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

Prepared by the UNCTAD secretariat

Executive summary

The note on “Improving the functioning and the structure of the intergovernmental machinery of UNCTAD” (TD/B/EX(24)/L.1), re-endorsed by the Trade and Development Board at its twenty-sixth executive session on 10 April 2001, stated *inter alia*: “Starting with the second session of each Commission, the fifth day of the session will be used for policy reviews of implementation by member States and the secretariat of the outcome of previous sessions, on the basis of documentation produced by the secretariat”. Accordingly, the secretariat has prepared the present report, which contains information on the implementation of agreed conclusions and recommendations adopted at the sixth session of the Commission on Enterprise, Business Facilitation and Development and addressed to UNCTAD. The report covers three areas: electronic commerce and international transport services, competitiveness of SMEs and gender. The section on international transport services and electronic commerce highlights best practices in these interrelated fields for enhancing the competitiveness of developing countries. The section on competitiveness of SMEs takes a closer look at financial innovations for improving SME access to finance, including e-finance. The section on gender looks at mainstreaming gender in order to promote opportunities. The report deals also with the implications for the work of the Commission following the Doha Ministerial Meeting.

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1. The report of the Commission on Enterprise, Business Facilitation and Development on its sixth session (TD/B/COM.3/46) contained a number of recommendations for action by UNCTAD. It also included agreed conclusions on the implications for the work of the Commission following the Doha Ministerial Meeting. These recommendations and agreed conclusions are set out below, together with the relevant action taken so far.

**ELECTRONIC COMMERCE AND INTERNATIONAL TRANSPORT SERVICES:
BEST PRACTICES FOR ENHANCING THE COMPETITIVENESS OF
DEVELOPING COUNTRIES**

2. Following the recommendations of the Commission at its fifth session, the secretariat undertook a series of actions.

Recommendation

3. UNCTAD should keep under review and monitor developments relating to economic, commercial, legal and infrastructure aspects of electronic commerce affecting international transport services, and analyse the implications thereof for developing countries, and furthermore collect and disseminate this information to member countries.

Action

4. The secretariat continued monitoring and analysing developments at the international level relating to economic, commercial and legal aspects of electronic commerce having a particular impact on international transport services, and disseminated the information to member countries through its recurrent publications such as the *Review of Maritime Transport* and the *Transport Newsletter*. In addition, information was disseminated through presentations at various regional and national seminars. One of the most important developments concerning legal aspects of electronic commerce is the on-going work in the United Nations Commission on International Trade Law (UNCITRAL) on the preparation of a new draft international instrument on transport law, which was reported in the *Review of Maritime Transport 2002*. The draft instrument envisages the use of "electronic record" as well as paper transport documents and grants equal legal status to electronic communications as paper documents. The draft is still in its preliminary stages and if/when agreement on a new international instrument is reached it will provide an important step in removing legal barriers to further development of international transport. The UNCTAD secretariat is continuing to make a major substantive contribution to the work carried out under the auspices of UNCITRAL. In particular, it has provided a detailed analytical commentary on the draft, which is published by UNCITRAL as one of the two working documents of its Working Group (A/CN.9/WG.III/WP.21/Add.1; UNCTAD/SDTE/TLB/4).

Recommendation

5. UNCTAD should undertake studies on the use of traditional transport documents in international trade, particularly the extent to which negotiable bills of lading are necessary for

modern-day international trade, and the extent to which they can be replaced by non-negotiable transport documents, such as sea waybills, and by electronic alternatives.

Action

6. In order to implement this recommendation the secretariat is in the process of conducting a study concerning the use of various transport documents, including negotiable and non-negotiable documents as well as electronic alternatives. To that end, a questionnaire has been widely distributed to interested parties involved in international trade and transport, including providers and users of transport, intermediaries, banks, insurers and members of the legal profession. The replies received will be reflected in a report, which will be submitted to the Commission at its next session and will also be fed into ongoing discussions at the international level aimed at preparing the necessary framework conditions for paperless trading.

Recommendation

7. UNCTAD should develop and deliver training materials, where appropriate, and disseminate information on best practices in the field of electronic commerce and international transport services for developing countries in cooperation with relevant public and private sector organizations.

Action

8. In the context of the TrainForTrade regional project “Capacity building in the fields of transport and international trade” (RAF/99/A09), the secretariat has prepared a course on multimodal transport and logistics. This course covers various elements related to electronic commerce and international transport services. In particular, it contains a module on logistics that emphasizes the essential role of information in the context of freight transport management. New challenges are described, highlighting that proper cargo tracking is a prerequisite for efficient and secure cargo movement. The module introduces the basic features of logistics system management. It refers to the use of new technologies such as electronic data interchange, the Internet and modern operational planning techniques applied in supply-chain management. It shows that information management is becoming an essential part of any industrial development. The International Institute for the Management of Logistics (IML) of the Ecole Polytechnique Fédérale de Lausanne (EPFL) developed this module on logistics and one IML academic staff member participated in the first delivery of the course in Bamako (June 2001). This contribution is the first demonstration of the commitment made by the EPFL during the Transport Session of the Third United Nations Conferences on the Least Developed Countries (Brussels, May 2001). The EPFL had offered to contribute to transport management training for LDCs through special programmes, scholarships and dedicated research on topics proposed by LDCs (See A/CONF.191/13, P. 84).

9. In order to implement this recommendation the secretariat contacted a number of port authorities with experience in setting up electronic platforms to exchange data between

members of the port community belonging to the public and private sectors. APEC, the training institution of the Antwerp Port Authority, hosted a two-day session in late March 2002 for a number of port experts to prepare an outline for a course on Information and communications technology in port communities. Experts from Indonesia and Spain complemented expertise from the port of Antwerp and the neighbouring port of Ghent. Two members of the UNCTAD secretariat also contributed to the session. The secretariat has continued with the next phase of the procedure for course development in collaboration with the port of Valencia (Spain), which has features in common with those found in ports of developing countries.

10. Information on best practices in electronic commerce and international transport services has been disseminated through UNCTAD's recurrent publications, such as the *E-commerce and Development Report* and the *Transport Newsletter*. The importance of logistics for order fulfilment is discussed in chapter 8 of the *E-commerce and Development Report*. The development of Internet-based portals for shipping services, the use of mobile phones for transmitting SMS messages regarding vessel arrival and for trucking operators, and the use of an e-mart to reduce repositioning costs of empty containers are some of the developments discussed in the *Transport Newsletter*.

Recommendation

11. UNCTAD should prepare guidelines for the establishment of model port community systems and logistics platforms in developing countries.

Action

12. The secretariat analysed a number of port community systems¹ and is in the process of preparing preliminary guidelines based on its findings. A port community system is one that allows the electronic exchange of information amongst the port community. This implies that the port community must have the capability to send, receive and process information electronically. Most of the port community systems have been developed and are operated by an independent organization specifically established for this purpose by the port community. In general, users pay an annual subscription fee plus a charge for each transaction. The core function of the system is to allow the exchange of information by EDIFACT or XML messages. Some systems maintain data files such as dangerous cargo lists. The port authority has been one of the key players. In Singapore, the community system has been developed and is operated by a fully owned subsidiary of PSA Corporation; it focuses on services provided by the port as well as exchanging messages within the community. One of the most important actors in the community is the customs administration, as it controls the release of goods. Most community systems have been developed to interface with customs systems that imply that customs have a computerized system. UNCTAD's technical cooperation work in customs reform is creating the capacity in customs administrations to exchange information electronically with the port community and thus facilitate the development of port community systems.

¹ SIC Valencia, SEGHA Antwerp, DAKOSY Hamburg, PORTNET Singapore and TRADEGATE Australia.

**IMPROVING THE COMPETITIVENESS OF SMES IN DEVELOPING
COUNTRIES: ROLE OF FINANCE, INCLUDING E-FINANCE, TO ENHANCE
ENTERPRISE DEVELOPMENT**

Recommendation

13. UNCTAD should, through its Intergovernmental Working Group of Experts on International Standards of Accounting and Reporting, complete its work on a user-friendly accounting framework for small and medium-sized enterprises (SMEs) that will allow them to produce transparent, reliable and uniform financial and business information, and report back to the Commission as soon as possible.

Action

14. Since the last session of the Commission, the Intergovernmental Working Group of Experts on International Standards of Accounting and Reporting has completed drafting its guidelines for accounting by SMEs. It deliberated on the proposed guidelines at its nineteenth session, held in Geneva from 25 to 27 September 2002. The final guidelines are expected to be issued in the near future once wider consultation on the drafts has been completed.

Recommendation

15. UNCTAD should strengthen its technical corporation programmes for entrepreneurship, including where appropriate in cooperation with the International Trade Centre in order to improve meaningfully the creditworthiness of SMEs by linking its business development services to financial services through partnerships between national programmes such as the Entrepreneurship Development Programme (EMPRETEC) and banks.

Action

16. During 2002, UNCTAD responded to requests by countries for assistance in improving SME access to finance, including by combining financial services with business services. After the relevant stakeholders in the SME and financial communities had been interviewed, workshops were held or planned to permit a public-private sector dialogue on how market failure could be resolved. In the case of Uganda these activities resulted in the establishment of a plan of action and a task force headed by the Ugandan Bankers Association and the Bank of Uganda. A set of recommendations was sent to the Minister of Finance, Planning and Economic Development for immediate action. It is expected that Enterprise Uganda (EMPRETEC), as a member of the task force, will pursue the idea of concluding partnerships with various banks, assisting them in identifying creditworthy SMEs. A request from the Romanian Minister for SMEs made possible an initial assessment of the situation of SMEs and the willingness of the banking community to service them. The European Commission will also begin to assist in facilitating SME access to finance.

17. At the EMPRETEC Directors Meeting, held from 9 to 11 October 2002, a session was devoted to experiences combining financial and non-financial services. EMPRETEC Ghana

is the most advanced, with six different initiatives. Given the complex nature of these initiatives, it has decided to create a finance company – the EMPRETEC Finance Company – to manage them and is seeking a licence.

Recommendation

18. UNCTAD should monitor the development of new products and innovative financial mechanisms pertinent to the EMPRETEC programme so that participants can more easily access them, including environmentally and socially responsible investment funds.

Action

19. During 2002, UNCTAD continued its research on best practices in financial innovations for SMEs, focusing more on mechanisms to finance technology. The results of this work are contained in the issues note “Financing technology for SMEs”² and the background paper “Providing finance for technology-based SMEs”.³ For example, SMEloan Hong Kong (China) has introduced new appraisal and monitoring methods for lending based on information that is relatively easily obtained from SMEs, such as who their customers are, how much business they do and how much cash they will collect. The SMEloan model analyses the triangular relationship between cash flows, sales and accounts receivable. It uses the Internet to obtain cash flow information on a real-time basis, thus reducing loan-servicing tasks and costs.

20. The Expert Meeting on Improving the Competitiveness of SMEs through Enhancing Productive Capacity: Financing Technology was held from 28 to 30 October 2002. The experts considered national policies and programmes in both the public and private sectors to finance the technology that SMEs need in order to compete in the global economy.

21. EMPRETEC Ghana has developed a number of services to facilitate access to finance. Its most profitable service is training bank loan officers how to evaluate SME risks. It also has a \$700,000 revolving loan programme funded by the United Nations Development Programme (UNDP) that does not require collateral. It started a mutual loan guarantee association (MEGA) with donor assistance support whereby Empretec's in the scheme can borrow up to six times what they have deposited with the bank. EMPRETEC is managing part of the national export development investment fund, thereby facilitating SMEs' participation in it. It has signed a memorandum of understanding with a leasing company whereby it submits applications, provides consultancy services to those SMEs selected and receives a percentage of the leasing fee in return. It has set up credit sourcing services in four of its regional centres to assist Empretec's; this lowers interest rates and increases loan maturities over what SMEs could obtain on their own.

22. Another example is the EMPRETEC centre in Colombia, which has an agreement with the national credit guarantee agency whereby it certifies EMPRETEC business plans.

² TD/B/COM.3/EM.16/2.

³ UNCTAD/ITE/TEB/Misc.8.

When submitted to the participating banks, these business plans are accepted as the 80 per cent collateral requirement.

Recommendation

23. UNCTAD should continue its work on business linkages, including interfirm cooperation and partnerships, as one of the most efficient ways to access finance, technology, skills and markets.

Actions

24. UNCTAD has elaborated a project proposal to assist Governments that wish to start or strengthen linkage programmes in their countries. It consists of policy advice and capacity building so that SMEs are partnership-ready. It also describes the most effective mentoring and coaching programmes that would have to be put in place by the large enterprises. On the basis of this proposal, Uganda has obtained donor funding to start a pilot programme in 2003. In addition, a linkage component was added to the women entrepreneurs programme, funding for which was provided by the German Government at the Third United Nations Conference on the Least Developed Countries. UNCTAD also assisted Sebrae in organizing a roundtable on business linkages during the Inter-American Development Bank's Micro Forum in Brazil, which was attended by over 3,000 SMEs, government officials and support agencies. The roundtable featured presentations by transnational corporations (TNCs) on their linkage programmes; during the roundtable they committed themselves to working with Brazilian chief executive officers to help them design similar programmes. Lastly, as a follow-up to the *World Investment Report 2001*, which featured linkage programmes in 14 countries, a video was produced on best practices in Penang, Malaysia. The purpose of the video is to demonstrate to the public and private sectors exactly how the process works and how to make it most effective in terms of its positive impact on growth, development and competitiveness. The video showcases the roles played by all the partners – Government, SME support agencies and the TNCs themselves. According to the Chief Minister of Penang, such partnerships have been an important component in Malaysia's growth and development.

25. During the annual meeting of the World Association of SMEs in Changzhou, China, held from 19 to 21 September 2002, a member of the secretariat chaired a panel session and made a presentation on business linkages. The Committee of Donor Agencies for SME Development took up the topic of best practices in business linkages at its annual meeting in Turin, Italy from 16 to 18 September 2002. It decided to form a small working group headed by UNCTAD to discuss guidelines for donor interventions in this field. A number of multilateral and bilateral agencies have started programmes, and there is a huge diversity in the types of activities undertaken and their impacts.

26. At the Symposium on the United Nations Global Compact and Swiss Business, held in Geneva on 29 October 2002 and co-organised by UNCTAD, the United Nations Global Compact Office and the Swiss Government, the issue of linkages was stressed as one important channel through which companies, particularly TNCs, can make a contribution to the development of host countries. During the seminar, which was attended by more than 200

representatives of Swiss business (mostly SMEs themselves), one of the five parallel workshops in the afternoon was specifically dedicated to the subject of linkages.

27. At the meeting of the Investment Advisory Council held in Johannesburg on 31 August 2002 during the World Summit on Sustainable Development, special attention was given to private sector development, especially SMEs. It was acknowledged that SME-TNC linkages could be powerful channels for diffusing knowledge and skills between firms. To achieve these linkages, UNCTAD was encouraged to help SMEs to become partnership-ready through its SME capacity-building programmes.

Recommendation

28. UNCTAD should incorporate the aspects of e-finance and e-commerce that are more relevant to the needs of SMEs into UNCTAD technical cooperation activities and ensure coordination and synergies with other international organizations active in this field.

Action

29. The results of UNCTAD's research work and papers presented by e-finance experts at UNCTAD events are widely available to users worldwide through the UNCTAD website. Many other international organizations, including development banks, use those materials when organizing their training and other events in cooperation with UNCTAD. In December 2002 the World Bank organized a conference on "new technologies for small and medium-size enterprise finance" with the active participation of UNCTAD and with UNCTAD materials providing most of the background reading.

30. Elements of e-finance are increasingly being incorporated into the activities of Trade Points. The Trade Point Programme was officially transferred to the World Trade Point Federation on 4 November 2002, with UNCTAD still providing support to its secretariat, as well as capacity building for Trade Points. In October 2002, the Federation signed a partnership agreement with one of the main credit insurance and credit rating providers, Coface. Under this agreement, Coface grants the Federation and its clients access to its international credit rating (@rating) services through the Federation's website. This service aims at building trust in international trade transactions concluded by Trade Point client companies and increasing the international credibility of these companies.

31. UNCTAD's EMPRETEC programme is exploring the possibility of incorporating an e-commerce training module in its menu of products and services, but interest among users is low, as is the case for most SMEs.

Recommendation

32. UNCTAD should organize regular forums, including regional seminars and group training, to sensitize Governments, central banks, financial service providers and the corporate sector in developing and transition countries to the advantages of electronic finance at the local, regional and global levels.

Action

33. UNCTAD organized a side event entitled “E-Finance for Development” in the framework of the International Conference on Financing for Development, convened by the United Nations in Monterrey, Mexico, in March 2002. This side event was attended by many participants, including representatives of Governments, the private sector, non-governmental organizations and academia.

34. Special e-finance-related sessions were organized at the UNCTAD regional e-commerce workshop in Curaçao, Netherlands Antilles (June 2002) and at the UNCTAD–ESCAP Asia–Pacific regional conference on e-commerce strategies in Bangkok, Thailand (November 2002).

35. UNCTAD prepared a study entitled “E-finance for development: Global trends, national experiences and SMEs”, which was reported at various forums. It became chapter 6 of UNCTAD’s *E-commerce and Development Report 2002*. The report is posted on the UNCTAD e-commerce website and is expected to be widely used, as the experience with previous reports has proved, by policy makers and business practitioners in developing and transition economies, thus sensitizing them to the importance of the correct policy choices and sequencing, as well as the adoption of best business practices to ensure better SME access to e-finance.

Recommendation

36. UNCTAD should encourage Governments, central banks and financial institutions to provide information on e-finance for the purposes of analysis, intergovernmental deliberations and technical cooperation.

Action

37. The importance of data on the state of e-finance and the need to undertake capacity building in information gathering and dissemination in that field have been constantly emphasized by UNCTAD publications, as well as at the events organized by UNCTAD.

MAINSTREAMING GENDER IN ORDER TO PROMOTE OPPORTUNITIES**Recommendation**

38. UNCTAD should mainstream gender in all areas of work, as appropriate. In doing so, a focal point on gender should be identified in each division of UNCTAD, with the responsibility to integrate the gender dimension in all substantive areas of the division, without prejudice to the work of the overall coordination of the focal point on women designated by the Secretary-General.

Action

39. Divisional focal points on gender have been nominated in each division of UNCTAD. To ensure that gender mainstreaming goes beyond establishing gender units and gender focal points, the secretariat's follow-up activities have focused on designing, for pilot implementation, capacity-building technical assistance proposals in the areas of gender sensitization for trade policy makers and gender statistics.

40. UNCTAD prepared a background paper for *The Least Developed Countries Report 2002* on "Trade liberalization, gender and rural poverty in African LDCs". Its key policy conclusion is that "rural women will not necessarily benefit from trade liberalization unless there are a range of measures to address the gender-intensified disadvantages and gender-imposed constraints". The paper stresses the importance of access to capital in ensuring that women are not excluded from the benefits of economic growth.

41. UNCTAD organized the pre-UNLDC III workshop in Cape Town in March 2001 on "LDCs: Building capacities to mainstream gender in development strategies". Subsequently, UNCTAD with financial support from the Government of Japan and UNDP consolidated all the documentation and the outcome in a publication entitled "LDCs: Building capacities to mainstream gender in development strategies", which was released recently and is being widely distributed.

42. Since one of the major obstacles for rural women in LDCs concerns mobility and lack of access to transport, the secretariat is collaborating with the International Forum on Rural Transport Development in the design and development of a capacity-building technical assistance proposal on "Making global bicycle markets work for the poor" to contribute to greater mobility for girls in LDCs.

43. Another example of UNCTAD's work on gender is the close cooperation between the UNCTAD secretariat, which services the Commission on Science and Technology for Development, and the Commission's Gender Advisory Board to ensure that gender remains a cross-cutting issue in the deliberation and outcome of this substantive theme. UNCTAD's Science and Technology for Development Network (STDev) (<http://www.unctad.org/stdev>) has also created a space for "Gender, Science and Technology". Here one can find information on the Gender Advisory Board, as well as links to relevant documents on gender.

44. Activities carried out in accordance with more specific recommendations are described below.

Recommendation

45. UNCTAD should review its capacity-building programmes, particularly EMPRETEC and MED 2000, so that they are gender-sensitive and can effectively provide training and advice to improve women entrepreneurs' access to finance, e-finance and e-commerce.

Action

46. In the Expert Meeting on Improving the Competitiveness of SMEs in Developing Countries: The Role of Finance, Including E-Finance, to Enhance Enterprise Development” held in Geneva from 22 to 24 October 2001, the experts considered the problems faced by women entrepreneurs in obtaining credit and examined successful programmes for improving women’s access to finance. They concluded that it is vital to increase the number of women working as advisers and other staff in banks in order to improve banks’ awareness of and capability to work with women entrepreneurs. The UNCTAD secretariat has taken the initiative of compiling a database to promote networks of women entrepreneurs and business associations.

47. Moreover, pursuant to paragraph 26 of the “Report of the Expert Meeting on Mainstreaming Gender in order to Promote Opportunities” (TD/B/COM.3/40), a specific training and mentoring programme targeted at women entrepreneurs has been prepared by EMPRETEC El Salvador, with the assistance of EMPRETEC Uruguay, under the supervision of the UNCTAD secretariat. The first workshop for women entrepreneurs took place during the first half of November 2002. In addition, UNCTAD, together with Enterprise Ethiopia and Enterprise Uganda, launched a project for women entrepreneurs, financed by the Government of Germany, in August 2002. It seeks to develop gender-sensitive training and business services for women entrepreneurs. It enhances their access to business development services in order to enable them to establish and/or strengthen their SMEs by overcoming obstacles to accessing finance and technology, so that they can survive and compete in increasingly global economies and participate in business linkages with larger companies, for example affiliates of transnational corporations.

Recommendation

48. UNCTAD should, in cooperation with the International Telecommunication Union (ITU), (i) carry out analytical and case-study-based work on gender and information and communication technologies (ICT), identifying the specific opportunities in the digital economy for women; (ii) develop sex-disaggregated indicators and contribute to the collection of data on ICT and the telecommunications sector in order to identify the impact of ICT on women and women’s impact on ICT; (iii) identify policies for mainstreaming gender in national ICT policy-making, including the telecommunications sector, with a view to enhancing the participation of women in the digital economy and thus contributing towards increasing the competitiveness of developing countries; and (iv) develop recommendations on mainstreaming gender in ICT policy for inclusion in the outcome of the World Summit on the Information Society (WSIS), to be held in Geneva in 2003 and in Tunisia in 2005.

Action

49. UNCTAD has prepared a study entitled “Gender, E-commerce and development”, which is included as a chapter in the *E-commerce and Development Report 2002*. It outlines different opportunities and challenges which women face in the digital economy. It illustrates how ICT enhance business opportunities for self-employed women in developing countries

and how they create new employment in ICT-related services industries. It also discusses the main barriers which women have to overcome in order to benefit fully from the new technologies. The study makes a number of policy recommendations for mainstreaming gender in ICT policy, including in policy areas related to enhancing human capacity and training, improving access to telecommunications infrastructure, new technologies and the Internet, providing finance to SMEs and promoting new business opportunities or employment for women in the ICT sector.

50. UNCTAD secretariat staff meet regularly with staff from the ITU secretariat working on ICT and gender. UNCTAD has participated in Geneva-based events on ICT and gender organized by ITU in preparation for the WSIS, and in this context has provided ITU with inputs to the preparation of recommendations on mainstreaming gender in ICT policy-making.

51. As part of its ongoing work on e-commerce strategies, the UNCTAD secretariat included the topic of gender on the agenda of the Expert Meeting on Electric Commerce Strategies for Development (held in Geneva from 10 to 12 July 2002) and the Asia-Pacific regional conference on e-commerce strategies (held jointly with the United Nations Economic and Social Commission for Asia and the Pacific (ESCAP) in Bangkok from 20 to 22 November 2002).

IMPLICATIONS FOR THE WORK OF THE COMMISSION FOLLOWING THE DOHA MINISTERIAL MEETING

Agreed conclusion in the field of trade facilitation

52. With regard to the plan for “Capacity Building and Technical Cooperation for Developing Countries, especially LDCs, and Economies in Transition in Support of their Participation in the WTO Doha Work Programme” (UNCTAD/RMS/TCS/1), which reflects the specific requirements of the least developed and African countries, the secretariat has initiated a comprehensive work programme in the area of trade facilitation, building on UNCTAD’s accumulated experience without negatively affecting its ongoing activities. The work programme would provide, in line with paragraph 27 of the Doha Ministerial Declaration, enhanced technical assistance and capacity building with long-term sustainable impact to further expedite the movement, release and clearance of goods, including goods in transit. This programme would identify the major issues and address policy analysis and development, human resources development and institutional development. It would also identify trade facilitation needs and priorities to allow developing countries to better evaluate the implications of closer multilateral cooperation for their development policies and objectives.

Actions

Project proposals in the field of trade facilitation

53. In addition to the project proposal included in Part C of document UNCTAD/TCS/RMS/1, another project proposal has been prepared for financing by the 4th Tranche of the Development Account. This proposal covers analysis of potential impact of the adoption of binding rules on trade facilitation at WTO. The expected outcome of these projects is to assist in building a consensus among developing countries as to the modalities of future negotiations on trade facilitation rules.

54. The approach underlying these proposals is that the application of international standards for trade facilitation requires tailor-made execution adapted to local frameworks. As opposed to traditional technical assistance based on foreign expertise, long-term capacity building should rely on local and regional know-how. The purpose of this new approach is to guarantee ownership by the beneficiaries and the formation of lasting learning and innovating trade and transport facilitation structures. Local, national and regional facilitation clusters, gathering together private and public sector participants, will be guided to monitor and improve trade and transport corridors, and supply and distribution chains. Capacity building is seen as a multi-layer process, combining institution-building, human resource development and collaborative networks. Extensive use of knowledge management schemes based on ICT is also foreseen where skills can be gained from direct on-the-job learning rather than through individual or group training.

55. The above-mentioned projects will take advantage of the considerable experience accumulated by UNCTAD in trade facilitation through its wide range of analytical work and technical assistance activities that take into account the specificities of developing countries, as well as through the introduction of information technology tools in the areas of cargo tracking (ACIS) and customs automation (ASYCUDA).

Consensus building

56. The secretariat organized, in November 2002, an Expert Meeting on Efficient Transportation and Trade Facilitation in the post-Doha context. This meeting was aimed at contributing to a better understanding of current implementation and development issues related to trade facilitation, including security, capacity building and the consequences of the potential adoption of binding rules. Supporting documents for the meeting were prepared.

57. Representatives of the secretariat regularly attend meetings of the WTO's Council for Trade in Goods on trade facilitation, and make adhoc contributions as required (e.g. the paper on transit issues, presented when Article V (on freedom of transit) was discussed).

58. In the context of its post-Doha work, taking into account paragraph 27 (on trade facilitation) of the Doha Declaration, the secretariat will continue to assist developing countries in identifying their trade facilitation needs and priorities.

Training activities

59. The secretariat has undertaken various actions regarding the organization of training activities in the field of trade facilitation. At the request of Austria, a proposal has been formulated to organize – jointly with the United Nations Industrial Development Organization (UNIDO) – two workshops (in Addis Ababa and Ouagadougou), plus one high-level meeting (in Vienna), on trade facilitation and trade barriers to trade. For the regional South Asian and Andean Community, a joint proposal has been prepared to hold two workshops covering tariffs and trade facilitation issues. The organization of these workshops has been requested and will be funded by the European Union (DG Trade). In cooperation with ESCAP, a series of seminars on trade facilitation are being designed and will be delivered through the International Institute for Trade and Development in Bangkok.

Agreed conclusion in the field of electronic commerce

60. The Commission recognizes the importance of creating and maintaining an environment that is favourable to the future development of electronic commerce, as provided for in paragraph 34 of the Doha Ministerial Declaration. Support is required in order to bridge the digital divide so as to create new opportunities for the expansion of trade. To this end, the Commission stresses the need for strengthened and adequately resourced assistance to respond to those needs, as outlined in document UNCTAD/RMS/TCS/1.

Actions*Expert Meeting*

61. UNCTAD held the Expert Meeting on E-Commerce Strategies and Development (10–12 July 2002). Up to 100 experts attended the meeting, including many from developing countries and also experts from international organizations such as ITU, the World Bank, the International Labour Organization, UNCITRAL and UNDP, and representatives of G-8's DOT Force and the UN ICT Task Force. The meeting addressed the issue of strategies that developing countries could formulate and implement in order to promote e-commerce and the development of ICT generally. The experiences of developed and developing countries provided the major inputs into the discussion. The focus was on strategies relating to human resources development and training for e-commerce, legal and regulatory issues, and telecommunications, infrastructure and access. The experts recognized that strategies relating to other areas such as e-finance, transport and distribution were equally important. Emphasis was placed on the linkages and interactions between e-commerce strategies and other aspects of national development strategies.

Regional seminars on e-commerce

62. Two regional level events were held in 2002 – the High-level Regional Workshop on E-commerce and ICT for Central America and the Caribbean (Curaçao, 25–27 June) and the High-level Regional Meeting on E-commerce Strategies for Development, in cooperation with UN/ESCAP (Bangkok, 20–22 November). The two meetings provided an opportunity for (a) raising awareness about various aspects of e-commerce and ICT strategies, (b)

identifying policies and strategies that can create an enabling environment for e-commerce in developing countries, (c) supporting national capacity-building in e-strategy making, and (d) exchanging information about national and regional experiences regarding e-commerce and ICT. Attention was paid to the issue of developing a participatory approach to national e-commerce strategy making, as well as to regional and global initiatives in support of developing countries.

Annual publication

63. The secretariat published its *E-commerce and Development Report 2002*. This annual report provides information on major developments in e-commerce of particular interest to developing countries and policy recommendations. It is intended to allow developing countries greater access to knowledge about e-commerce issues and thus contribute to their capacity building and their ability to develop policies and strategies for e-commerce.

Other activities

64. The secretariat also carried out other activities, including participating as a member in the UN ICT Task Force and in preparations for the World Summit on the Information Society. Furthermore, it participated in a number of regional and national events in which it provided advisory services in areas such as legal and regulatory issues and e-finance.

Agreed conclusion regarding cooperation with international organizations

65. To maximize benefits in the fields of competence of this Commission, UNCTAD is encouraged to continue collaboration with other relevant international organizations, such as the World Trade Organization, the UN regional commissions and specialized institutions, as appropriate.

Action

66. The secretariat has been instrumental in the coordination within the UN system in the field of trade facilitation. The High Level Committee on Programmes (HLCP) of the UN Executive Board had requested UNCTAD to convene a meeting with a view to identifying trade facilitation issues to be dealt with in a coordinated manner within the agencies members of the HLCP. The meeting took place on 5 April 2002 and resulted in the creation of a cooperative network of multilateral agencies working on trade facilitation issues within the UN system – ILO, the World Trade Organization, the World Bank, the Food and Agriculture Organization of the United Nations, the International Monetary Fund, UNIDO, the Economic Commission for Europe on behalf of the Regional Commissions, the Chief Executives Board Secretariat and UNCTAD.

67. Work on SME promotion is coordinated in the international community by the Committee of Donor Agencies for SME Development. It met in September 2002 in Turin, Italy. UNCTAD is an active member of this Committee and has driven its work forward in two areas: SME finance and business linkages. UNCTAD is also a member of the Working Group of the Organisation for Economic Co-operation and Development on SMEs and

participates in its sessions. The Working Group met in December 2002 and is preparing for its ministerial meeting in 2004. It has two major themes to which UNCTAD is contributing: financing technology and ICT diffusion and use by SMEs.
