

**30<sup>th</sup> September, 2021**

**Civil Society Declaration for UNCTAD XV**

**Bridgetown, Barbados**

**I. Preamble and context**

1. We, civil society organizations and networks that engaged in the preparatory process of the Fifteenth Session of the United Nations Conference on Trade and Development (UNCTAD XV) and participated in the Civil Society Forum, which was held in Barbados from 22 to 24 September 2021, would like to convey our reflections, aspirations and deliberations on the role of UNCTAD in the coming four years in the context of the current extremely challenging conjuncture.
2. We consider the role and mandate of UNCTAD to be central to our vision, priorities and activism. However, we deeply regret the extremely limited opportunities for actual engagement in the UNCTAD XV process and the delayed start of the CSO Forum preparations. While understanding the complications imposed by shifting schedules and virtual modalities, the negotiation process provided no access to civil society participation, despite continued requests, and featured extreme opacity and lack of transparency. As a UN organization, UNCTAD is requested to uphold the highest standards of engagement and participation of civil society. We, therefore, look forward to working closely with the newly appointed Secretary General to strengthen the working relations with civil society and ensure a meaningful and participatory pathway to the mid-term review and the next UNCTAD Quadrennial Conference.
3. The multiple crises before us magnified the depth of inequalities within and between countries, between men and women, and the consequences of decades of imperialism and neo-colonialism, particularly through de-regulation, liberalization, financialization and corporate concentration. In most countries in the Global South – the Least Developed Countries and African, Caribbean and Pacific countries – the crises have further enfeebled the already decades-old weak productive capacities so that the imperative to structurally transform these economies takes on renewed and urgent significance. Women have been disproportionately impacted as their unpaid domestic and care work is being exploited to subsidise the global economy, as seen by the persistent sexual division of labour. In conjunction with these challenges, the crisis has further revealed and exacerbated systemic weaknesses and reinforced the urgency of redirecting resources to strengthen public services and social protection systems and reverse the decades-long pursuit of fiscal austerity, privatization and public-private partnerships.
4. However, while the Global North continues to deploy large stimulus packages and vaccines, the Global South remains confronted with unbearable restrictions on policy and fiscal space, suffocated by illicit financial flows, unfair trade and investment regimes, bogged down by unsustainable ballooning and onerous debt, and constrained by policy conditionalities that narrow its capacity to focus on people-centred, rights-based socio-economic transformation strategies. These challenges expose the dynamics at the very core of the current international economic system and its policy regimes, highlighting the fundamental constraints to equitable and sustainable development across the world and urgent necessity to democratically establish a New Global Economic Architecture that works for Peoples and Planet.

## **II. Overall views on the reaffirmation of the UNCTAD mandate**

5. In this context and given its systemic and developmental approach to the intersections between trade, investment, finance and technology, UNCTAD is uniquely placed to play a critical role in shaping the global development pathway towards the necessary systemic reforms for a new global socio-economic and ecological order. We would therefore like to reaffirm the values, understandings and policy propositions that led to the establishment of UNCTAD and that permeated its 50+ years of history, with special reference to its development-centred role, its predisposition to Southern priority issues and its policy independence from neoliberal institutions. At the same time, we wish to express our deepest concerns by the attempts to undermine the independence of UNCTAD's policy analysis, weaken UNCTAD's normative functions and subsume the role of the organization to other institutions, particularly those whose policy regimes continue to ossify a global division of labour that relegates developing countries to the lower end of the global economic system.
6. While reaffirming UNCTAD's role in exposing and facilitating the removal of the current systemic barriers to developing countries' socio-economic transformation, we would also like to stress that such a role should be contextualized in today's conjuncture and several circumstances which have been exposed and magnified by the COVID-induced crisis. This includes giving the utmost urgency to tackle the climate and ecological crisis with focus on blue and green economies, as well as the imperative to chart a speedy transition to a new feminist and care economy.
7. The extent of hyper-globalization and the consequent need to decolonize the global economy requires an even stronger role of UNCTAD, along the following lines:
  - a. We call for UNCTAD to continue assessing, analysing and exposing the shortcomings of the current pattern of globalization from achieving peoples' right to development from the viewpoint of developing countries and their structural transformation challenges. This requires a systemic perspective, one that should now also integrate and be enriched by the strong climate/ecological and feminist angles.
  - b. We call on UNCTAD to advance clear policy propositions on systemic and governance reforms that can expand the policy and fiscal space of developing countries in ways that do not further increase their subjugation to developed country economies and rather restore and strengthen their sovereignty over their development pathways.
  - c. We call on UNCTAD to provide the normative space to explore political solutions that can tackle the current power imbalances, reform current institutions, and create new ones under the democratic auspices of the UN. This means strengthening the role of the Trade and Development Board, the UNCTAD Commissions and the role of the Inter-Governmental Group of Experts on FfD as well as fostering a stronger role by UNCTAD in the FfD process.
8. UNCTAD plays a fundamental role in the struggle to shift the barycentre of economic governance away from developed countries dominated institutions and clubs towards a truly inclusive multilateralism where developing countries have full say and equal vote. Once again, exactly as was the case in 1945, the UN is called to advance a decolonization agenda – this time the decolonization of the global economy and a new path to sovereignty and freedom for developing countries. UNCTAD is on the edge of this struggle within the UN system, being in essence both the leading frontier as well as the last line of defence. As civil society, we therefore strenuously defend its role and reaffirm its mandate.

### III. Critical dimensions for a renewed UNCTAD Mandate in today's conjuncture

#### *Building a feminist economy and the social value of care*

9. We, civil society organizations and networks, remain resolute that women's human rights and gender justice are critical to building resilient, just and fully inclusive States and societies. Gender responsive and transformative policies are crucial to the effective realization of sustainable and just development economic goals.
10. Further, we believe that trade policy must be built on an inclusive and intersectional feminist perspective model/paradigm that ensures the protection of women's human rights as a fundamental condition for the right to development. Macroeconomic policies, including trade policy, must uphold the principles of a broad vision of redistributive justice, social justice, economic justice, human rights, quality public services, and environmental justice, protection and accountability.
11. COVID-19 brings to light the double burden women face in too many households, bearing the responsibility for un/der/paid care work in the home, community and the society at large at the same time as paid work. Austerity programmes are designed to exploit women's labour to provide care labour and often rely on women stepping in to provide care. It is essential that we shift the discourse on care by valuing and recognising it as a public good, a collective social responsibility; care has a social value as well as an economic value. The State must be a key actor and provider of public care services and develop care systems that shift the patriarchal power relations to recognise, reduce and redistribute care work and realise women's human rights to transform gender relations and women's lives.
12. This is even more relevant in a digital economic paradigm in which a majority of women from the South find their livelihoods threatened, and their care and unpaid work invisibilized, in digital value chains. It is vital that policies avoid an add-and-stir approach to women's participation in these value chains. We demand a rebooting of the global economy together with institutional norms and rules commensurate with feminist visions of work and wellbeing.
13. We call for UNCTAD to broaden and deepen its mandate to ensure that women's human rights and gender justice/gender mainstreaming is at the heart of all trade policies and measures.
14. We reject the dominant narrative on women's economic empowerment that is manipulated to simply insert women in the existing capitalist market systems. We assert women's economic rights that advance women's political power and leadership to make decisions and shift power relations. Any and all proposals and arrangements in trade negotiations and development policies must go through gender, women's human rights and environment impact assessment with meaningful participation of peoples in all their diversities and in their movements to be assessed based on the impact (positive and negative) on women and gender non-conforming peoples.
15. We join in support of the outcomes of the Gender and Development Forum and call on UNCTAD to ensure that its mandate sees gender justice as intrinsic to trade policy by: 1) Establishing mechanisms that states can use for implementing and monitoring identified priorities on gender equality, or how these principles should be included in UNCTAD's work; 2) Eliminating restrictive policy measures and initiatives to female entrepreneurs in specific sectors that participate in international trade; 3) Including and reaffirming CEDAW and the 1995 Beijing Platform for Action with its action points on a gender-just trade policy, as well as other relevant conventions relating to the rights of indigenous people, migrants, and other marginalized communities.

### ***A Just Transition – 1.5°C to Stay Alive***

16. The economic and environmental crises are two sides of the same coin. Climate change impacts are therefore amplified in Small Island Developing States (SIDS).
17. We acknowledge the 2021 report from the Inter-governmental Panel on Climate Change (IPCC) which brought terrifying news to the world – climate change is man-made. All the current measures and market-based approaches to promote renewable energy and energy conservation are not at all adequate. Even if all current government commitments to clean energy were met, and all proposed plans were actually implemented, by 2035, global policies presently in place around the world are projected to not achieve a 1.5-degree Paris Climate target, resulting in dangerous warming above pre-industrial levels. There is a growing/increasing commodification of nature by giving monetary value to the oceans, forests, land and the air, hoping that by putting a price on 'natural capital' this will halt the abuse and misuse of nature as well as promote its preservation. It has not worked so far and it will not work in the future.
18. The answer lies in democratizing energy and ensuring that we eliminate energy poverty and end the creation of climate refugees. Governments must take the lead and must inject significant investment in mitigation and adaptation. This huge injection will require public finance through public banks. The private sector will not do it. Significantly, renewable energy has made the biggest strides (and created the most jobs) where governments have played a leading role and markets are less liberalized.
19. Recognising the origins of and continuing contributors to the climate crisis and the impending chaos, civil society organizations call on UNCTAD to further develop and assist developing States in achieving a Global Green New Deal. This means that governments must overhaul the rules of the international trade and monetary systems so that all countries – in particular developing ones – can carry out the necessary government investments to decarbonize economies.
20. Climate finance is crucial to global efforts to stop dangerous climate change and address historical responsibility of the Global North. UNCTAD should play an important role in monitoring climate finance and facilitating technology transfer policies to ensure decarbonization, a Just Recovery from COVID and Transition away from fossil fuels.

### ***Trade and Investment Regimes***

21. There is the urgent need to overhaul the trade and investment regime for one that is enabling, rather than constraining, for economic transformation in the global south. The multiple crises have starkly exposed the inequities, the non-developmental nature and the imbalances of the current dominant trade and investment regime. This regime empowers and emboldens Transnational Corporations all over the world and reduces the ability of states to catalyse development. Over the years, corporations have influenced and rigged trade and investment rules to enable them to continue to reap super profits at the expense of developmental policy instruments, labour rights and democratic states and their normative functions.
22. States are failing to deliver on the social contract due to the constraints that trade agreements place on the ability of states to regulate in the public interest; to guarantee the human right to food; and to foster economic development in the domestic economy. This combined with the broader concentration of wealth facilitated by these trade and investment, has created unacceptable concentrations of power that is fueling dangerous levels of inequality across nations and among socio-economic groups. Despite these dangerous trends there is still the push to expand these rules into new areas in line with the insatiable nature of profits-driven greed.

23. The decades of neoliberal and hyper-globalisation have weakened the productive capacities of most developing countries. The current developmental challenges demand a trade and investment regime that empowers states to build productive capacities in the global south by deploying different policy instruments at their disposal. They urgently need to be able to use traditional development policies – which were used by all industrialized countries in their development – to promote jobs and domestic industries. Special and Differential Treatment (S&DT) rules must be strengthened and operationalized for all developing countries, focusing on freedom from existing harmful trade and investment rules which limit the use of evidence-based development policies.
24. UNCTAD over the years has been at the forefront providing alternative trade and investment policies that potentially can deliver inclusive growth and sustainable development and this role has been reiterated over the years. Hence its mandate should be strengthened as the rallying point for the integrated treatment of trade and development and interrelated issues in the areas of finance, technology, investment and sustainable development.
25. We call on member states in the context of UNCTAD XV Conference to boldly demand an overhaul of the current harmful trade and investment regime and empower UNCTAD, through its mandate, to play a more central and critical role in putting forward alternative transformational trade and investment regime that will empower developing countries to build productive capacities, diversify their economies, create jobs and provide public services essential for proper functioning societies.
26. In this context, it is equally important to acknowledge that the current vaccine apartheid remains one of the most important issues facing developing countries in the current crisis. Intellectual property barriers on vaccines, as well as treatments and diagnostics enforced by the WTO, are delaying an equitable roll out of the COVID-19 vaccine in the Global South. Thus, UNCTAD should contribute, analytically and normatively, to the urgent calls for an immediate agreement to the TRIPS waiver proposal so that barriers to trade under the rubric of intellectual property can be removed to end the pandemic for all.
27. It is equally important to ensure that UNCTAD's research and policy work on Investor State Dispute Settlement reform be strengthened. With over 1000 Investor State Dispute Settlement cases against governments, particularly those in the Global South, this harmful mechanism included in many trade and investment agreements is a threat to countries' sovereignty and policy space for sustainable development and climate action.

### ***Digitalization and Technology Justice***

28. Digitalization marks a new point of inflection for geo-economic and geo-political power. UNCTAD must step up to fulfil its mandate to catalyse an equitable global economy and a global trade regime that is fair and just. We urge UNCTAD to enable and empower developing countries to move into higher value segments of the global economy.
29. The intensification of digitalization post-Covid and the datafication of cross-border value chains calls urgent attention to the global governance vacuum that enables data, and with it, digital intelligence to flow out of the Global South. In a highly skewed digital economy, the digital infrastructural capabilities of the South and a new governance regime for data rights, including economic rights, are core to determining the destinies of peoples on the long road to recovery from the ravages of the pandemic.
30. Trade policy discussions, including plurilateral negotiations on digital trade rules at the WTO, and policy discourses on frontier data and AI technologies, reinforce a data colonialist regime that will reduce developing countries to being mere exporters of raw data. We believe that without concerted action to address the status quo of extractivist datafication and value capture from the South, a handful of transnational digital

corporations and a few powerful countries will set the terms of the marketplace, cannibalising social and collective life into the logic of intelligence capital.

31. A new digital economy based on redistributive justice is urgently needed. We call upon UNCTAD to uphold the technological sovereignty of developing countries as a foundational building block of the de-colonization project in the data age.
32. We exhort UNCTAD to unequivocally endorse a democratic, rule-based governance regime for the digital paradigm that can rein in Big Tech corporations, and re-imagine platform, data, and AI-supported production models towards economic self-determination of nations and peoples. UNCTAD must promote a dialogue within the multilateral system for a new framework convention on data governance grounded in the indivisibility of rights, including the right to development.
33. We urge UNCTAD to promote South-South cooperation for establishing locally sustainable digital industrialization pathways and appropriation of data-based intelligence towards equitable and sustainable platform models.

### **Fiscal space and financial regulation**

34. We call on UNCTAD to expand its focus – in both analytical and policy propositional terms – on systemic reforms that can expand the fiscal space of developing countries so that they can better advance their sustainable development trajectories and socio-economic transformation efforts. In particular, we call on UNCTAD to:
  - a. Continue promoting, as well as further strengthening, responsible lending and borrowing standards and practices, while also exploring options for the adequate regulation of credit rating agencies to avoid the possible downgrading of developing countries in debt distress and/or engaged in debt restructuring processes.
  - b. Further advance its proposals on debt restructuring mechanisms, with special reference to the creation, under the aegis of the United Nations, of a systematic, comprehensive and enforceable process for sovereign debt restructurings to ensure timely and orderly debt crisis resolution and comprehensive creditor coordination as well as to prevent negative fiscal and social impacts of protracted debt crises.
  - c. Explore new methodologies for assessing debt sustainability, which provide adequate consideration of Agenda 2030 financing requirements and human rights obligations, and ensure a widened focus to better capture contingent liabilities, private external debt, domestic debt and state-owned enterprise debt.
  - d. Advance proposals for rechannelling mechanisms that would allow the voluntary transfer of unused SDRs from developed economies to developing countries in need, while preserving the character of SDRs as a resource that does not create new debt and has no conditionalities.
  - e. Advance the body of work from multiple development organizations, including UNCTAD, on the urgent necessity for a multidimensional vulnerability assessment mechanism that permits countries which are currently being excluded from sourcing concessional development finance and ODA on narrow and restrictive criteria such as GDP per capita, to have fair and equitable access to much needed resources to assist with social, economic and infrastructural investments.
  - f. Advance its work towards a new, fair global tax regime and a set of comprehensive taxation reforms to be defined in an open and transparent intergovernmental process, within the framework of the United Nations, in which countries can

participate as equals and the public and civil society can hold negotiators to account for proposals and decisions. In this respect, it is essential for UNCTAD to support developing countries' proposal to establish a universal, intergovernmental tax commission under the auspices of the United Nations to ensure all countries, including developing countries, are at the table to comprehensively review the current international tax system and negotiate international tax standards on truly equal footing. A universal UN intergovernmental tax commission should then negotiate a comprehensive UN multilateral tax convention. Anchoring this process in the UN is crucial to ensure that international tax discussions are in line with global commitments to uphold human rights, gender equality and all dimensions of sustainable development, including the commitments in the Paris Agreement.

- g. Critically analyse the appropriateness of 'private finance first' approaches to development finance, such as PPPs and blended finance. Independent review and analysis of the development impact of such approaches is urgently needed in the context of donors and institutions promoting a rather unrealistic assumption that private finance will appear to fill financing shortfalls rather than reaffirming the centrality of public investments.
- h. Promote ambitious financial reforms to ensure that the banking sector and all other financial players, and the financial system as a whole, are brought back to proper democratic accountability to support sustainable societies and real economies, and adapt to developing countries' financial priorities, including the 2030 Agenda and the Paris Agreement.
- i. Expose the critical importance of, and the use of, capital flow management to prevent excessive speculative capital inflows, capital flight and currency depreciation, including by highlighting the need to revise articles in trade and investment treaties that forbid a flexible management of capital flows.