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DEVELOPMENT PLATFORM FOR THE SOUTH

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BACKGROUND

1. The Second South Summit, held in Doha, Qatar from 12 to 16 June 2005, invited the Chairman of the G-77 to prepare a platform for the South to provide a framework of development options to support the participation and integration of developing countries into the global economy and the globalization process and requested the Chairman to present proposals on the elaboration of the platform for the consideration of the Twenty-ninth Annual Meeting of Ministers for Foreign Affairs of the Group of 77 scheduled to be held in New York on 22 September 2005 (paragraph 113 of the Doha Plan of Action).
2. In accordance with the above mandate, the Chairman of the Group of 77 convened a Panel of Eminent Experts in Kingston, Jamaica on 29-30 August 2005 for the first meeting on a Development Platform for the South. This meeting produced an outline of the challenges faced by developing countries as well as a framework for a platform for the South as contained in Annex I.
3. The first meeting concluded that the Platform should relate to the main development challenges faced by developing countries in the present globalized context and should focus on: persisting asymmetries and systemic biases against developing countries; progressive narrowing of their policy space; and absence of coherence in global trade, finance and monetary regimes and policies. The Panel also viewed the Development Platform as a self-sustaining process requiring continuous updating and refinement of ideas and concepts in order to effectively deal with contemporary challenges faced by the developing countries.
4. The Twenty-Ninth Annual Meeting of the Ministers for Foreign Affairs of the Group of 77, held in New York on 22 September 2005, welcomed the convening of the Panel of Experts to elaborate a Development Platform for the South in Kingston, Jamaica and agreed that the Chairman should continue his efforts on arrangements for completing the Platform (paragraph 4 of the Ministerial Statement).
5. Accordingly, a Second Meeting of Eminent Experts was held at UN Headquarters in New York on 18 and 19 October 2007 to further elaborate the Development Platform for the South. Building on the first meeting in Jamaica, the Second Meeting of Eminent Experts identified Trade, Financing for Development, Global Financial Architecture and Governance, Climate Change, Science and Technology and Energy, as the key areas and issues for the developing countries.
6. In view of the shortage of time the Panel was unable to undertake an in-depth exchange of views and analysis of the trends in South-South Cooperation. However, recognizing the importance of South-South cooperation as a growing phenomenon making increasingly important contributions to the development of the developing countries, the Panel recommended that a special session of the Eminent Experts be convened to carry out a comprehensive review of the existing trends in South-South cooperation and to make recommendations for future action.

7. Pursuant to the above recommendation, a High-level Panel of Eminent Personalities on the Development Platform for the South was convened in St. John's, Antigua and Barbuda, on 29-30 April 2008 to complete the chapter of the Platform dealing with South-South cooperation. The meeting provided an opportunity to analyze strategic issues related to South-South cooperation and evolve recommendations for policy decisions and actions by the developing countries within the context of the preparations of the UN High-level Conference on South-South Cooperation to be held in the first half of 2009.

8. On the basis of the papers, presentations and the discussions by the eminent personalities, experts and resource persons who participated in the three aforementioned meetings, a Development Platform for the South was elaborated as a reference compendium to be continuously updated and refined as deemed necessary by the Group of 77.

CHAPTER 1 – NORTH-SOUTH DEVELOPMENT ISSUES AND COOPERATION

1. TRADE

1. Trade is a powerful engine of economic growth and development. Unfortunately, the global trading system, as it evolved in the post-war period, has been discriminatory against the developing countries. Today, it is clearly deficient and inadequate to tackle the current and emerging situation and is in need of basic reform. The on going Doha Negotiation in the WTO has not addressed these problems. In fact, the trends in the current negotiation give rise to the apprehension that basic deficiency and iniquity may get further enhanced. Particular concern is felt in the area of Commodities which is of deep interest to the developing countries.

2. Immediate steps are therefore needed on three tracks: (i) initiating steps towards bringing in basic reform in the multilateral trading system, (ii) steering the WTO Doha negotiation towards results that are consistent with and conducive to developing countries' developmental objectives and goals and (iii) improving the situation in Commodity production and trade.

A. Reform of the multilateral trading system

3. The operational tools of the global trading system have to be reviewed, particularly liberalization, reciprocity and retaliation, and they have to be modified, balanced or supplemented with other tools and principles, such as measures that support and enhance local production capacities; a new and more effective system of special and differential treatment and of pro-development mechanisms; and supplementary instruments to the retaliation system. A structure should be set up to examine these basic issues and prepare a new and reformed framework for multilateral trade.

B. WTO Doha negotiations

I. The Situation at the WTO

4. The continuing impasse in the Doha Round of Trade Negotiations has further placed a big question mark on the capacity of the multilateral system to optimally deliver on its development potential. Most importantly, the deadlock in negotiations has undermined the capacity and endeavours of the developing countries to achieve the Internationally Agreed Development Goals, including MDGs. Besides, it has seriously compromised their efforts to establish a universal rule based, open, non-discriminatory and equitable multilateral trading system that can contribute to economic growth and sustainable development.

5. The objectives of liberalization of agriculture; reduction of high and discriminatory industrial tariffs; equitable liberalization of services, especially labour; are

equally important for all countries. Yet, the onus for striking the 'grand bargain' in the WTO should not be placed on the developing countries.

6. The so-called Development Round should also not be turned into a market access round for the developed countries by allowing them to pursue an agenda for aggressively opening the agricultural, industrial and services markets of the developing countries. While failing to address their development objectives and priorities, this will accentuate the development deficit in the trade regime. This will also be contrary to the declarations of the current negotiations of the Doha Development Round.

7. There is thus a need to clearly identify and achieve the development objectives of the Doha Round.

II. Proposed Measures

8. The following should be some of the key benchmarks for a successful and development oriented outcome of the Doha Round:

- i. Significant and equitable liberalization in the agriculture sector is the key to the successful conclusion of the Doha Round. On Export Competition, the commitment to eliminate all forms of export subsidies by 2013, though significant, is not sufficient. There is need to achieve parallelism, through elimination of programmes for export credits, export credit guarantees and insurance programmes. On Domestic support, there is need for overall substantial reduction of total AMS, capping of product specific support, further reduction in the minimus support for developed countries and ensuring that the blue box criteria is less trade distorting. Moreover, the green box criteria should be periodically reviewed and clarified. On Market Access, substantial overall reduction in tariffs, deeper cuts in higher tariffs, and addressing tariff escalations, is urgently needed. Tariff capping should be considered. Equally important is the 'Special Products' and 'Special Safeguard Mechanism' for developing countries to allow them to retain the much needed flexibilities.
- ii. The objectives in the non-agricultural market access negotiations should be to reduce or eliminate tariffs, including high tariffs, tariff escalation and non-tariff barriers, especially on products of export interest to developing countries, with special and differential treatment and "less than full reciprocity" in reduction commitments in favour of developing countries. Developing countries should be allowed flexibilities to enable them to either keep their sensitive sectors unbound or out of the ambit of formula cuts.
- iii. Liberalizing the movement of labour needs to be openly and honestly addressed in the relevant forums. Liberalization of labour services will help restore balance and reduce distortions in the international trade regime. The plurilateral approach adopted to inject progress and

dynamism in the services sector should produce the desired results, particularly commitments to liberalize labour services (Mode IV on temporary movement of natural persons). Any attempts to erode the flexibilities in the GATS by requiring “benchmarking” or a minimum set of liberalization commitments should be resisted.

- iv. Market access and trade liberalization often continue to be negated for developing countries by non-tariff barriers, market access barriers and residual bias in tariff structures. The exports of developing countries are specially constrained by several arbitrary and abusive non-tariff measures, including sanitary and phyto-sanitary and anti-dumping actions. Each of these issues should be boldly and sincerely addressed since they reduce the credibility of multilateral trade rules.
- v. Special and differential treatment and implementation issues continue to be essential to the development dimension of the Doha Round, as addressing imbalance in the multilateral trading system on a fast-track basis. This was part of the balance in the Doha mandate. Unfortunately, the initial 88 agreements-specific special and differential treatment proposals have witnessed little progress in terms of making them more precise, effective and operational.
- vi. The objective of all Special and Differential treatment should be to ensure that weaker and non-competitive countries are not negatively affected by trade liberalization, especially in their effort to industrialize and build the capacity for production, especially raw material processing and enlarged exports.
- vii. Lately, there has been a welcome focus on enabling the weaker economies to build the human, physical and institutional capacity for production and trade. The early operationalization of the Aid for Trade Initiative should generate the requisite additional resources to realize the long-awaited actions to assist in such capacity building. However, the Aid for Trade Initiative can bring meaningful benefits to the weaker economies if it is implemented in conjunction with greater market access for the exports of developing countries. The Initiative should not be treated as an alternative or substitute for market access to the developing countries.
- viii. Conscious steps are also required to establish a closer linkage between international trade and the achievement of the MDGs and other internationally agreed development goals. The UN and UNCTAD should help to develop more specific indicators and benchmarks to monitor progress in the contribution of trade to the achievement of the MDGs and IADGs. Such monitoring should record both positive results and negative impacts of trade regimes and liberalization.

- ix. It will also be vital to monitor the impact of tariffs regimes, commodity prices and availability, special and differential treatment, non-tariff barriers and the impact of the TRIMs and TRIPs, including on the transfer and application of technologies required for development and industrialization.
- x. The transfer and dissemination of knowledge, technology and know-how is essential for the sustained economic growth and sustainable development. The global IPR regime should facilitate this. A more comprehensive development review is therefore required of the TRIPs regime to make it development oriented. The review should lead to appropriate modifications in the regime to ensure that it helps and does not hinder development particularly through facilitating the access to and transfer of technology and knowledge to developing countries.
- xi. The process of negotiations in the WTO should be made more inclusive and transparent by ensuring greater voice and participation for the developing countries in the decision making process.
- xii. Developing countries should devise policies of gradual and selective trade liberalization and synchronize their trade policy to serve the interests of domestic production and development goals. They should resist the excessive demands to open their agricultural, industrial or services markets, and defend the interests of local farmers, industrialists and service providers.
- xiii. Developing countries should exercise caution in entering into bilateral “free trade” agreements with developed countries. They should undertake objective cost-benefit analyses before entering into negotiations and concluding such agreements. In particular, North-South agreements should not contain “WTO plus” obligations on developing countries specially in the areas such as services and intellectual property.

C. Commodities

I. Situation in Commodities

9. For decades, the commodity sector had been a victim of persistent problems of price decline and volatility, low productivity due to supply side constraints such as inadequate infrastructure, disproportionately small share of the end value of the commodities going to producers and producing countries, inequitable rules and practices in the international trade regime inimical to the interests of commodity producers in developing countries, and the inadequate financial support for commodity development.

10. In recognition of the critical importance of the sector, the Doha Plan of Action adopted at the Second Summit of the Group of 77 held in Doha, Qatar, from 12 to 16 June 2005 called for “...an integrated and comprehensive international approach to enhancing the contribution of commodities to development...”

11. In the past two years there has been a significant improvement in prices and demand for many commodities, thus providing an opportunity for commodity exporting countries to have higher revenue and economic growth.

12. The time is now right for a global initiative on commodities that aims to: re-launch the commodities agenda from a poverty reduction and development perspective; raise the profile and understanding of the commodities problematique through sensitization of the international community; and identify an international strategy for commodities based on coherence, governance and solidarity at all levels.

II. Proposed Measures

13. The following steps should be considered regarding commodities:

- i. The improvement of productivity and international competitiveness of developing country commodity producers requires that developing country governments, drawing on increased financial support from the international community, and acting in partnership with the private sector take steps to improve infrastructure to improve yields, reduce transaction costs and mitigate environmental and health impacts and reduce losses on products in transit.
- ii. Developing country governments, supported by the international community, should act to improve the capacity of commodity producers and processors to meet product and process standards.
- iii. Improve the effective participation of developing country commodity producers, especially small producers, in value chains and design viable strategies for horizontal and vertical diversification that act to reduce the impact of asymmetries in resources and access to information.
- iv. Lack of finance for investment, working capital, and trade-related infrastructure is a major obstacle to diversification, competitiveness and growth in agricultural economies. There is a need to design policies that effectively mobilize capital necessary for financing diversification programmes.

2. CLIMATE CHANGE

A. The present situation

14. Climate change is real and has started to make an impact on the global environment. It poses serious risks and challenges particularly to developing countries even though they historically played little or no role in the build up of GHG concentrations.

15. Importantly, the adverse effects of climate change and the associated phenomena threaten the sustainable development, livelihoods and the very existence of many developing countries and in particular Africa, the LDCs, the LLDCs, SIDS and disaster prone developing countries. The situation demands urgent global action and response.

16. The developing countries have consistently called for efforts to address climate change in a manner that enhances and ensures the sustainable development and sustained economic growth of the developing countries and the universal elimination of poverty, hunger and disease. To this end, developing countries have been stressing that all three pillars of sustainable development i.e. economic development, social development and environmental protection, should be addressed in an integrated, coordinated and balanced manner.

17. Clearly, the challenge of sustaining economic development and achieving social development and ensuring environmental protection is too overwhelming and beyond the capacity of the developing countries to address on their own. It can only be effectively addressed through international cooperation as well as a partnership with the developed countries, premised on the principle of common but differentiated responsibilities. The decisions on Climate Change should, therefore, fulfill the commitments, undertaken at the Rio and Johannesburg Conferences, including Agenda 21 and the Rio Principles.

18. A concerted and carefully sequenced set of measures and steps are needed to put in place, adaptation and mitigation measures that would enable the developing countries to face this enormous challenge without compromising their sustained economic growth and sustainable development.

19. The greatest challenge for the South, therefore, is to explore the meaning and content of the “sustainable development pathways” and to investigate whether they are feasible, and how to operationalize the concept.

20. In elaborating a global strategy to address climate change, all concerned must continue to adhere to the Rio principles and in particular the Principle of Common but Differentiated Responsibility. This central principle must be given tangible content. In the global climate change strategy, the developed countries must undertake the responsibility for the 50-80% emission cuts that are necessary in the next 30 years. This differentiated approach is fully justified for several reasons. First, the historical responsibility of the industrialized countries for the past damage to the environment. Second, today and foreseeably, they remain the largest emitters of GHGs, especially on a per capita basis. Third, unlike the developing countries, they have the financial and technologies resources to address the climate change challenge.

21. All concerned should also pledge themselves to fully and faithfully implement the commitments they have undertaken under the Internationally Agreed Development Goals, including the Millennium Development Goals. These commitments must constitute an integral component of the commitments and obligations which all of us undertake in the context of addressing climate change.

22. Effective mitigation efforts are essential to address the challenges posed by climate change. Developed countries must therefore continue to take the lead, as they have committed to, in combating climate change and the adverse effects thereof including through significantly reducing GHG emissions. The developed countries also have an obligation to support the developing countries to adapt an environment-friendly path to development and growth by providing additional and substantial financial and technological assistance.

23. Developed countries should support and assist the efforts of developing countries to adapt to climate change and the response measures designed to address climate change. No adaptation plan or strategy would be effective without enhanced financing and greater technological support and access for developing countries. Developed countries should assist developing countries in integrating adaptation into future planning and investment and Poverty Reduction Strategies.

24. The UNFCCC, and its Kyoto Protocol, remains the central multilateral framework for cooperative actions to address climate change. The entry into force of the Kyoto Protocol provided renewed optimism for effectively tackling climate change at the multilateral level. It is therefore important that all member States that have yet not done so should ratify and implement the UNFCCC and the Kyoto Protocol.

B. Proposed Measures

- i. Enabling the developing countries to respond to climate change will require substantial additional official assistance, over and above the long standing 0.7 ODA target as well as the 0.15 - 0.20 ODA target for LDCs.
- ii. Technology is essential to address the climate change challenge. The present restraint on access to advanced technologies, imposed particularly by the IPR regime, need to be lifted, at least for technologies that can assist in meeting climate change challenge. The developing countries must also be helped, on affordable preferential and concessional terms, through technology transfer, directed R&D and other assistance, to acquire and build capacity for the application of technologies to meet sustainable development targets and goals.
- iii. In this regard, North-South, South-South and triangular cooperation in research, development and demonstration (RD&D) should be strengthened and initiatives towards mitigation and adaptation to climate change and its adverse impacts should be undertaken.
- iv. There is also an urgent need for building the resilience of communities and nations to natural disasters, including those related to Climate Change, and establishing early warning systems in order to prevent and reduce the adverse impacts of such events.
- v. There is also a need for evaluation and streamlining of the GEF funding mechanisms in the Resource Allocation Framework (RAF) in order to ease

the developing countries including LDCs, LLDCs and SIDS access to GEF financial resources.

- vi. The G77 and China should set up a task force or other mechanisms (involving G77 members and experts) as soon as possible to consider its position on various issues that are likely to be significant in the negotiations towards and at Bali (December 2007). The task force should also help in coordinating the positions of the G77 in the negotiations after Bali.
- vii. Developing countries should establish a set of principles that will guide or govern the post-2012 climate regime, and these should stress equity and fair burden sharing among countries in the context of “common but differentiated responsibility” and “historical responsibility.” The general problems to be faced by developing countries as well as the specific problems facing categories of developing countries should be addressed in the negotiations and their outcome. Sufficient financing as well as access to affordable technology should be made available to developing countries to enable them to address mitigation, adaptation, climate emergencies and reconstruction.
- viii. The G77 should as soon as possible discuss and agree to the types of differentiated responsibilities of developed and developing countries in a post-2012 climate regime, and how they are to be operationalized.

3. ENERGY

A. The present situation

25. International Energy Agency projects the global energy demand to grow by 1.6 % per year from 2000 to 2030. The revival of the global economy and growth in industrial production has necessitated a revision of the above projections. Almost 90% of the projected increase, in any case, will be in the oil and gas sector. Interestingly, two thirds of this new demand will come from the developing world that will account for approximately half of the total global demand by 2030.

26. Increasing growth and subsequent increasing energy demand is putting strains on the existing resources of developing countries. The developing countries are faced with formidable task of meeting the increasing demand for energy to achieve the goals of sustainable development. At the same time, increasing access to energy and enhanced energy efficiency are other challenges that developing countries face.

27. One major problem is the rising cost and prices of types of energy, especially oil, which places a financial strain on developing countries that import oil, and increases costs to consumers and producers.

28. A second problem is the increasing scarcity of oil and gas resources; within a few years global oil production is expected to “peak”, and after that point there will be a decline in output as well as increasing costs of extraction. Although fossil fuels are expected to continue playing a dominant role in the energy mix in the decades to come.

29. Thirdly, the burning of fossil fuels is a major cause of global warming. Therefore, the manner in which this problem is addressed is important especially for countries that own fossil fuel resources, but also developing countries generally as all will be affected by climate change.

30. Fourthly, the challenge is that of assessing the economic viability, environmental appropriateness and the safety of different energy options, and for developing countries to have access to affordable energy sources that meet the criteria. There is an important role for emerging renewable energy resources such as wind and solar. It is also important to assess the advantages and disadvantages of bio-fuels and nuclear, as well as new technologies that reduce emission effects of oil and coal.

B. Proposed measures

- i. The G77 should conduct studies on supply and demand of energy required for development in developing countries and to explore alternative options for energy sources, in the framework of sustainable development in which the economic, social and environmental and safety aspects are considered simultaneously.
- ii. The development and use of advanced and cleaner fossil fuel technologies should be increased. More efforts should go into supporting the further development and dissemination of those technologies.
- iii. Access to and development of alternate energy sources including renewable energy sources.
- iv. Developing countries should be assisted to strengthen their capacity to undertake energy studies, assessments and action plans at the national level.
- v. A task force or working group of experts could be established by the G77 to consider energy policy issues and options for developing countries in international negotiations, for example on the climate issue.

4. SCIENCE AND TECHNOLOGY

A. The present situation

31. Effective policies and strategies for building Science, Technology and Innovation capacity in developing countries are vital for poverty alleviation, balanced socio-economic growth and equitable integration into the global knowledge-based economy.

32. For the majority of the poor, the developmental promise of science and technology remains un-fulfilled. Technology, instead of bridging the gap has often become a greater divider. The growing North-South global technological gulf must be bridged. Creating links between knowledge generation and development is one of the greatest challenges facing the developing countries and their development partners.

33. Access of developing countries to affordable technologies is, therefore, critical for developing countries. For technologies that are in the public domain, the identification, assessment and deployment of such technologies (including through aid) is important. For technologies that are protected by intellectual property, there are additional and serious problems that hinder access and at affordable prices.

34. National approaches to research and development in various sectors, as well as North-South and South-South cooperation are important to be identified and enabled.

B. Proposed Measures

35. At the international level, there are several actions that can be taken to advance the contribution of science and technology to development for the developing countries.

- i. Invigorated international cooperation for development in Science and Technology. The renewed commitment is urgently needed from the international community, especially financial institutions, to support national efforts of developing countries for capacity-building. Bilateral and multilateral donors must increase their official development assistance for science and technology initiatives and programmes in the developing countries.
- ii. A global campaign should be initiated for human resource training for MDG achievement. The developed countries and advanced institutions should provide scholarships to developing countries. Similarly, world class Centers of Excellence in areas relevant to agriculture and industry should be established in the developing countries through external cooperation. Similarly, high quality “virtual universities” and virtual means of research could be created to spread knowledge, innovation and technological application.
- iii. International rule making and standard setting activities should respond to the concerns of developing countries and not discriminate against them. To this end, the developing countries should be enabled to participate fully in standard setting bodies. The application of new standards should take into account their impact on the developing countries.
- iv. A more direct endeavour should be made to utilize global scientific and R&D capabilities for development. Developing countries should identify the research and developmental needs and priorities of developing countries and possible niche opportunities for specific countries and

regions. Modalities could be explored to secure funding for such research needs. For example a Global Research and Development Fund could be created to guarantee minimum returns to enterprises and institutions in industrial and developing countries to undertake research in areas and issues of interest to the developing countries e.g. tropical diseases, agriculture, etc.

- v. An international organization should be entrusted to compile a list of credible Science and Technology Institutions and programmes in the developing countries, in the public and private sectors, to which financial support could be committed by development partners.
- vi. Appropriate institutional mechanisms should be devised to exchange best practices and experiences both in terms of success and failures in advancing the acquisition and use of science and technology.

36. At the national level developing countries should:

- i. Adopt strategies for technological learning. These strategies should involve continuous interaction between government, industry, academia, and civil society. Science and technology and innovation should also be mainstreamed into national development strategies.
- ii. Act with international support to improve the infrastructure for technological development. This could include the establishment of business and technology incubators; export processing zones and production networks.
- iii. Make a concerted effort to preserve the traditions of their people as well as indigenous and local traditional knowledge, practices and technology which can, often in combination with modern techniques, offer answers for the realization of sustainable economic growth and development.
- iv. Develop with the support of international community national policies on science and technology that serve the needs of sustainable development. There is also need for capacity to be built on technology assessment so that developing countries have the ability to make choices that take account of the economic, social, environmental and safety aspects.
- v. Building on the decisions of the 2005 World Summit and the World Summit on Information Society, the restrictions on technology transfer and acquisition, including under the TRIPS agreement, need to be reviewed and revised.
- vi. Incentives should be provided for research, including by the private sector, into the problems of the poor which presently attract only 10 percent of research and development expenditure.

- vii. The relation between intellectual property rights and access to technology for developing countries should be studied in greater depth and the G77 should establish a task force to provide proposals on positions and policies that developing countries can take at the national and international levels that bring IPRs in line with development concerns.

4.1 THE GLOBAL SYSTEM OF INTELLECTUAL PROPERTY RIGHTS

A. Present situation

37. An appropriate system of intellectual property rights requires the right balance between the public interest and the temporary private monopoly accorded to IP holders as an incentive to innovation. For developing countries, there are also concerns that there not be a drain on foreign reserves through royalty payments to foreign IP holders, and that IP has to be balanced with the need to foster local industries and innovation, as well as access of the public to medicines and other essentials.

38. Countries have been able to determine the balances themselves and establish their own national IP policies and laws. However, developing countries have been recently subjected to pressures to introduce IP standards, legislation and policies that inappropriately “harmonise” the standards upwards towards the level of developed countries. This has taken place in various fora.

39. At the WTO the TRIPS agreement obliged developing countries to introduce laws on a wide range of IPRs that “harmonise” them with developed-country standards. However there are various development flexibilities built into the TRIPS, such as exceptions, limitations, policy space for determining patentability, and compulsory licensing. At the WIPO there are moves by developed countries to extend the upward harmonization of IP laws through new negotiations on a new patent law treaty. Finally, developed countries are making use of bilateral FTAs to introduce TRIPS-plus elements and that removes or erodes the flexibilities in the TRIPS.

40. Developing countries have made efforts to improve the IP system, for instance through the Doha Declaration on TRIPS and public health, and through attempts to combat biopiracy through amendments in TRIPS (to require disclosure of country of origin and prior informed consent) and through negotiations at the CBD for a new international instrument on access and benefit sharing in relation to genetic resources and traditional knowledge. They have also increasingly made use of the TRIPS flexibilities in national law and policy.

41. At WIPO, the developing countries have to a significant extent succeeded in launching a Development Agenda for WIPO, to reform the WIPO system to be more development-oriented. The Development Agenda was supported by the G77 Doha Summit.

B. Proposed measures

- i. Developing countries should take stock of the global regime on IPRs and assess their developmental impacts, and devise a strategy to deal with IPR issues within a development context.
- ii. The G77 should strengthen mechanisms to support the ongoing efforts at various fora including WTO, CBD, WIPO, WHO, UNFCCC etc where IPR issues are negotiated.
- iii. Developing countries should be assisted to take full advantage of the flexibilities available in the TRIPS agreement, by amending national IP laws and adopting appropriate IP related policies and measures. They can learn from good practices in other developing countries and also from developed countries. Training programmes should be organized.
- iv. Developing countries should not agree to TRIPS-plus provisions in bilateral FTAs. If they have already signed on to such agreements, a move to revise these could be considered.
- v. At the WTO, proposals can be pursued to amend the TRIPS agreement to make it more development-oriented.
- vi. The Development Agenda initiative at WIPO should be supported, pursued and operationalized.
- vii. In the past the WHO has provided valuable advice and technical assistance to developing countries on ways to place public health on a high priority, above patent rights. This pro-public health and pro-development work of the WHO Secretariat must be maintained and strengthened. (In recent years there has been a noticeable weakening of the WHO's work in this area).
- viii. Developing countries should be assisted to formulate National IP Strategies that are oriented towards development concerns.

4.II BIODIVERSITY

A. The present situation

42. Biodiversity is under threat, with species disappearing at a rate not seen since the demise of dinosaurs 65 million years ago, and with the most important ever mass extinction of species being imminent. This has serious consequences for humanity which depends on biodiversity for ecosystem services for a wide range of economic and social functions.

43. Another issue of concern is the fair and equitable sharing of benefits from using genetic resources. This is because of the widespread prevalence of “bio-piracy” in which the biological resources of developing countries are misappropriated through physical removal of resources, or the patents claimed over these resources (mainly applied for by developed countries’ institutions or persons).

44. Biosafety is also a key area of concern for developing countries, due to the importance of protecting biodiversity from the risks of genetic engineering, and the possible effects on food safety and health.

45. The issues of biodiversity and climate change are linked, because climate change is emerging as the greatest threat to biodiversity, while biodiversity can be utilized to combat climate change (both in adaptation and mitigation).

46. There can also be many useful activities for South-South cooperation on biodiversity for development.

B. Proposed measures

- i. Developing countries should be enabled to place high priority on biodiversity and biosafety in their national agendas. They should be assisted to strengthen their capacity to prepare legislation and action plans for the conservation and sustainable use of biodiversity as well as for biosafety measures.
- ii. Developing countries should strengthen further the role and activities of the Convention on Biological Diversity. Developing countries under the G77 should prepare well for the various forthcoming negotiations under the CBD, especially the negotiations for an international instrument on access and benefit sharing, and on the biosafety protocol.
- iii. South-South cooperation on biodiversity can be significant and fruitful and the Group should pursue its initiative launched in 2006 to submit to the COB in 2008 a programme of action for South-South Cooperation in Biodiversity.

CHAPTER 2 – FINANCING FOR DEVELOPMENT INCLUDING GLOBAL FINANCIAL ARCHITECTURE AND GOVERNANCE

A. The present situation

47. For the majority of the developing countries, concessional development financing remains an essential input for the realization of the MDGs and other national development goals. Despite the commitments made in 2005, and promises of \$50 billion in additional assistance, the level of ODA flows in fact declined in 2006 and is likely to continue declining in 2007. Moreover, realization of ODA targets relies so heavily on debt cancellation and re-structuring which does not ensure, in cases, any net inflows of immediately usable resources for development.

48. Aid is primarily governed by political considerations that serve the interests of donors rather than recipients. The conditionalities attached to aid and loans often tie the recipient countries to policies that are inappropriate to their development.

49. Many developing countries remain mired in the vicious circle of poverty, lacking productive capacity and supply side constraints; dependent often on a single commodity; vulnerable to external economic turbulence, and unattractive for commercially driven investment. Many, if not most, are far from achieving the MDGs in 2007 – the half way mark of 2015 – the target date for achieving the MDGs.

50. The global financial system continues to evolve in ways, and in directions, over which neither international institutions nor most Member States have much influence or control. The developing countries certainly have little ability to influence financial trends, despite the fact that these trends have significant implications for their growth and development, not the least due to the volatility of the situation. This is particularly true for the innovative and complex financial products developed and introduced in the markets of the advanced countries.

51. Global imbalances resulting from large current account surpluses and deficits of major countries also pose risks to the developing countries. There is also lack of global regulation over capital flows of various types, and with the volume of flows expanding rapidly this is an increasing source of instability and speculation.

52. The lack of equitable and development focused global governance has created an inadequate system for the provision of the required external financing to developing countries and contributed to greater international financial instability.

53. There is also no international mechanism for prevention of debt crises and when these take place for managing them. The idea of an “international bankruptcy procedure/mechanism”, first proposed by UNCTAD, and later taken up by the IMF secretariat as a sovereign debt restructuring mechanism, has not made operational progress.

54. The current global reserve system is also inherently unstable due to the use of a national currency as the major international reserve currency and the high demand for

self-insurance by developing countries. Developing countries have limited room to maneuver to manage counter-cyclical macroeconomic policies, in view also of pro-cyclical capital flows.

55. Thus the current international financial system, including the IMF, have failed to fulfill these two basic objectives. I) promote financial stability and ii) provide liquidity to those countries which need it most.

56. The unresolved challenges that developing countries confront today in financing the development goals are likely to become more complex and difficult in future, particularly in the context of the special financing and resource requirements to enable the developing countries to meet the challenges of climate change.

B. Proposed measures

- i. A resolute effort for enhanced ODA flows, particularly fulfillment of 0.7% target, is absolutely imperative. Moreover, to secure additional resources, serious and creative pursuit of innovative means of financing is also needed. Similarly, ensuring greater aid effectiveness would also allow the optimal utilization of the existing resources.
- ii. The new Development Cooperation Forum (DCF) of the Economic and Social Council (ECOSOC), which brings together donors and recipient countries and civil society, should become the primary vehicle to strengthen aid effectiveness and aid accountability. The DCF should also examine the transaction cost of aid disbursement and the actual utilization of the allotted resources in the recipient countries.
- iii. Multilateral Financing should be delinked from aid as it is undermining their real work and distorting governance at IMF and World Bank. IDA should therefore be taken out of the World Bank. UN should play a more active role in aid.
- iv. Developing countries should undertake a comprehensive research study on the successes and failures of the World Bank from their perspective.
- v. Regional cooperative mechanisms for financing should be reviewed, reconsidered and intensified. Such mechanisms including Andean Bank and Islamic Development Bank should be replicated across the South. Competition from the regional mechanisms will act as a catalyst for reform. Common exchange rate mechanisms should also be promoted at the regional level.
- vi. The UN system, in collaboration with other relevant stakeholders, should put together a plan of action at the Doha Review Conference on Financing for Development to further enhance the ability of the poor and vulnerable economies to attract private and multilateral investments. In this regard,

introduction of international and national investment guarantee schemes, tax and other incentives, revised “risk rating” arrangements etc should be considered to direct larger private investment flows to developing countries which cannot attract such transfers through normal market mechanisms.

- vii. The Doha Conference should also place the issue of policy conditionalities on the table and explore an international undertaking on the limits of “conditionalities” particularly the backdrop political conditionalities.
- viii. Urgent, bolder, and more encompassing initiatives are needed to solve the external debt problems of the developing countries in an effective, equitable and development oriented manner. The systemic issues that are perpetuating the debt crisis and are a source of concern for the developing countries should also be addressed through such initiatives. Importantly, debt sustainability should be linked to a country’s capacity to achieve its national development goals, including the IADGs.
- ix. A review should be undertaken of the progress of countries that have obtained multilateral debt relief and to highlight the opening of policy space and policy options, in that the conditions for imposed conditionalities have been loosened. Debt relief for other low income countries and for middle income countries should also be pursued.
- x. The reform of the international financial architecture, including enhancement in the voting powers of developing countries, within a specific time frame should be pursued. The reform must also address the objectives for which the IMF was created: one, to ensure financial stability and two, to ensure access to liquidity for those countries which actually need it.
- xi. A strategic consensus needs to be evolved on the comprehensive reform of the international financial and monetary system that encourages rapid, balanced and sustained growth and development in a “globalized” world economy. Reform must also encompass liquidity creation, including SDRs, as well as ODA, Debt, FDI and private investment.
- xii. The present efforts to reform the quota and decision-making system should be studied carefully and proposals can be put forward by the G77 in cooperation with the G24.
- xiii. Developing countries, for various reasons, do not take counter-cyclical measures, which is going to hurt them at some point. The international monetary system therefore should be centered to provide policy space to the developing countries on how to design and implement counter-cyclical policies. Proposals should be studied on a counter-cyclical framework for a development-friendly international financial architecture, which

mitigates the pro-cyclical effects of financial markets and opens policy space for counter-cyclical macroeconomic policies in developing countries.

- xiv. The “aid effectiveness” conference in Accra in 2008 and beyond may be an important opportunity for the developing countries to influence the changing nature of aid and its operations.
- xv. The reliance on the national currency of one country makes the international financial system inherently unequal and should be avoided to the extent possible.
- xvi. There is huge regulatory deficit in the international financial system even in the developed countries. This generates serious stability and management issues in regard to the prevention or occurrence of financial crises. The developing countries must learn to manage inflows of resources.
- xvii. There is also need clearly for stronger regulatory mechanisms and greater transparency in the management of new financial products and instruments and over the recent impact they have had on global financial markets including in the developing countries.
- xviii. The ECOSOC Committee on Tax Matters should be converted into an inter-governmental Organ/Functional Commission of ECOSOC as UN is the best place to discuss tax issues.
- xix. Appropriate studies should be carried out to examine the transaction cost of aid disbursement and the actual utilization of the allotted resources in the developing countries.
- xx. The UN Review of the Monterey Conference on Financing for Development in Doha in 2008 can be a useful opportunity to evolve decisions on the issues outlined above. The G77 should prepare for this Conference including through the elaboration of their position on the various aspects. To this end, The Group of 77 and China should convene a workshop that highlights the key issues and the strategies for making use of the Conference and its process to achieve the goals and targets, establish a Task Force to help in substantive preparations for the Conference.

CHAPTER 3 – SOUTH-SOUTH COOPERATION

A. The present situation

57. The changing dynamics in the global south in terms of increased intra-south trade, investments, technology transfer and information and experience sharing was recognized. If adequately harnessed it can contribute to the development of the South.

58. Developing countries have accumulated varied degrees of development capacities that can be shared and could be used for a platform for cooperation among developing countries. South-South cooperation must be comprehensive and the capacities of the South should be utilized including the use of technologies to promote this cooperation

59. It is agreed that South-South cooperation is vital to the development efforts of the developing countries which requires support and resources from the North. The North has an obligation, both in their own national interests, but also in the interest of global harmony and equity and development, to fulfill their commitments through North-South cooperation.

60. South-South cooperation is a development agenda. It is based on premises, conditions and objectives that are specific to the historic and political context of developing countries and to their needs and expectations. South-South cooperation deserves its own separate and independent promotion.

61. The current international architecture for development cooperation needs to be reformulated in order to respond to the new realities and opportunities for development including triangular cooperation.

62. Inclusive partnerships and financing for South-South cooperation especially for multilateral initiatives represent both opportunities and challenges for scaling up South-South cooperation.

63. There is a need to further strengthen South-South communication, through information networking, cultural exchanges, etc.

B. Proposed measures

- i. Elaborate a strategic framework for South-South cooperation by IFCC-XII to be held in Yamoussoukro, Côte d'Ivoire from 10 to 13 June 2008.
- ii. Develop urgently a long term response to address the unprecedented global food crisis.
- iii. Encourage the current Chair to continue the discussions with the Qatari authorities with a view to conclude the arrangements to operationalize the South Fund for Development and Humanitarian Assistance.

- iv. Appoint a special envoy to assist the Chair in sensitizing Member States on their commitments made towards the Fund.
- v. Explore the feasibility of the creation of a South-South Development Center/Academy.
- vi. Develop mechanisms to enable the private sector, the academics and the NGOs to effectively participate in and contribute to development including youth employment.
- vii. Reinforce the coordination of policy and joint negotiating positions on major issues on the international agenda that requires adequate and technical support, internal coordination and a commensurate preparatory process.
- viii. Optimize the voice and participation of developing countries to enable them to participate effectively in the international fora.
- ix. Strengthen existing multilateral funding mechanisms for South-South cooperation.
- x. Operationalize G-77 research programme in accordance with the decision of the first South Summit.
- xi. Organize regular forums for inclusive dialogue on key development issues involving parliamentarians, local authorities, academia and other stakeholders.
- xii. Promote regional, inter-regional and sub-regional sectoral cooperation in strategic fields
- xiii. Elaborate of the multi-year work programme on South-South cooperation to promote the conservation and sustainable use of biodiversity for protection of life on earth as well as the access and fair equitable sharing of benefit arising from the use of genetic resources.
- xiv. Request the Chair, in response to the South Summit decision to propose concrete measures to further strengthen the Special Unit in order to enable it to better respond to the G-77 Member States' needs and priorities.
- xv. Designate, by the Chair, a think tank panel of eminent personalities to advocate the South-South development agenda.
- xvi. Urge Member States to fulfill their annual contributions to the G77 Secretariat in accordance with the South Summit decision.
- xvii. Explore the creation of a global South multimedia communication system.

- xviii. Strengthen the institutional capacity of the G77 Secretariat in accordance with the South Summit decision.

Annex I

FRAMEWORK OF THE DEVELOPEMENT PLATFORM FOR THE SOUTH

A. DEVELOPMENT PLATFORM FOR THE SOUTH

1. The Second South Summit addressed an invitation to the Chairman of the G-77 “to prepare a platform for the South to provide a framework of development options to support the participation and integration of developing countries into the global economy and the globalization process”.
2. The Panel understood that such a development platform, while taking into account and drawing on the earlier and current agendas and goals of the South, should essentially be a set of principles and approaches to guide the action of the South in the international economic arena. The ultimate objective of such action should be to reform the global economic order in a direction that allows developing countries to integrate in the world economy while retaining the ability to adopt a variety of development options.
3. A development platform for the South should strengthen their ability to assess critically and question the premises and theoretical and ideological constructs emanating from the North that have been dominant on the global scene, and have constrained their policy choices and action.
4. The growing importance of developing countries as global players in key domains of world economy, including in trade, financial flows, energy, climate change or biodiversity, make the adoption and implementation of a common platform a realistic prospect. By the same token, the elements of such a platform should not be predicated on expectation of concessions from the North. Rather, its objective should be to serve as a basis for changes that should be attainable through the action of the countries of the South, including by mobilizing their collective negotiating power in dealing with the North.

B. CHALLENGES FACED BY DEVELOPING COUNTRIES

5. The development platform should relate to the main development challenges faced by developing countries in the current globalized context, including:
 - Persisting asymmetries and systemic biases against developing countries in the global economy, including in the management of multilateral institutions and in global policy and decision-making processes, leading to the exclusion of many developing countries from the benefits of globalization
 - Restriction of the policy options and instruments available to developing countries to implement development strategies, due to the introduction of international disciplines

and obligations, notably in the trade field, imposition of conditionalities by international financial institutions and the operation of international financial markets

- Lack of coherence between global trade, finance and monetary regimes and policies, and development goals and objectives, and marginalization of development and development goals on the global agenda.

C. ORGANIZING PRINCIPLES FOR A PLATFORM

6. To address the above challenges, the South should be guided by a set of interrelated principles and approaches that would inform and underpin specific proposals and actions. The following suggest themselves:

- The dominant ideology from the North maintains that, in today's globalized world, national frontiers, the location of economic activity and the nationality of economic actors –capital and labour- no longer matter. The aim of global economic policy should be to allow market forces to maximize efficiency in the use of economic resources in a global economic space, leading to a maximization of global welfare. It is a philosophy of economic globalism. By contrast, the South's approach to the global economy should emphasize the continued importance of questions of location and control of production and their implications for the national interest, whether in terms of the exercise of economic and political sovereignty, or of the welfare and the development of human capital, and the strengthening of entrepreneurial and technological capabilities.
- The dominant ideology, while often paying lip service to the rejection of a “one-size-fits-all”, single model approach, in effect proposes a simple, common policy prescription centred on the three pillars of liberalization, privatization and deregulation. This is often imposed via multilateral instruments and increasingly via bilateral trade agreements where the bargaining power of individual developing countries is weak, as well as via informal “market responses”. The South' platform should emphasise the need for a range of development options tailored to the specific conditions of each developing country. This is consistent with the current emphasis on national ownership of development efforts that both developed and developing countries accept.
- Both at the national and international levels –and again contrary to the dominant ideology- reliance on market mechanisms alone is not sufficient to guarantee both growth and equity. In particular at the global level there is a need for public, intergovernmental policy, management and action to steer the globalization process in a development direction and to deal with its negative effects, and importantly the acceptance of the premise that development is a shared responsibility and a priority concern of the international community.
- Developing countries' insertion into the global economy should be “managed” and the necessary capacities, policy instruments and institutional mechanisms – national and international – should be available for this purpose, including a proactive and dynamic role of the state in the development process. While individual countries of the South will decide on the kinds of development strategies best suited to their specific contexts,

the possibility of reconstructing the developmental state and safeguarding its policy space should be retained.

- An essential element of the platform should be a concern for the distributional and social impact of development policies at the national and international levels. Any development strategy involves trade-offs and creates winners and losers. Abstract references to global welfare to justify the unfettered expansion of international capital cannot hide the fact that often the benefits of such expansion are concentrated in the home countries of the TNCs and in the better-off sections of the populations of the recipient countries. This is economically inefficient, socially and politically dangerous and morally unacceptable.
- South-South cooperation should occupy a central place in the platform. This includes both increased economic interaction, for which the growing diversity of the South is in fact a positive factor, and the adoption of common proposals to be negotiated internationally.

D. OUTLINE OF A PROPOSED FRAMEWORK FOR A PLATFORM FOR THE SOUTH

7. In its introductory part, the development platform should offer an up-to-date analysis of the current geopolitical context, the world system and the ideology, power and interests that drive it, and the challenges that globalization and the growing interconnectedness of issues pose for the international community. It should revisit the question of “What development?” and review in this context the nature of developing countries participation in the world economy.
8. Three basic clusters of priority issues, focussing on questions of potential common interest among developing countries, should be the basis of the operational, action-oriented part of the development platform, namely:
 - Reforming the international system. Identifying common goals in respect of shared concerns: democratising global economic governance; reforming the global economic system to support development; and facilitating participation and integration of developing countries.
 - South-South cooperation. Identifying priorities for action and implementation, including by revisiting proposals and recommendations made by the G77 conferences. There should be special focus on linkages and synergies between sub-regional, regional and inter-regional cooperation, and on identifying strategic initiatives to bolster countervailing power of the South as a global player and its contributions to the global agenda.
 - North-South development cooperation. Reviving the international development agenda, including persisting systemic, as well as new and emerging issues that require attention. These include: trade and trade-related issues; finance for development, external debt and monetary issues; knowledge and technology for development; continuing dependence of a large number of developing countries on commodities; growing concentration of market power in the hands of TNCs; multilateral commitments and disciplines that are not compatible with development (e.g. TRIPs, TRIMs, and industry

subsidies); foreign direct investment and multilateral disciplines for global economic actors such as TNCs; migration; exploitation of the global commons; and reform of multilateral financial institutions.

9. In its concluding part, the development platform should present a world view and paradigm of an international community for the 21st century, a vision of the world system from the perspective of the South, to serve as a guide for policy and action.

E. PLATFORM BUILDING AND SUSTAINING THE PROCESS

10. The preparation of the development platform would bring up to date issues and concepts, make it possible to think through contemporary challenges facing the developing countries, and help identify areas where they agree on need for change and initiative. It should be seen as part of a sustained process of continuous updating and refining of a conceptual, policy and action oriented framework cum agenda for the South that would energize the collective action of developing countries in the global arena through the Group of 77.
11. The development platform should provide a political and strategic direction, a compass for the South, which as a South-generated construct would capture in a single document what developing countries seek, including as expressed in their meetings, such as the recently held Second South Summit in Doha. It would present, as well as facilitate the development of alternatives to ideas and frameworks conceptualized in the North, which have tended to dominate and define global official and political discourse.
12. It would also identify those issues and sectoral areas where deeper analysis and fuller articulation is required, resulting in due course in a series of sectoral platforms that are interrelated and contain specific proposals for action and change.
13. The platform should also inform public opinion and leaderships in the developing countries, and thus help in forming their national, regional and global policies.
14. As an authoritative statement of the South, the development platform should contribute, as well, to building South-North coalitions on development and on related issues of global interest, such as energy, climate change, biodiversity, natural disasters, sustainable development, equity and democratizing global governance and international organizations.
