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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 seventh session of the Commission (held 3–6 February 2003). 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 seventh session of the Commission.

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I. FOLLOW-UP OF THE POST-DOHA WORK PROGRAMME

*At its seventh session, the Commission stated that it “calls on UNCTAD to continue and to intensify, as required, its work and activities, particularly in the follow-up to the post-Doha work programme, taking into account the special needs of the least developed countries. The Commission reiterates its request to 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 World Trade Organization and the members”.*¹

A. Trade negotiations

1. *Action:* In 2003, an intensive phase of advisory services, technical assistance and capacity-building activities as well as facilitation of intergovernmental consensus building were undertaken by the secretariat with respect to World Trade Organization (WTO) and other international trade negotiations. With respect to intergovernmental deliberations, a key highlight was the deliberations of the fiftieth session of the Trade and Development Board (6–17 October 2003) on “Review of Developments and Issues in the Post-Doha Work Programme of Particular Concern to Developing Countries: The Outcome of the Fifth WTO Ministerial Conference”. The secretariat provided a technical note (TD/B/50/8), reporting on the outcome of the Fifth WTO Ministerial Conference and the development dimension, including suggestions on development benchmarks. It assisted the Board in taking stock of the outcome of Cancún and its implications for the negotiations under the post-Doha work programme, for the development dimension, and for the multilateral trading system. The Chairperson’s summary of the deliberations (TD/50/L.7) provided an overview of the key issues raised. The Chairperson reported on the deliberations of the Board to the fifty-eighth session of the General Assembly.

2. The secretariat, upon request, interacted in several post-Cancún debriefings and assessment exercises held in developing and developed countries. It participated as an observer in Cancún, with the Secretary-General of UNCTAD representing the Secretary-General of the United Nations at the conference. Advisory and technical support, including technical reports on the Doha work programme and specific development interests, were provided to individual developing countries and their groups in 2003 as they prepared for Cancún and identified and articulated their interests under the Doha Work Programme. This included providing substantive support for the Trade Ministers of the LDCs at Dhaka (May),² the African Union Trade Ministers in Mauritius (June), the Arab States Trade Ministers in Beirut (July)³ and the ACP States Trade Ministers in Brussels (August). The secretariat has

¹ Report of the Commission on Trade in Goods and Services, and Commodities on its seventh session (TD/B/EX (31)/4, TD/B/COM.1/58), paragraph 1.

² UNCTAD provided a report to the meeting on “Developments on Key Issues in the Doha Work Programme” (LDC-II/2003/2, 20 May 2003).

³ UNCTAD also provided a report on “Developments on Key Issues in the Doha Work Programme: Arab Ministerial Meeting in Preparation for the WTO Fifth Ministerial Conference” (UNCTAD/DITC/TNCD/MISC/2003/5).

been providing technical and capacity-building assistance to developing countries, both in their capitals/regions and in Geneva, for their effective engagement in the Doha work programme since it was launched in November 2001, and generally for dealing with the WTO Agreements.

3. With respect to *African countries*, UNCTAD was instrumental in assisting individual countries and regional groupings as well as the New Partnership for Africa's Development (NEPAD) secretariat in their preparation for the Fifth WTO Ministerial Conference, in engaging in the negotiations and work programme under the Doha work programme, and in building capacity for dealing with multilateral and other trade negotiations.⁴ UNCTAD cooperated with and assisted the African Union (AU) and the UN Economic Commission for Africa (UNECA) in supporting the preparations for Cancún by participating in the High-Level Brainstorming Meeting of African Trade negotiators preparatory to the Fifth WTO Ministerial Conference and the AU Trade Ministers' Meeting in Mauritius (June), which adopted a common position on Cancún. UNCTAD also contributed to subsequent preparations by the African Group to the WTO and the AU, particularly the workshop (Geneva, August) on Africa's key issues for Cancún, building on the common position adopted by Ministers in Mauritius.

4. Technical advice was provided to the Common Market for Eastern and Southern Africa (COMESA) High-Level Brainstorming and Ministerial Meeting (Nairobi, May) on their preparation for Cancún and the trade negotiations between the African, Caribbean and Pacific Group of States (ACP) and the European Union. UNCTAD also advised a COMESA workshop (Kampala, July) on the elaboration of a services agreement based on the GATS. UNCTAD assisted a workshop organized by UNECA for African countries to review agriculture negotiation issues (Addis Ababa, April 2003).⁵ UNCTAD provided inputs to the NEPAD experts' meeting on market access (Cairo, March–April). Most of these activities were supported under a regional programme financed by the UN Development Programme (UNDP) and implemented in collaboration with the AU, UNECA, the African Economic Research Consortium, the Southern African Trade Research Network, and the Third World Network (Africa).

5. With respect to the Least Developed Countries (LDCs), UNCTAD had an important role in their preparations for the Fifth WTO Ministerial Conference and building their capacity for trade negotiations, including negotiations for accession to the WTO. In this context, UNCTAD provided substantive and technical support to the LDCs' Senior Trade Officials Meeting and the Second Meeting of LDC Trade Ministers (31 May–2 June). The meeting adopted the Dhaka Declaration containing the political statement highlighting LDCs' concerns and negotiating proposals covering all the issues on the Doha Agenda essentially addressing these concerns. There was a marked increase in LDCs' participation and

⁴ For details see "Review of Technical Cooperation Activities of UNCTAD: Report by the Secretary-General of UNCTAD" (TD/B/50/2/Add.1, TD/B/WP/163/Add.1, 11 August 2003).

⁵ This workshop is the second under the UNDP regional programme on post-Doha support for African countries. The first one, on services, was organized by UNCTAD in September 2002, and the report "Workshop on Issues of Interest to African Countries in the WTO Services Negotiations: Trade Negotiations and Africa" Series No. 1 (UNCTAD/DITC/TNCD/2003/6) has been widely disseminated.

engagement in negotiations and complex trade issues and in their articulation of their priorities and concerns. This is important not only in terms of ensuring ownership and leadership in the process of negotiations but also in forming an LDC negotiating block in the WTO.

6. *Arab countries:* UNCTAD assisted Arab countries in their preparation for the Cancún conference. Jointly with the UN Economic and Social Commission for Western Asia (ESCWA), UNCTAD organized an Expert Group Meeting (22–23 July) and the Arab Ministerial Meeting (24–25 July). The Arab Ministerial Meeting adopted a Ministerial Declaration highlighting Arab countries' concerns and negotiating proposals. UNCTAD is formulating an Arab Joint Integrated Technical Assistance Programme (JITAP) in cooperation with the International Trade Centre (ITC) and the WTO.

7. *JITAP*, executed jointly by UNCTAD, WTO and ITC, implemented a successful pilot phase from 1998 to 2002. A second phase of JITAP was agreed on in December 2002 and launched in February 2003 for a four-year period up to 2006. Sixteen African countries will benefit from JITAP II. They include the original eight countries (Benin, Burkina Faso, Côte d'Ivoire, Ghana, Kenya, the United Republic of Tanzania, Tunisia and Uganda) for a period of two years for consolidation of capacities built, and eight new countries for the full duration of the programme (Botswana, Cameroon, Malawi, Mali, Mauritania, Mozambique, Senegal and Zambia). In the first year of JITAP II (2003), implementation of the programme involved (a) developing toolkits which would guide the implementation of capacity-building activities, (b) setting up institutional apparatus in the countries⁶ and in the three executing agencies for programme monitoring and follow-up, (c) providing technical assistance to beneficiary countries on the negotiations under the Doha work programme and their preparations for the Cancún conference, and (d) elaborating national country projects.

8. *Support to ACP States:* Advisory services and technical papers were provided, on request, to the ACP Group of States in Geneva and in Brussels for addressing development issues arising from negotiations with the EU on economic partnership agreements and the multilateral dimension of such partnerships. A technical report was provided for the ACP Senior Officials and Trade Ministers Meetings⁷ (Brussels, July–August), where UNCTAD's Secretary-General interacted with Ministers on issues of interest to them for the Cancún conference and the ACP–EU negotiations. UNCTAD provided resource persons for two orientation sessions for ACP Ambassadors to sensitize them regarding (a) possible strategies and approaches for preparations for WTO and ACP–EU negotiations on agriculture, services and rules of origin (Brussels, February), and (b) the critical path towards regional integration and liberalization, regional integration and economic partnership agreements, and supporting regional integration in ACP (Brussels, July).

9. *Caribbean States:* UNCTAD continued to provide advisory support to Caribbean States in their participation in WTO and ACP–EU trade negotiations. It participated in a

⁶ As part of this process, the JITAP Programme Coordinator together with representatives from the three agencies undertook field missions (May–July) to all new countries and several of the old countries.

⁷ “Developments on Key Issues in the Doha Work Programme in Relation to ACP States” (UNCTAD/DITC/TNCD/Misc/2003/3, 11 August 2003).

Commonwealth Secretariat and Caribbean Regional Negotiating Machinery workshop (Bridgetown, April–May) to prepare a draft proposal to be presented to Trade Ministers of CARIFORUM (Caribbean Community, or CARICOM, States plus the Dominican Republic) on the negotiating strategy of CARIFORUM countries in the second phase of the ACP–EU negotiations on Economic Partnership Agreements (EPAs).

10. At the International Ministerial Conference of Landlocked and Transit Developing Countries and Donor Countries and International Financial and Development Institutions on Transit Transport Cooperation held in Almaty, Kazakhstan (August), the secretariat contributed to the preparation of UNCTAD's report on "Challenges and Opportunities for Further Improving Transit Systems and Economic Development of Landlocked and Transit Developing Countries" (UNCTAD/LDC/2003/8) and provided an additional detailed note on trade and trade negotiations.⁸

11. During the period 2002/2003, a number of major initiatives were taken in the context of the US, Canadian and Japanese Generalized System of Preferences (GSP) and other trade laws/schemes to provide better market access to products from developing countries, in particular the LDCs, as well as sub-Saharan African countries. UNCTAD continued to provide support to these developments in order to improve the utilization rate of preferences by beneficiary countries granted either through multilateral (GSP) or bilateral/regional arrangements. Technical cooperation activities were mainly directed at providing exporters and government officials with the expertise necessary to resolve difficulties encountered in GSP utilization, with special attention to the technicalities related to the applicable rules-of-origin requirements.

12. UNCTAD continued to provide technical assistance on accession to 16 WTO acceding countries, including practically all acceding LDCs. Ten of these countries, which are LDCs, are provided technical assistance under the UNCTAD Trust Fund for accession using funds provided by the Governments of the United Kingdom and Norway. Algeria received similar technical assistance utilizing UNDP funds. The technical assistance included advisory missions, training of officials in WTO-related issues, procurement of IT equipment and provision of consultants to assist the negotiating team in specific areas. In many instances, UNCTAD assumed a leading role in providing technical advice on both substance and strategy to the negotiating teams. This included assistance in the preparation of new and revised documents – such as the Memorandum on Foreign Trade Regime, a key document in the accession process – and assistance in responding to written questions from WTO Members. These efforts have been highly appreciated by the applicant countries, including Cambodia and Nepal, both of which acceded to the WTO at the Cancún conference, becoming the only two LDCs to accede to the WTO since its establishment in 1995. The private sector, including civil society, participated in many of these training activities.

13. In recent years, distance learning has become an important element of the global capacity-building environment, and it has been used as a complementary tool in the delivery of seminars. UNCTAD has recently developed a pilot strategy integrating these new

⁸ "Improving trade and development prospects of landlocked and transit developing countries" (UNCTAD/DITC/TNCD/2003/7).

techniques into its regular training courses and technical assistance activities, and it has incorporated the distance-learning dimension into the training of trade negotiators and the support to the institutional capacity of developing countries in the area of trade negotiations. As a result, a regional course was developed for Cambodia, the Lao People's Democratic Republic and Viet Nam for trade officials involved in the WTO negotiations on trade in services. The distance-learning phase was complemented by a face-to-face seminar where participants exchanged experiences. A second phase of the project has now been launched with the organization of an intermediate-level course on trade in services for officials already involved in the first phase. This course has also been extended to four West African countries at the junior officials level.

14. Support to *Small Island Developing States* (SIDS) included, *inter alia*, (a) five comprehensive studies on the impact of the small island status on the capacity of SIDS to benefit from multilateral agricultural liberalization and policy options in the post-Uruguay Round WTO negotiations on agriculture from the perspective of SIDS, and (b) a Forum on Small Island States and Agricultural Trade Liberalization to present and discuss the findings of the studies. The studies, together with the results of the forum, have been compiled into a book titled *Turning Losses into Gains: SIDS and Multilateral Trade Liberalization in Agriculture* (UNCTAD/DITC/TNCD/2003/1).

15. One long-term capacity-building initiative under the Trade Negotiations and Commercial Diplomacy activities was the training (internship) of a senior faculty member of the University of Campinas (São Paulo, Brazil) who adapted the syllabus of the UNCTAD course Key Issues of the International Economic Agenda (Para. 166 of the Bangkok Plan of Action) for the delivery of the university's new postgraduate course on international economic diplomacy.

16. The activities carried out under Dispute Settlement in International Trade, Investment and Intellectual Property aim at enhancing the capacities of public- and private-sector officers in order to promote more active participation by developing countries in the multilateral trading system. The dispute settlement courses are integrated on a dedicated website (<http://www.unctad.org/dispsett/course.htm>). In 2003, regional workshops on dispute settlement were organized for countries in Africa, Asia and Latin America. In-house training was offered to 12 young graduates from developing and developed countries, and 70 law firms or independent legal practitioners have been attracted to provide advice on trade and investment disputes to Governments of LDCs.

17. UNCTAD also organized, in collaboration with the Agency for International Trade Information and Cooperation (AITIC) and with the participation of the WTO, a workshop on antidumping. Several negotiators (including Geneva- as well as capital-based ones) from developed and developing countries attended this workshop and were given the opportunity to discuss their national experiences in this area. The UNCTAD Dispute Settlement training programme was responsible for the aspects of the workshops related to the dispute cases, in trade, investment and intellectual property rights.

18. UNCTAD also provided technical assistance to developing countries, including LDCs at the national level, utilizing extra-budgetary resources:

- (a) UNCTAD provided support to Bangladesh in its participation in WTO negotiations, which included the organization and preparation of the LDC Ministerial Meeting in Dhaka in May 2003. The Trade Negotiations and Commercial Diplomacy Activities provided support for the preparation and finalization of a research programme carried out by two local think tanks to provide information directly relevant to trade officials of Bangladesh in the LDC Ministerial Meeting and subsequently in the Cancún conference. UNCTAD is also focusing on building national institutional capacity in training national trade officials from the newly established WTO focal point within the Ministry of Commerce. This focal point will have overall responsibility for WTO matters within the Ministry.
- (b) With financial support from the UNDP, UNCTAD is assisting the Government of the Democratic Republic of Congo in reviewing the trade policies and legislation that need to be adapted in order to correspond to the WTO system of rights and obligations. A fact-finding mission was undertaken to Kinshasa in July 2002, followed by a workshop held in October 2003 to validate the conclusions and recommendations of the report prepared by UNCTAD.
- (c) UNCTAD continued to provide technical assistance to India under a five-year project "Strategies and Preparedness for Trade and Globalization in India", funded by the UK Department for International Development (DFID), with two main objectives: (i) it will assist Indian trade negotiators, policy makers and other stakeholders in understanding the development dimension of key trade issues, particularly as they relate to the current WTO agenda.(ii) It will strengthen India's human and institutional capacities for analysis of globalization-related issues and facilitate a policy environment that will sustain a more equitable process of globalization. Several national and regional activities were carried out in 2003, in India as well as Geneva, in various areas of trade negotiations. The project is implemented with the cooperation of three institutions: the Ministry of Commerce and Industry of India, the UK DFID and UNCTAD.
- (d) Support was provided to Viet Nam under UNCTAD commercial diplomacy activities and the UNDP-funded Trade-Related Capacity Building Project. This support aims at training of trainers in the area of trade negotiations in order to enhance the long-term capacity-building goal in Viet Nam. Assistance provided focused on *post-accession needs* and on the specific needs of the country's training institutions.

B. Trade analysis

19. Work on upgrading the World International Trade Solutions (WITS) software of UNCTAD and the International Bank for Reconstruction and Development (IBRD) 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. The TRAINS database and retrieval system has been maintained and upgraded. It enabled the secretariat to prepare tailor-made statistical and analytical tables and files and provide them to a number of countries.

20. The Agricultural Trade Policy Simulation (ATPSM), developed by UNCTAD and the Food and Agriculture Organization (FAO), has been extensively disseminated on CD-ROM and through UNCTAD's website as a tool to help policy makers analyse agricultural policies, including in the WTO negotiations. Negotiators in Geneva and in a number of developing countries have been trained to use the system. Further enhancements to the modelling system are in progress.

21. Both instruments were extensively used in helping developing countries, delegations and negotiators to assess the implications for various proposals on non-agriculture market access and agriculture negotiations that have been discussed in the Doha negotiations, in the capitals and at the regional level.

II. POLICY-ORIENTED ANALYSIS AND CAPACITY-BUILDING ACTIVITIES, AND WORK ON COMMODITIES, SERVICES, AND TRADE, ENVIRONMENT AND DEVELOPMENT

A. Commodities

At its seventh session, the Commission noted, "UNCTAD should also continue its policy-oriented analysis and capacity-building activities, and undertake work on commodities in the following areas:

Analysing and assessing the impacts of possible outcomes of multilateral negotiations and preferential arrangements, particularly with respect to their implications for the competitiveness of commodities produced and internationally traded by developing countries."

22. *Action:* UNCTAD continued its assistance to the deliberations on the Marrakech Decision regarding financing of food imports. With financial support from FAO, a study was prepared on current food import financing practices and bottlenecks, and on the possible functioning of a new market-friendly international facility for food import financing. Seminars on the issue were held in Geneva and on the occasion of the Cancún conference. UNCTAD will continue its support for finding an effective and sustainable mechanism for implementing the Marrakech Decision.

23. UNCTAD contributed a chapter on regional cooperation in Latin America to the *Sugar Trading Manual* (2003). A survey of the implications of the "Everything But Arms" initiative on sugar exports of LDCs will be submitted for publication in early 2004.

24. A study “Agricultural Domestic Support under the Uruguay Round Agreement on Agriculture with Particular Reference to the Blue Box” (DITC/COM/2003/6) was published.

25. Materials were prepared and a training course was given on “Key Issues on the International Economic Agenda: Agriculture and Commodities” (August 2003, Turin Centre) in the context of paragraph 166 of the Bangkok Plan of Action.

26. Assistance and policy support were provided to commodity-exporting developing countries in the course of various external activities and meetings (e.g. the International Forum on Challenge of Effective ACP Participation in Agricultural Trade Negotiations: The Role of Information and Communication (Brussels, November 2002); the Annual World Bank Conference on Development Economics in Europe (Paris, May 2003); the Forum on European Network on Agricultural Trade and Development (Paris, July 2003); and the Fourth International CIS Business Summit (London, June 2003).

27. The Expert Meeting on Market Entry Conditions Affecting Competitiveness and Exports of Goods and Services of Developing Countries: Large Distribution Networks, Taking into Account the Special Needs of LDCs was held on 26–28 November 2003 with a background note prepared by the secretariat (TD/B/COM.1/EM.23/2).

28. UNCTAD provided policy support to developing countries and countries in transition in their commodity-related activities in the WTO or in their process of accession.

Analysing the distribution of value added along the supply chain for specific commodities of export interest to developing countries, whenever appropriate in cooperation with other relevant international and regional organizations, and identifying policies for increasing the value added retained in these countries.

29. *Action:* UNCTAD’s work on African oil trade and finance continued with a view to helping African countries to draw larger benefits from their oil sectors or make their dependence on oil imports more affordable and easier to manage. The Government of Angola hosted UNCTAD’s Seventh African Oil and Gas Trade and Finance Conference in Luanda. A CD-ROM with the full proceedings was published. The Government of Morocco will host the Eighth Conference in Marrakech in April 2004. An international conference on oil and development will be also organized in Sudan in August 2004.

30. With regard to increasing the value added of commodity production retained in developing countries, UNCTAD intensified its work on oil field services in Africa. A manual and a set of policy guidelines are planned for 2004, as well as a conference in Nigeria in April 2004.

31. A book titled *Organic Fruits and Vegetables from the Tropics: Market, Certification and Production Information for Producers and International Trading Companies* was published (UNCTAD/DITC/COM/2003/2).

32. A book *World Commodity Survey 2003–2004* (ISBN 92-1-101049-7) was prepared and published in cooperation with CYCLOPE and the support of the Government of France.

The publication examines the global factors affecting commodity markets for metals, farm products and energy. It also analyses principal trends in commodities, the evolution of the oil market, the role of the state, and market instability as new risks emerge.

33. A *Handbook of World Mineral Trade Statistics, 1995–2000* (ISBN 92-1-112548-0) was published. The *Handbook* provides up-to-date and consistent data at the world, regional and country levels for international trade in major non-fuel minerals and metals, from primary to semi-processed forms.

34. With UNCTAD/CFC/FAO cooperation, the *Commodity Yearbook 2003* was published (ISBN 92-1-012050-7) after an interval of eight years. Two volumes are intended to provide disaggregated data at the world, regional and country levels for production, trade and consumption in selected agricultural primary commodities and minerals, ores and metals.

35. Analytical studies were published on:

- Transport and logistics costs (UNCTAD/DITC/COM/2003/5)
- Major developments and recent trends in international banana marketing structures (UNCTAD/DITC/COM/2003/1)
- Commodity issues, including the volatility in commodity prices and declining terms of trade and the impact these have on the development efforts of commodity-dependent developing countries (TD/B/50/CRP.3)
- Battle of supermarket supply chains in sub-Saharan Africa: Challenges and opportunities for agrifood suppliers (UNCTAD /DITC/COM/MISC/2003/5)

The following papers are under preparation:

- Integrating sub-Saharan small-scale horticultural producers into the value chain
- Value chain analysis and strategies for market penetration in the food sector

36. UNCTAD continues to produce two annual reports on iron ore, *The Iron Ore Market* and *Iron Ore Statistics*. These reports provide up-to-date, accurate and comprehensive information on developments in the world market for iron ore, including both statistical data and analyses.

Analyzing the opportunities for, and the impact of, the diversification of the commodity sector in developing countries, identifying the local support systems that are lacking and proposing ways of filling these gaps.

37. *Action:* UNCTAD continued its institution- and capacity-building work in the area of commodity finance, which is a major bottleneck for the development of the commodity sector in many countries and severely restricts the competitiveness of developing-country producers, processors and traders. A regional conference was organized in Malaysia, and training courses were given in Armenia, Cuba, India, South Africa and Tunisia; more are planned for 2004. UNCTAD's extensive training materials on commodity finance were further expanded. An overview of commodity finance frauds was published in 2003, and a book on structured finance in the African oil sector will be published in 2004.

38. UNCTAD continued its work on innovative financing solutions for commodity sector development projects. A paper on horticultural finance to expand African non-traditional

exports (UNCTAD/DITC/COM/2003/4) was published in 2003, and several more papers on financial solutions for boosting commodity sector development are planned for 2004.

39. Another area where UNCTAD has been actively assisting the development of local support systems for commodity sector development is that of creating new local and regional commodity exchanges. In 2003, advice and technical assistance were given for initiatives in African Union countries, India, Indonesia, Iran, Romania, the Russian Federation, Southern Africa, Sri Lanka and Ukraine. Work in India has reached an advanced stage. The new commodity exchanges introduced after UNCTAD's work reached a turnover of more than US\$30 billion in 2003. A paper analysing the experiences of electronic exchanges in the energy sector, and what these imply for developing countries, is planned for 2004.

40. If sufficient extra-budgetary resources are made available, work in 2004 will include feasibility studies and business plans for the creation of a pan-African collateral management company and a pan-African commodity exchange, both of which can provide a major new vector for African commodity sector development and integration.

41. UNCTAD continued the series of workshops organized under the United Nations Development Account Project on Capacity Building for Diversification and Commodity-Based Development. A substantial number of reports have been prepared and are available at the Commodities Branch's website. Follow-up national workshops for the Pacific Islands countries and the Asian countries (respectively, "Development of Senile Coconut Palm Wood into High Quality, Value-Added Products in Selected Pacific Islands Countries" and "Mongolia: Diversification of Agricultural and Mineral Sectors, International Trade and Development") are scheduled for late 2003 and early 2004. The project is to end in early 2004, and the results will form a basis for continued technical assistance on diversification, with a focus on national-level issues.

42. Since 2000, UNCTAD has also pursued a Development Account project on capacity building and policy networking for sustainable resource-based development. Activities under the project, which will be concluded by the end of 2003, were focused on the African and Latin American regions. In Africa, the emphasis was on complementing macroeconomic policy initiatives that promote stability, in particular mechanisms for the management of resource rents over the longer term. Training material on these issues has been produced and an African Mining Network, intended to support the Africa Mining Partnership under NEPAD, is being established. In Latin America, the focus was on local authorities, in support of the decentralization policies of national Governments. Training material for local authorities has been produced and there is a Latin American network with a focus on mineral resources and related sustainable development issues, with a website (<http://biblioteca.Unmsm.Edu.pe/redlieds>).

43. Technical cooperation activities were implemented in Indonesia and Peru with a view to increasing benefits accruing to local communities from mining activities, and to assisting in the establishment of a diversified economy in areas dominated by mining activities. Cooperation with Chile has focused on work to organize an international conference on mining taxation and fiscal management.

Studying the practicality of policy options for dealing with imbalances in commodity markets, and their negative impact on development and disadvantaged groups.

44. *Action:* UNCTAD, in cooperation with the International Institute for Sustainable Development (IISD), continued work on the UNCTAD/IISD Sustainable Coffee Initiative Project (SCI), the principal objective of which is to improve the social, environmental and economic sustainability of commodities production and trade by developing global, multi-stakeholder, market-based strategies for action on a sector-by-sector basis. The first multi-stakeholder brainstorming workshop, held in Geneva (February 2003), provided an opportunity for the public and private sectors and civil society to identify concrete sustainability strategies and define a research agenda for coffee. Initial outputs of the SCI have been used in the World Bank report *The State of Sustainable Coffee: A Study of Twelve Major Markets* (October 2003). The conference “The Sustainability of the Coffee Sector: Exploring Opportunities for International Cooperation” is scheduled for 8 and 9 December 2003, and research papers have been prepared for it.

45. UNCTAD continued providing policy advice on oil price risk management for African importers. A policy paper on this issue, with guidelines on how to set up an effective risk management programme, will be published in 2004.

46. Work on developing an international portal Infocomm (www.unctad.org/infocomm) has continued. The portal contains quantitative and qualitative commodity information in English, French and Spanish. It currently covers 20 commodities, and 20 more will be added by May 2004. In 2004, these sites will be linked to UNCTAD’s statistical database on commodities. UNCTAD is also responsible for a website operated in cooperation with the UN Environment Programme (UNEP) that contains research papers and news on mineral-policy-related issues (www.natural-resources.org), with the main documents collected in a recently issued CD-ROM, and is preparing a website on good practices in mining together with UNEP, the International Council on Mining and Metals and the UK DFID.

Continuing its efforts in assisting developing countries in formulating policies, which enable them to diversify their exports and increase their competitiveness.

47. *Action:* In the context of preparations for the high-level segment of ECOSOC, a Round Table Meeting on Commodities, Markets and Rural Developments was organized in April 2003. The inputs to the meeting were published as a CD-ROM by the ECOSOC secretariat.

48. In addition to assisting commodity sector operators in improving their performance and developing new support structures, UNCTAD also assisted Governments in formulating policies that provided an enabling environment for private-sector initiatives. Examples included the area of commodity exchanges and warehouse receipt finance in India, Indonesia and Sri Lanka. UNCTAD has also assisted the African Energy Commission, a new body of the African Union set up to promote African energy sector development and integration.

The Commission encourages member Governments to support UNCTAD's work on commodities and its application in developing countries through the provision of extra budgetary resources for expanded research, country-level activities and technical cooperation.

49. *Action:* The meeting of Eminent Persons on Commodity Issues in Geneva on 22–23 September 2003 agreed on a set of recommendations published in the report of the meeting (TD/B/50/11), discussed at the meeting of the Board and forwarded to the General Assembly for consideration by the Second Committee in November 2003, following a panel of the President of the General Assembly on the subject. Nine background notes were prepared for the meeting. Subject to the General Assembly's decision and to availability of resources, UNCTAD plans to pursue the recommendations of the meeting up to UNCTAD XI and to explore the possibilities for a new partnership in the commodity area.

50. In 2003, the only extra-budgetary resources provided by member Governments to support UNCTAD's work on commodities came from the Governments of France (for the Infocomm website and related activities) and Italy (for the meeting of Eminent Persons on commodity issues). Other technical assistance activities were funded by the United Nations Development Account (for the two projects mentioned above, both of which will end in early 2004), beneficiary Governments, other international organizations (the African Export-Import Bank, the Common Fund for Commodities, FAO, the World Bank), and private-sector sponsoring.

B. Trade in services

At its seventh session the Commission noted, "UNCTAD should continue its policy-oriented analysis and capacity-building activities and undertake work on services in the following areas":

Assessment of the services sectors in developing countries, and continuing the improvement of statistics and data on services production and trade.

51. *Action:* UNCTAD is preparing a methodology for assessing the impact of liberalization of trade in services. This initiative is supported by funding provided by the Ministry of Cooperation of Germany. A toolkit to assess the impact of liberalization of the tourism sector on JITAP beneficiary countries is being prepared.

52. UNCTAD has participated in and contributed to the following meetings: interagency consultations on trade in services statistics; a Joint Expert Meeting with the UN Statistics Division on Mode 4; and a first meeting of the Technical Subgroup under the Interagency Task Force on Mode 4. UNCTAD will identify interested countries in order to start jointly with UNSD the compilation of statistics on trade in services.

Sector-specific studies to identify export opportunities in sectors of interest to developing countries, with particular attention to the impact of liberalization and privatization on access to essential services. The analysis should include issues such as domestic regulation, emergency safeguards mechanism and subsidies.

53. *Action:* UNCTAD has prepared studies on subsidies, emergency safeguards and distribution services. These studies are in the process of internal revision, and there are plans to hold technical meetings with interested delegations before these studies are finalized.

54. UNCTAD has continued work on the interlinkages between trade, energy and development. The most recent analytical work and publications include:

- *Managing “Request-Offer” Negotiations under the GATS: The Case of Energy Services* (UNCTAD/DITC/TNCD/2003/5)
- *Energy and Environmental Services: Negotiating Objectives and Development Priorities* (UNCTAD/DITC/TNCD/2003/3)

55. UNCTAD has been collaborating with the Organization of the Petroleum Exporting Countries (OPEC) and the Organisation for Economic Co-operation and Development (OECD) in conducting joint studies and workshops on WTO issues and implications for oil-exporting developing countries in general and OPEC Member Countries in particular. Two studies were finalized in July 2003: *Oil and Gas Services: International Trade and Development Implications and Implications, Including for Development, of the Interface Between Environment and Trade Policies for Oil Exporting Countries*. The OECD and UNCTAD are carrying out a joint project aimed at helping WTO members, in particular developing countries, to successfully conduct the “request-offer” stage of the GATS negotiations in four services sectors (insurance, legal, energy and construction services).

Identification and analysis of modalities and specific measures to make effectively operational Article IV in the context of the negotiations under the General Agreement on trade in services (GATS).

56. *Action:* Documentation prepared by UNCTAD for regional preparatory seminars for the Cancún conference contained background elements on the state of play of negotiations and the analysis of proposals in view of making operational Article IV of GATS.

57. UNCTAD has provided assistance to a number of delegations from developing countries on the current request/offer negotiations under GATS Article XIX, and the work being undertaken in the various subsidiary bodies of the Council for Trade in Services.

Analysis of ways and means of facilitating export of labour-intensive services through further commitments in relation to movements of natural persons within GATS Mode 4.

58. *Action:* The Expert Meeting on Market Access Issues in Mode 4 (Movement of Natural Persons to Supply Services) and Effective Implementation of Article IV focused on different modalities and approaches for the liberalization of Mode 4 to ensure a win-win welfare situation for both developed and developing countries. The background document (TD/B/COM.1/EM.22/2) prepared by UNCTAD and the outcome of the Expert Meeting as well as the papers submitted by experts focus on many aspects of the policy and regulatory framework at the national and international levels to support freer movement of natural persons and implementation of Article IV of GATS.

Assistance to developing countries to strengthen their negotiating capacities in multilateral and regional negotiations, particularly in the GATS requests and offers process.

59. *Action:* Assistance has been provided to Geneva-based delegations. UNCTAD organized two meetings, one for the African Group and another for developing countries, as well as technical missions and seminars to support the preparation for the process of request/offer of the following countries in Africa: Kenya, Malawi, Mauritius, Uganda, the United Republic of Tanzania, Zambia and Zimbabwe. A regional seminar was organized in Managua and technical assistance was provided to El Salvador, Guatemala, Honduras and Nicaragua. A regional seminar was organized for Member States of the Andean Community, and policy support was provided to Bolivia, Colombia, the Dominican Republic, Ecuador and Peru. UNCTAD also participated in regional seminars organized by the Southern African Development Community, ESCWA and the UN Economic and Social Commission for Asia and the Pacific (ESCAP) to support the preparation of initial offers. Assistance was also provided to the LDCs as a group.

C. Trade, environment and development

At its seventh session, the Commission noted, “Furthermore, UNCTAD should continue its policy-oriented analysis and capacity-building activities in the area of trade, environment and development, and in particular it should”:

“Explore the possibility of creating a consultative group on environmental requirements and international trade, which should closely coordinate and collaborate with relevant work and initiatives in other bodies and involve the private sector, as a project-based activity.”

60. *Action:* The secretariat refined an issues note informally circulated at the Commission’s seventh session and prepared a funding proposal to enable exploration of the possible creation of a Consultative Task Force (CTF) as a project-based activity. The Government of the Netherlands has provided initial funding support for exploratory activities. Progress has been made in determining the objectives, issues to be addressed, and cooperating partners for the exploratory activities.

61. The following studies will be prepared:

- A sector-focused study on best practice in setting environmental/health standards and regulation affecting trade in two or three developed countries, with particular focus on pre-standard-setting consultations and the related involvement of exporters from developing countries
- A study on the trade- and production-related effects of national and private-sector standards for organic agricultural products (a study is being prepared by UNCTAD in the context of the UNCTAD/FAO/IFOAM International Task Force on Harmonization and Equivalence in Organic Agriculture)

- A synthesis report on lessons learned from sector-focused country case studies prepared under the UK DFID-funded project on building capacity for improved policy making and negotiation on key trade and environment issues⁹
- A study on the contours of an international clearing house mechanism for voluntary environmental and health requirements and its synergies with comparable existing public and private databases

These studies will feed into a workshop that will be held in Rio de Janeiro in March or April 2004 as a pre-UNCTAD XI event.

Promote the UNCTAD/FAO/IFOAM (International Federation of Organic Agricultural Movements) Task Force on Harmonization and Equivalence in Organic Agriculture as a concrete follow-up to the recommendations of the Commission at its sixth session.

62. *Action:* The International Task Force on Harmonization and Equivalence in Organic Agriculture (ITF) is an open-ended platform for dialogue between public and private institutions involved in trade and regulatory activities in the organic agriculture sector. The objective is to facilitate international trade in organic agricultural products and access by developing countries to international markets. This joint initiative of FAO, IFOAM and UNCTAD was launched on 18 February 2003 in Nuremberg, Germany.

63. For the second session of the ITF (Geneva, 20–21 October 2003), four discussion/background papers were prepared on the following topics:

- Overview of Current Status of Standards and Conformity Assessment Systems
- Impact of Organic Guarantee Systems on Production and Trade of Organic Products
- Extent of International Harmonization and Transparency Mechanisms
- Existing Models and Mechanisms for Equivalency and Mutual Recognition in Other Sectors and Lessons for Organic Guarantee Systems

64. The third meeting is scheduled to be held in Brussels in April 2004 and will review the revised versions of the papers mentioned above, plus two additional studies on (a) practical short- and long-term approaches to operationalizing harmonization and equivalence in organic agriculture, and (b) the relationship between the current organic guarantee systems and the Technical Barriers to Trade Agreement of the WTO. For more information, please see the ITF website at www.unctad.org/trade_env/itf-organic.¹⁰

Facilitate access to scientific and technical advice on issues relating to environmental and sanitary and phytosanitary measures and the impact of application of new technologies, particularly in the context of the UNCTAD Science and Technology Diplomacy Initiative.

65. Issues raised in the informal paper regarding the role of science in the evolution of trade rules, which was circulated at the seventh session of the Commission, have been

⁹ The country case studies cover three sectors (leather and footwear, horticultural products, and electronics) in six Asian countries (Bangladesh, Cambodia, China, the Philippines, Thailand and Viet Nam).

¹⁰ The monograph *The Organic Guarantee System: The Need and Strategy for Harmonisation and Equivalence*, edited by Christina Westermayer and Bernward Geier, was published by IFOAM in cooperation with FAO and UNCTAD in February 2003 and is available on the ITF website.

developed in an article that is being published in the second 2003 issue of the *International Journal of Technology and Globalization*.

66. Inputs have been provided to the 2003 UNCTAD publication *Science and Technology Diplomacy: Concepts and Elements of a Work Programme* (UNCTAD/ITE/TEB, Misc.5), specifically sections 2.1.2 (Biotechnology and Trade) and 2.1.3 (Managing Technological Risks, Market Access and Standard Setting). Preparations are in progress for an executive forum on biotechnology and trade, which will address issues relating to the potential impact of the biosafety regime on biotechnology in developing countries and on the global flow of biotechnology products and processes; biotechnology policies in developing countries; types of risks and uncertainty – for example, environmental, health, food-feed chain; and the ways and means of managing these risks in the context of trade policy and multilateral trade negotiations.

Strengthen work carried out by the UNEP-UNCTAD Capacity-Building Task Force and projects aimed at building capacity for improved policy making and negotiation on key trade and environment issues in the post-Doha context.

67. *Action:* The UNCTAD and UNEP secretariats continued implementation of activities planned under the Capacity Building Task Force (CBTF) on trade, environment and development. The second phase of the CBTF was launched at the World Summit on Sustainable Development (Johannesburg, 2002). Work carried out under the CBTF will be further strengthened in the period 2004–2006, utilizing a financial contribution from the European Commission to the CBTF Trust Fund (managed by UNEP) announced at the Johannesburg summit.¹¹ Priority will be given to capacity-building activities for African countries.

68. The two secretariats have organized regional CBTF workshops back to back with WTO regional seminars on trade and environment. In 2003, workshops were held in Cape Town, South Africa, for English-speaking African countries (May) and in Kingston, Jamaica, for CARICOM Member States. A national workshop was held in Luanda, Angola (May 2003) to launch a CBTF component for Portuguese-speaking countries in Africa.

69. Within the framework of its own technical cooperation and capacity-building activities, UNCTAD began implementing two regional work programmes under the project Building Capacity for Improved Policy Making and Negotiation on Key Trade and Environment Issues, funded by the UK DFID. The regional programme for Central America and the Caribbean (Costa Rica, Cuba, the Dominican Republic, El Salvador, Guatemala, Honduras, Nicaragua and Panama) focuses on (a) environmental goods and services and (b) environmental requirements in key export markets and market access for agricultural products, including the promotion of trading opportunities for organic products. The regional programme for South and South-East Asian countries (Bangladesh, Cambodia, China, the Philippines, Thailand and Viet Nam) focuses on environmental requirements, market access

¹¹ The European Commission will contribute 1.2 million euros. *Trade-Related Technical Assistance (TRTA) and Capacity Building in the Field of Trade and Environment*, submission by the European Communities under paragraph 33. Document WT/CTE/W/231 of 5 September 2003.

and export competitiveness in three sectors: leather and footwear, horticulture, and electronics.

70. National studies on environmental goods and services (EGS) were prepared in Cuba, the Dominican Republic, Honduras, Nicaragua and Panama. UNCTAD and the UN Economic Commission for Latin America and the Caribbean (ECLAC) jointly organized a regional workshop on EGS in Havana, Cuba (March 2003). National workshops on EGS were held in Nicaragua (June 2003), Panama (June 2003) and the Dominican Republic (November 2003). Two scoping papers were prepared to guide work in the area of market access. In Asia, a large number of papers were prepared to guide work in the area of market access in the three sectors mentioned above. A regional brainstorming workshop on trade and environment issues in the Doha work programme was held in Bangkok from 30 July to 1 August 2003. National training workshops on environmental requirements, market access/penetration and export competitiveness in leather and footwear were held in Bangladesh in August 2003 and in Cambodia in November 2003; a sub-regional workshop on the same subject for Bangladesh, Cambodia, China, the Philippines, Thailand and Viet Nam took place in Bangkok in November 2003.

71. As part of the project Strategies and Preparedness for Trade and Globalization in India, a training workshop on environmental issues in the Doha Ministerial Declaration was organized for officials from the Ministry of Environment and Forests of India (New Delhi, May 2003). In addition, a national seminar on Environmental Goods and Services was organized in cooperation with the TATA Energy Resources Institute (TERI) and the Ministry of Commerce in India (New Delhi, May 2003).

72. Technical cooperation and capacity building to assist developing countries' participation in the Doha work programme in the area of trade and environment continues to be implemented in close cooperation and coordination with the secretariats of the WTO, UNEP and the UN regional commissions, in particular ECLAC and ESCAP, as well as with civil society. In 2003, the UNCTAD secretariat provided resource persons for WTO regional workshops on Trade and Environment in Santa Cruz, Bolivia (February); Cape Town, South Africa (May); Kingston, Jamaica (November); and Budapest, Hungary (December).

Strengthen its work under the Biotrade programme; in particular in the follow-up to partnerships launched at the World Summit on Sustainable Development, to promote trade, export diversification and investment in support of the sustainable use of biodiversity.

73. *Action:* The partnerships launched at the Johannesburg summit have initially focused on ongoing national and regional Biotrade programmes in the Andean and Amazonian regions. The Andean Biotrade Programme is a partnership of the Andean Community (CAN), the Andean Development Corporation (CAF) and UNCTAD. It seeks to support coordination, exchange of experiences and technical cooperation between Andean countries on biotrade issues, thereby supporting the implementation of the Andean Biodiversity Strategy.

74. Under the New Ventures Investor Forum: Andean-Amazonian Bio-Business Contest, the World Resources Institute (WRI), the Andean Development Corporation (CAF) and UNCTAD are organizing an Investor Forum (Lima, May 2004) that brings together small and

medium-sized enterprises (SMEs) and investors interested in “green” investments. The forum will boost investments (risk capital and loans) in SMEs that build their core business around the sustainable use of biodiversity.

75. UNCTAD and the ITC, with the financial support of the Governments of Switzerland and the Netherlands, initiated the Bio Trade Facilitation Programme (BTFP). This programme, which is implemented together with local counterpart institutions, helps enterprises in developing countries, particularly small, medium and community-based enterprises, in export promotion. The programme supports products that have market potential and can be produced in accordance with the sustainable use of biodiversity.

76. The BTFP will start in Uganda as soon as the country programme is established. Exploratory activities have also been undertaken in Indonesia. BTFP efforts are also to be established in Viet Nam and the Philippines. BTFP activities in Asia are planned after the activities in Latin America and Africa are well on track and consolidated.

Continue work on standard setting and harmonization of environmental and health regulations, taking into account the development dimension.

77. *Action:* The secretariat’s work in this area is carried out largely under different capacity-building projects as well as in the context of exploratory work for the possible creation of a consultative task force on environmental requirements and international trade, as outlined above.¹²

78. In addition, UNCTAD has been actively participating in the open stakeholder consultations on the development of an international Code of Good Practice for Setting Social and Environmental Standards. This is an initiative of the International Social and Environmental Accreditation and Labelling (ISEAL) Alliance, an association of leading international standard-setting, certification and accreditation organizations (non-governmental) that focus on social and environmental issues.

79. By commenting on the first and second drafts of the Code,¹³ alerting a number of partners to it, and participating in the consultative workshop in June 2003, the UNCTAD secretariat has striven to help ensure that the development perspective is reflected in this code

Continue analysis of the trade and investment implications of multilateral environmental agreements.

80. *Action:* The forthcoming first issue of the UNCTAD *Trade and Environment Review* addresses practical approaches to WTO negotiations on the relationship between specific trade obligations (STOs) in multilateral environmental agreements (MEAs) and WTO rules.

¹² For an overview of UNCTAD’s work in the area of standards and trade, see http://r0.unctad.org/trade_env/test1/projects/taskforce/Overview%20of%20UNCTAD%20activities%20on%20standards%20and%20trade.pdf.

¹³ The Draft Code and accompanying guidance document are available on the ISEAL website <http://www.isealliance.org>.

Strengthen its analytical and capacity-building work on the trade and investment aspects of the Climate Change Convention and the Kyoto Protocol with a view to enabling developing countries to take advantage of the clean development mechanism.

81. *Action:* UNCTAD continued to provide technical assistance to the Designated National Authorities (DNAs) in developing countries responsible for setting in motion the Clean Development Mechanism (CDM) under the Kyoto Protocol. The secretariat also provided complementary learning opportunities to a global audience on the use of the CDM through e-learning courses. Distance courses were offered four times in 2003, mainly to participants from Africa, Asia and Latin America.

D. Other areas

Competition policy and consumer protection

82. In early 2003, through a series of regional meetings on the post-Doha agenda held in close collaboration with the secretariats of the WTO, the OECD and other relevant organizations, UNCTAD continued to support developing countries, economies in transition and LDCs in their preparations for the Cancún conference. These meetings were the Asian Conference on the Post-Doha WTO Competition Issues in Kuala Lumpur (Malaysia, February 2003); the African Conference on Post-Doha Competition Issues (Nairobi, April 2003); the Regional Post-Doha Seminar for Latin America and the Caribbean (São Paulo, April 2003); and the Regional Conference for Eastern Europe and CIS Member Countries (Tashkent, Uzbekistan, June 2003).

83. The regional meetings promoted open exchange of views among developing countries about the role of competition law and policy in promoting trade, competitiveness and development; evaluation of possible multilateral frameworks on competition, and discussion of pros and cons of various proposals from the point of view of developing countries; and consideration of options and their implications for developing countries. UNCTAD published a Final Consolidated Report on the four regional meetings updating all the views expressed during these meetings and elsewhere in relation to the WTO post-Doha mandate on competition. This report is available at www.unctad.org/competition.

Inter-agency coordination

84. *Action:* UNCTAD has been collaborating with other UN organizations and specialized agencies as and when it is necessary to work on issues having an interface with trade and development and the relevant organizations can make a contribution. Cooperation between UNCTAD and WTO in the area of capacity building and technical assistance, on the presumption of a natural division of labour and expertise, scope and resources, has been taking place through the Memorandum of Understanding signed in 2003 between the two organizations, and through cooperative arrangements for a number of technical assistance projects, such as JITAP and the Integrated Framework for the LDCs.

85. The secretariat contributed to the UN-system-wide effort to strengthen collaboration and coordination in trade and trade-related areas, including by following up on and

implementing the results of major international conferences. It acts as the convenor of the Working Group on Trade for ECOSOC. One such meeting was convened by UNCTAD in 2003. It participated in and contributed to the United Nations Chief Executive Board for Coordination (CEB) and provided inputs on international trade to reports on follow-up to implementation of the Millennium Declaration, the Monterrey Consensus and the output of the Johannesburg summit. UNCTAD manages the UN Task Force on Gender and Trade, which held its inaugural meeting in July. A number of related activities are being planned in this area.
