council A	sca.nyb@nmun.org
Security Council B	scb.nyb@nmun.org
Security Council C	scc.nyb@nmun.org
International Atomic Energy Agency	iaea.nyb@nmun.org
Special Committee on Peacekeeping Operations	c34.nyb@nmun.org

OTHER USEFUL CONTACTS

Entire Set of Delegation Position Papers	positionpapers.nya@nmun.org
(send only to e-mail for your assigned venue)	positionpapers.nyb@nmun.org
Secretary-General, Conference A	secgen.nya@nmun.org
Secretary-General, Conference B	secgen.nyb@nmun.org
Director(s)-General	dirgen.ny@nmun.org
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Dear Delegates,

Welcome to the 2013 National Model United Nations (NMUN). We are very pleased to be serving as the Directors and Assistant Directors of the United Nations Conference on Trade and Development (UNCTAD).

We would like to introduce ourselves, as we will be your first contacts at the Conference. Felipe Ante, Director for the first week, holds a degree in international relations with minors in history and political science from the Universidad San Francisco de Quito and currently works for a political consultancy company. This is his sixth year at NMUN and fourth year on staff. In 2010, he also served as the Secretary General for NMUN-Latin America. His Assistant Director, Omar Torres, studied political science at California State University – Fullerton, and now works for Laguna Wilderness Press. This is his seventh year at NMUN. Patrick Parsons, Director for the second week, is a law student at American University's Washington College of Law. This is his fifth year at NMUN and third year on staff. His Assistant Director, Lauren Pfeifer, studied international economics at Texas A&M University and studied abroad in Germany and Austria. This is her fourth year at NMUN and first year on staff.

This year, the UNCTAD will consider the following topics:

1. Concrete Measures to Promote South-South Cooperation for Development
2. Harnessing Resource Extraction for Further Development Gains
3. Food Security: Agriculture and Trade

The integration of developing states into the world economy holds a key role in meeting the Millennium Development Goals and ensuring development and prosperity across the globe. While the United Nations has worked diligently on development matters, the diversity of this year's topics demonstrates that fundamental issues in international trade and development continue to affect both developed and developing states.

The following guide will provide merely an introduction to the topics. It is not comprehensive; rather, it will serve as a starting point for your own research. Developing familiarity with your state's policies in the context of the UNCTAD as a whole will be essential to your participation in the Conference. To this end, every delegation is required to submit a position paper via email by March 1, 2013. Please refer carefully to the provided guidelines for position papers. Please also take note of the NMUN policies on the [website](#) and in the [delegate preparation guide](#) regarding [plagiarism](#), [codes of conduct/dress code/sexual harassment](#), [awards philosophy/evaluation method](#), etc. Adherence to these guidelines is mandatory.

We are confident that you will find NMUN to be one of the most rewarding experiences of your academic career. Please do not hesitate to direct any questions or concerns to your Director or the Under-Secretaries-General for the Department of Development, Meg Martin (Conference A) and Théo Thieffry (Conference B). We wish you the best of luck in your conference preparation, and we look forward to meeting you in New York.

Sincerely,

Conference A
Felipe Ante
Director

Omar Torres
Assistant Director

Conference B
Patrick Parsons
Director

Lauren Pfeifer
Assistant Director



Message from the Directors-General Regarding Position Papers for the 2013 NMUN Conference

For NMUN-New York 2013, each delegation submits one position paper for each assigned committee. A delegate's role as a Member State, Observer State, Non-Governmental Organization, etc. should affect the way a position paper is written. To understand these differences, please refer to the [Delegate Preparation Guide](#).

Position papers should review each delegation's policy regarding the topics of the committee. International and regional conventions, treaties, declarations, resolutions, and programs of action of relevance to the policy of your State should be identified and addressed. Making recommendations for action by your committee should also be considered. Position papers also serve as a blueprint for individual delegates to remember their country's position throughout the course of the Conference. NGO position papers should be constructed in the same fashion as position papers of countries. Each topic should be addressed briefly in a succinct policy statement representing the relevant views of your assigned NGO. You should also include recommendations for action to be taken by your committee. It will be judged using the same criteria as all country position papers, and is held to the same standard of timeliness.

Please be forewarned, delegates must turn in entirely original material. *The NMUN Conference will not tolerate the occurrence of plagiarism.* In this regard, the NMUN Secretariat would like to take this opportunity to remind delegates that although United Nations documentation is considered within the public domain, the Conference does not allow the verbatim re-creation of these documents. This plagiarism policy also extends to the written work of the Secretariat contained within the Committee Background Guides. Violation of this policy will be immediately reported and may result in dismissal from Conference participation. Delegates should report any incident of plagiarism to the Secretariat as soon as possible.

Delegation's position papers may be given an award as recognition of outstanding pre-Conference preparation. In order to be considered for a Position Paper Award, however, delegations must have met the formal requirements listed below and be of high substantive standard, using adequate language and showing in-depth research. While we encourage innovative proposals, we would like to remind delegates to stay within the mandate of their respective committee and keep a neutral and respectful tone. Similarly to the minus point-policy implemented at the conference to discourage disruptive behavior, position papers that use offensive language may entail negative grading when being considered for awards. Please refer to the sample paper following this message for a visual example of what your work should look like at its completion. The following format specifications are **required** for all papers:

- All papers must be typed and formatted according to the example in the Background Guides
- Length must **not** exceed two single-sided pages (one double-sided paper, if printed)
- Font must be Times New Roman sized between 10 pt. and 12 pt.
- Margins must be set at one inch for the whole paper
- Country/NGO name, school name and committee name must be clearly labeled on the first page,
- National symbols (headers, flags, etc.) are deemed inappropriate for NMUN position papers
- Agenda topics must be clearly labeled in separate sections

To be considered timely for awards, please read and follow these directions:

1. **A file of the position paper** (.doc or .pdf format required) **for each assigned committee** should be sent to the committee email address listed in the Background Guide. These e-mail addresses will be active after November 15, 2012. Delegates should carbon copy (cc:) themselves as confirmation of receipt.
2. Each delegation should also send **one set of all position papers** to the e-mail designated for their venue, Conference A: positionpapers.nya@nmun.org or Conference B: positionpapers.nyb@nmun.org. This set will serve as a back-up copy in case individual committee directors cannot open attachments. These copies will also be made available in Home Government during the week of the NMUN Conference.

Each of the above listed tasks needs to be completed no later than **March 1, 2013 (GMT-5)**.

Please use the committee name, your assignment, Conference A or B, and delegation/school name in both the e-mail subject line and in the filename (example: GA1st_Cuba_ConfA_Mars College).

A matrix of received papers will be posted online for delegations to check prior to the Conference. If you need to make other arrangements for submission, please contact Hannah Birkenkötter, Director-General (Conference A), or Nicholas Warino, Director-General (Conference B), at dirgen@nmun.org. There is an option for delegations to submit physical copies via regular mail if needed.

Once the formal requirements outlined above are met, Conference staff use the following criteria to evaluate Position Papers:

- Overall quality of writing, proper style, grammar, etc.
- Citation of relevant resolutions/documents
- General consistency with bloc/geopolitical constraints
- Consistency with the constraints of the United Nations
- Analysis of issues, rather than reiteration of the Committee Background Guide
- Outline of (official) policy aims within the committee's mandate

Each delegation can submit a copy of their position paper to the permanent mission of the country being represented, along with an explanation of the Conference. Those delegations representing NGOs do not have to send their position paper to their NGO headquarters, although it is encouraged. This will assist them in preparation for the mission briefing in New York.

Finally, please consider that over 2,000 papers will be handled and read by the Secretariat for the Conference. Your patience and cooperation in strictly adhering to the above guidelines will make this process more efficient and it is greatly appreciated. Should you have any questions please feel free to contact the Conference staff, though as we do not operate out of a central office or location, your consideration for time zone differences is appreciated.

Sincerely,

Conference A
Hannah Birkenkötter
Director-General
hannah@nmun.org

Conference B
Nicholas Warino
Director-General
nick@nmun.org

**Delegation from
The United Mexican States**

**Represented by
(Name of College)**

Position Paper for the General Assembly Plenary

The issues before the General Assembly Plenary are: The Use of Economic Sanctions for Political and Economic Compulsion; Democracy and Human Rights in Post-Conflict Regions; as well as The Promotion of Durable Peace and Sustainable Development in Africa. The Mexican Delegation first would like to convey its gratitude being elected and pride to serve as vice-president of the current General Assembly Plenary session.

I. The Use of Economic Sanctions for Political and Economic Compulsion

The principles of equal sovereignty of states and non-interference, as laid down in the Charter of the United Nations, have always been cornerstones of Mexican foreign policy. The legitimate right to interfere by the use of coercive measures, such as economic sanctions, is laid down in Article 41 of the UN-charter and reserves the right to the Security Council.

Concerning the violation of this principle by the application of unilateral measures outside the framework of the United Nations, H.E. Ambassador to the United Nations Enrique Berruga Filloy underlined in 2005 that the Mexico strongly rejects “the application of unilateral laws and measures of economic blockade against any State, as well as the implementation of coercive measures without the authorization enshrined in the Charter of the United Nations.” That is the reason, why the United Mexican States supported – for the 14th consecutive time – Resolution (A/RES/60/12) of 2006 regarding the *Necessity of ending the economic, commercial and financial embargo imposed by the United States of America against Cuba*.

In the 1990s, comprehensive economic sanctions found several applications with very mixed results, which made a critical reassessment indispensable. The United Mexican States fully supported and actively participated in the “Stockholm Process” that focused on increasing the effectiveness in the implementation of targeted sanctions. As sanctions and especially economic sanctions, pose a tool for action “between words and war” they must be regarded as a mean of last resort before war and fulfill highest requirements for their legitimate use. The United Mexican States and their partners of the “Group of Friends of the U.N. Reform” have already addressed and formulated recommendations for that take former criticism into account. Regarding the design of economic sanctions it is indispensable for the success to have the constant support by all member states and public opinion, which is to a large degree dependent on the humanitarian effects of economic sanctions. Sanctions must be tailor-made, designed to effectively target the government, while sparing to the largest degree possible the civil population. Sanction regimes must be constantly monitored and evaluated to enable the world-community to adjust their actions to the needs of the unforeseeably changing situation. Additionally, the United Mexican States propose to increase communication between the existing sanction committees and thus their effectiveness by convening regular meetings of the chairs of the sanction committees on questions of common interest.

II. Democracy and Human Rights in Post-Conflict Regions

As a founding member of the United Nations, Mexico is highly engaged in the Promotion of Democracy and Human Rights all over the world, as laid down in the *Universal Declaration on Human Rights (UDHR)* in 1948. Especially since the democratic transition of Mexico in 2000 it is one of the most urgent topics to stand for Democratization and Human Rights, and Mexico implements this vision on many different fronts.

In the Convoking Group of the intergovernmental Community of Democracies (GC), the United Mexican States uphold an approach that fosters international cooperation to promote democratic values and institution-building at the national and international level. To emphasize the strong interrelation between human rights and the building of democracy and to fortify democratic developments are further challenges Mexico deals with in this committee. A key-factor for the sustainable development of a post-conflict-region is to hold free and fair election and thus creating a democratic system. Being aware of the need of post-conflict countries for support in the preparation of democratic elections, the United Mexican States contribute since 2001 to the work of the International Institute for Democracy and Electoral Assistance (IDEA), an intergovernmental organization operating at international, regional and national level in partnership with a range of institutions. Mexico’s foreign policy regarding human rights is substantially

based on cooperation with international organizations. The Inter American Commission of Human Rights is one of the bodies, Mexico is participating, working on the promotion of Human Rights in the Americas. Furthermore, the Inter-American Court of Human Rights is the regional judicial institution for the application and interpretation of the *American Convention of Human Rights*.

The objectives Mexico pursues are to improve human rights in the country through structural changes and to fortify the legal and institutional frame for the protection of human rights on the international level. Underlining the connection between democracy, development and Human Rights, stresses the importance of cooperation with and the role of the High Commissioner on Human Rights and the reform of the Human Rights Commission to a Human rights Council.

Having in mind the diversity of challenges in enforcing democracy and Human Rights, Mexico considers regional and national approaches vital for their endorsement, as Mexico exemplifies with its *National Program for Human Rights* or the *Plan Puebla Panama*. On the global level, Mexico is encouraged in working on a greater coordination and interoperability among the United Nations and regional organizations, as well as the development of common strategies and operational policies and the sharing of best practices in civilian crisis management should be encouraged, including clear frameworks for joint operations, when applicable.

III. The Promotion of Durable Peace and Sustainable Development in Africa

The United Mexican States welcome the leadership role the African Union has taken regarding the security problems of the continent. Our delegation is furthermore convinced that The New Partnership for Africa's Development (NEPAD) can become the foundation for Africa's economic, social and democratic development as the basis for sustainable peace. Therefore it deserves the full support of the international community.

The development of the United Mexican States in the last two decades is characterized by the transition to a full democracy, the national and regional promotion of human rights and sustainable, economic growth. Mexico's development is characterized by free trade and its regional integration in the North American Free Trade Agreement. Having in mind that sustainable development is based not only on economic, but as well on social and environmental development, President Vicente Fox has made sustainable development a guiding principle in the Mexican Development Plan that includes sustainability targets for all major policy areas.

The United Nations Security Council has established not less than seven peace-keeping missions on the African continent, underlining the need for full support by the international community. In post-conflict situations, we regard national reconciliation as a precondition for a peaceful development, which is the reason why Mexico supported such committees, i.e. in the case of Sierra Leone. The United Mexican States are convinced that an other to enhance durable peace in Africa is the institutional reform of the United Nations. We therefore want to reaffirm our full support to both the establishment of the peace-building commission and the Human Rights Council. Both topics are highly interrelated and, having in mind that the breach of peace is most often linked with severest human rights' abuses, thus need to be seen as two sides of one problem and be approached in this understanding.

As most conflicts have their roots in conflicts about economic resources and development chances, human development and the eradication of poverty must be at the heart of a successful, preventive approach. Lifting people out of poverty must be seen as a precondition not only for peace, but for social development and environmental sustainability.

The United Mexican States want to express their esteem for the decision taken by the G-8 countries for a complete debt-relief for many African Highly-Indebted-Poor-Countries. Nevertheless, many commitments made by the international community that are crucial for Africa's sustainable development are unfulfilled. The developed countries agreed in the *Monterrey Consensus of the International Conference on Financing for Development* (A/CONF.198/11) to increase their Official Development Aid (ODA) "towards the target of 0,7 per cent of gross national product (GNP) as ODA to developing countries and 0,15 to 0,20 per cent of GNP of developed countries to least developed countries". Furthermore, the United Mexican States are disappointed by the result of the Hong Kong Ministerial conference of the World Trade Organization, which once more failed to meet the needs of those, to whom the round was devoted: developing countries and especially African countries, who today, more than ever, are cut off from global trade and prosperity by protectionism.

Committee History

“In our increasingly interdependent world, it is only through cooperation and a revival of multilateralism that the international community can effectively rebalance the world economy, turn recent growth spurts into sustainable development paths, and ensure that all sections of society...are able to reap the benefits.”¹

Introduction

The United Nations Conference on Trade and Development (UNCTAD) deals strongly with economic integration, sustainability and development issues. Serving as a focal point beyond the scope of trade and development, UNCTAD assists developing states with “issues in the areas of finance, technology, investment” as well as the transition process into the global economy.² UNCTAD is committed to promoting a global partnership within the international community, and also aims to establish increased coherence in economic policymaking, equal scales of development and gains of trade for all Member States.³ Developing states, as well as those in economic transition, remain a major priority to the Conference, especially in enacting proper development strategies to “overcome the challenges of globalization.” Currently, the Conference focuses on three missions: consensus building, research and analysis, and technical cooperation.⁴ These missions revolve mainly around the issues of international trade, investment growth and enterprise development, technology, globalization, and the challenges facing the least developed countries (LDCs).⁵ As of 2012, the Geneva-based organization has celebrated 48 years of promoting development-friendly practices in the global community.

Establishment

During the wake of World War II, the majority of trade issues were handled within the newly established system of the General Agreement on Tariffs and Trade and addressed by the United Nation's Economic and Social Council (ECOSOC) and Food and Agricultural Organization.⁶ Additionally, issues of aid and monetary cooperation were negotiated within the Bretton Woods institutions that comprise the World Bank and the International Monetary Fund. Developing countries sought to have their voices heard in the international trade process and argued for a central organization to be established on their behalf.⁷ In 1964, UNCTAD was established by the United Nations General Assembly in Geneva, Switzerland, to provide developing states with an institutional framework for enhancing economic growth.⁸ Despite political and ideological differences among participating states and governments, the Conference saw it as critical to include members “from East, West, and South; representatives of developed and developing countries; of free enterprise and centrally planned economies; of the various blocs formed in Africa, the Middle East, Latin America and Asia.”⁹

A major goal of UNCTAD is to remove structural obstacles to participation in the global economy. UNCTAD strives to ensure LDCs benefit from production and trade. Therefore, it employs policies that promote the formation of strong capital inflows, accelerated exports and preferential treatment towards exports from LDCs.¹⁰ Additionally, UNCTAD serves as a platform for the promotion of international trade as well as means for Member States to address development-related concerns. Over the decades, UNCTAD’s purposes greatly expanded beyond its original intent. Serving as a research and knowledge-based institution, UNCTAD garners support from Member States to promote sustainable development agendas, especially within LDCs. To fulfill its overall mission, the

¹ Taken from the Forward written UNCTAD Secretary General Supachai Panitchpakdi. UNCTAD, *Trade and Development Report, 1981-2011*, 2011, p. vii.

² UNCTAD, *Annual Report*, 2010, p. 2.

³ UNCTAD, *Annual Report*, 2010, p. 2.

⁴ UNCTAD, *Annual Report*, 2010, p. 3.

⁵ UNCTAD, *Annual Report*, 2010, p. 3.

⁶ UNCTAD, *Annual Report*, 2010, p. 3; Friedeberg, *The United Nations Conference on Trade and Development of 1964*, 1969, p.182-83.

⁷ UNCTAD, *UNCTAD: A Brief Historical Overview*, 2006.

⁸ Hagra, *United Nations Conference on Trade and Development: A Case Study in U.N. Diplomacy*. 1965, p. ix, 87-106.; Taylor, *The United Nations Conference on Trade and Development*, 2007, p. ix.

⁹ Hagra, *United Nations Conference on Trade and Development: A Case Study in U.N. Diplomacy*. 1965, pp. 124-26.; Weiss, *Multilateral Development Diplomacy in UNCTAD*, 1986, p. 8.

¹⁰ UNCTAD, *UNCTAD: A Brief Historical Overview*, 2006, p. 2-5.

Conference undertakes “ahead-of-the-curve research,” data accumulation, and provides technical assistance geared towards promoting national and international policies aimed at the specific needs of developing states and transitioning economies.¹¹

The majority of decisions are made during UNCTAD's quadrennial conferences, which serves as the highest decision-making body within UNCTAD and through which Member States formulate policy responses to trade and development challenges facing the global economy.¹² In addition to the quadrennial conference, the structure of UNCTAD contains a leading body, the Trade and Development Board, and two internal commissions: the Trade and Development Commission and the Investment Enterprise and Development Commission. Each commission is comprised of researchers and leading experts who offer their expertise on pressing policy events. Aside from UNCTAD's consensus-building conferences, the Trade and Development Board offers membership to all UNCTAD Member States and accredited intergovernmental and non-governmental organizations that possess observer status. The purpose of the Trade and Development Board is to administer the agendas of the Conference and organize annual sessions held in Geneva to discuss policy issues; these annual sessions are attended by all 193 members.¹³ UNCTAD also houses a subsidiary body of ECOSOC, the Commission on Science and Technology for Development, which reviews the progress made in the implementation of World Summit on the Information Society outcomes at the international and regional levels.¹⁴

At the helm of the entire Conference stands the Office of the UNCTAD Secretariat, which includes the Office of the Secretary-General, the Deputy Secretary-General, the Division of Management and five specialized divisions: the Division on Globalisation and Development Strategies, the Division on International Trade in Goods and Services and Commodities, the Division on Investment Technology and Enterprise Development, the Division on Infrastructure for Development and Trade Efficiency, and the Special Programme for Least Developed, Landlocked and Island Developing Countries. Each division manages research and technical assistance work relevant to its specialization.¹⁵

Inter-agency Relations

UNCTAD works closely with United Nations organs and other international organizations. A close counterpart in the promotion of fair trade practices is the World Trade Organization (WTO).¹⁶ However, the role of trade differs between these organizations. UNCTAD concentrates heavily on promoting development strategies for LDCs and utilizes trade as one of many methods to promote economic development.¹⁷ Conversely, the WTO centers on global trade policies, as its major functions entail negotiating multilateral trade laws and handling dispute settlements.¹⁸ Despite their differences, UNCTAD and the WTO are strategic partners in ensuring that trade facilitates the “integration of developing and least developed countries into the global economy and multilateral trading system.”¹⁹ In 1964, UNCTAD and the WTO formed the International Trade Center, which serves as a focal point between both organizations handling trade related technical assistance.²⁰ Both organizations solidified the partnership by signing a Memorandum of Understanding on April 16, 2003, which employs a legal framework to their joint activities.

Achievements

With every conference, UNCTAD has forged international trade policies favorable to developing states. Over the past five decades, the UNCTAD quadrennial conferences provided major impetus in advancing the position of developing countries in international trade. These developments occurred in three phases. During the first phase in the 1960s and 1970s, UNCTAD established a dialogue between developing and developed states. The Conference

¹¹UNCTAD, *A Brief History of UNCTAD*, 2012.

¹²UNCTAD, *A Brief History of UNCTAD*, 2012.

¹³Friedeberg, *The United Nations Conference on Trade and Development of 1964*, 1969, p.183; UNCTAD, *Commission: Trade and Development*, 2012.

¹⁴UNCTAD. *Commission on Science and Technology for Development: WSIS Follow-up, 2002*.

¹⁵UNCTAD, *The UNCTAD XI Conference: Organizational Structure of UNCTAD*, 2004.

¹⁶UNCTAD, *Dispute Settlement – World Trade Organization*, 2003, p. 32.

¹⁷UNCTAD, *Dispute Settlement – World Trade Organization*, 2012, p. ii-3.

¹⁸Tortora, *Two Multilateral Organisations Dealing with Trade: UNCTAD and WTO*, p. 1-12

¹⁹WTO. *The WTO and United Nations Conference on Trade and Development*, 2012.

²⁰International Trade Center, *ITC's role in the UN and the WTO*, 2012.

also developed a Generalized System of Preferences granting access for developing states into developed markets.²¹ Additionally, the creation of International Commodities Agreements facilitated the stabilization of export prices.²² During the 1980s, the second phase faced a challenging economic and political climate plagued with severe debt crises and rampant privatization of state enterprises. Nonetheless, UNCTAD negotiations fostered cooperation between developing states by enacting the 1989 Agreement on the Global System of Trade Preferences among Developing Countries. The agreement granted Member States the ability to impose tariff and non-tariff related preferences.²³ Since the early nineties, the third phase increased the use of analytical research in its agendas. UNCTAD has greatly advanced the use of analytical research by working closer with experts in the fields of trade, investment and technology. International investment issues increased in prominence with the creation of the United Nations Centre on Transnational Corporations in 1993.²⁴

Critiques

Although UNCTAD has undeniably advanced the role of developing states within the global economy, critics continue to doubt the institution's legitimacy and enforcement powers.²⁵ The quadrennial conferences allow international consensus building on global economic and development issues, however the outcomes are not legally binding. As a result, skeptics question UNCTAD's ability to enforce policies.²⁶ Commonly compared to the WTO, critics doubt UNCTAD as it lacks the abilities to legally enforce policies and agendas.²⁷ UNCTAD also receives criticism from its Member States. Skepticism from UNCTAD's own Member States remains polarized between developing and developed states. Critics from developing states argue that UNCTAD should be endowed with negotiating and implementing functions, as opposed to strictly formulating unenforceable and inoperative recommendations. Such changes would greatly enhance the link between UNCTAD's principles and the actions of states. On the other hand, critics from developed states remain suspicious of further actions to force states to act more along policy lines emerging from UNCTAD.²⁸

Current Actions & Conclusion

In the wake of the financial crisis, Member States continue to struggle with the lingering effects of a weakened global economy. In 2011, many Member States implemented austerity measures to offset slow growth, lagging trade results and decreases in GDP. In its annual Trade and Development Report, UNCTAD encouraged the enactment of austerity measures in developed and developing economies, yet proposed Member States enact long-term measures to address the causes of economic crises in place of short term alleviation.²⁹ UNCTAD also suggested stronger regulation of financial institutions and markets, an issue discussed during the thirteenth quadrennial meeting in Doha, Qatar. UNCTAD also stressed the need for increased financial flows oriented towards supporting economic growth and advancement.³⁰ According to the 2012 Doha Mandate, finance should be used as a means to maintain and advance sustainable economic growth and development.³¹ Additional issues outlined in the Mandate include UNCTAD's collaboration with developing states in attracting foreign investment, working with the LDCs to gain accession into the WTO, and providing research and technical assistance to economies in transition.³² Since the Doha Conference, UNCTAD aims to achieve these goals by promoting synergy between Member States and fellow international organizations. UNCTAD strives toward enhancing the efficiency, transparency, and accountability of the Conference and moving forward with development-centered globalization as its guide.

²¹ UNCTAD, *A Brief History of UNCTAD*, 2012.

²² UNCTAD, *Beyond Conventional Wisdom in Development Policy – An Intellectual History of UNCTAD*, 2004, p. 41.

²³ ODI, *UNCTAD VI: Background and Issues*, 1983, p. 4.

²⁴ UNCTAD, *A Brief History of UNCTAD*, 2012.

²⁵ Finger, *The Transformation of International Public Organizations: The Case of UNCTAD*, 2000, p. 21.

²⁶ Taylor, *The United Nations Conference on Trade and Development*, 2010, p. ix.

²⁷ UNCTAD, *Dispute Settlement – World Trade Organization*, 2003, p. 32.

²⁸ Gosovic, *UNCTAD: Conflict and Compromise*, 1972, p. 218.

²⁹ International Centre for Trade and Sustainable Development, *UNCTAD: Austerity Measures Could Slow Global Economic Recovery*, 2011.

³⁰ UNCTAD, *The Doha Mandate*, 2012.

³¹ UNCTAD, *Closing Plenary: UNCTAD XII adopts two outcome documents at conclusion of Thirteenth Ministerial Meeting*, 2012.

³² UNCTAD, *The Doha Mandate*, 2012.

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UNCTAD. (2012). *A Brief History of UNCTAD*. Retrieved August 7, 2012, from: <http://unctad.org/en/Pages/About%20UNCTAD/A-Brief-History-of-UNCTAD.aspx>.

UNCTAD's website provides a comprehensive history of the Conference. A historical background is given and organized in three chronological phases. The UNCTAD site also provides information on the institution's relations with Member States, other agencies and civil society. Delegates will learn about the history, functions, structure of UNCTAD through the website.

UNCTAD. (2006). *UNCTAD: A Brief Historical Overview*. Retrieved August 5, 2012, from: <http://www.un.org/Docs/journal/asp/ws.asp?m=unctad/gds/2006/1>.

This document gives a detailed overview of the establishment of UNCTAD. It provides a thorough description of the original intent of UNCTAD and highlights UNCTAD's work from its inception to the early 1990s. The document also explains the purpose, functions, and institutional structure of UNCTAD as well as historical events that impacted UNCTAD's agendas throughout the decades.

UNCTAD. (2010). *UNCTAD Annual Report 2010*. Retrieved August 9, 2012, from: http://archive.unctad.org/en/docs/dom2011d1_en.pdf.

The 2010 Annual Report delivers additional information concerning the founding of UNCTAD, its mission as well as progress on UNCTAD agendas. The document expands on the progress of pressings issues facing UNCTAD in 2010 including the tackle of persistent challenges of unemployment and unbalanced labor costs, as well as the global economy's role in increasing extreme poverty. The report further elaborates on the improvements of vocational training and capacity development in least developed countries. Delegates should refer to UNCTAD's Annual Reports for valuable insight into UNCTAD's progress and focus on current issues and agendas.

UNCTAD (1964, December 30) *Resolution A/RES/1995(XIX)*. Retrieved September 22, 2012, from: <http://www.un.org/depts/dhl/resguide/r19.htm>.

This resolution is the founding resolution that originally established the United Nations Conference on Trade and Development as an organ of the General Assembly. The resolution encompasses the original purpose, structure and interests of UNCTAD and also introduces the mandate through which the institution shall follow. Delegates can defer to the resolution's original principles when formulating policies for current issues and challenges.

UNCTAD. (2004). *Beyond Conventional Wisdom in Development Policy - An Intellectual History of UNCTAD (1964-2004)*. Retrieved August 5, 2012, from: http://archive.unctad.org/en/docs/edm20044_en.pdf.

In contrast to general UNCTAD historical publications, this source provides a different perspective on UNCTAD by organizing historical developments according to subject matter such as: international trade, monetary policies, foreign direct investment, and commodity regulations. A chronological background of UNCTAD decisions, recommendations and resolutions will enrich delegates' knowledge on the historical developments and accomplishments of UNCTAD.

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UNCTAD. (2012). *The Doha Mandate*. Retrieved on August 22, 2012, from http://unctad.org/meetings/en/SessionalDocuments/td500_Add_1en.pdf.

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I. Concrete Measures to Promote South-South Cooperation for Development

Introduction

The United Nations Conference on Trade and Development's (UNCTAD) main role is to incentivize economic cooperation among developing countries.³³ Therefore, South-South cooperation is at the center of the UNCTAD's focus, especially as it has grown in importance and is supported by a confluence of policy and market-related factors.³⁴ New opportunities for trade, investment, and economic cooperation among developing countries need to be fully exploited.³⁵ This tendency must be encouraged and its benefits extended to all regions.³⁶ This policy needs to be understood as complementary to North-South cooperation as it is considered crucial in the new conception of endorsing development among developing countries.³⁷

The interaction that developing countries need can be deepened through South-South development cooperation and strengthened market-driven economic relations.³⁸ Solidarity between developing countries is not a new tendency in the international system.³⁹ Cooperation among developing countries was born in the Bandung Conference in 1955 and solidified in 1964 with the creation of the G77 group (today, it consists of 131 members), which was an outcome of the first UNCTAD Conference.⁴⁰ This first conference emerged in the early 60s due to growing concerns about the place of developing countries in international trade.⁴¹ As a response to these worries, developing countries met for the first time in 1964 at Geneva for the First United Nations Conference on Trade and Development.⁴²

Nevertheless, the last decade has been characterized by the resurgence of South-South cooperation after an era where large developing countries were still worried about local development.⁴³ South-South cooperation has acquired growing significance both to academia and policy makers.⁴⁴ In this regard, it is imperative to understand how South-South cooperation may be promoted to achieve development through examination of its history, the framework through which it works, areas where it can be enforced and the future challenges ahead for the international community.

Importance of South-South Cooperation and Areas of Action

Since its beginnings, the concept of South-South cooperation has been premised upon trade and investment between developing countries.⁴⁵ The so-called "rise of the South" is not only changing the economic reality toward a more multi-polar world economy, but is also intensifying economic relations among developing countries through trade, investment, migration, technology transfer and other channels.⁴⁶ The purpose of cooperation between developing countries is to intensify relations between these countries and heighten the importance of imports and exports within this group of countries.⁴⁷ Because of this focus, one of the main areas of expansion in South-South Cooperation – for which solid southern economies are fundamental – is infrastructure development in developing countries, as

³³ United Nations Conference on Trade and Development, *Economic Cooperation and Integration Among Developing Countries: A Brief History, 2012. A Brief History*, 2012.

³⁴ United Nations Conference on Trade and Development, *Economic Cooperation and Integration Among Developing Countries: A Brief History, 2012. A Brief History*, 2012.

³⁵ United Nations Conference on Trade and Development, *Economic Cooperation and Integration Among Developing Countries: A Brief History, 2012. A Brief History*, 2012.

³⁶ United Nations Conference on Trade and Development, *Economic Cooperation and Integration Among Developing Countries: A Brief History, 2012. A Brief History*, 2012.

³⁷ United Nations Conference on Trade and Development, *Economic Cooperation and Integration Among Developing Countries: A Brief History, 2012. A Brief History*, 2012.

³⁸ United Nations Conference on Trade and Development, *Least Developed Countries Report 2011*, 2011, p.97.

³⁹ United Nations Conference on Trade and Development, *Least Developed Countries Report 2011*, 2011, p.97.

⁴⁰ Kragelund P, *The Potential Role of Non-Traditional Donors' Aid in Africa*, 2010.

⁴¹ UNCTAD, *A Brief History of UNCTAD*, 2012.

⁴² UNCTAD, *A Brief History of UNCTAD*, 2012.

⁴³ United Nations Conference on Trade and Development, *Least Developed Countries Report 2011*, 2011, p.97.

⁴⁴ Brautigam D., *China's African Aid: Transatlantic Challenges*, 2008.

⁴⁵ United Nations Conference on Trade and Development, *Least Developed Countries Report 2011*, 2011, p.112.

⁴⁶ United Nations Conference on Trade and Development, *Least Developed Countries Report 2011*, 2011, p.112.

⁴⁷ United Nations Conference on Trade and Development, *Least Developed Countries Report 2011*, 2011, p.112.

these countries often lack infrastructure and facilities to develop it independently.⁴⁸ Studies show that between 1996 and 2009, South-South trade grew at an average of 12% per year, 50% faster than North-South trade.⁴⁹

Given the substantial difference in the rate of economic growth recorded after the 2008—2009 crisis, China and other economies like India, Brazil, South Africa and the Russian Federation, would continue to narrow the gap with advanced economies faster than ever before.⁵⁰ Because the world economy is now much more complex, more integrated and more interdependent than before, a more sophisticated and encompassing global economic governance regime is required in order to ensure its smooth functioning.⁵¹ South-South Cooperation is also important to social issues because the large majority of migrants tend to move within the same region, even if workers with higher education are more inclined to migrate to developed economies.⁵² It is estimated that only one out of four people originating from least developed countries migrated to a developed country, one out of five went to other least developed countries, and approximately half of all migrants went to other developing countries.⁵³

In this context, it is important to highlight the differences between North-South cooperation and South-South cooperation to demonstrate how these may be complementary. Firstly, Southern countries openly found their partnerships on the principles of equality, solidarity, mutual benefit, and non-interference in internal policy.⁵⁴ An important fact to highlight is that South-South donors do not impose any sanctions or ask for any policy in exchange for cooperation and that marks a huge difference with North-South cooperation.⁵⁵ A second key aspect in which South-South development cooperation can complement North-South cooperation refers to the different characteristics between the two parts in a cooperation transaction.⁵⁶ These characteristics include geographical proximity and cultural similarities that actually facilitate cooperation among these actors.⁵⁷ A third element to demonstrate how South-South and North-South development cooperation are complementary refers to the sectors targeted, and the tools used, namely productive sectors and infrastructure.⁵⁸

There are several characteristics to highlight in South-South cooperation in order to understand its importance and areas of action. South-South Cooperation has improved the provision of investment in key areas such as transportation and energy that have been critical for development projects.⁵⁹ In addition, this type of cooperation increases the policy space and the space for action in developing countries.⁶⁰ Another important characteristic of current South-South cooperation is the diversity of actors and relationships.⁶¹ Even though the development assistance of China, India, Brazil, and South Africa has attracted the most attention, many other developing countries provide different forms of cooperation.⁶² Some of these developing countries are between middle-income developing countries such as the Promesa project (Argentina-Peru), or the Development of Modern Greenhouse Practice (Turkey-Uzbekistan).⁶³ Others are between middle-income countries and Least Developed Countries

⁴⁸ United Nations Development Programme, *Enhancing South-South and Triangular Cooperation: Study of the Current Situation and Existing Good Practices in Policy, Institutions, and Operation of South-South and Triangular Cooperation*, 2009, p.59.

⁴⁹ The UNCTAD Unit on Economic Cooperation and Integration among Developing Countries, *Conclusion of the São Paulo Round of the GSTP: A Historical Achievement for South-South Economic Cooperation and Integration*, 2011, p.2.

⁵⁰ Griffith-Jones S., *South-South Financial Cooperation*, 2011.

⁵¹ Griffith-Jones S., *South-South Financial Cooperation*, 2011.

⁵² United Nations Development Programme, *Enhancing South-South and Triangular Cooperation: Study of the Current Situation and Existing Good Practices in Policy, Institutions, and Operation of South-South and Triangular Cooperation*, 2009.

⁵³ Melde S and Ionesco D., *Mainstreaming Migration, Development and Remittances in the LDC Post-Brussels Plan of Action*, 2010.

⁵⁴ United Nations Conference on Trade and Development, *Least Developed Countries Report 2011*, 2011.

⁵⁵ United Nations Conference on Trade and Development, *Least Developed Countries Report 2011*, 2011.

⁵⁶ United Nations Conference on Trade and Development, *Least Developed Countries Report 2011*, 2011.

⁵⁷ United Nations Conference on Trade and Development, *Least Developed Countries Report 2011*, 2011.

⁵⁸ United Nations Conference on Trade and Development, *Least Developed Countries Report 2011*, 2011.

⁵⁹ Griffith-Jones S., *South-South Financial Cooperation*, 2011.

⁶⁰ Griffith-Jones S., *South-South Financial Cooperation*, 2011.

⁶¹ United Nations Conference on Trade and Development, *Least Developed Countries Report 2011*, 2011, p.112.

⁶² United Nations Conference on Trade and Development, *Least Developed Countries Report 2011*, 2011, p.112.

⁶³ United Nations Development Programme, *Enhancing South-South and Triangular Cooperation: Study of the Current Situation and Existing Good Practices in Policy, Institutions, and Operation of South-South and Triangular Cooperation*, 2009, p.60; Nurdun, R., *Turkish International Cooperation and Development Agency*, 2010.

(LDCs) such as the Pro-Huerta project (Argentina–Haiti), or the Kollo project (Tunisia–Niger).⁶⁴ The list of countries engaging in South–South cooperation is long, but in addition to those already mentioned, it is worth pointing out the case of Venezuela, Cuba and Saudi Arabia as active stake holders in this type of cooperation.⁶⁵ These examples indicate that the core of South–South cooperation is of a bilateral nature.⁶⁶ However, triangular cooperation is also present, either with a developed country such as Japan, which is financing the training of nurses provided by Malaysia for Cambodian hospitals, or with an international organization such as the UNCTAD TrainForTrade Programme.⁶⁷

One of the key features of the last decade for South-South Cooperation is the rising importance of developing economies in the global economy.⁶⁸ The key question, from the point of view of least developed countries and their development objectives, is to what extent these emerging relationships can be leveraged to promote the development of productive capacities and the diversification of their economies.⁶⁹ In addition, given the experience of major development partners in the South, South–South cooperation is more likely to support and encourage developmental state building than traditional forms of development cooperation.⁷⁰ According to a report by UNCTAD, there are three channels through which south partners endorse this, which are: “(a) supporting capacity–building efforts; (b) sharing policy lessons; and (c) providing alternative sources of finance.”⁷¹ Another feature of South-South Cooperation is that building productive capacities has been much more integral than traditional development assistance.⁷² Pathways through which South–South cooperation potentially supports the development of productive capacities and abilities are: “(a) through official financial flows for production and economic infrastructure; (b) through investment and technology transfer and support for technological learning at the enterprise-level in LDCs; and (c) through the provision of preferential market access in a manner which permits, or even promotes, learning.”⁷³

South-South Cooperation progress and Actions Taken

There have been great advances in South-South cooperation during the last decades. South-South trade grew, on average, 12% per year from 1996 to 2009, which means it grew 50% faster than North-South trade.⁷⁴ For example, India is now a key trading partner for sub-Saharan Africa, serving as one of the top five sources of goods for at least one third of African countries.⁷⁵ As institution-building has become another focus of South-South initiatives, Brazil, India, and Turkey have all made notable contributions in this area among the countries of the South.⁷⁶ For instance, the Brazilian Cooperation Agency has been coordinating international development activities with a number of national institutions, including the Brazilian Agricultural Research Corporation, in order to implement structural impact projects in the areas of agriculture and food security.⁷⁷ Furthermore, developed countries have provided greater support for South-South and triangular cooperation.⁷⁸ A clear example is the Group of Twenty (G20), which issued its multi-year action plan on development in 2010, highlighting South-South and triangular cooperation as important and innovative tools for information sharing and domestic resource mobilization for sustainable development based on methodologies to scale up knowledge sharing between South-South actors.⁷⁹

⁶⁴ United Nations Development Programme, *Enhancing South-South and Triangular Cooperation: Study of the Current Situation and Existing Good Practices in Policy, Institutions, and Operation of South- South and Triangular Cooperation*, 2009.

⁶⁵ United Nations Development Programme, *Enhancing South-South and Triangular Cooperation: Study of the Current Situation and Existing Good Practices in Policy, Institutions, and Operation of South- South and Triangular Cooperation*, 2009.

⁶⁶ Griffith-Jones S., *South–South financial Cooperation*, 2011.

⁶⁷ United Nations Development Programme, *Enhancing South-South and Triangular Cooperation: Study of the Current Situation and Existing Good Practices in Policy, Institutions, and Operation of South- South and Triangular Cooperation*, 2009.

⁶⁸ Griffith-Jones S., *South–South Financial Cooperation*, 2011.

⁶⁹ Griffith-Jones S., *South–South Financial Cooperation*, 2011.

⁷⁰ United Nations Conference on Trade and Development, *Least Developed Countries Report 2011*, 2011, p.112.

⁷¹ United Nations Conference on Trade and Development, *Least Developed Countries Report 2011*, 2011, p.22.

⁷² United Nations Conference on Trade and Development, *Least Developed Countries Report 2011*, 2011, p.22.

⁷³ United Nations Conference on Trade and Development, *Least Developed Countries Report 2011*, 2011, p.22.

⁷⁴ Griffith-Jones S., *South–South Financial Cooperation*, 2011.

⁷⁵ Griffith-Jones S., *South–South Financial Cooperation*, 2011.

⁷⁶ Griffith-Jones S., *South–South Financial Cooperation*, 2011.

⁷⁷ Brazilian Cooperation Agency. *Brazilian Agricultural Research Corporation: About Us*. 2012.

⁷⁸ Griffith-Jones S., *South–South Financial Cooperation*, 2011.

⁷⁹ G20 Development Working Group, *G20 Multi-Year Action Plan On Development*, 2010.

In terms of capacity development, efforts have focused on providing support to development cooperation agencies of the South with regard to the establishment of good practices.⁸⁰ In the 2010 report of the Ibero-American General Secretariat on South-South cooperation, data from 2009 triangular cooperation projects in Latin America revealed that roughly half of all cooperation projects were focused on economic and social activities and the other half were concentrated in the area of institutional capacity-building for public institutions and civil society, and on the environment.⁸¹ A good South-South Cooperation example is the Benin-Bhutan-Costa Rica case.⁸² In this program, they shared their knowledge and practical experiences, with the intention of contributing to sustainable development goals and long-term partnerships through projects in five different topics.⁸³ These topics include sustainable chains of production and consumption; conservation of biodiversity; sustainable tourism, efficient use of energy and gender equity as a cross-cutting theme to every topic.⁸⁴ The program resulted in 36 different projects that exchange experiences in a very balanced participation working towards development goals through involvement of the local basis.⁸⁵

The G77 and China have continued to provide political guidance for South-South cooperation by leading the debate on this subject at almost every major United Nations conference.⁸⁶ In 2010, the G77 and China also demonstrated strong leadership in supporting the development and adoption of the multi-year Plan of Action for South-South Cooperation on Biodiversity for Development which was endorsed by all states parties to the *Convention on Biological Diversity*.⁸⁷ The commitment of UN Member States to South-South approaches to development was clearly expressed, once again, when they gathered in Nairobi in December 2009 at the High-level United Nations Conference on South-South Cooperation.⁸⁸ The “Nairobi outcome document” of the Conference, adopted in 2009 by the General Assembly in its resolution 64/222, provides a clear set of principles and broad objectives for South-South cooperation, as well as priority issues and areas requiring the support of the international community, especially from the entities of the United Nations development system.⁸⁹ This document mainly invited developed countries to support South-South cooperation through triangular cooperation; it also calls for the improvement of data collection in order to promote cooperation in the development of methodologies and statistics; and encourages countries to enhance their national coordination systems.⁹⁰

Apart from individual agencies, funds, and programs developing their own policies and procedures on South-South cooperation, the United Nations system overall is working to strengthen integrated approaches.⁹¹ This is projected in the inclusion of South-South cooperation in the United Nations Guidelines for United Nations country teams, which embraces all the entities of the UN system in countries with UN Programs representation (today 180 countries), on preparing common country assessments and the *United Nations Development Assistance Framework (UNDAF)* process, which is aimed at incorporating South-South cooperation into regional and country-level programs.⁹² The United Nations Environmental Programme (UNEP) has piloted a South-South cooperation exchange mechanism to enable systematic documentation and sharing of successful case studies on South-South projects and initiatives in

⁸⁰ United Nations Secretary-General, *The State of South-South Cooperation - A/66/229*, 2011.

⁸¹ Iberoamerican General Secretariat, *Report on South-South Cooperation in Ibero America 2010*, 2010.

⁸² Task Team on South-South Cooperation, *Programme of South-South Cooperation Benin-Bhutan-Costa Rica (PSC) Case Story Information*, 2012.

⁸³ Task Team on South-South Cooperation, *Programme of South-South Cooperation Benin-Bhutan-Costa Rica (PSC) Case Story Information*, 2012.

⁸⁴ Task Team on South-South Cooperation, *Programme of South-South Cooperation Benin-Bhutan-Costa Rica (PSC) Case Story Information*, 2012.

⁸⁵ Task Team on South-South Cooperation, *Programme of South-South Cooperation Benin-Bhutan-Costa Rica (PSC) Case Story Information*, 2012.

⁸⁶ United Nations Secretary-General, *Promotion of South-South Cooperation for Development: A Thirty-Year Perspective - A/64/504*, 2009.

⁸⁷ United Nations Secretary-General, *The State of South-South Cooperation - A/66/229*, 2011.

⁸⁸ United Nations Secretary-General, *Promotion of South-South Cooperation for Development: A Thirty-Year Perspective - A/64/504*, 2009.

⁸⁹ United Nations Department of Public Information, *Adopting Nairobi Outcome Document, South South Conference Encourages Developing Countries To Make Cooperative Efforts Work Better In Tackling Challenges*, 2009.

⁹⁰ United Nations Department of Public Information, *Adopting Nairobi Outcome Document, South South Conference Encourages Developing Countries To Make Cooperative Efforts Work Better In Tackling Challenges*, 2009.

⁹¹ United Nations Secretary-General, *The State of South-South Cooperation - A/66/229*, 2011.

⁹² United Nations Secretary-General, *The State of South-South Cooperation - A/66/229*, 2011.

the field of the environment and sustainable development.⁹³ Similar efforts have been made by the United Nations Educational, Scientific and Cultural Organization (UNESCO), which has set up the International Centre for South-South Cooperation in Science, Technology and Innovation, in Kuala Lumpur; and the United Nations Industrial Development Organization (UNIDO), which has established the South-South Cooperation Center in Beijing.⁹⁴ In addition to an emphasis on knowledge sharing, the United Nations system has also stressed the need for innovative funding mechanisms to manage South-South and triangular partnerships.⁹⁵ Some examples include the newly established \$30 million Food and Agriculture Organization trust fund for South-South cooperation supported by China to assist select African countries; the India-Brazil-South Africa Facility for Poverty and Hunger Alleviation; and the UNESCO South-South Cooperation Fund to support its South-South cooperation program for education, which is focused on meeting the goal of “education for all” and other Millennium Development Goals through exchanges of experience, knowledge and good practices on a South-South and triangular basis.

South-South Cooperation Framework

It is important to understand the established framework in which South-South cooperation operates; there have been several agreements that are worth mentioning.

São Paulo Round

The third round of negotiations of the Global System of Trade Preferences Among Developing Countries (GSTP), also known as the “São Paulo Round” was successfully concluded in December 2010 after six years of negotiations.⁹⁶ As stated by the Permanent Representative of Brazil to the World Trade Organization, the conclusion of the São Paulo Round was “seen at the beginning as an opportunity for complementing market opportunities which could not be achieved by a successful outcome of the Doha Round.”⁹⁷ This creates an opportunity for expansion and diversification of trade among participating countries.⁹⁸ In addition, it reaffirms the growing role of South-South Economic Cooperation, thus encouraging the participation of other members.⁹⁹ The São Paulo Round led to an agreement reflecting the willingness of developing countries to negotiate trade agreements in a balanced way as it leaves space for protecting sensitive sectors of the participating nations.¹⁰⁰ An UNCTAD Secretariat note presented at the fifty-seventh session of the Trade and Development Board in September 2010 reaffirmed the significance of the market of the 43 participants, some 20% of world imports.¹⁰¹ This initiative represents one of the strongest South-South cooperation opportunities today.

Buenos Aires Plan of Action

In 1978, the Buenos Aires Plan of Action was one of the first attempts made by the international community regarding South-South cooperation. More than 100 development specialists from around the world assisted participants of the Buenos Aires Conference.¹⁰² The Buenos Aires Plan of Action contains a blueprint of major changes regarding development assistance as well as emphasis on national and collective support between developing countries.¹⁰³ This plan was adopted in 1978 and throughout the following decades, there have been several UN General Assembly resolutions supporting this plan of action.¹⁰⁴ There are two main points in the Plan of Action to bear in mind. Firstly, the document states the duty of promoting and implementing technical cooperation among developing countries and recognized for the first time that this type of cooperation would make international

⁹³ United Nations Secretary-General, *The State of South-South Cooperation - A/66/229*, 2011.

⁹⁴ United Nations Secretary-General, *The State of South-South Cooperation - A/66/229*, 2011.

⁹⁵ United Nations Development Programme, *Enhancing South-South and Triangular Cooperation: Study of the Current Situation and Existing Good Practices in Policy, Institutions, and Operation of South-South and Triangular Cooperation*, 2009.

⁹⁶ The UNCTAD Unit on Economic Cooperation and Integration among Developing Countries, *Conclusion of the São Paulo Round of the GSTP: A Historical Achievement for South-South Economic Cooperation and Integration*, 2011, p.1.

⁹⁷ The UNCTAD Unit on Economic Cooperation and Integration among Developing Countries, *Conclusion of the São Paulo Round of the GSTP: A Historical Achievement for South-South Economic Cooperation and Integration*, 2011, p.3.

⁹⁸ The UNCTAD Unit on Economic Cooperation and Integration among Developing Countries, *Conclusion of the São Paulo Round of the GSTP: A Historical Achievement for South-South Economic Cooperation and Integration*, 2011, p.2.

⁹⁹ South Centre, *GSTP São Paulo Round Concludes: A South-South Cooperation Milestone*, 2011.

¹⁰⁰ The UNCTAD Unit on Economic Cooperation and Integration among Developing Countries, *Conclusion of the São Paulo Round of the GSTP: A Historical Achievement for South-South Economic Cooperation and Integration*, 2011, p.6.

¹⁰¹ South Centre, *GSTP São Paulo Round Concludes: A South-South Cooperation Milestone*, 2011.

¹⁰² Special Unit for Technical Cooperation among Developing Countries, *The Buenos Aires Plan of Action*, 1994.

¹⁰³ High Level United Nations Conference on South-South Cooperation, *Buenos Aires Plan of Action*, 2009.

¹⁰⁴ High Level United Nations Conference on South-South Cooperation, *Buenos Aires Plan of Action*, 2009.

cooperation more effective.¹⁰⁵ Secondly, the Plan of Action endorses the resolutions adopted by the conference in Namibia on the topics of reinforcing national research and training centers of multinational scope, and technical cooperation between developing countries in the field of employment and human resources.¹⁰⁶ This attempt represents the first of several international agreements that would conform to the framework of South-South cooperation with the objective of accelerating development in developing countries.

Accra Accord

During the UNCTAD XII held in Accra, Ghana, in 2008, discussion especially focused on aid effectiveness for development.¹⁰⁷ One of the main topics of the meeting was the importance of South-South cooperation in the sense of effectiveness in cooperation towards sustainable development.¹⁰⁸ Trade and collaboration with the objective of attaining dynamic economies between developing countries were the foci of this sub-topic in the agreement.¹⁰⁹ The Accra Accord, result from UNCTAD XII, brought recommendations delineating the streamlines to achieve greater benefits from South-South cooperation, and recognizes the importance of this type of collaboration for countries that are willing to go forward.¹¹⁰

Future Challenges

There are several future challenges that need to be addressed by the international community through South-South cooperation, and two features are particularly important for future consideration.¹¹¹ One of those features is that, especially in the case of South-South cooperation, state building cooperation between countries that is different from conventional cooperation should be supported.¹¹² The second feature is to develop productive capacities for commodities or elaborated products as the productive area has to be present in countries towards development so they start exporting more than importing.¹¹³

These are not the only features to mention when discussing the problems that should be addressed in the future as there are several areas that must be improved to promote development in the Global South. Events such as the world economic recession have led entities like the G8, the OECD, the European Union, and various parts of the UN system, including the World Bank, to undertake concrete steps to support developing countries in South-South and triangular partnerships. This also works to promote dialogue and collaboration for more efficient and cost-effective allocation of assistance during a time of global crisis.¹¹⁴ Moreover, industrialization and productive capacity imbalances across the global South are affecting national efforts to meet the Millennium Development Goals by 2015 and this is a challenge that needs to be addressed through South-South cooperation as well as with other development policies.¹¹⁵ One of the principal issues that developing countries must combat is domestic inequality levels. Research shows that 72 % of the world's poor, or 960 million people, live in middle-income countries, while only 1/4, roughly 370 million, live in low-income countries.¹¹⁶ This represents an important challenge, as these gaps must be addressed through comprehensive policy changes, the effects of which are only observable in the medium to long-term.¹¹⁷ Furthermore, challenges of coordination among various actors and financing remain.¹¹⁸ The trend among the entities of the UN system towards longer term initiatives that strategically incorporate South-South approaches is a necessary change from ad hoc projects, but the multiplicity of plans, projects and programs across

¹⁰⁵ Special Unit for Technical Cooperation among Developing Countries, *The Buenos Aires Plan of Action*, 1994.

¹⁰⁶ Special Unit for Technical Cooperation among Developing Countries, *The Buenos Aires Plan of Action*, 1994.

¹⁰⁷ United Nations Conference on Trade and Development 12th Session, *Accra Accord*, 2008.

¹⁰⁸ United Nations Conference on Trade and Development 12th Session, *Accra Accord*, 2008.

¹⁰⁹ United Nations Conference on Trade and Development 12th Session, *Accra Accord*, 2008.

¹¹⁰ United Nations Conference on Trade and Development 12th Session, *Accra Accord*, 2008.

¹¹¹ United Nations Conference on Trade and Development, *Multi-year Expert Meeting on International Cooperation: South-South Cooperation and Regional Integration (Fourth Session)*, 2012.

¹¹² United Nations Conference on Trade and Development, *Multi-year Expert Meeting on International Cooperation: South-South Cooperation and Regional Integration (Fourth Session)*, 2012.

¹¹³ United Nations Conference on Trade and Development, *Multi-year Expert Meeting on International Cooperation: South-South Cooperation and Regional Integration (Fourth Session)*, 2012.

¹¹⁴ United Nations Conference on Trade and Development, *Research and Policy Analysis on LDCs*, 2012.

¹¹⁵ United Nations Secretary-General, *The State of South-South Cooperation - A/66/229*, 2011.

¹¹⁶ United Nations Secretary-General, *The State of South-South Cooperation - A/66/229*, 2011.

¹¹⁷ United Nations Conference on Trade and Development, *Research and Policy Analysis on LDCs*, 2012.

¹¹⁸ United Nations Secretary-General, *The State of South-South Cooperation - A/66/229*, 2011.

the system could benefit from the use of stronger coordination entities and mechanisms to further ensure effectiveness and avoid overlapping.¹¹⁹

Conclusion

The importance of South-South cooperation is unquestionable and its growing role as one of the most effective strategies to achieve development increases its importance in the international spectrum. Understanding that South-South Cooperation is not a substitute for traditional North-South cooperation, the growth of trade and foreign direct investment has been spectacular over the past years and proves the importance of this trend of cooperation. Moreover, the growth of some developing countries and their policy statements of helping their fellow countries with limited conditions or sanctions represent evolution and maturity as well as an understanding that through cooperation, the goal of development is more attainable. In this context, how can countries institutionalize South-South Cooperation to make it more effective? How can foreign direct investment be increased? How can trade be guaranteed among developing countries? How can cooperation in the South include social features such as migration or even state development? What are some new ways in which South-South cooperation may be improved? How may countries promote better articulation between institutions in the framework in order to gain efficiency? How can countries develop new ways of coordination for cooperation between southern partners? How can this type of cooperation be more complementary with North-South cooperation? These are some of the questions to be answered but as the Millennium Development Goals remain key objectives to attain for developing countries, South-South cooperation can prove to be a great tool to achieve these goals.

¹¹⁹ Ban Ki-Moon, The State of South-South Cooperation, 2011, A/66/229.

Annotated Bibliography

Griffith-Jones S (2011). *South–South Financial Cooperation*. New York and Geneva.

This document is a background paper prepared for UNCTAD's The Least Developed Countries Report 2011. It specifically examines South–South financial cooperation, in the context of a new development strategy for Least Developed Countries (LDCs). The paper provides delegates a guide for preparing effective South–South financial links through new ideas and suggestions that take in account the policy and analytical context of the countries involved. The conclusions made in the document will allow delegates to develop more topics and ideas for their working papers.

Hickling-Hudson, A. (May, 2004). *South-South Collaboration Cuban Teachers in Jamaica and Namibia*. Vol 40, No.2: 289-311.

This document facilitates a vivid experience of South-South cooperation between countries that are not in a favorable economic position in relation to other developing countries. It presents a different perspective from the usual economic perception of cooperation and validates the theory of how South-South cooperation must be conceived. This document is used as a case study on how this kind of cooperation is a good example of promoting development among South countries.

United Nations Conference on Trade and Development. (January, 2011). *Conclusion of the São Paulo Round of the GSP: A Historical Achievement for South-South Economic Cooperation and Integration*.

This document presents the conclusions that the Sao Paulo Round brought regarding trade preferences agreements. These conclusions bring innovative trends regarding multilateral agreements that South countries could use in order to benefit from this kind of cooperation. This is a source that would definitely help develop a proposal in order to plan a good strategy to promote South-South cooperation to promote development in developing countries.

United Nations Conference on Trade and Development. (2012). *Economic Cooperation and Integration Among Developing Countries: A Brief History*. Retrieved August 3, 2012 from

<http://unctad.org/en/pages/gds/Economic%20Cooperation%20and%20Integration%20among%20Developing%20Countries/Economic-Cooperation-and-Integration-among-Developing-Countries-A-Brief-History.aspx>

Fundamental concepts and facts are delivered in this Web page. The history of the South-South cooperation concept and its evolution is presented in such a way that delegates may understand why this type of cooperation is a solution to development issues in certain countries. It is imperative to delineate the areas where improvements can be done ergo develop strategies to do so.

United Nations Conference on Trade and Development. (2012). *Interrelated Framework for Trade-related Technical Assistance to LDCs*. Retrieved August 7, 2012 from

<http://unctad.org/en/pages/aldc/Least%20Developed%20Countries/Integrated-Framework-for-Trade-related-Technical-Assistance-to-LDCs.aspx>

This document provides a brief explanation on how the Interrelated Framework for Trade-related Technical Assistance to LDCs (IF) was created and its main supporters. Moreover it explains the main objectives of the body as to facilitate the coordinated delivery of the assistance and integration of trade into the national development plans of the recipient countries. It is an important body for delegates to rely on during their work in the committee.

United Nations Conference on Trade and Development. (2012). *Multi-year Expert Meeting on International Cooperation: South-South Cooperation and Regional Integration (Fourth Session)*. Retrieved August 6, 2012 from

<http://unctad.org/en/Pages/MeetingDetails.aspx?meetingid=51>

The Multi-year Meeting on International Cooperation: South-South Cooperation and Regional Integration will take place in October 2012. It is important for delegates to keep track on the outcomes, especially on the topics that will be discussed: Promoting South–South cooperation to build productive capacities, including in the agricultural sector, in developing countries and transition economies; and Trade financing and the role of regional financial institutions in promoting South–South trade and investment.

United Nations Conference on Trade and Development. (2012). *Research and Policy Analysis on LDCs*. Retrieved August 6, 2012 from <http://unctad.org/en/Pages/ALDC/Least%20Developed%20Countries/Research-and-Policy-Analysis-on-LDCs.aspx>

This link is a highly recommended reading in order to understand the concept of Least Developed Countries. It provides a brief and clear explanation of their treatment within the United Nations System, the criteria LDCs meet (low income, weak human assets and economic vulnerability) and the areas of international cooperation (multilateral trading system, field of developing financing and area of technical assistance).

United Nations Conference on Trade and Development. (2011). *The Least Developed Countries Report*.

In order to work on a proposal that may help countries cooperate between them towards an objective, facts and statistics are essential to design an applicable strategy. This source provides charts and key facts that help understand the situation of Least Developed Countries and the opportunities to improve channels of communication towards better cooperation. This document will help delegates understand the limitations of their potential proposals as well as the areas for improvement.

United Nations Development Programme (2009). *Enhancing South-South and Triangular Cooperation: Study of the Current Situation and Existing Good Practices in Policy, Institutions, and Operation of South-South and Triangular Cooperation*. New York.

In order to generate substantial and viable proposals it is necessary to keep in mind what has been done as well as current practices of South-South cooperation. This document examines these issues in several areas through various conferences and studies. It is a great source if investigation as it includes information such as pivotal beneficiary and donor countries and international organizations and case studies of good practices.

United Nations General Assembly. (August, 2011). *Report of the Secretary General: The State of South-South Cooperation (A/66/229)*. Retrieved August 16, 2012 from: <http://www.un.org/Docs/journal/asp/ws.asp?m=A/66/229>

The United Nations Secretary General provides a report on the current situation on South-South Cooperation periodically. This report is based on analyzing the latest trends of this kind of cooperation providing interesting inputs to new challenges and suggestions to enforce these relations in order to work towards development. This source provides future perspectives and possible options to enhance this topic.

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II. Harnessing Resource Extraction for Further Development Gains

“Resource-rich countries often do not pursue sustainable growth strategies. They fail to recognize that if they do not reinvest their resource wealth into productive investments above ground, they are actually becoming poorer.”¹²⁰

Introduction

The financial stability of commodity-dependent developing countries (CDDCs) continues to fluctuate on the volatile shifts in international markets.¹²¹ Of the 141 states classified as “developing” by the United Nations Development Programme, 95 depend on resource extraction and primary commodities for at least 50 % of export revenues.¹²² Record-low commodity prices in the 1980s and 1990s led to widespread underinvestment in agriculture and resource extraction industries, setting the stage for volatile swings in commodity prices throughout the least decade.¹²³ In that decade alone, the number of CDDCs jumped from 85 states in 2002 to the current 95.¹²⁴ That rapid increase, combined with a deepening dependence of CDDCs to commodity exports, has prompted the United Nations Conference on Trade and Development (UNCTAD) to highlight the issue of development and resource extraction.¹²⁵

Resource extraction, broadly, encompasses mining, oil, gas, forestry, and agricultural industries. While agriculture does not meet the traditional definition of resource extraction—namely that the resource be exhaustible—the discussion on commodity dependence and sustainable development is the same for all primary commodities.¹²⁶ The inherent issue of commodity dependence is managing price volatility; for sustainable development, a state must invest profits from periods of high prices to strengthen their economy for periods of low prices.¹²⁷ Aggregate trends over the past fifty years of all commodities show a 39 % decline in real prices.¹²⁸ In recent years, prices declined from 1995-2001 before dramatically increasing from 2002-2008.¹²⁹ To better demonstrate the recent market volatility, prices at the end of 2001 were 33 % below 1995 levels, yet from December 2001 to April 2008 prices rose 224 %.¹³⁰

Despite price volatility, primary commodities as a share of total exports in least developed countries (LDCs) rose from 70 % in 2000 to 78 % in 2009.¹³¹ The largest increase occurred in the Pacific region where the export share rose from 67 % to 80 %, however, Africa retained the largest dependence on commodities with the export share rising from 89 % to 92 %.¹³² In relation to development, these changes in commodity prices have an 87 % correlation to economic growth rates in LDCs.¹³³

¹²⁰ Stiglitz, *From Resource Curse to Blessing*, 2012.

¹²¹ South Centre, *Problems and Policy Challenges Faced by CDDCs*, 2005, pp.5-9.

¹²² United Nations Development Programme, *Toward Human Resilience: Sustaining MDG Progress in an Age of Economic Uncertainty*, 2011, p. 58.

¹²³ United Nations Conference on Trade and Development, *Global Commodities Forum 2011 Report*, pp. 11-16.

¹²⁴ United Nations Conference on Trade and Development, *Commodity-producing countries need to benefit from value-added exports*, says UN, 2012.

¹²⁵ United Nations Conference on Trade and Development, *Commodity-producing countries need to benefit from value-added exports*, says UN, 2012.

¹²⁶ Collier, *Managing Resource Revenues in Developing Economies*, 2012, pp.1-2.

¹²⁷ Jourdan, *Challenges of LDC Resource-Based Development*, 2008, p. 2.

¹²⁸ United Nations Development Programme, *Toward Human Resilience: Sustaining MDG Progress in an Age of Economic Uncertainty*, 2011, p. 62.

¹²⁹ United Nations Development Programme, *Toward Human Resilience: Sustaining MDG Progress in an Age of Economic Uncertainty*, 2011, p. 62.

¹³⁰ United Nations Development Programme, *Toward Human Resilience: Sustaining MDG Progress in an Age of Economic Uncertainty*, 2011, p. 62.

¹³¹ United Nations Development Programme, *Toward Human Resilience: Sustaining MDG Progress in an Age of Economic Uncertainty*, 2011, p. 62.

¹³² United Nations Development Programme, *Toward Human Resilience: Sustaining MDG Progress in an Age of Economic Uncertainty*, 2011, p. 62.

¹³³ United Nations Development Programme, *Toward Human Resilience: Sustaining MDG Progress in an Age of Economic Uncertainty*, 2011, p. 68.

The Resource Curse and Dutch Disease

The resource curse is a controversial theory saying that, on average, states with higher levels of natural resources perform worse economically.¹³⁴ There are multiple reasons for this lower performance including volatility in resource revenues from market swings, declining investment in other economic sectors, and government mismanagement of the resource and revenues.¹³⁵ From 1965 to 1998, the oil-rich states of Iran and Venezuela grew at a -1 % GNP per capita rate, while Iraq and Kuwait grew at a -3 % rate.¹³⁶ Similarly, resource-rich states including Congo, Nigeria, Bolivia, and Sierra Leone grew slower than the relatively resource-poor “Asian Tigers” of Southeast Asia.¹³⁷ While many studies demonstrate a correlation between natural resource abundance and poor growth rates, critics of the theory cite notable exceptions to the resource curse including Australia, Canada, Finland, New Zealand, Norway, and the United States of America—both resource-abundant and economically rich states.¹³⁸ More significantly, a number of developing states have successfully harnessed commodity export gains for development. For example, the United Arab Emirates have enhanced development by reinvesting oil revenues in infrastructure and education.¹³⁹ Likewise, Botswana has invested diamond wealth into education and other growth sectors.¹⁴⁰

Dutch disease is another aspect of the resource curse that explains the relationship between the resource extraction and manufacturing sectors. Under this model, a favorable “shock” to a state’s commodity sector (higher prices, discovery of new resources, etc.) leads to higher revenues for a state, ultimately leading to currency appreciation.¹⁴¹ As the currency strengthens, exports become more expensive for other states to buy, harming other sectors.¹⁴² The model, originally coined by *The Economist*, describes the situation in the Netherlands in 1977 when natural gas was discovered in the North Sea and significant declines in the manufacturing sector resulted.¹⁴³ As a more recent example, the issue of Dutch Disease in developed economies came to the forefront when the opposition political party in Canada blamed Canada’s oil boom for the loss of 500,000 manufacturing jobs.¹⁴⁴ Regardless of the truth to those accusations, they highlight the need for both developed and developing states to address Dutch Disease and the resource curse in relation to development gains.

Policy Options for Development

Revenues from resource extraction, like the resource itself, are finite and exhaustible.¹⁴⁵ This fixed nature means that states cannot rely on resource revenues for long-term sustainable growth.¹⁴⁶ Combining commodity price volatility with this fixed nature means that revenues from resource extraction are both unreliable and relatively temporary.¹⁴⁷ Essentially, if a state relies solely on resource extraction, revenues are both unsustainable and at the mercy of market price volatility. For sustainable development, governments must balance the allocation of commodity revenues between savings and investment in social programs, capital investment, and other industries.¹⁴⁸ Importantly, there is no “silver bullet” for curing the resource curse but rather a myriad of options for policymakers

¹³⁴ Stiglitz, *We can now cure Dutch disease*, 2004.

¹³⁵ Frankel, *The Natural Resource Curse: A Survey*, 2010, p. 1-2.

¹³⁶ Larsen, *Escaping the Natural Resource Curse and the Dutch Disease? Norway’s Catching up with and Forging ahead of Its Neighbors*, pp. 1-2.

¹³⁷ Arezki, *Can the Natural Resource Curse Be Turned Into a Blessing? The Role of Trade Policies and Institutions*, 2007, pp. 1-2.

¹³⁸ Jourdan, *Challenges of LDC Resource-Based Development*

¹³⁹ Jourdan, *Challenges of LDC Resource-Based Development*

¹⁴⁰ Arezki, *Can the Natural Resource Curse Be Turned Into a Blessing? The Role of Trade Policies and Institutions*, 2007, pp. 1-2.

¹⁴¹ Brahmabhatt, *Dealing with Dutch Disease*, 2010, p. 1.

¹⁴² Brahmabhatt, *Dealing with Dutch Disease*, 2010, p. 1.

¹⁴³ Barder, *A Policymakers’ Guide to Dutch Disease*, 2006, p. 4.

¹⁴⁴ Whittington, *Carney rejects Dutch Disease diagnosis for Canada*, 2012.

¹⁴⁵ Collier, *Managing Resource Revenues in Developing Economies*, 2009, p. 1.

¹⁴⁶ Collier, *Managing Resource Revenues in Developing Economies*, 2009, p. 1.

¹⁴⁷ Collier, *Managing Resource Revenues in Developing Economies*, 2009, pp. 1-2.

¹⁴⁸ United Nations Development Programme, *Managing Natural Resources for Human Development in Low-Income Countries*, 2011, pp. 1-2.

to tailor to each state.¹⁴⁹ Investment options can broadly be divided into market stability, physical capital investment, social investment, and institutional investment.¹⁵⁰

The first policy option is to attempt to balance the “boom and bust” cycles of commodity price volatility. These cycles are often uneven, with “boom” periods not always balancing the “bust” periods and vice versa, and lead to violent swings in capital flows and government spending.¹⁵¹ Investments in stability work to balance market cycles through stabilization funds, price hedging, and the accumulation of central bank reserves.¹⁵² To better illustrate these policies, in 2008, Mexico purchased an option to sell its 2009 oil production for \$70 per barrel (at the time oil was over \$100 per barrel).¹⁵³ When the price of oil collapsed to below \$40 per barrel in 2009, Mexico exercised its option to sell at nearly twice the market price.¹⁵⁴ While not completely balancing the reduction from \$100 per barrel, this action significantly reduced the volatility Mexico experienced. Similarly, Chile’s Economic and Social Stabilization Fund uses copper export revenues to balance government spending against price volatility.¹⁵⁵

Investment in physical capital, as in the case of the United Arab Emirates mentioned above, contributes to sustainable development by creating or strengthening other sectors of the economy. These investments generally support the economy in two forms: 1) basic public infrastructure including transportation, communications, energy production, and public works (schools, hospitals, etc.), and 2) collateral infrastructure to support or create other sectors like agriculture, tourism, and other service industries.¹⁵⁶ Collateral infrastructure investment, whereby other sectors can use the same infrastructure built for extractive industries, not only combats the resource curse, but also counters Dutch Disease by strengthening other industries.¹⁵⁷ Building on recent copper price booms, Zambia is an example of a state that has sought this form of investment to diversify its economy beyond dependence on mining.¹⁵⁸ Zambia’s Fifth National Development Plan and Vision 2030 strongly emphasized improvements to transportation, communications, and power generation—the foremost constraints to economic growth.¹⁵⁹ While the commodity price crashes of 2008 and 2009 severely inhibited progress on this plan, Zambia made significant gains in the quality of its roadways, and expressed its continued resolve in the Sixth National Development Plan.¹⁶⁰

Social investment focuses on many of the same forms of infrastructure as physical capital investment, but with the purpose of improving human capital to increase productivity.¹⁶¹ Investing in education, healthcare, sanitation, and access to clean water, along with investments in transportation and power production, all work to develop a more educated, healthier, and productive workforce.¹⁶²

Institutional investment in good governance, though not a concrete, financial investment, is perhaps the best method of harnessing gains from resource extraction for development. Studies using World Bank economic data and the

¹⁴⁹ United Nations Development Programme, *Managing Natural Resources for Human Development in Low-Income Countries*, 2011, pp. 2-3.

¹⁵⁰ United Nations Development Programme, *Managing Natural Resources for Human Development in Low-Income Countries*, 2011, pp. 3-5.

¹⁵¹ United Nations Development Programme, *Managing Natural Resources for Human Development in Low-Income Countries*, 2011, pp. 7-8.

¹⁵² United Nations Development Programme, *Managing Natural Resources for Human Development in Low-Income Countries*, 2011, pp. 7-8.

¹⁵³ United Nations Development Programme, *Managing Natural Resources for Human Development in Low-Income Countries*, 2011, pp. 8.

¹⁵⁴ United Nations Development Programme, *Managing Natural Resources for Human Development in Low-Income Countries*, 2011, pp. 7.

¹⁵⁵ United Nations Development Programme, *Managing Natural Resources for Human Development in Low-Income Countries*, 2011, pp. 8.

¹⁵⁶ Jourdan, *Challenges of LDC Resource-Based Development*, 2009, p. 7.

¹⁵⁷ Jourdan, *Challenges of LDC Resource-Based Development*, 2009, p. 7.

¹⁵⁸ Adam, *Harnessing Resource revenues for Prosperity in Zambia*, 2009, pp. 37-38.

¹⁵⁹ Adam, *Harnessing Resource revenues for Prosperity in Zambia*, 2009, pp. 37-38.

¹⁶⁰ Republic of Zambia, *Sixth National Development Plan 2011-2015*, 2011, pp. 54-58.

¹⁶¹ United Nations Development Programme, *Managing Natural Resources for Human Development in Low-Income Countries*, 2011, pp. 8-9.

¹⁶² United Nations Development Programme, *Managing Natural Resources for Human Development in Low-Income Countries*, 2011, pp. 8-9.

Political Risk Service's corruption index demonstrate that corruption tends to be higher in resource-rich states.¹⁶³ To extrapolate: natural resource riches tend to cause corruption, and corruption, in turn, tends to decrease economic performance and development.¹⁶⁴ Further, the establishment of independent, accountable, transparent government institutions is the strongest countermeasure to corruption in managing the allocation of revenues from resource extraction.¹⁶⁵ While many experts argue that these institutions can only truly exist under democratic forms of government, even relatively autocratic forms of government with strong checks and balances can successfully allocate resource revenues.¹⁶⁶ Botswana exemplifies the role of strong institutions in distributing resource wealth. After the discovery of diamonds, Botswana expropriated mining rights away from the tribal level to the national government, transforming the resource into a national interest rather than a matter of regional development.¹⁶⁷ Transparent government institutions were then able to evenly distribute the revenues on an accountable basis.¹⁶⁸

Case Study: Chile

Chile is the world's largest producer of copper, supplying approximately 43 % of global copper exports.¹⁶⁹ The "modern" history of Chile's copper industry began in 1973 with the nationalization of the country's mines to form the state-owned Corporación Nacional del Cobre de Chile (CODELCO).¹⁷⁰ Following a military coup d'état in late 1973, the Pinochet government began the privatization of state-owned-enterprises, with the notable exception of CODELCO.¹⁷¹ While CODELCO's share of copper production continues to shrink, its continued existence demonstrates the importance Chile places on the copper industry.

Chile's successful transformation of extraction revenues into broader development can be attributed to a wide portfolio of policy decisions by the Chilean government. During the nationalization process of the 1970s, a multitude of new sectors were developed including fruit, salmon, cellulose, wine, and methanol.¹⁷² As a result of the emphasis in diversification, Chile's agricultural sector thrived and focused increasingly on value-added production—while table grapes remained Chile most important fruit export, wine production and exportation became significant by the 1980s.¹⁷³

The most recognizable aspect of Chile's policy portfolio is the Copper Stabilization Fund (CSF). The CSF was created in 1985 to smooth the impact of copper price volatility and began full operation in 1987 when CODELCO made the first deposit into the fund.¹⁷⁴ Today the CSF has been renamed the Economic and Social Stabilization Fund (ESSF) but maintains the same functions. When copper prices are high, a portion of revenues are deposited into the fund; when copper prices decrease and government revenue falls, the fund is used to supplement government spending.¹⁷⁵ Record copper prices through the mid-2000s led to an accumulation of \$20 billion in the ESSF.¹⁷⁶ When copper prices greatly decreased in 2008 and government revenues significantly fell, the fund was used to supplement government spending, finance a \$4 billion public works investment in 2009, and support reconstruction following the 2010 earthquake.¹⁷⁷

¹⁶³ Bhattacharyya, *Natural Resources, Democracy and Corruption*, 2009, p. 1.

¹⁶⁴ Bhattacharyya, *Natural Resources, Democracy and Corruption*, 2009, pp. 1-2.

¹⁶⁵ United Nations Development Programme, *Managing Natural Resources for Human Development in Low-Income Countries*, 2011, pp. 5-6.

¹⁶⁶ Collier, *Testing the Neocon Agenda: Democracy in Resource-Rich Economies*, 2008, pp. 32-33.

¹⁶⁷ United Nations Development Programme, *Managing Natural Resources for Human Development in Low-Income Countries*, 2011, pp. 5-6.

¹⁶⁸ United Nations Development Programme, *Managing Natural Resources for Human Development in Low-Income Countries*, 2011, pp. 5-6.

¹⁶⁹ Poverty Environment Net, *Copper-driven prosperity in Chile*, p.1.

¹⁷⁰ Fuentes, *Managing Natural Resource Revenues: The Case of Chile*, 2009, p. 5.

¹⁷¹ Fuentes, *Managing Natural Resource Revenues: The Case of Chile*, 2009, pp. 5-6.

¹⁷² Poverty Environment Net, *Copper-driven prosperity in Chile*, p.1-2.

¹⁷³ Poverty Environment Net, *Copper-driven prosperity in Chile*, p.1-2.

¹⁷⁴ Poverty Environment Net, *Copper-driven prosperity in Chile*, p.1-2.

¹⁷⁵ United Nations Development Programme, *Toward Human Resilience: Sustaining MDG Progress in an Age of Economic Uncertainty*, 2011, p. 71.

¹⁷⁶ United Nations Development Programme, *Toward Human Resilience: Sustaining MDG Progress in an Age of Economic Uncertainty*, 2011, p. 71.

¹⁷⁷ United Nations Development Programme, *Toward Human Resilience: Sustaining MDG Progress in an Age of Economic Uncertainty*, 2011, p. 71.

Chile's success can also be attributed to its fiscal policy toward budget surpluses and deficits, enshrined in the 2006 Fiscal Responsibility Bill.¹⁷⁸ The bill created target budget surpluses (relying on resource revenues) first set at 1 % of gross domestic product (GDP) and later reduced to zero in 2009 after copper prices collapsed.¹⁷⁹ Deficit targets could only be raised if output fell below potential (as in a recession) or if copper prices fell below 10-year averages.¹⁸⁰ To negate arbitrary changes in the target for political reasons, two expert panels biannually review production output and copper prices.¹⁸¹ To demonstrate the separation of politics from the process, during the price boom from 2003-2008, politicians argued that increased copper prices were a permanent fixture and advocated increased government spending.¹⁸² The expert panels correctly believed that the price spikes were only temporary and ruled that revenues be saved rather than spent. Following that policy, Chile paid down debts to 4 % of GDP, saved 12 % of GDP in the ESSF, and ran a 9 % surplus prior to recession in 2008 and 2009.¹⁸³

International Involvement

Despite widespread reliance on commodity exports, the international system remains largely devoid of agreement or codification on managing revenues from resource extraction.¹⁸⁴ Commodity markets have suffered three violent swings in recent decades. With each swing, states have emerged slightly more prepared for the next market event, yet many experts argue that an international agreement or code could serve as a guidance document to ensure that the same mistakes and failed policies are not repeated.¹⁸⁵ Renowned economist Paul Collier points to four important decision points regarding resource extraction that an international code could assist states in making: 1) negotiating the resource extraction contract, 2) design features of the contract, 3) transparency in revenues, 4) the aggregate savings decision, and 5) the public investment decision.¹⁸⁶

There are however, three notable exceptions to the void in international agreement—the Extractive Industries Transparency Initiative (EITI), the Common Fund for Commodities (CFC), and the Natural Resource Charter. EITI is a multi-stakeholder voluntary program that publishes revenue information from extraction industries.¹⁸⁷ By publishing what companies pay and what governments receive through resource contracts and royalties, EITI aims to strengthen good governance through transparency and accountability.¹⁸⁸ To support broader implementation of the initiative, the World Bank's Oil, Gas, and Mining Group manages the multi-donor trust fund (MDFT) that provides technical and financial assistance for states implementing EITI.¹⁸⁹ Members of EITI include 35 states (14 EITI Compliant and 21 EITI Candidate status); 60 of the largest oil, gas, and mining companies; and over 80 global investment firms.¹⁹⁰ Additionally, EITI is supported by over 300 non-governmental organizations, the World Bank, International Monetary Fund, regional development banks, and is endorsed by the United Nations, G8, G20, African Union, European Union, and numerous other states and intergovernmental organizations.¹⁹¹ The CFC, which was established under the auspices of UNCTAD in 1980, enjoys similarly broad support, with 105 Member States and ten institutional members party to its mission to enhance social and economic development in CDDCs.¹⁹² The CFC provides technical assistance and project financing to members and works to strengthen the trading position of LDCs.¹⁹³ Perhaps most relevant to the discussion of the international community's role in harnessing resource extraction is the Natural Resources Charter. The Natural Resources Charter is a set of twelve precepts for governments and societies on harnessing the gains from resource extraction for development.¹⁹⁴ Composed by a

¹⁷⁸ Frankel, *The Natural Resource Curse: A Survey*, 2010, p. 29.

¹⁷⁹ Frankel, *The Natural Resource Curse: A Survey*, 2010, p. 29.

¹⁸⁰ Frankel, *The Natural Resource Curse: A Survey*, 2010, p. 29-30.

¹⁸¹ Frankel, *The Natural Resource Curse: A Survey*, 2010, p. 29-30.

¹⁸² Frankel, *The Natural Resource Curse: A Survey*, 2010, p. 30.

¹⁸³ Frankel, *The Natural Resource Curse: A Survey*, 2010, p. 30.

¹⁸⁴ Collier, *Laws and Codes for the 'Resource Curse'*, 2007, p. 2.

¹⁸⁵ Collier, *Laws and Codes for the 'Resource Curse'*, 2007, p. 2.

¹⁸⁶ Collier, *Laws and Codes for the 'Resource Curse'*, 2007, pp. 5-11.

¹⁸⁷ Extractive Industries Transparency Initiative, *Factsheet*, p. 1.

¹⁸⁸ Extractive Industries Transparency Initiative, *Factsheet*, p. 1.

¹⁸⁹ The World Bank, *About the EITI Multi-Donor Trust Fund*, 2011.

¹⁹⁰ Extractive Industries Transparency Initiative, *Factsheet*, p. 4.

¹⁹¹ Extractive Industries Transparency Initiative, *Factsheet*, p. 4.

¹⁹² Common Fund for Commodities, *CFC Project Financing*.

¹⁹³ Common Fund for Commodities, *The Future Role and Mandate of the Fund*.

¹⁹⁴ Natural Resources Charter, *Natural Resources Charter*, 2010.

body of technical experts, the Natural Resource Charter is often used as a benchmark for determining development progress.¹⁹⁵

UNCTAD partners with EITI and other organizations to disseminate best practices and expert advice to policymakers. In 2008, the XII, UNCTAD Conference through its outcome document, the Accra Accord, established the Special Unit on Commodities (SUC) under the mission “Trade in Commodities for Development and Poverty Reduction.”¹⁹⁶ The SUC is UNCTAD’s chief body for commodity research and analysis as well as policy outreach through events including the Global Commodities Forum and the UNCTAD Africa Oil, Gas, Minerals Trade and Finance Conference.¹⁹⁷ Through its role in research and analysis, the SUC publishes *The State of Commodity Dependence*, which discusses the individual commodity situation of 154 developing states, and recently launched the *Commodities and Development Report* that examines recurring problems and new approaches to development.¹⁹⁸

Conclusion

The discussion on resource revenues becomes ever more pressing as a greater number of states become reliant on commodity exports and markets reach ever-higher levels of price volatility. Importantly, properly harnessing resource revenues remains an issue for both developing and developed states—to LDCs it is a central matter for sustainable development, and for developed states reliance on resource extraction must always be tempered against the possibility of Dutch Disease. Unfortunately, there is no perfect answer to curing the resource curse—successful development requires a combination of capital investment and social development, good governance, and technical knowledge. Perhaps mimicking this point, no unified doctrine has emerged in the international community to codify the best method of harnessing gains from resource extraction for further development gains. In addressing the topic of resource extraction, delegates must focus their attention on how the international community can best assist Member States in using those revenues for sustainable development. How can the successes of some states in countering the resource curse be translated to other states? In a broader scope, is international codification the best method for assisting Member States or are current institutions adequate? Regardless, can existing institutions be strengthened to better meet states’ development aspirations?

¹⁹⁵ Natural Resource Charter, *NRC Included in African Progress Panel’s Recommendations*, 2012.

¹⁹⁶ UNCTAD, *Special Unit on Commodities*, 2012.

¹⁹⁷ UNCTAD, *Special Unit on Commodities*, 2012.

¹⁹⁸ UNCTAD, *Special Unit on Commodities*, 2012.

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Collier, Paul. (2007). *Laws and Codes for the "Resource Curse"*. Retrieved August 8, 2012, from <http://users.ox.ac.uk/~econpco/research/pdfs/LawsandCodesforResourceCurse.pdf>.

Paul Collier is a renowned expert on the role of natural resources in conflict, development, and politics and economics professor at Oxford University. In this paper, he discusses market volatility trends and failed measures to combat the resource curse in a number of states. Important to the work of this committee, Collier's focuses his discussion on the role that an international agreement could play as well as the challenges to creating such a code.

Natural Resources Charter. (2010). *Natural Resources Charter*. Retrieved August 8, 2012, from http://naturalresourcecharter.org/sites/default/files/NRC%20Eng_2011.pdf.

The Natural Resources Charter is a non-governmental document created by an independent group of experts in the field of sustainable resource extraction to serve as a guide to harness the development opportunities of natural resources. The Charter serves as a guide to citizens and domestic governments in policymaking, and has the potential to serve as a initial framework for an international agreement on natural resource extraction. The 12 precepts contained in the Charter provide delegates with a broad understanding of what policies can be instituted to harness the development potential of resource extraction.

Jourdan, Paul. (2008). *Challenges of LDC Resource-Based Development*. Retrieved August 8, 2012 from http://unctad.org/Sections/lde_dir/docs/ldcr2009_jourdan_en.pdf.

This background paper serves as a concise discussion on the "resource curse" of extraction-based economies. Citing academic studies and UNCTAD's 2007 World Investment Report, Jourdan presents the long-term and short-term affects of extractive industries. Aside from the general primer to the topic contained in this paper, delegates should pay particular attention to the policy options for enhancing development gains from resource extraction.

South Centre. (2005). *Problems and Policy Challenges Faced by Commodity-Dependent Developing Countries (CDDCs)*. Retrieved September 7, 2012, from http://www.southcentre.org/index.php?option=com_content&view=article&id=271%3Aproblems-and-policy-challenges-faced-by-commodity-dependent-developing-countries-cddcs&lang=en.

The South Centre is an intergovernmental think tank that analyzes development problems and provides policy support to developing states. This paper, part of the Centre's T.R.A.D.E. analysis series describes the inherent problems of commodity dependence. This paper is important to delegates in understanding the broader issue of commodity market volatility and how that impacts economic development.

United Nations Conference on Trade and Development. (2011). *Foreign Direct Investment in LDCs: Lessons Learned from the Decade 2001-2010 and the Way Forward*. Retrieved August 8, 2012, from http://unctad.org/en/Docs/diaeia2011d1_en.pdf.

Compiling a decade of investment data, this report summarizes investment trends and the implications to developing states. Part I contains important information on resource extraction (pages 19-34) and the complicated role of transnational corporations. Delegates will find the individual state investment profiles in Part II particularly useful in determining the impact of resource extraction on their state.

United Nations Conference on Trade and Development. (2011). *Global Commodities Forum 2011 Report*. Retrieved August 7, 2012, from http://unctad.org/en/docs/suc2011d5_en.pdf.

The Global Commodities Forum, first held in 2010, brings together stakeholders from both the policy and production ends of resource extraction and commodity markets. The 2011 conference report details various commodity markets (mining, oil, agriculture, etc.) and the effects of volatility in those markets. Once published, delegates should also view the 2012 conference report as it specifically addresses resource extraction and development gains.

United Nations Development Programme. (2011). *Toward Human Resilience: Sustaining MDG Progress in an Age of Economic Uncertainty*. Retrieved September 7, 2012, from http://www.undp.org/content/dam/undp/library/Poverty%20Reduction/Towards_SustainingMDG_Web1005.pdf.

This publication provides an excellent context for discussing the topic of resource extraction and development gains. Namely, Chapter 2 discusses both how commodity dependence is damaging, as well as how it affects sustainable development and the achievement of the Millennium Development Goals. Delegates should always be mindful of how individual issues fit into the broader goals of the international community

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III. Food Security: Agriculture and Trade

Introduction

The food crisis of 2008 represented major challenges for world food security by reducing access to basic food staples for millions of people around the world.¹⁹⁹ This same year, even before food prices began to rise, there was already an estimated 800 million people with insufficient access to food and undernourished due to poverty.²⁰⁰ Consequently, due to the emergence of the 2008 food crisis, that number grew to over a billion individuals who are now malnourished and are at risk of starvation.²⁰¹ The United Nations Conference on Trade and Development (UNCTAD) recognizes freedom from hunger and malnutrition as a human right, guaranteed under the *International Covenant on Economic, Social and Cultural Rights* and reiterated in the *Universal Declaration on the Eradication of Hunger and Malnutrition*.²⁰² Furthermore, the global food crisis has curtailed UN efforts to achieve Millennium Development Goals, specifically the first goal that seeks to eradicate extreme poverty and hunger.²⁰³ In response to the crisis, the High-Level Task Force on the Global Food Security Crisis was created by the United Nations Chief Executive Board in 2008 to help the different UN agencies to address the food crisis. Entities such as UNCTAD, the World Food Programme and the Food and Agricultural Organization (FAO) have coordinated their efforts in promoting a “comprehensive and unified response to the challenge of achieving global food security.”²⁰⁴ According to the United Nations Secretary-General’s High Level Task Force on the Global Food Security Crisis, “food and nutrition security exists when all people, at all times, have a physical, social and economic access to sufficient, safe and nutritious food to meet their dietary needs and food preferences for an active and healthy life.”²⁰⁵ Rising food prices has had a greater impact on developing countries, where families that were previously able to meet their nutritional needs prior to the crisis, could no longer afford to after the crisis. Consequently, higher food prices forced poor families to sell their assets, shift to a less expensive diet in order to sustain themselves, and in some cases pull their children out of schools.²⁰⁶ These drastic measures have caused social unrest in the developing world.²⁰⁷

Agriculture’s Impact on Food Security

As the global population increases, so does the need for greater agricultural production; the challenge is to increase agricultural production in a manner that is sustainable, energy efficient, and with minimal environmental degradation.²⁰⁸ The global food crisis can be partially attributed to agricultural practices that are unsustainable, and create “waste and losses along the food value chain from producer to consumer.”²⁰⁹ Every year, about 1.3 billion tons of food produced for human consumption is lost or wasted.²¹⁰ The causes of “food losses and waste in low-income countries are mainly connected to financial, managerial and technical limitations in harvesting techniques, storage and cooling facilities in difficult climatic conditions, infrastructure, packaging and marketing systems.”²¹¹ UNCTAD stresses the need to minimize food waste and encourages Member States to invest in farming techniques that are sustainable for future generations.²¹² In a report by the FAO, it was recommended to increase investment

¹⁹⁹ The Secretary-General’s High Level Task Force on the Global Food Security, *The Global Food Security Crisis*, 2009.

²⁰⁰ Food and Agricultural Organization of the United Nations, *High-Level Conference on World Food Security: The Challenges of Climate Change and Bioenergy*, 2008, p. 2.

²⁰¹ The Secretary-General’s High Level Task Force on the Global Food Security, *The Global Food Security Crisis*, 2009.

²⁰² United Nations Conference on Trade and Development, *Addressing the Global Food Crisis: Key Trade, Investment, and Commodity Policies in Ensuring Sustainable Food Security and Alleviating Poverty*, 2008, p.2.

²⁰³ United Nations Conference on Trade and Development, , *Addressing the Global Food Crisis: Key Trade, Investment, and Commodity Policies in Ensuring Sustainable Food Security and Alleviating Poverty*, 2008, p.2.

²⁰⁴ High-Level Task Force on Global Food Security, *The Global Food Security Crisis*, 2009.

²⁰⁵ High Level Task Force on Global Food Security, *Food and Nutrition Security: Comprehensive Framework for Action*, 2011, p. 8.

²⁰⁶ High Level Task Force on Global Food Security, *Updated Comprehensive Framework for Action*, 2010, p. 1.

²⁰⁷ Food and Agricultural Organization of the United Nations, *High-Level Conference on World food Security: The Challenges of Climate Change and Bioenergy*, 2008, p. 2.

²⁰⁸ High-Level Task Force on Global Food Security, *Food and Nutrition Security for All Through Sustainable Agriculture and Food Systems*, 2012, p. 3.

²⁰⁹ High-Level Task Force on Global Food Security, *Food and Nutrition Security for All Through Sustainable Agriculture and Food Systems*, 2012, p. 3.

²¹⁰ United Nations Secretary-General, *Agricultural Development and Food Security*, 2012, p. 9.

²¹¹ United Nations Secretary-General, *Agricultural Development and Food Security*, 2012, p. 9.

²¹² United Nations Conference on Trade and Development, *Organic Agriculture and Food Security in Africa*, 2008, p. 10.

and implement measures that would improve the processing of agricultural products, including transportation to minimize food waste.²¹³

Another factor that can be attributed to the increase of food prices is the reliance on agrochemicals that pose a great risk to the long-term sustainability of crops by contaminating and degrading the environment.²¹⁴ Least developed countries (LDCs) import 90% of agrochemicals (synthetic fertilizers, pesticides, herbicides, fungicides) that are used in agriculture, which translates to increased prices on agricultural products with the increase of agrochemical prices.²¹⁵ For instance, one of the major components in agrochemicals is fossil fuels and mineral phosphorous in the case of synthetic fertilizers, which both have increased in price thus prompting the increased price of agrochemicals as well.²¹⁶ Consequently, farmers in developing countries did not benefit from the price increase of the agricultural commodities they had produced because any gains they made were allocated to buying agrochemicals that are even more expensive.²¹⁷ UNCTAD reports that developing sustainable agriculture and reducing reliance on agrochemicals grants greater harvest yields as it did in Tigray, Ethiopia, where the local government provided “services in sustainable agriculture techniques, particularly composting prevention of soil erosion and water harvesting” in which the region witnessed crop yields double as opposed to where the use of agrochemicals had a 95% decrease.²¹⁸ Agricultural techniques used in Tigray, Ethiopia are an example of green or organic agriculture where traditional methods unique to the environment are used combined with new innovative methods that help promote sustained healthy soils, increased soil water retention and crops that are more resistant to climate stress such as droughts.²¹⁹

The FAO recognizes that the reliance on agrochemicals is not energy-efficient since most agrochemicals are from expensive fossil fuels that are also subject to the instability of market prices.²²⁰ Extensive use of these chemicals has also degraded the environment posing greater threats to climatic changes.²²¹ This for example erodes soils, producing less future crops, thus forcing farmers in some areas to clear out trees in search of fresh soil to farm.²²² Additionally, climate change is reducing agricultural output in countries where limited options are available to cope with drastic weather changes further increasing the price of certain food commodities such as rice, maize, and wheat.²²³ The *Five Rome Principles for Sustainable Global Food Security* adopted by Member States gathered at the World Summit on Food Security held by the FAO in 2009 promote further research on food and agriculture to mitigate climate change and stress the need to give access to new technologies at national, regional and international levels.²²⁴

UNCTAD recommends organic agriculture as the best method for food security and sustainable food production, while at the same time promoting healthy ecosystems.²²⁵ Organic agriculture relies on using local natural resources as key components in farming instead of using agrochemicals that would otherwise have detrimental effects to the environment.²²⁶ The integration of biological and ecological process that preserve healthy soil for sustainable use is

²¹³ Food and Agricultural Organization of the United Nations, *Global Food Losses and Food Waste: Extent, Causes and Prevention*, 2011, p. 10 and 11.

²¹⁴ United Nations Conference on Trade and Development, *Sustainable Agriculture and Food Security in Least Developed Countries (LDCs)*, 2011, p. 1.

²¹⁵ United Nations Conference on Trade and Development, *Sustainable Agriculture and Food Security in Least Developed Countries (LDCs)*, 2011, p. 1.

²¹⁶ United Nations Conference on Trade and Development, *Sustainable Agriculture and Food Security in Least Developed Countries (LDCs)*, 2011, p. 1.

²¹⁷ United Nations Conference on Trade and Development, *Sustainable Agriculture and Food Security in Least Developed Countries (LDCs)*, 2011, p. 1.

²¹⁸ United Nations Conference on Trade and Development, *Sustainable Agriculture and Food Security in Least Developed Countries (LDCs)*, 2011, p. 2.

²¹⁹ United Nations Conference on Trade and Development, *Sustainable Agriculture and Food Security in Least Developed Countries (LDCs)*, 2011, p. 2.

²²⁰ Food and Agricultural Organization of the United Nations, *Energy-Smart Food at FAO: An Overview*, 2012, p.6.

²²¹ Food and Agricultural Organization of the United Nations, *Energy-Smart Food at FAO: An Overview*, 2012, p.6.

²²² United Nations Conference on Trade and Development, *Sustainable Agriculture and Food Security in Least Developed Countries (LDCs)*, 2011, p. 1.

²²³ United Nations Secretary-General, *Agricultural Development and Food Security*, 2012, p. 10.

²²⁴ Food and Agriculture Organization of the United Nations, *Declaration of the World Summit on Food Security*, 2009, p.5.

²²⁵ United Nations Conference on Trade and Development, *Organic Agriculture and Food Security in Africa*, 2008, p. 6.

²²⁶ United Nations Conference on Trade and Development, *Organic Agriculture and Food Security in Africa*, 2008, p. 6.

promoted in organic farming methods such as nutrient cycling, which is the practice of crop rotation, and the method of predation in which natural predators are used against pests instead of using agrochemicals.²²⁷ For example, the FAO promoted Integrated Pest Management (IPM) to “encourage the use of natural pest control mechanisms to reduce the overall use of chemical pesticides” and expensive fossil fuels in the Republic of Tanzania increasing its yearly yield of maize fields from 1 ton to 6 tons.²²⁸ In some cases organic agriculture may come in the form of a traditional method that may have been used by local farmers for generations with combined new technologies such as is the case in Tanzania where botanical pesticides are used along with sunken beds for soil and water conservation.²²⁹

Trade and Food Security

Developed countries have managed to make profit from the food market in the last few decades, but unfortunately, most of the developing world has suffered from a food market that is riddled with structural problems such as volatile food prices, unfair competition in forms of subsidies and restrictive trade measures.²³⁰ Expressing its concern, General Assembly resolution 66/220 asserts that “excessively volatile food prices” have a particularly high negative impact on the “poor and people in vulnerable situations, which has undermined the prospect of developing countries for economic growth and poverty alleviation, including the goal to halve the proportion of people who suffer from hunger by 2015.”²³¹ According to the World Trade Organization (WTO), volatile food prices are the unexpected variations of food prices over time that become problematic when at the national, regional and/or international level policy responses have the adverse effect of increasing price volatility.²³² The unexpected global economic downturn, the rising price of energy (i.e. fossil fuels), and cereals that were diverted for the production of biofuels have all contributed to the volatility of food prices.²³³ In many cases, particularly in developing countries where price volatility has had a greater negative effect, farmers and governments were unable to invest in the increase of food production, which minimized available food stocks and increased prices of food even more.²³⁴ As recommended by the *Five Rome Principles for Sustainable Global Food Security*, countries must join in efforts to enhance existing structures in order to divert and create buffers against future unpredictable food price hikes to minimize the negative effects on developing countries.²³⁵

While the developing world was negatively affected by the volatility of increasing food prices, most developed countries had protected themselves from higher food prices by stockpiling food commodities that were otherwise intended for the world market; subsequently increasing prices of food in the world market.²³⁶ Developed countries also used subsidies on their agricultural products as a strategy to insulate themselves from rising prices.²³⁷ Additionally, speculative investors poured capital into food commodities with the rising prices of food, which in effect put more upward pressures on food prices.²³⁸ Corn, rice, wheat and soya all had an increase of speculative investments in the years preceding the global food price rise.²³⁹ The updated *Comprehensive Framework for Action* recommends that countries effectively and efficiently use policy responses to create social supports to ensure that vulnerable consumers are able to purchase food in spite of high prices, and to avoid generalized subsidies that are harmful to a volatile food market.²⁴⁰ During the World Summit on Food Security in Rome, “all FAO Member States

²²⁷ United Nations Conference on Trade and Development, *Organic Agriculture and Food Security in Africa*, 2008, p. 20.

²²⁸ Food and Agricultural Organization of the United Nations, *Energy-Smart Food at FAO: An Overview*, 2012, p.14.

²²⁹ United Nations Conference on Trade and Development, *Organic Agriculture and Food Security in Africa*, 2008, p. 26.

²³⁰ United Nations Conference on Trade and Development, *Addressing the Global Food Crisis: Key Trade, Investment, and Commodity Policies in Ensuring Sustainable Food Security and Alleviating Poverty*, 2008.

²³¹ United Nations General Assembly, *Agriculture Development and Food Security*, 2012, p. 4.

²³² World Trade Organization, *Price Volatility in Food and Agricultural Markets: Policy Responses*, 2011, p. 7.

²³³ World Trade Organization, *Price Volatility in Food and Agricultural Markets: Policy Responses*, 2011, p. 9

²³⁴ Food and Agricultural Organization of the United States, *The State of Food Insecurity in the World: How Does International Price Volatility Affect Domestic Economies and Food Security??*, 2011, p. 19.

²³⁵ Food and Agriculture Organization of the United Nations, *Declaration of the World Summit on Food Security*, 2009.

²³⁶ Food and Agricultural Organization of the United States, *The State of Food Insecurity in the World: How does international price volatility affect domestic economies and food security?*, 2011, p. 21.

²³⁷ United Nations Conference on Trade and Development, *Assuring Food Security in Developing Countries Under the Challenges of Climate Change: Key Trade and Development issues of a Fundamental Transformation of Agriculture*, 2011, p. 15.

²³⁸ Mittal, A, *The 2008 Food Price Crisis: Rethinking Food Security Policies*, 2009, p. 6.

²³⁹ Mittal, A, *The 2008 Food Price Crisis: Rethinking Food Security Policies*, 2009, p. 6

²⁴⁰ High Level Task Force on Global Food Security, *Updated Comprehensive Framework for Action*, 2010, p. 16.

agreed to ‘remove food export restrictions or extraordinary taxes for food purchased for non-commercial humanitarian purposes, and to consult and notify in advance before imposing any such new restrictions’. If honored, these commitments would allow food to be shipped rapidly to where it is need in an emergency.”²⁴¹

Case Study 1: Food Security in Africa

At the beginning of the food crisis in 2008, there were 800 million individuals fighting starvation, of which a quarter were in sub-Saharan Africa where the effects of the food crisis had the greatest impact.²⁴² Additionally, since 1990, in sub-Saharan Africa, the number of individuals that suffer from hunger and malnutrition has increased by 20 % with the number of underweight children also increasing in Central, West and East Africa.²⁴³ A study conducted in East Africa by UNCTAD and the United Nations Environment Programme (UNEP) attributed food insecurity in Africa to a lack of consistent access to food, the degradation of natural resources (i.e. eroded landscape, lack of water resources and poor soil quality), lack of social safety nets in case of disaster, insufficient knowledge of sustainable agricultural practices, and poor infrastructure development.²⁴⁴ For example, in the Iganga District of Uganda, the “mass clearing of forests, woodlands and wetlands has resulted in an increasing scarcity of fuel wood, timber and drinking water from natural wells and springs which are increasingly drying up at a much faster rate” due to heavy population growth.²⁴⁵ In a different case, Kakamega, Kenya is “characterized by high rates of rural malnutrition, infant mortality and illiteracy”, along with “severe food insecurity” which affected one in four people in that region.²⁴⁶ UNCTAD recommends that in order to reduce food insecurity, African countries need commit to “improving farmers’ access to inputs and credit”, increase investments in agricultural research, and further invest in the development of infrastructure necessary for sustainable agriculture, implementation of social safety nets, and “protection from short-term market fluctuations.”²⁴⁷

Organic Agriculture and Food Security in Africa is a report produced jointly by UNCTAD and UNEP based on various case studies in which East African countries have been utilizing organic agriculture to the benefit of smallholder farmers and to the benefit of the communities that have implemented some level of organic agriculture.²⁴⁸ In 2007, Uganda had an estimated 250,000 hectares (ha) under certified organic production, Kenya 181,500 ha and the Republic of Tanzania 85,00 ha where farmers are minimizing the use of agrochemicals and are instead using sustainable agricultural practices that are suitable to their conditions.²⁴⁹ Furthermore, organic agriculture yields do not fall but instead remain stable when low amounts of agrochemicals are used and use localized natural inputs instead.²⁵⁰ For example, in Thika, Kenya, a local non-governmental organization called Sustainable Agriculture Community Development Programme (SACDEP) was established 13 years ago and has since worked with over 30,000 smallholder farmers.²⁵¹ Currently, SACDEP is working with 4,500 smallholder farmers in training programs “in sustainable agriculture and community development with a focus on production, processing, agro-marketing, and savings and credit schemes” in which SACDEP operates under the “four principles of sustainable agriculture (i) ecological feasibility, (ii) environmentally friendly, (iii) social justness and (iv) cultural acceptability.”²⁵² Another similar project in Ethiopia, Cheha Integrated Rural Development Project, has helped to “introduce new varieties of crops (Vegetables) and trees (fruits and forest), promoted organic manures for soil fertility and botanicals for pest control, and introduced veterinary services.”²⁵³ The project has helped some 12,500 farm households adopt sustainable agriculture resulting in a “70 per cent improvement of overall nutrition levels within the project area” and has increased crop yields by 60%.²⁵⁴ The examples mentioned above are only a few

²⁴¹ World Trade Organization, *Price Volatility in Food and Agricultural Markets: Policy Responses*, 2011, p. 26.

²⁴² United Nations Conference on Trade and Development, *Organic Agriculture and Food Security in Africa*, 2008, p.1.

²⁴³ United Nations Conference on Trade and Development, *Organic Agriculture and Food Security in Africa*, 2008, p. 2.

²⁴⁴ United Nations Conference on Trade and Development, *Organic Agriculture and Food Security in Africa*, 2008, p. 4.

²⁴⁵ United Nations Conference on Trade and Development, *Organic Agriculture and Food Security in Africa*, 2008, p. 29.

²⁴⁶ United Nations Conference on Trade and Development, *Organic Agriculture and Food Security in Africa*, 2008, p. 25.

²⁴⁷ United Nations Conference on Trade and Development, *Food Security in Africa: Learning Lessons from the Food Crisis*, 2009.

²⁴⁸ United Nations Conference on Trade and Development, *Organic Agriculture and Food Security in Africa*, 2008, p 9.

²⁴⁹ United Nations Conference on Trade and Development, *Organic Agriculture and Food Security in Africa*, 2008, p. 9.

²⁵⁰ United Nations Conference on Trade and Development, *Organic Agriculture and Food Security in Africa*, 2008, p. 11.

²⁵¹ United Nations Conference on Trade and Development, *Organic Agriculture and Food Security in Africa*, 2008, p. 20.

²⁵² United Nations Conference on Trade and Development, *Organic Agriculture and Food Security in Africa*, 2008, p. 20.

²⁵³ United Nations Conference on Trade and Development, *Organic Agriculture and Food Security in Africa*, 2008, p. 24.

²⁵⁴ United Nations Conference on Trade and Development, *Organic Agriculture and Food Security in Africa*, 2008, p. 24.

experiences of organic agriculture as a viable alternative to increase agricultural productivity while at the same time increasing living wages from smallholder farmers and also a reduction on reliance on agrochemicals.²⁵⁵

Case Study 2: Global Rice Crisis

Rice is the world's most produced and consumed cereal second to wheat with an annual production of over 400 million tons and growing every year.²⁵⁶ A major shift to biofuels that require maize and oilseeds led to a price increase of those two commodities which prompted a higher than normal demand on rice that put some pressure on the price of rice prior to the crisis of 2008.²⁵⁷ Rice production grew to record highs from 2005 through 2009 with rice stocks able to accommodate for growing demand a few months prior to the 2008 crisis.²⁵⁸ Nonetheless, the price of rice tripled during the 2008 global food crisis and the reasons for this can be attributed to trade restrictions implemented by the larger rice producers and not to the shocks normally associated with price increase in commodities such as drastic changes to production or consumer demand.²⁵⁹ Government policies in rice-producing countries began to restrict the supply of rice to the world food market by either completely banning export or increasing high export prices in order to avoid shortages for their own consumers, but inadvertently causing rice prices to increase rapidly.²⁶⁰ For example, India banned the export of rice in October 2007, followed by increased, higher than normal export prices early 2008 and then banning rice exports entirely once more in April 2008.²⁶¹ As one of the largest exporters of rice, India's policies inadvertently created uncertainty in the global rice market.²⁶² Additionally, rice importing states also increased the price of rice during the global food crisis by stockpiling rice. For instance, as an importer, the Republic of the Philippines purchased more than the usual amount of rice from Vietnam at almost double the market price in order to stockpile supplies because of the increasing uncertainty of rice availability in the world market due to the bans from exporter Member States.²⁶³ Both exporters and importers of rice made policy decisions in the first months of the food crisis that ultimately brought on the global rice crisis.²⁶⁴

The global rice crisis served as a lesson from which countries may learn.²⁶⁵ An important lesson is that since disciplines are not particularly regulated by the WTO when it comes to exporting, a strengthening of export restrictions makes it so that they are used less frequently.²⁶⁶ UNCTAD recommends the need for exporting and importing countries to greater cooperation on food trade that will be beneficial to both parties, particularly in an event of food shortages and/or when global food prices are on the rise.²⁶⁷ FAO Member States have come to an agreement to reduce the amount of trade restrictions during times of crisis, especially when food is exported for non-commercial humanitarian initiatives.²⁶⁸ An additional approach to stabilizing the world market is making trade restrictions less harmful by making them more predictable and more transparent when used by governments,

²⁵⁵ United Nations Conference on Trade and Development, *Organic Agriculture and Food Security in Africa*, 2008, p. 39.

²⁵⁶ United Nations Conference on Trade and Development, *Market*, 2008.

²⁵⁷ Food and Agricultural Organization of the United States, *The State of Food Insecurity in the World: How Does International Price Volatility Affect Domestic Economies and Food Security??*, 2011, p. 36.

²⁵⁸ Food and Agricultural Organization of the United States, *The State of Food Insecurity in the World: How Does International Price Volatility Affect Domestic Economies and Food Security??* 2011, p. 36.

²⁵⁹ Food and Agricultural Organization of the United States, *The State of Food Insecurity in the World: How Does International Price Volatility Affect Domestic Economies and Food Security??*, 2011, p. 36.

²⁶⁰ Food and Agricultural Organization of the United States, *The State of Food Insecurity in the World: How Does International Price Volatility Affect Domestic Economies and Food Security??*, 2011, p. 36.

²⁶¹ Food and Agricultural Organization of the United States, *Safeguarding Food Security in Volatile Global Markets*, 2011, p. 167.

²⁶² Food and Agricultural Organization of the United States, *Safeguarding Food Security in Volatile Global Markets*, 2011, p. 167.

²⁶³ Food and Agricultural Organization of the United States, *Safeguarding Food Security in Volatile Global Markets*, 2011, p. 169.

²⁶⁴ Food and Agricultural Organization of the United States, *Safeguarding Food Security in Volatile Global Markets*, 2011, p. 167.

²⁶⁵ Food and Agricultural Organization of the United States, *The State of Food Insecurity in the World: How Does International Price Volatility Affect Domestic Economies and Food Security??*, 2011, p. 36

²⁶⁶ Food and Agricultural Organization of the United States, *The State of Food Insecurity in the World: How Does International Price Volatility Affect Domestic Economies and Food Security??*, 2011, p. 36.

²⁶⁷ United Nations Conference on Trade and Development, *Addressing the Global Food Crisis: Key Trade, Investment, and Commodity Policies in Ensuring Sustainable Food Security and Alleviating Poverty*, 2008, p. 28.

²⁶⁸ World Trade Organization, *Price Volatility in Food and Agricultural Markets: Policy Responses*, 2011, p. 26.

especially considering that trade restrictions are not prohibited by the WTO.²⁶⁹ The role of the private sector should be strengthened in times of food crisis: since private traders are less likely to purchase food commodities at higher than normal prices and since private traders buy in smaller quantities compared to governments, they are less likely to affect the overall prices of the global food market.²⁷⁰ Overall, responsible and predictable trade policies will help to alleviate any negative effects to the global food market in addition to greater regional cooperation in trade arrangements that will be beneficial for all parties involved.²⁷¹

Conclusion

The 2008 global food crisis should be observed as an opportunity by the international community to “rectify the systematic imbalances in global agricultural production and trade that have contributed over the years to today’s problems.”²⁷² As addressed in the *Five Rome Principles for Sustainable Global Food Security*, food insecurity may be diverted through the coordination of all stakeholders at global, regional and country levels.²⁷³ Short-term goals should focus on diverting the growing number of people who go hungry by ensuring food security in the forms of availability, access, utilization and stability.²⁷⁴ Coordinated safety nets that provide immediate relief to areas affected by the crisis need to mitigate the impact of extreme food shortages by ensuring food access to people who lack purchasing power.²⁷⁵ Medium to long-term actions include enhanced market access with increased trade collaboration and transparency between Member States.²⁷⁶ Additionally, increased investment and financing in agricultural production will insure the sustainability of food security in the long-term.²⁷⁷ The promotion of organic agriculture would particularly alleviate some of the stress that small farmers endure during food price hikes while at the same time minimizing the use of agrochemicals that otherwise would be detrimental to the environment.²⁷⁸ Limiting the scope for speculation by strengthening international collaboration for improved transparency and predictability will alleviate price volatility of the global food market.²⁷⁹ Considering that the prices of food remain volatile, what short-term measures can be taken into account in the case of another sudden spike of food prices? And what organizations or actors would be involved in the creation of these short-term measures? What other trade policies can national governments take to help them alleviate the pressure from the rise of food costs? How is UNCTAD collaborating with other national and international agencies? What role does South-South cooperation play in the sustainable agriculture and/or the promotion of responsible trade policies that help the sustainability of food security?

²⁶⁹ Food and Agricultural Organization of the United States, *The State of Food Insecurity in the World: How Does International Price Volatility Affect Domestic Economies and Food Security?*, 2011, p. 36.

²⁷⁰ Food and Agricultural Organization of the United States, *2007-08 Rice Price Crisis*, 2008, p. 2.

²⁷¹ United Nations Conference on Trade and Development, *Addressing the Global Food Crisis: Key Trade, Investment, and Commodity Policies in Ensuring Sustainable Food Security and Alleviating Poverty*, 2008, p. 28.

²⁷² United Nations Conference on Trade and Development, *Addressing the Global Food Crisis: Key Trade, Investment, and Commodity Policies in Ensuring Sustainable Food Security and Alleviating Poverty*, 2008, p. 47.

²⁷³ United Nations Secretary General, *Agricultural Development and Food Security*, 2012, p. 3.

²⁷⁴ United Nations Secretary General, *Agricultural Development and Food Security*, 2012, p. 14.

²⁷⁵ United Nations Secretary General, *Agricultural Development and Food Security*, 2012, p. 14.

²⁷⁶ United Nations Secretary General, *Agricultural Development and Food Security*, 2012, p. 14.

²⁷⁷ United Nations Conference on Trade and Development, , *Addressing the Global Food Crisis: Key Trade, Investment, and Commodity Policies in Ensuring Sustainable Food Security and Alleviating Poverty* erty, 2008, p. 47.

²⁷⁸ United Nations Conference on Trade and Development, , *Addressing the Global Food Crisis: Key Trade, Investment, and Commodity Policies in Ensuring Sustainable Food Security and Alleviating Poverty*, 2008, p. 49.

²⁷⁹ High Level Task Force on Global Food Security, *Updated Comprehensive Framework for Action*, 2010, p. 29.

Annotated Bibliography

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Comprehensive explanations on the impact of price shock on existing undernourishment around the world wherein different regions have different outcomes from exposed price volatility are presented. Additionally, the different effects from the food crisis are examined with a variety of state case studies. Policy options to address food insecurity and the ever present price volatility are addressed as necessary at the national, regional, and international level.

Food and Agriculture Organization of the United Nations. (2012). *Energy-Smart Food at FAO: An Overview*. Retrieved on August 5, 2012 from <http://www.fao.org/docrep/015/an913e/an913e.pdf>

Sustainable agriculture is only feasible with the use of energy-efficient food systems while at the same time diminishing the use of agrochemicals that are expensive and degrade the environment. Energy-Smart Food is a program created by the FAO to help member countries to shift their efforts to a more efficient and renewable form of farming. The program is concerned with the mitigation of climatic changes that inherently deter the development of sustainable agriculture.

Food and Agricultural Organization of the United Nations. (2011) *Global Food Losses and Food Waste: Extent, Causes and Prevention*. Retrieved August 20, 2012 from <http://www.fao.org/docrep/014/mb060e/mb060e00.pdf>

Agricultural sustainability is only feasible with the mitigation of food waste and loss along the processing of agricultural production. Case studies and recommendations are presented to get a clear understanding of the extent to which food is wasted and lost, even in the developed countries. The different policies at the national and international level associated with food loss and waste may also be found.

High-Level Task Force on the Global Food Security Crisis. (September 2010). *Updated Comprehensive Framework For Action*. Retrieved August 2, 2012 from http://un-foodsecurity.org/sites/default/files/UCFA_English.pdf

The High-Level Task on the global food security was created as an immediate response to the rising food prices in 2008. The Comprehensive Framework for Action has been updated with much feedback from various countries and other United Nation agencies involved in the diversion of further food insecurity. The framework gives recommendations on the short, medium, and long-term measures that are needed for sustainable and resilient agricultural systems.

High-Level Tasks Force on the Global Food Security. (March 2012). *Food and Nutrition: Security for All through Sustainable Agriculture and Food Systems*. Retrieved on August 16, 2012 from <http://un-foodsecurity.org/sites/default/files/HLTFSustainableAgricultureFoodSystems.pdf>

Organic agriculture and sustainable agricultural practices are introduced in this document. Additionally, green economy is discussed as an efficient form to deviate the rise of food prices and contributing to a more equitable form of farming. Policies at the national level are discussed in detail in how to best implement sustainable agricultural practices in order to promote social protections.

United Nations Conference on Trade and Development. (June 2009). *Food Security in Africa: Learning Lessons from the Food Crisis*. Retrieved on August 16, 2012 from http://unctad.org/en/docs/tdbex47d3_en.pdf

As one of the greatest affected regions from the global food crisis, African region is presented with measures learned from the crisis. Many of the causes to food insecurity in the African Region are also introduced. Although the document focuses on the different policies and measures African countries can adopt, in no way are the recommendations exclusive to Africa.

United Nations Conference on Trade and Development. (2008). *Addressing the Global Food Crisis: Key trade, Investment and Commodity Policies in Ensuring Sustainable Food Security and Alleviating Poverty*. Retrieved on August 17, 2012 from http://unctad.org/en/docs/osg20081_en.pdf

Trade restrictions and subsidies are discussed in the context of the global food crisis and the role those policies played in the increase of food prices. Useful strategies for short and long-term

measures in enterprise development and financial support policies for agricultural development are addressed. Recommendations for South-South Cooperation for sustainable agricultural practices and the sharing of technologies may also be found.

United Nations Conference on Trade and Development. (2008). *Organic Agriculture and Food Security in Africa*. Retrieved on August 19, 2012 from http://unctad.org/en/docs/ditcted200715_en.pdf

A special emphasis in organic agriculture is presented in this document focusing on efforts by UNCTAD to document the progress of organic agriculture. Various successful case studies of organic and sustainable agriculture are presented. Alternatives to agrochemicals can also be found in this document in which more sustainable methods are recommended that are not harmful to the environment

United Nations Conference on Trade and Development. (2011). *Assuring Food Security in Developing Countries Under the Challenges of Climate Change: Key Trade and Development issues of a Fundamental Transformation of Agriculture*. Retrieved on August 6, 2012 from http://unctad.org/en/docs/osgdp20111_en.pdf

While this document provides information on the effects of climate change to food security, it also provides recommendations for sustainable agricultural development. The effects of climatic changes to vulnerable small-scale agricultural practices are presented as well as the irreversible damage caused by the heavy dependency on agrochemicals. Mitigation and adaptation strategies are presented in order to implement a more sustainable approach to agriculture. Study cases on the restoration of degraded land can also be found in this publication.

World Trade Organization. (June 2011). *Price Volatility in Food and Agricultural Markets: Policy Responses*. Retrieved on August 2, 2012 from http://www.wto.org/english/news_e/news11_e/igo_10jun11_report_e.pdf

A comprehensive explanation on price volatility and the role it has in food insecurity at the national, regional and international levels. Recommendations are given to reduce price volatility of food and agricultural products by taking into account all stakeholders. The different trade policies that countries may implement in order to alleviate price volatility can be found.

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Rules of Procedure

United Nations Conference on Trade and Development

Introduction

1. These rules shall be the only rules which apply to the United Nations Conference on Trade and Development (hereinafter referred to as “the Conference”) and shall be considered adopted by the Conference prior to its first meeting.
2. For purposes of these rules, the Director, the Assistant Director(s), the Under-Secretaries-General, and the Assistant Secretaries-General, are designates and agents of the Secretary-General and Director-General, and are collectively referred to as the “Secretariat.”
3. Interpretation of the rules shall be reserved exclusively to the Director-General or her or his designate. Such interpretation shall be in accordance with the philosophy and principles of the National Model United Nations and in furtherance of the educational mission of that organization.
4. For the purposes of these rules, “President” shall refer to the chairperson or acting chairperson of the Conference.
5. The final report as adopted by the Conference shall be communicated to the General Assembly Plenary Session for review.

I. SESSIONS

Rule 1 - Dates of convening and adjournment

The Conference shall meet every year in regular session, commencing and closing on the dates designated by the Secretary-General.

Rule 2 - Place of sessions

The Conference shall meet at a location designated by the Secretary-General.

II. AGENDA

Rule 3 - Provisional agenda

The provisional agenda shall be drawn up by the Director-General and communicated to the Members of the Conference at least sixty days before the opening of the session.

Rule 4 - Adoption of the agenda

The agenda provided by the Director-General shall be considered adopted as of the beginning of the session. The order of the agenda items shall be determined by a majority vote of those present and voting.

The vote described in this rule is a procedural vote and, as such, observers are permitted to cast a vote. For purposes of this rule, those present and voting means those Member States and observers, in attendance at the meeting during which this motion comes to a vote. Should the Conference not reach a decision by conclusion of the first night's meeting, the agenda will be automatically set in the order in which it was first communicated.

Rule 5 - Revision of the agenda

During a session, the Conference may revise the agenda by adding, deleting, deferring or amending items. Only important and urgent items shall be added to the agenda during a session. Debate on the inclusion of an item in the agenda shall be limited to three speakers in favor of, and three against, the inclusion. Additional items of an important and urgent character, proposed for inclusion in the agenda less than thirty days before the opening of a session, may be placed on the agenda if the Conference so decides by a two-thirds majority of the members present and voting. No additional item may, unless the Conference decides otherwise by a two-thirds majority of the members present and voting, be considered until a committee has reported on the question concerned.

For purposes of this rule, the determination of an item of an important and urgent character is subject to the discretion of the Director-General, or his or her designate, and any such determination is final. If an item is determined to be of such a character, then it requires a two-thirds vote of the Conference to be placed on the agenda. The votes described in this rule are substantive votes, and, as such, observers are not permitted to cast a

vote. For purposes of this rule, —the members present and voting — means members (not including observers) in attendance at the session during which this motion comes to vote.

Rule 6 - Explanatory memorandum

Any item proposed for inclusion in the agenda shall be accompanied by an explanatory memorandum and, if possible, by basic documents.

III. SECRETARIAT

Rule 7 - Duties of the Secretary-General

1. The Secretary-General or her/his designate shall act in this capacity in all meetings of the Conference.
2. The Secretary-General, in cooperation with the Director-General, shall provide and direct the staff required by the Conference and be responsible for all the arrangements that may be necessary for its meetings.

Rule 8 - Duties of the Secretariat

The Secretariat shall receive, print, and distribute documents, reports, and any other decisions of the Conference, and shall distribute documents of the Conference to the Members, and generally perform all other work which the Conference may require.

Rule 9 - Statements by the Secretariat

The Secretary-General, or her/his representative, may make oral as well as written statements to the Conference concerning any question under consideration.

Rule 10 - Selection of the President

The Secretary-General or her/his designate shall appoint, from applications received by the Secretariat, a President who shall hold office and, *inter alia*, President the Conference for the duration of the session, unless otherwise decided by the Secretary-General.

Rule 11 - Replacement of the President

If the President is unable to perform her/his functions, a new President shall be appointed for the unexpired term at the discretion of the Secretary-General.

IV. LANGUAGE

Rule 12 - Official and working language

English shall be the official and working language of the Conference.

Rule 13 - Interpretation (oral) or translation (written)

Any representative wishing to address any body or submit a document in a language other than English shall provide interpretation or translation into English.

This rule does not affect the total speaking time allotted to those representatives wishing to address the body in a language other than English. As such, both the speech and the interpretation must be within the set time limit.

V. CONDUCT OF BUSINESS

Rule 14 – Quorum

The President may declare a meeting open and permit debate to proceed when representatives of at least one third of the members of the Conference are present. The presence of representatives of a majority of the members of the Conference shall be required for any decision to be taken.

For purposes of this rule, members of the Conference means the total number of members (not including observers) in attendance at the first night's meeting.

Rule 15 - General powers of the President

In addition to exercising the powers conferred upon him or her elsewhere by these rules, the President shall declare the opening and closing of each meeting of the Conference, direct the discussions, ensure observance of these rules, accord the right to speak, put questions to the vote and announce decisions. The President, subject to these rules, shall have complete control of the proceedings of the Conference and over the maintenance of order at its meetings. He or she shall rule on points of order. He or she may propose to the Conference the closure of the list of speakers, a limitation on the time to be allowed to speakers and on the number of times the representative of each member may speak on an item, the adjournment or closure of the debate, and the suspension or adjournment of a meeting.

Included in these enumerated powers is the President's power to assign speaking times for all speeches incidental to motions and amendment. Further, the President is to use her/his discretion, upon the advice and at the consent of the Secretariat, to determine whether to entertain a particular motion based on the philosophy and principles of the NMUN. Such discretion should be used on a limited basis and only under circumstances where it is necessary to advance the educational mission of the Conference and is limited to entertaining motions.

Rule 16 – Authority of the Conference

The President, in the exercise of her or his functions, remains under the authority of the Conference.

Rule 17 – Voting rights on procedural matters

Unless otherwise stated, all votes pertaining to the conduct of business shall require a majority of the members present and voting in order to pass.

For purposes of this rule, the members present and voting mean those members (including observers) in attendance at the meeting during which this rule is applied. Note that observers may vote on all procedural votes; they may, however, not vote on substantive matters (see Chapter VI). There is no possibility to abstain on procedural votes.

Rule 18 - Points of order

During the discussion of any matter, a representative may rise to a point of order, and the point of order shall be immediately decided by the President in accordance with the rules of procedure. A representative may appeal against the ruling of the President. The appeal shall be immediately put to the vote, and the President's ruling shall stand unless overruled by a majority of the members present and voting. A representative rising to a point of order may not speak on the substance of the matter under discussion.

Such points of order should not under any circumstances interrupt the speech of a fellow representative. They should be used exclusively to correct an error in procedure. Any questions on order arising during a speech made by a representative should be raised at the conclusion of the speech, or can be addressed by the President, sua sponte, during the speech. For purposes of this rule, the members present and voting mean those members (including observers) in attendance at the meeting during which this motion comes to vote.

Rule 19 - Speeches

No representative may address the Conference without having previously obtained the permission of the President. The President shall call upon speakers in the order in which they signify their desire to speak. The President may call a speaker to order if his remarks are not relevant to the subject under discussion.

In line with the philosophy and principles of the NMUN, in furtherance of its educational mission, and for the purpose of facilitating debate, the Secretariat will set a time limit for all speeches which may be amended by the President at his/her discretion. Consequently, motions to alter the speaker's time will not be entertained by the President.

Rule 20 - Closing of list of speakers

Members may only be on the list of speakers once but may be added again after having spoken. During the course of a debate, the President may announce the list of speakers and, with the consent of the Conference, declare the list closed. When there are no more speakers, the President shall declare the debate closed. Such closure shall have the same effect as closure by decision of the Conference.

The decision to announce the list of speakers is within the discretion of the President and should not be the subject of a motion by the Conference. A motion to close the speakers list is within the purview of the Conference and the President should not act on her/his own motion.

Rule 21 - Right of reply

If a remark impugns the integrity of a representative's State, the President may permit that representative to exercise her/his right of reply following the conclusion of the controversial speech, and shall determine an appropriate time limit for the reply. No ruling on this question shall be subject to appeal.

For purposes of this rule, a remark that impugns the integrity of a representative's State is one directed at the governing authority of that State and/or one that puts into question that State's sovereignty or a portion thereof. All interventions in the exercise of the right of reply shall be addressed in writing to the Secretariat and shall not be raised as a point of order or motion. The reply shall be read to the Conference by the representative only upon approval of the Secretariat, and in no case after voting has concluded on all matters relating to the agenda topic, during the discussion of which, the right arose.

Rule 22 - Suspension of the meeting

During the discussion of any matter, a representative may move the suspension of the meeting, specifying a time for reconvening. Such motions shall not be debated but shall be put to a vote immediately, requiring the support of a majority of the members present and voting to pass.

Rule 23 - Adjournment of the meeting

During the discussion of any matter, a representative may move to the adjournment of the meeting. Such motions shall not be debated but shall be put to the vote immediately, requiring the support of a majority of the members present and voting to pass. After adjournment, the Conference shall reconvene at its next regularly scheduled meeting time.

As this motion, if successful, would end the meeting until the Conference's next regularly scheduled session the following year, and in accordance with the philosophy and principles of the NMUN and in furtherance of its educational mission, the President will not entertain such a motion until the end of the last meeting of the Conference.

Rule 24 - Adjournment of debate

During the discussion of any matter, a representative may move the adjournment of the debate on the item under discussion. Two representatives may speak in favor of, and two against, the motion, after which the motion shall be immediately put to the vote. The President may limit the time to be allowed to speakers under this rule.

Rule 25 - Closure of debate

A representative may at any time move the closure of debate on the item under discussion, whether or not any other representative has signified her/his wish to speak. Permission to speak on the motion shall be accorded only to two representatives opposing the closure, after which the motion shall be put to the vote immediately. Closure of debate shall require a two-thirds majority of the members present and voting. If the Conference favors the closure of debate, the Conference shall immediately move to vote on all proposals introduced under that agenda item.

Rule 26 - Order of motions

Subject to rule 18, the motions indicated below shall have precedence in the following order over all proposals or other motions before the meeting:

- a) To suspend the meeting;
- b) To adjourn the meeting;
- c) To adjourn the debate on the item under discussion;
- d) To close the debate on the item under discussion.

Rule 27 - Proposals and amendments

Proposals and amendments shall normally be submitted in writing to the Secretariat. Any proposal or amendment that relates to the substance of any matter under discussion shall require the signature of twenty percent of the members of the Conference [sponsors]. The Secretariat may, at its discretion, approve the proposal or amendment

for circulation among the delegations. As a general rule, no proposal shall be put to the vote at any meeting of the Conference unless copies of it have been circulated to all delegations. The President may, however, permit the discussion and consideration of amendments or of motions as to procedure, even though such amendments and motions have not been circulated. If the sponsors agree to the adoption of a proposed amendment, the proposal shall be modified accordingly and no vote shall be taken on the proposed amendment. A document modified in this manner shall be considered as the proposal pending before the Conference for all purposes, including subsequent amendments.

For purposes of this rule, all proposals shall be in the form of working papers prior to their approval by the Secretariat. Working papers will not be copied, or in any other way distributed, to the Conference by the Secretariat. The distribution of such working papers is solely the responsibility of the sponsors of the working papers. Along these lines, and in furtherance of the philosophy and principles of the NMUN and for the purpose of advancing its educational mission, representatives should not directly refer to the substance of a working paper that has not yet been accepted as a draft report segment during formal speeches. After approval of a working paper, the proposal becomes a draft report segment and will be copied by the Secretariat for distribution to the Conference. These draft report segments are the collective property of the Conference and, as such, the names of the original sponsors will be removed. The copying and distribution of amendments is at the discretion of the Secretariat, but the substance of all such amendments will be made available to all representatives in some form.

Rule 28 - Withdrawal of motions

A motion may be withdrawn by its proposer at any time before voting has commenced, provided that the motion has not been amended. A motion thus withdrawn may be reintroduced by any member.

Rule 29 - Reconsideration of a topic

When a topic has been adjourned, it may not be reconsidered at the same session unless the Conference, by a two-thirds majority of those present and voting, so decides. Reconsideration can only be moved by a representative who voted on the prevailing side of the original motion to adjourn. Permission to speak on a motion to reconsider shall be accorded only to two speakers opposing the motion, after which it shall be put to the vote immediately.

VI. VOTING

Rule 30 - Voting rights

Each member of the Conference shall have one vote.

This rule applies to substantive voting on amendments, draft report segments, and portions of draft report segments divided out by motion. As such, all references to member(s) do not include observers, who are not permitted to cast votes on substantive matters.

Rule 31 - Request for a vote

A proposal or motion before the Conference for decision shall be voted upon if any member so requests. Where no member requests a vote, the Conference may adopt proposals or motions without a vote.

For purposes of this rule, proposal means any draft report segment, an amendment thereto, or a portion of a draft report segment divided out by motion. Just prior to a vote on a particular proposal or motion, the President may ask if there are any objections to passing the proposal or motion by acclamation, or a member may move to accept the proposal or motion by acclamation. If there are no objections to the proposal or motion, then it is adopted without a vote.

Rule 32 - Majority required

1. Unless specified otherwise in these rules, decisions of the Conference shall be made by a two thirds majority of the members present and voting.
2. For the purpose of tabulation, the phrase “members present and voting” means members casting an affirmative or negative vote. Members which abstain from voting are considered as not voting.

All members declaring their representative States as “present and voting” during the attendance roll call for the meeting during which the substantive voting occurs, must cast an affirmative or negative vote, and cannot abstain

on substantive votes. All substantive decisions of the Conference, i.e. including the substantive vote on a successful motion to divide part of a proposal or the vote on an amendment, require a two thirds majority in order to pass.

Rule 33 - Method of voting

1. The Conference shall normally vote by a show of placards, except that a representative may request a roll call, which shall be taken in the English alphabetical order of the names of the members, beginning with the member whose name is randomly selected by the President. The name of each member shall be called in any roll call, and one of its representatives shall reply “yes,” “no,” “abstention,” or “pass.”

Only those members who designate themselves as present or present and voting during the attendance roll call, or in some other manner communicate their attendance to the President and/or Secretariat, are permitted to vote and, as such, no others will be called during a roll-call vote. Any representatives replying pass must, on the second time through, respond with either a yes or no vote. A pass cannot be followed by a second pass for the same proposal or amendment, nor can it be followed by an abstention on that same proposal or amendment.

2. When the Conference votes by mechanical means, a non-recorded vote shall replace a vote by show of placards and a recorded vote shall replace a roll-call vote. A representative may request a recorded vote. In the case of a recorded vote, the Conference shall dispense with the procedure of calling out the names of the members.
3. The vote of each member participating in a roll call or a recorded vote shall be inserted in the record.

Rule 34 - Explanations of vote

Representatives may make brief statements consisting solely of explanation of their votes after the voting has been completed. The representatives of a member sponsoring a proposal or motion shall not speak in explanation of vote thereon, except if it has been amended, and the member has voted against the proposal or motion.

All explanations of vote must be submitted to the President in writing before debate on the topic is closed, except where the representative is of a member sponsoring the proposal, as described in the second clause, in which case the explanation of vote must be submitted to the President in writing immediately after voting on the topic ends.

Rule 35 - Conduct during voting

After the President has announced the commencement of voting, no representatives shall interrupt the voting except on a point of order in connection with the actual process of voting.

For purposes of this rule, there shall be no communication amongst delegates, and if any delegate leaves the Conference room during voting procedure, they will not be allowed back into the room until the Conference has convened voting procedure.

Rule 36 - Division of proposals and amendments

Immediately before a proposal or amendment comes to a vote, a representative may move that parts of a proposal or of an amendment should be voted on separately. If there are calls for multiple divisions, those shall be voted upon in an order to be set by the President where the most radical division will be voted upon first. If objection is made to the motion for division, the request for division shall be voted upon, requiring the support of a majority of those present and voting to pass. Permission to speak on the motion for division shall be given only to two speakers in favor and two speakers against. If the motion for division is carried, those parts of the proposal or of the amendment which are approved shall then be put to a vote. If all operative parts of the proposal or of the amendment have been rejected, the proposal or the amendment shall be considered to have been rejected as a whole.

For purposes of this rule, most radical division means the division that will remove the greatest substance from the draft report segment, but not necessarily the one that will remove the most words or clauses. The determination of which division is most radical is subject to the discretion of the Secretariat, and any such determination is final.

Rule 37 - Amendments

An amendment is a proposal that does no more than add to, delete from, or revise part of another proposal.

An amendment can add, amend, or delete parts of the part relating to conclusions and recommendations of any draft report segment, but cannot in any manner add, amend, delete, or otherwise affect the introduction.

Rule 38 - Voting on amendments

When an amendment is moved to a proposal, the amendment shall be voted on first. When two or more amendments are moved to a proposal, the amendment furthest removed in substance from the original proposal shall be voted on first and then the amendment next furthest removed there from, and so on until all the amendments have been put to the vote. Where, however, the adoption of one amendment necessarily implies the rejection of another amendment, the latter shall not be put to the vote. If one or more amendments are adopted, the amended proposal shall then be voted on.

For purposes of this rule, furthest removed in substance means the amendment that will have the most significant impact on the draft report segment. The determination of which amendment is furthest removed in substance is subject to the discretion of the Secretariat, and any such determination is final.

Rule 39 - Order of voting on proposals

If two or more proposals, other than amendments, relate to the same question, they shall, unless the Conference decides otherwise, be voted on in the order in which they were submitted.

Rule 40 - The President shall not vote

The President shall not vote but may designate another member of her/his delegation to vote in her/his place.

VII. CREDENTIALS

Rule 41 - Credentials

The credentials of representatives and the names of members of a delegation shall be submitted to the Secretary-General prior to the opening of a session.

Rule 42 - Authority of the General Assembly

The Conference shall be bound by the actions of the General Assembly in all credentials matters and shall take no action regarding the credentials of any member.

VII. PARTICIPATION OF NON-MEMBERS OF THE CONFERENCE

Rule 43 - Participation of non-Member States

The Conference shall invite any Member of the United Nations that is not a member of the Conference and any other State, to participate in its deliberations on any matter of particular concern to that State.

A committee or sessional body of the Conference shall invite any State that is not one of its own members to participate in its deliberations on any matter of particular concern to that State. A State thus invited shall not have the right to vote, but may submit proposals which may be put to the vote on request of any member of the body concerned.

If the Conference considers that the presence of a Member invited according to this rule is no longer necessary, it may withdraw the invitation. Delegates invited to the Conference according to this rule should also keep in mind their role and obligations in the Conference that they were originally assigned to. For educational purposes of the NMUN Conference, the Secretariat may thus ask a delegate to return to his or her Conference when his or her presence in the Conference is no longer required.

Rule 45 - Participation of national liberation movements

The Conference may invite any national liberation movement recognized by the General Assembly to participate, without the right to vote, in its deliberations on any matter of particular concern to that movement.

Rule 46 - Participation of and consultation with specialized agencies

In accordance with the agreements concluded between the United Nations and the specialized agencies, the specialized agencies shall be entitled: a) To be represented at meetings of the Conference and its subsidiary organs; b) To participate, without the right to vote, through their representatives, in deliberations with respect to items of

concern to them and to submit proposals regarding such items, which may be put to the vote at the request of any member of the Conference or of the subsidiary organ concerned.

Rule 47 - Participation of non-governmental organization and intergovernmental organizations

Representatives of non-governmental organizations/intergovernmental organizations accorded consultative observer status by the Economic and Social Council and other non-governmental organizations/intergovernmental organizations designated on an ad hoc or a continuing basis by the Conference on the recommendation of the Bureau, may participate, with the procedural right to vote, but not the substantive right to vote, in the deliberations of the Conference on questions within the scope of the activities of the organizations.