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**PROGRESS REPORT ON THE IMPLEMENTATION OF
AGREED CONCLUSIONS AND RECOMMENDATIONS
OF THE COMMISSION, INCLUDING
THE POST-DOHA FOLLOW-UP**

Prepared by the UNCTAD secretariat

Executive summary

In accordance with paragraph 10 of the guidelines for the functioning of the UNCTAD intergovernmental machinery, adopted by the Trade and Development Board in carrying out the Mid-Term Review at its nineteenth special session (held in Bangkok from 29 April to 2 May 2002), the UNCTAD secretariat presents herewith a progress report* on the implementation of agreed conclusions and recommendations addressed to the secretariat at the sixth session of the Commission (held 4–8 February 2002). The text in italics reproduces the agreed recommendations and conclusions of the Commission.

* This report is submitted on this date in order to reflect as fully as possible the work and activities that have occurred since the sixth session of the Commission.

I. AGREED RECOMMENDATIONS ADDRESSED TO UNCTAD

Agenda item 3: The sustainable use of biological resources: Ways to enhance the production and export capacities of developing countries of agriculture and food products, including niche products, such as environmentally preferable products (EPPs)

UNCTAD, in cooperation with the World Trade Organization (WTO), the International Trade Centre (ITC), the Food and Agricultural Organization (FAO), the Common Fund for Commodities (CFC), the United Nations Environment Programme (UNEP), the International Federation of Organic Agriculture Movements (IFOAM) and other relevant institutions, should play a key role in ensuring the implementation of the recommendations of the Commission, in particular by:

Providing assistance to commodity-dependent developing countries in identifying and analyzing critical issues in the post-Doha negotiating process, as well as for improved participation in global supply chains;

1. *Action:* The series of workshops organized under the project “Capacity Building for Diversification and Commodity-Based Development” has continued. Since the sixth session of the Commission, workshops have been held in Gambia, Mauritius, Nigeria, Peru and Uzbekistan. A workshop scheduled for Guinea was postponed to 2003 at the request of the Guinean authorities. All workshops have covered issues related to market access, especially sanitary and phytosanitary (SPS) requirements, and participation in global supply chains. Several of the workshops have benefited from cooperation with ITC and the WTO. A book on the agrifood sector in Central America, regional integration and international linkages for its development, containing papers presented at one of the workshops, was produced in cooperation with the Interamerican Institute for Agricultural Cooperation. Follow-up activities, both in the area of general policy and with respect to individual commodities, are being envisaged, subject to the availability of extrabudgetary funding. Information regarding the workshops can be found at r0.unctad.org/infocomm/Diversification/index.htm.

2. A study on the impact of the “Everything But Arms” initiative on sugar trade will be submitted for publication in early 2003, and a study on the future of agricultural marketing authorities in commodity-dependent developing countries is underway and will be available in early 2003.

3. A project partially financed by the International Development Research Centre (Canada) and to be jointly implemented by UNCTAD and the International Institute for Sustainable Development (Canada) in 2003 aims at improving the earnings of coffee producers in global supply chains. One of the means to be explored is the introduction of some “fair trade” principles into mainstream trade.

4. The UNCTAD secretariat participated in the interagency panel of financial and commodity experts on short-term difficulties in financing normal levels of commercial imports of basic foodstuffs, convened pursuant to the Fourth WTO Ministerial Conference in Doha, Qatar (the Doha Conference), and submitted a proposal for an ex-ante financing mechanism (annex 7 of WT/GC/62 – G/AG/13, 28 June 2002).

5. The secretariat is participating actively in the preparations for the African Ministerial Conference on Commodities scheduled for June 2003 in Dakar, Senegal.

Providing market information and analysis as well as organizing capacity-building workshops by product groups;

6. *Action:* Market information by commodity groups is provided at r0.unctad.org/infocomm. Information for cocoa, natural gas, oil, jute, nickel, olive oil, palladium, platinum, rice, tin, zinc and bananas is available now, and information on 15 additional commodities will be posted in 2003. A CD-ROM version of the online material and a CD-ROM on cocoa market structures will be produced by the end of 2003.

7. The *World Commodity Survey 2003–2004* is under preparation and will be available in early 2003. Replacing the *UNCTAD Commodity Yearbook*, the Internet portal Infocomm, with links to the FAO and CFC sites, is available at r0.unctad.org/infocomm. With the financial support of the CFC, a *World Commodity Atlas* is being prepared.

8. The secretariat will produce in early 2003 a compendium of analytical briefs on selected products of export interest to developing countries, covering major developments in 2002.

9. An analytical study titled *Major Developments and Recent Trends in International Banana Marketing Structures* has been completed and will be available in early 2003.

10. Workshops for specific product groups were organized in Peru (organic products), Gambia (fishery products), Nigeria (horticultural products) and Mauritius (horticultural products).

Undertaking country surveys to identify production and export opportunities and implementing pilot projects in interested developing countries to assist in the design and execution of diversification and commodity-based development programmes;

11. *Action:* Reports prepared for the above-mentioned workshops in many instances serve as country surveys. In Nigeria, the workshop provided significant input into the creation of 10 commodity-specific action plans for further discussion by

industry, stakeholders, government and development and financial institutions, as well as the Horticulture Export Development Master Plan of the Nigerian Export Promotion Council. An advisory mission to Indonesia was undertaken, and preparation of a technical cooperation project on diversification in a region dependent on mineral commodity production was initiated.

12. A project financed by the CFC on sustainable development and diversification in areas affected by mine closures is expected to start in March 2003.

Carrying out analysis and promoting policy dialogues on trade and sustainable development aspects of organic agriculture, including in the context of the World Summit for Sustainable Development;

13. *Action:* The secretariat completed a comprehensive study on trading opportunities for organic agricultural products, which will be published in 2003.

14. The publication of a study titled *Organic Fruits and Vegetables Production in the Tropics and International Trade* benefiting from financing by the Swiss Agency for Development Cooperation is scheduled for early 2003.

15. The following meetings were organized in 2002 (and were also relevant in the build-up to the World Summit for Sustainable Development in Johannesburg):

- A Conference on International Harmonization and Equivalence in Organic Agriculture, organized by IFOAM, FAO and UNCTAD (Nuremberg, 18–19 February 2002)
- A Policy Dialogue on Promoting Production and Trading Opportunities for Organic Agricultural Products under the UNEP-UNCTAD Capacity Building Task Force (CBTF) on Trade, Environment and Development (Brussels, 21–22 February 2002)
- A Workshop on Standards and Trade (Geneva, 16–17 May 2002)

16. A range of meetings is planned in 2003, in particular as part of the project implemented jointly with the Foundation for International Environmental Law and Development (FIELD) on Building Capacity for Improved Policy Making and Negotiation on Key Trade and Environment Issues.

Examining ways to promote the practical application of the concept of international equivalence and mutual recognition, including between governmental and private-sector standards in countries where private-sector standards are recognized;

17. *Action:* IFOAM, FAO and UNCTAD have joined forces to address the difficulties arising from the fact that the organic sector is faced with hundreds of private standards and government regulations, two international standards and a number of accreditation systems. As was recommended by the Nuremberg Conference on International Harmonization and Equivalence in Organic Agriculture, the organizations plan to establish a task force comprising representatives of

Governments, private-sector bodies, and the three organizations. The objectives are to enable an open dialogue between relevant private-sector bodies and Governments and to develop appropriate mechanisms for the establishment of equivalence of standards and certification procedures. The UNCTAD secretariat hosted an informal consultation with IFOAM and FAO on 12 December 2002.

Supporting interested developing countries in promoting trading opportunities for organic and other environmentally preferable products, in particular in the framework of the UNEP-UNCTAD Capacity Building Task Force on Trade, Environment and Development (CBTF);

18. *Action:* A Policy Dialogue on Promoting Production and Trading Opportunities for Organic Agricultural Products was organized in Brussels on 21–22 February 2002. The workshop, which was funded by a grant from the European Commission and hosted by the secretariat of the African, Caribbean and Pacific Group of States (ACP), permitted a very informative and constructive dialogue that involved more than 50 policy makers and representatives of certification bodies, intergovernmental organizations, aid agencies, civil society, academics and other stakeholders from developing and developed countries. Experts from 16 developing countries including Argentina, Bolivia, Cambodia, Chile, Costa Rica, Ethiopia, Haiti, India, Kenya, Mozambique, Peru, Senegal, South Africa, Tunisia, Uganda and Zambia, as well as approximately 35 representatives from ACP missions in Brussels, attended the meeting. An expert from Madagascar also contributed to the meeting. The meeting report, expert papers, slide shows and other information are available at www.unctad.org/trade_env/index.htm. A summary of the outcome of the meeting has been published in English, French and Spanish.

19. A project focusing on policy dialogues and training has been designed for English-speaking Caribbean countries. The results will be discussed at a meeting in Jamaica in November 2003 (back-to-back with a WTO regional seminar on trade and environment). This meeting will provide a platform for launching a regional programme.

Supporting interested developing countries in promoting trade in biodiversity products, in particular in the framework of the Biotrade Initiative;

Undertaking a study on factors that affect market access opportunities and export performance of the products of export interest to the developing countries, in particular to LDCs;

20. *Action:* A study of the “blue box” measures is underway and will be available in early 2003, and a study on transport costs as they affect the competitiveness of agricultural exports from developing countries will be available in early 2003.

Assisting developing countries to build capacities for the development of national and regional standards for organic agricultural products;

21. *Action:* The UNCTAD/FIELD project on Building Capacity for Improved Policy Making and Negotiation on Key Trade and Environment Issues will support activities aimed at promoting production and exports of organic agricultural products, in particular in Central America and in Spanish-speaking Caribbean countries. The project will also address issues such as developing regional and national standards and certification infrastructure. Work in this area will have the following objectives:

- to enhance understanding of opportunities and challenges in connection with production and exports;
- to suggest appropriate national and regional policies, including developing regional and national standards;
- to assist in collecting market intelligence;
- to explore ways of reducing certification costs; and
- to explore opportunities for establishing regional certification and accreditation infrastructures.

22. Activities concerning appropriate national and regional policies, including developing regional and national standards, will be closely coordinated with other institutions, such as the Central American Commission for Environment and Development.

Studying ways to reduce certification costs, especially for smallholders;

23. *Action:* The relevant issues in this regard were discussed at the CBTF meeting in Brussels.

Carrying out market studies and assisting in the formulation of market strategies for niche products, including through the use of electronic commerce.

24. *Action:* A study of the mango market and possible market strategies, with a particular focus on small producers in Kenya, Mali and South Africa, is underway.

UNCTAD should examine new trading opportunities for developing countries that may arise from the reduction or elimination of tariff and non-tariff barriers to environmental goods and services and assist developing countries in participating effectively in corresponding negotiations in the WTO.

25. *Action:* This issue was discussed at the CBTF workshop on trade and environment held in Singapore on 16 May 2002 in conjunction with the WTO regional seminar on trade and environment. It will be examined in detail in the framework of the above-mentioned UNCTAD/FIELD project's component for Central American and Spanish-speaking Caribbean countries. Work will focus on (a) a diagnostic of the environmental services sector in interested countries; (b) relevant

legislation; (c) an economic evaluation of the sector; and (d) an evaluation of the size and structure of present and potential markets. It should also assist countries in assessing the benefits of opening markets and the implications of liberalization for the development of environmental goods and services at the national and, possibly, subregional levels, as well as in identifying possible areas of common interest in the region (e.g. the appropriate classification of environmental services). Cuba has been acting as coordinating country with the active involvement of other interested partner countries in the region. A regional meeting will be held in Havana in March 2003.

26. A detailed work programme in this area has been agreed on with the Economic Commission for Latin America and the Caribbean (ECLAC), including a joint publication and a brainstorming meeting to be held in Santiago de Chile in February 2003.

Agenda item 4: Analysis of ways to enhance the contribution of specific services sectors to the development perspectives of developing countries: Energy services in international trade: Development implications

The Commission recommended that UNCTAD continue and deepen its analytical and capacity-building work in the area of energy services, including by:

Conducting a compilation and analysis of a list of successful experiences of developed and developing countries in the energy services sector from the investment, technology, enterprise development and other viewpoints. This includes the role of SMEs in the energy services sector and possible measures to strengthen them and further their market participation; and achieving improved access to energy for people and industry and an effective contribution for the energy sector to development;

27. *Action:* UNCTAD, in cooperation with the Inter-American Development Bank, the Corporación Andina de Fomento (CAF), ECLAC, the secretariat of the Andean Community and the Organización Latinoamericana de Energía (OLADE), has carried out analysis of the integration of energy markets among the member countries of the Andean Community and, more generally, among countries in South America. Such integration would aim at improving countries' capacity to benefit from their own energy resources, enhancing their overall competitiveness, improving access to reliable energy for the population and, ultimately, contributing to boost business activities, attract investment and accelerate economic growth. The report addresses the specific issue of energy services and, based on existing successful experiences in the Andean region, suggests modalities that would favour the development of local energy services firms, including small and medium-size enterprises (SMEs). The report takes into consideration two negotiating dimensions: the ongoing multilateral negotiations at the WTO and the negotiations taking place within the Free Trade of the Americas (FTAA) process. The report is based on the assumption that the outcome of these negotiations will play a crucial role in determining the policy space

that energy-producing countries will have in the future for formulating domestic policies conducive to development. UNCTAD is exploring the feasibility of carrying out a similar initiative in another region, possibly in the Middle East.

Analyzing the main issues as identified in the current GATS negotiations and their possible implications for developing countries, especially as far as the strengthening of developing countries' domestic capacity in energy services and their increased participation in trade in energy services are concerned. This will also include analysis of export potential and barriers to energy services trade;

28. *Action:* Within its mandate on trade in services, UNCTAD has provided trade negotiators and policy makers, especially in developing countries, with information and analysis concerning the ongoing GATS negotiations in general, and the negotiations on energy services in particular. The study prepared by the UNCTAD secretariat for the Expert Meeting on Energy Services in International Trade: Development Implications (July 2002), the papers presented at the meeting and the main findings and conclusions of the discussion at the meeting were the basis for related UNCTAD activities and were used to analyze the requests on energy services received by developing countries. Seminars and workshops were organized by UNCTAD, and UNCTAD was invited to participate in meetings organized by other institutions. During the period under review, activities focusing on services in general and energy services in particular took place in Botswana, Colombia, the Dominican Republic, Kazakhstan, Peru, South Africa, Tanzania, Viet Nam, Zambia and Zimbabwe. The seminars in Kazakhstan and Viet Nam were organized in the framework of the activities of the UNCTAD project in support of countries acceding to the WTO, a project sponsored by the United Kingdom. The seminar in South Africa was organized by the Southern African Trade Research Network. The energy services sector is among the priority sectors for regional liberalization within SADC. UNCTAD has provided support to this process (see also action undertaken with regard to the following recommendations).

Analyzing the main structural characteristics of the energy services markets; key aspects of technological change; and the role of international and national standards and regulations on trade in energy services;

Analyzing and compiling national experiences with structural reform of the energy sector in developing countries, and potential difficulties and opportunities for domestic energy services suppliers resulting from it.

29. *Action:* UNCTAD has prepared a book titled *Energy and Environmental Services: Negotiating Objectives and Development Priorities* that is expected to be published during the first quarter of 2003. It includes 18 studies on energy services and four on environmental services. The first part of the book addresses such issues as

the interface between energy services, energy policies and the WTO Work Programme; the development implications of further liberalization of the energy services markets; and international energy trade and access to the energy networks. The book also includes detailed descriptions and analysis of the negotiating proposals on energy services tabled within the ongoing GATS negotiations, a number of studies of specific countries, and some discussions of energy market reforms. This publication is meant to be a tool for trade negotiators and policy-makers, especially in developing countries.

30. A study was prepared on policy alternatives in reforming energy utilities in developing countries. The study examines the policy alternatives faced by developing countries in their endeavour to preserve and develop their electricity and gas systems, two services-oriented industries that – along with oil – provide the bulk of the energy supply in both developed and developing countries. The study is going through peer review and will be published in the first semester of 2003 in UNCTAD's *Discussion Papers* series.

In order to carry out this task in the most efficient way, UNCTAD should continue cooperation with the WTO and other relevant organizations – such as OPEC, the Energy Charter Secretariat, the UN regional commissions and the regional development banks – and exploit existing complementarity of expertise and mandates.

31. *Action:* A Memorandum of Understanding (MOU) on Technical Cooperation between UNCTAD and the Organization of Petroleum Exporting Countries (OPEC) was signed on 19 June 2002. According to the MOU, the two organizations will carry out research activities in the area of the interlinkages between trade, energy and development. The first stage of this programme consists of jointly conducted specific studies and workshops. A workshop was organized in Vienna on 4 November 2002 to finalize the terms of reference of the first two studies that will be carried out under the cooperation agreement. On 3 October 2002, a representative of the UNCTAD secretariat participated in a seminar organized by the Energy Charter Secretariat on "Liberalizing Trade and Investment in the Eurasian Electricity Sector". The UNCTAD representative made a presentation on "Cross-Border Trade of Electricity and WTO Rules". UNCTAD, in partnership with the Trade Directorate of the OECD, is working on a project on how best to manage the request-offer process under the GATS. UNCTAD has agreed to prepare a study on energy services focusing on the need to approach energy services negotiations with a focus on their potential impact in promoting economy-wide efficiency and development (see as well action undertaken with regard to the first recommendation).

Agenda item 5: Analysis of market access issues facing developing countries: Consumer interests, competitiveness, competition and development

UNCTAD should, taking into account the special needs of LDCs:

Monitor and report to the Commission on the implementation of the UN Guidelines on Consumer Protection, including in cooperation with other relevant international organizations, with a view to promoting consumer interests within the United Nations;

32. *Action:* As part of its activities in the areas of competition and consumer policies, UNCTAD has continued to monitor the implementation of the UN Guidelines on Consumer Protection, and it is preparing a report on this subject in cooperation with Consumers International (CI). During the seventh session of the Commission, CI and other NGOs willing to take part in the discussion may be invited to give oral presentations on the subject.

Provide technical assistance to member countries to help them adopt and enforce consumer laws and policies, as well as competition laws and policies;

33. *Action:* The UNCTAD secretariat continued to provide assistance in the areas of competition and consumer laws and policies to member States requesting such assistance. Countries aided included Cambodia, Chad, the Dominican Republic, Egypt, El Salvador, Lesotho, Malaysia, Mali, Thailand, Uruguay, Viet Nam, Zambia and Zimbabwe. In addition, UNCTAD organized a series of regional seminars on competition law and policy, including meetings specifically designed to study the impact of competition policy on consumer interests. An example was the Regional Meeting for Latin America and the Caribbean on the Role of Competition Policy in Protecting Consumers and Enhancing the Competitiveness of SMEs (held in Buenos Aires on 12–14 September 2002). Also, the Regional Seminar on Competition Policy and the Multilateral Agenda for Asia and Pacific, held in Hong Kong (China) on 16–18 April 2002, was organized in partnership with the Hong Kong Consumer Council and in close cooperation with CI.

Study and make proposals by the next session of the Commission on:

- (a) *Protection of consumers and regulation of public services;*
- (b) *International cooperation mechanisms for consumer protection against fraud and deception in cross-border transactions and e-commerce, including goods which have been condemned in the exporting countries;*

- (c) *How markets can better integrate the informal sector, and work better in favour of the poor and hence generate more growth, employment and export opportunities.*

34. *Action:*

(a) The Intergovernmental Group of Experts on Competition Law and Policy, at its fourth session (3–5 July 2002), held a panel discussion on "The Interface between Competition Authorities and Regulatory Bodies", in which representatives of consumer organizations were invited to participate. Moreover, the issue of consumer protection and regulation of public services was discussed under a specific agenda item of the Buenos Aires meeting, which in its "Conclusions and Recommendations" devoted a special section to the issue. The meeting underlined natural monopolies' important role in offering public services both to individual consumers and to enterprises using those services as inputs for their production. The meeting recommended that mechanisms be set up to reinforce cooperation between regulatory bodies and agencies responsible for policy involving and protection of consumers so as to strengthen policy coherence in the implementation of public service policies. Moreover, it was recommended that representatives of competition and consumer protection agencies be consulted each time a Government intended to adopt legislative measures concerning public services, including privatization, creation of sectoral regulatory bodies and negotiation of international agreements.

(b) The issue of consumer protection against fraud and deception in cross-border transactions was also addressed at the seminar held in Buenos Aires. The meeting recommended that developing countries participate in the international cooperation on this issue; so far this cooperation has mainly involved developed countries. In particular, newly established systems for electronic exchange of information on cases of transborder fraud and deception could be very effective in protecting consumers.

(c) The issue of the informal sector was also discussed at UNCTAD's regional meetings. In particular, it was noted that this sector, which escapes state controls and evades taxation, had assumed enormous proportions in the economies of many developing countries in all regions of the world. This development was especially troublesome in relation to consumers, since the informal sector was also able to evade the application of social protection, quality and safety standards and of intellectual property rules. A major difficulty was that this sector not only provided employment for a large portion of the low-income population but also provided a cheap supply of goods and services that the population could not otherwise afford. Hence the recommendation that special incentives and measures be devised to encourage the informal sector to comply with prevailing regulations and standards while continuing to supply low-income consumers who cannot afford to address themselves to the formal market. A study on this issue is in progress.

35. The issues mentioned in 34a–c require further research and intergovernmental consultations and exchanges of views. Accordingly, it is proposed to organize further regional workshops on the subject.

II. AGREED CONCLUSIONS

Agenda item 7: Implications for the work of the Commission following the Doha Ministerial Conference, and related capacity-building and technical cooperation activities of UNCTAD

The Commission recognizes the contribution of UNCTAD's work programme on trade negotiations and commercial diplomacy, trade information and analysis, competition policy, trade and environment, and commodities in promoting the effective integration of developing countries and countries in transition into the multilateral trading system.

Accordingly, the Commission calls on UNCTAD to provide enhanced technical assistance to potential beneficiary countries in the areas of trade negotiations, human and institutional capacity building, and policy analysis and development. In the provision of assistance, the interests of all developing countries should be taken into account. The areas of focus, as requested by the potential beneficiaries, should include: agriculture; services; implementation issues; WTO rules; market access; regional integration; environment; competition; trade, debt and finance; and transfer of technology. With a view to capitalizing on possible synergies and avoiding duplication, UNCTAD is encouraged to continue cooperation with the WTO and other relevant international organizations, the UN regional commissions, and regional institutions, as appropriate, taking full account of their management capacity. In order to support the development strategies of recipient countries and yield the expected long-term benefits, the delivery of technical assistance should be well coordinated and sequenced.

36. Capacity building and technical assistance are central to UNCTAD's contribution to the development orientation of the post-Doha work programme. UNCTAD's Post-Doha Technical Assistance and Capacity-Building Programme was launched by the Secretary-General on 4 February 2002 as a demand-driven "umbrella" plan born of extensive consultations with delegations regarding the priority areas in which assistance from UNCTAD is needed, the types of assistance required and the particular forms of assistance needed by individual countries or regions.

37. UNCTAD continues to provide impartial, pro-development technical assistance on trade issues to developing countries, least developed countries (LDCs) and economies in transition.

38. This technical assistance includes a number of activities at the national, regional and interregional levels, including seminars, workshops, training missions, and so on. DITC also assists developing countries' delegations in Geneva as the need arises.

A. Trade negotiation and commercial diplomacy

39. *Action:* The secretariat implements several technical assistance projects to help developing countries understand the Doha work programme and its possible implications for trade prospects and developing domestic capacity to negotiate multilateral trade agreements. A very large number of countries and groups benefited from this assistance, including the Caribbean Regional Negotiating Machinery, the Southern African Development Community (SADC), and the Economic Community of West African States (ECOWAS). UNCTAD has also collaborated with the UN regional commissions, including the Economic Commission for Latin America and the Caribbean (ECLAC), the Economic and Social Commission for Asia and the Pacific (ESCAP), the Economic Commission for Africa (ECA) and the Southern Common Market (MERCOSUR), in providing such assistance. UNCTAD, together with ITC and the WTO, implemented the JITAP (Joint Integrated Technical Assistance Programme in Selected Least Developed and Other African Countries) in Benin, Burkina Faso, Côte d'Ivoire, Ghana, Kenya, Tunisia, Uganda, and the United Republic of Tanzania. JITAP expires in December 2002, and arrangements have been agreed on for implementation of a new phase beginning in early 2003. Along with JITAP, the Integrated Framework programmes for Uganda and the United Republic of Tanzania include support on trade negotiations capacity building. UNCTAD cooperates with the following institutions in implementing a joint programme of assistance for the Doha work programme to sub-Saharan Africa: UN-ECA, the African Union Commission, the African Economic Research Consortium and Third World Network Africa. Under this joint programme, UNCTAD organized a workshop for African trade negotiators on issues relating to offers and requests in the GATS negotiations in September 2002. In 2003, the cooperating agencies plan several workshops and a regional meeting for African trade negotiators in advance of the Doha Conference. From time to time, upon request, advisory and technical support is provided to the ACP Group of States and Secretariat in dealing with the trade negotiation issues under the ACP-European Union Partnership Agreement and the linkages between these negotiations and the Doha work programme. Thus, for example, a workshop was organized for the ACP Group in March 2002, and a report entitled "Participation of the African, Caribbean and Pacific Group of States in International Trade" (UNCTAD/DITC/TNCD/Misc.27) was prepared for the ACP Secretariat. In 2003, increased advisory support is planned as the ACP Group prepares for negotiations with the European Union in the first phase of negotiations on Economic Partnership Agreements. Ongoing discussions are occurring with the secretariat of the New Partnership for Africa's Development (NEPAD) on UNCTAD's involvement in the NEPAD market access initiative in connection with international and intra-African trade agreements.

40. In the area of services, technical assistance activities were provided to individual developing countries in all regions. UNCTAD provided direct analytical inputs, including policy papers for trade negotiators and guidelines for preparing national studies on services to assess the impact of trade in services, an area in which JITAP was particularly effective.

41. A number of regional meetings, especially in Africa, have been held as part of the process of regional integration on services. UNCTAD continues to provide substantive guidance, technical support and analytical inputs into the process of services negotiations. UNCTAD has facilitated regional meetings in Latin America and in particular for Andean countries, especially to establish the link between development objectives in individual services sectors and to ensure coherence in approaches to trade negotiations at the regional and multilateral levels.

42. Geneva-based technical assistance activities involved individual consultations and meetings in UNCTAD with developing countries and with regional groups. The technical assistance activities funded by the United Kingdom's Department for International Development (DFID) were of particular importance in this area. In the context of assistance to countries acceding to the WTO, services remained an important area, with individual countries facing challenges in addressing the variety and complexity of issues in all services sectors. UNCTAD's assistance in this area has been crucial and was extended through missions to the countries and follow-up through consultations with delegations in Geneva and by electronic means. Altogether, UNCTAD staff members delivered 30 missions on services.

43. In 2002, UNCTAD provided assistance to 16 out of 27 WTO acceding countries, including practically all acceding LDCs. Such assistance covered all aspects of the accession negotiations, but concentrated on long-term development concerns and the need to improve substantially the human and institutional capacities of acceding countries to enable them to use WTO membership in an effective manner. Governments of acceding countries had submitted numerous requests for UNCTAD's assistance in this area. UNCTAD's assistance is generally based on three main principles: (a) impartiality; (b) a pro-development focus (i.e. accession should support the development strategies of the countries concerned); and (c) full respect of the WTO rules and disciplines, including provisions for special and differential treatment in favour of developing countries. In providing technical assistance to acceding countries, UNCTAD maintained close contact and developed further cooperation with the WTO secretariat. The latter, in its technical note on the accession process, acknowledged that "cooperation with UNCTAD in the provision and tailoring of technical assistance has been particularly close and complementary".¹

44. The implementation of technical assistance projects in this area focused on training negotiators and building institutional capacities for effective conduct of multilateral trade negotiations. UNCTAD staff members also undertook several advisory missions in the field to better understand countries' concerns and problems, as well as to assist in preparing the complex documentation required by the accession process. Efforts were also devoted to helping several acceding countries identify and establish appropriate coordination mechanisms between their Governments and the private sector during the accession negotiations. Programme staff also tested new forms of training – for example, simulation of WTO meetings and trade negotiations, which proved to be useful and were appreciated by recipient Governments.

¹ See WTO document WT/ACC/10, "Technical Note on the Accession Process", 21 December 2001.

45. Under UNCTAD's Commercial Diplomacy Programme, more than 40 training and capacity-building events encompassing a range of agendas and formats were designed and organized in various regions. In 2002 the main focus was on activities related to the post-Doha Negotiations at the WTO. However, several activities also related to ongoing regional and subregional negotiations. The training activities concentrated on the content of the Doha mandate and on implementation from the point of view of developing countries and LDCs. It is worth noting that Government officials of economies in transition participated in the UNCTAD training courses on "Key Issues of the International Economic Agenda" in Turin and in Bangkok, where many sessions were devoted to trade negotiating issues.

46. The Commercial Diplomacy Programme was also very active in enlarging its contacts with developing-country academic institutions wishing to enhance their capacity to train post-graduate students and policy-makers in trade issues and negotiation. The Commercial Diplomacy Programme was instrumental in designing the "Master in International Economics Diplomacy" programme being launched at the University of Campinas (São Paulo, Brazil), which includes several modules on trade negotiations issues.

47. More information about all the Commercial Diplomacy events is available at the Commercial Diplomacy Programme's site www.unctad.org/commdip.

B. Trade analysis and information

48. The TRAINS database and retrieval system has been maintained and upgraded. It enabled the secretariat to prepare and provide tailor-made statistical and analytical tables and files to a large number of countries. Work on upgrading the UNCTAD/IBRD World International Trade Solution (WITS) software has continued. Analytical studies on international trade addressed issues of direct relevance to the multilateral trade negotiations. Their findings have been used as inputs into technical assistance activities, including for use in trade policy formulation and multilateral trade negotiations.

C. Commodities

49. *Action:* In this area, the secretariat continued its support for improving supply capacity and diversifying production and export bases in commodity-dependent countries through its analysis and technical cooperation programme. This included the areas of (a) participation in global supply chains and (b) meeting quality requirements emanating from the SPS and TBT Agreements as well as from consumer requirements and standards set by international trading firms and distribution networks. Provision of market and industry information relevant for negotiations through the Infocomm portal r0.unctad.org/infocomm likewise supports the post-Doha process.

D. Competition law and policy and consumer protection

50. *Action:* With respect to interaction between trade and competition policy, the Doha Declaration recognized, inter alia, "the case for a multilateral framework to enhance the contribution of competition policy to international trade and development" (para. 23) and "the needs of developing and least-developed countries for enhanced support for technical assistance and capacity building in this area, including policy analysis and development so that they may better evaluate the implications of closer multilateral cooperation for their development policies and objectives" (para 24). "To this end," the Declaration continued, "we shall work in cooperation with other relevant intergovernmental organizations, including UNCTAD" (para. 24).

51. Accordingly, UNCTAD organized four regional meetings to help developing and least developed countries "better evaluate the implications" of closer multilateral cooperation in this field. These included the Conference on the Post-Doha Agenda for Latin American and Caribbean Countries in Panama City (21–23 March 2002); the Regional Seminar on Competition Policy and Multilateral Negotiations for African and Arab countries in Tunis (28–29 March 2002); the Regional Seminar on Competition Policy and Multilateral Negotiations for Asia and the Pacific, in Hong Kong (China) (16–18 April 2002); and the Regional Seminar for Central and East European and Commonwealth of Independent States (CIS) and Black Sea Economic Cooperation (BSEC) member countries in Odessa (24–26 April 2002).

52. The agendas of all these meetings focused on (a) building the capacity of developing and least-developed countries as well as economies in transition in the field of competition law and policy; (b) focusing on the effects of anticompetitive practices on international trade and countries' development; (c) enhancing countries' capacity to participate effectively in multilateral trade negotiations by exploring the effects of possible multilateral frameworks on competition at the WTO, taking into account the existing United Nations Set of Multilaterally Agreed Principles and Rules on Competition; and (d) facilitating the exchanging views and concerns by developing countries in order to help them prepare for the Fifth WTO Ministerial Conference in Cancún in September 2003.

53. As a result of this first round of discussions in all major regions of the world, UNCTAD published a Consolidated Report of the Four Regional Seminars on the Post-Doha Mandate, which was widely circulated, including at the WTO Working Group on the Interaction between Trade and Competition Policy, as well as at UNCTAD's intergovernmental expert meeting on competition law and policy (held in Geneva on 3–5 July). This document, which summarizes the issues discussed and the concerns expressed by developing-country and LDC participants in these meetings, can be found at www.unctad.org/competition.

54. Close cooperation with the WTO and other organizations such as the OECD was ensured by cross-participation in all mutual meetings on competition policy. Following the publication in July of the Consolidated Report, UNCTAD actively participated in all WTO meetings and seminars related to the post-Doha mandate on competition. It intends to organize a second round of regional meetings on that subject

in all four major regions of the world in early 2003, in order to finalize preparations and issue a Final Consolidated Report on Competition and the Doha Mandate before the Fifth WTO Ministerial Conference in Cancún. The first of these regional meetings, for Latin America and the Caribbean, will be held in Rio de Janeiro in April 2003. Other meetings are scheduled to take place in Senegal, India and Uzbekistan in the first quarter of 2003. The final report should be ready for discussion at the next meeting of the Intergovernmental Group of Experts on Competition Law and Policy (2–4 July 2003).

E. Trade, environment and development

55. *Action:* UNCTAD's technical cooperation to assist developing countries' participation in the Doha work programme in the area of trade and environment is being implemented in close cooperation and coordination with the secretariats of the WTO, UNEP and other intergovernmental organizations, including the UN Regional Economic and Social Commissions, as well as with various development assistance agencies, civil society and the private sector.

56. More than 20 activities have been carried out since the Doha Conference, including national, regional and interregional seminars, training workshops, research-based sectoral projects and policy dialogues. Examples include an interregional seminar on traditional knowledge (New Delhi); a regional workshop on Doha-related trade and environment issues (San José); national, subregional and regional training workshops (Beirut, Cotonou, Hanoi, Havana, Rabat); a regional environmental management workshop (Bangkok); and a national project to assess export potential for organic agricultural products (Port au Prince).

57. Many Doha-related technical assistance activities have been made possible through greater cooperation on technical assistance with other organizations. For instance, in cooperation with the WTO secretariat, UNCTAD provided resource persons for WTO Regional Trade and Environment Seminars in Singapore (May), Namibia (July), Latvia (September), Tunisia (October) and Fiji (November), and the UNEP-UNCTAD Capacity Building Task Force on Trade, Environment and Development (CBTF) organized back-to-back workshops with the WTO regional seminars in Singapore and Fiji. UNCTAD also participated actively in a large number of capacity-building activities directly related to the Doha work programme organized by member States, UN regional commissions, other intergovernmental organizations and civil society.

58. With the participation of 20 countries in three regions (South-East Asia, East and Southern Africa and Central America and the Caribbean), the project on Building Capacity for Improved Policy Making and Negotiation on Key Trade and Environment Issues is the largest trade and environment technical assistance project currently being implemented by UNCTAD. With the financial support of the United Kingdom's DFID, the project will assist beneficiaries in their participation in the post-Doha work programme. In its recently completed planning phase, which concluded with an interregional consultative meeting in Geneva (October) and regional meetings hosted by Kenya, Guatemala and Thailand (November and December), participating

countries selected and refined issues to be addressed during the project's implementation phase.

59. In meeting its technical assistance objectives, the secretariat has placed increased emphasis on organizing activities to build the capacities of Geneva-based delegations. For example, in response to expressed demands, a number of well-attended policy dialogues on trade and development issues related to product standards, agriculture, biotechnology and traditional knowledge were convened by the secretariat during the past year.

60. With a view to helping developing countries and countries in transition participate effectively in the post-Doha work programme, the secretariat recognizes the need for, and value of, continued cooperation with other organizations, particularly the WTO and UNEP, in the development and implementation of future technical assistance activities in the area of trade and environment. Much of this cooperation takes place through the UNEP-UNCTAD CBTF, which has been considerably strengthened by new contributions announced at the Johannesburg World Summit that will support an expanded second phase of CBTF projects and activities. Close cooperation with the WTO will continue through a number of UNCTAD and UNEP-UNCTAD CBTF activities that have been included in the WTO Plan of Technical Assistance Activities for 2003 (WT/COMTD/W/104/Add.1, 4 Oct. 2002). These include UNCTAD regional seminars on trade and environment policy-making and negotiation, three CBTF meetings for Geneva-based delegations and two CBTF meetings held back-to-back with WTO regional seminars on trade and environment. At the same time, the UNCTAD secretariat, including in the context of UNEP-UNCTAD CBTF, is further strengthening its cooperation for jointly supported technical assistance on trade and environment with other organizations, including the United Nations Industrial Development Organization (UNIDO), FAO, the UN regional commissions, the private sector and civil society.

61. Detailed information on these activities is available at the UNCTAD website, in particular the subsite of the Trade, Environment and Development Branch www.unctad.org/trade_env/index.htm.

The Commission invites the Secretary-General of UNCTAD to continue his consultations with regional and subregional groups and individual delegations with a view to identifying their specific immediate and longer-term needs. The Commission also invites the Secretary-General of UNCTAD to pursue consultations with potential donors. Both processes should be aimed at improving the plan.

62. *Action:* Consultations with beneficiaries of technical assistance and capacity building as well as donors continued as needed during the period under review. Both processes have enriched the quality and magnitude of assistance provided. Some donor countries provided more financial resources and pledged to continue their support to the technical assistance and capacity-building activities.

The Commission requests the UNCTAD secretariat to regularly monitor the progress on the Doha Work Programme from the point of view of development issues and, upon request, provide substantive support to various bodies of the WTO and members.

63. *Action:* The secretariat has regularly monitored progress on the Doha Work Programme and has provided substantive support to a number of WTO bodies and a large number of members. Substantive support to members is provided within the framework of technical cooperation activities, technical analysis and briefings for negotiators in Geneva. The supporting role of the secretariat could be substantially enhanced if UNCTAD were granted observer status in WTO negotiating bodies, as was the case during the Tokyo and Uruguay Rounds.

64. UNCTAD participated as an observer in the regular meetings of the Committee on Trade and Environment (CTE) and other relevant WTO bodies. In the CTE, the UNCTAD secretariat made several interventions on issues contained in paragraph 32(i) of the Doha Ministerial Declaration. This includes a briefing on the outcome of the Expert Meeting on Environmental Requirements and International Trade (reproduced in WTO document WT/CTE/GEN/2). Similarly, the UNCTAD secretariat reported the outcome of the International Seminar on Systems for Protecting and Commercializing Traditional Knowledge, organized jointly with the Government of India (New Delhi, 3–5 April 2002), to the TRIPS Council.

65. The UNCTAD secretariat has continuously followed the progress of the multilateral negotiations in the area of services that took place in the Special Session of the WTO Council for Trade in Services, as well as the work of the Council and its subsidiary bodies. It focused on development issues, related supply capacity building in developing countries, and liberalization of market access for their services and service suppliers. In this context, UNCTAD informed the Council about the Expert Meeting on Audiovisual Services: Improving Participation of Developing Countries (November 13–15) and circulated the outcome of this meeting. Also, a contribution from UNCTAD to the work of the WTO Working Party on Domestic Regulation was requested in the area of subsidies.

66. The UNCTAD secretariat participated in the WTO Working Group on the Interaction between Trade and Competition Policy, which met in Geneva in April, July, September and November 2002. At these meetings, which focused on the clarification of core principles, including transparency, nondiscrimination and procedural fairness, as well as on provisions regarding hard-core cartels and modalities for voluntary cooperation and support for strengthening competition institutions in developing countries through capacity building, UNCTAD shared its views and experiences acquired through its technical assistance and capacity-building activities. The fundamental competition principles contained in the UN Set of Principles and Rules on Competition in responding to the needs of developing and least-developed countries, in particular for appropriate flexibility and special and differential treatment in any possible agreement on competition, have been borne in mind.

67. UNCTAD participated in the Inter-Agency Panel on Short-Term Difficulties in Financing Normal Levels of Commercial Imports of Basic Foodstuffs, the establishment of which was approved at the Doha Conference. It contributed substantively to the report (WT/GC/62 – G/AG/13) that was issued on 28 June 2002, and it proposed an ex-ante food import financing scheme. A separate submission by UNCTAD on "Current Practices in the Financing of International Food Trade, and Implications for the Structure and Operational Modalities of an International 'Revolving Fund' for the Financing of Food Imports" appears as Annex 7 to the report.

The Commission recommends that the Trade and Development Board review regularly developments and issues in the post-Doha Work Programme of particular concern to developing countries.

68. *Action:* The Trade and Development Board, at its twenty-eighth executive session (held on 12 March 2002), endorsed this recommendation of the Commission. To assist the Board in carrying out this mandate at its forty-ninth session (7–18 October 2002), the secretariat prepared a document on developments and issues in the post-Doha work programme of particular concern to developing countries (TD/B/49/12). The secretariat also prepared the document "How Can the Post-Doha Process Work Best for Development?" (TD/B/49/11) to assist the Board in discussing the relevant issues under agenda item 2. The review undertaken by the Trade and Development Board was reflected in the resolution adopted by the UN General Assembly at its fifty-seventh session under the item "International Trade and Development" as a "contribution to an understanding of the actions required to help developing countries secure beneficial and meaningful integration into the multilateral trading system and the global economy and to achieve a balanced, development-oriented and successful outcome at the end of the Doha process".