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**PROGRESS REPORT ON THE IMPLEMENTATION OF THE AGREED
RECOMMENDATIONS OF THE COMMISSION AT
ITS NINTH SESSION***

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) states that: “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 decisions and agreed conclusions adopted at the ninth session of the Commission on Enterprise, Business Facilitation and Development and addressed to UNCTAD. The report covers three main areas: enhanced productive capacity to improve the competitiveness of SMEs; efficient transport and trade facilitation to improve participation by developing countries in international trade; and ICT and e-business for development.

* This document was submitted on the above-mentioned date as a result of processing delays.

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1. The report of the Commission on Enterprise, Business Facilitation and Development at its ninth session (TD/B/COM.3/70) contained a number of recommendations for action by UNCTAD. These recommendations and agreed conclusions are set out below, together with relevant actions taken so far.

I. ON IMPROVING THE COMPETITIVENESS OF SMALL AND MEDIUM-SIZED ENTERPRISES THROUGH ENHANCING PRODUCTIVE CAPACITY

Recommendation

2. The Commission requests UNCTAD to continue its work on policy analysis in the area of enterprise competitiveness. In particular, UNCTAD should further analyse policy options for enhancing the competitiveness of developing countries firms through their internationalization, including by developing linkages with larger international firms, integration into global value chains, and engaging in direct outward investment.

Action

3. An Expert Meeting on Enhancing the Productive Capacity of Developing Country Firms through Internationalization was held in Geneva on 5-7 December 2005. During the meeting, the experts focused on the opportunities and challenges of internationalization for developing countries enterprises through direct outward foreign direct investment. They analysed the main trends of this new phenomenon, the main drivers of regional and global players to internationalize, as well as the long-term impact of investing abroad on the competitiveness of domestic enterprises, and possible ways of encouraging internationalization and South-South cooperation through policy measures. The report of the expert meeting is contained in document TD/B/COM.3/EM.26/3.

4. In order to prepare a solid background for the discussions, a series of country case studies on the internationalization of developing country enterprises through outward foreign direct investment (FDI) were conducted before the expert meeting. The studies include Argentina, Chile, China, India, Malaysia, Republic of Korea, Russian Federation, Singapore, Slovenia, South Africa, Thailand and Turkey. Additionally, a number of joint national seminars on outward FDI were organized in 2005, including one with the Ministry of Commerce of China (28-29 April 2005), and one with the Fundação Dom Cabral and the Ministry of Development, Industry and Foreign Trade of Brazil (30 May 2005).

5. As to other forms of internationalization, UNCTAD actively participated in a joint research project on how to increase the participation of small and medium-sized enterprises (SMEs) in global value chains. The project, financed by the Geneva International Academic Network (RUIG-GIAN), has the Organization for Economic Co-operation and Development (OECD), UNCTAD and the University of Fribourg as main counterparts. It is being implemented within the framework of the Memorandum of Understanding signed by the OECD and UNCTAD in the area of SMEs development and entrepreneurship. UNCTAD has prepared a literature review on the subject (compiled on a CD-Rom), and formulated

analytical inputs for the finalization of the theoretical framework and the elaboration of guidelines for the country case studies. In 2006, UNCTAD is expected to carry out five case studies based on field interviews with major players located in developing countries and their SME suppliers.

6. Additionally, within the framework of joint project between UNCTAD and Germany's Gesellschaft für Technische Zusammenarbeit (GTZ) on the Promotion of Inter-firm Cooperation in the North-East of Brazil, a series of country case studies were conducted on best practices in the promotion of business linkages from a policy perspective. These case studies on India, Malaysia, Mexico, South Africa and Uganda seek to identify the underlying determinants of linkages formation and to better understand under what circumstances the establishment of linkages between transnational corporations (TNCs) and SMEs can become a key driver for economic growth and an effective channel for the transfer of foreign technology and knowledge. The ultimate objective of such a global survey is to identify best practices and policy recommendations in the promotion of business linkages, which will then be used as a basis for UNCTAD's policy advice on linkage promotion to the Brazilian Government.

Recommendation

7. The Commission also agrees that UNCTAD continue its efforts in the area of technical assistance and capacity-building with a view to contributing to the development of an SME-conducive environment and to unleashing the potential of entrepreneurship in developing countries, especially the least developed countries. This work should be continued, *inter alia*, through public-private sector partnerships and through its EMPRETEC programme. The Commission also requests the secretariat to explore ways in which issues related to SME development could be better addressed. It also requests the secretariat to explore ways of providing assistance to tsunami-affected countries in their rehabilitation efforts in the area of SME competitiveness.

Action

8. In 2005, the EMPRETEC programme consolidated its presence in Latin America, and in Anglophone and Francophone Africa. With the assistance of established EMPRETEC centres, the programme was introduced in Angola and Guyana and projects have recently been started in the Middle East and Central and Eastern Europe. Based on the positive results achieved by EMPRETEC in Jordan and Romania in 2004, their respective governments committed substantive funding to ensure the programmes were maintained in 2005. An assessment mission undertaken in Jordan in November 2004 showed that the EMPRETEC Programme can provide a competitive edge to SMEs in the global market.

9. Through its networking and coordination role, UNCTAD is continuing to ensure that the accumulated experience and specialized knowledge of EMPRETEC centres are used for the benefit of SME development. For example, in 2005 entrepreneurship training programmes in Angola and Guyana were created with the support of Brazilian EMPRETEC trainers and in close cooperation with the Brazilian service for support to micro- and small enterprises (SEBRAE), which also conducted a number of training workshops in Jordan and Romania. Furthermore, EMPRETEC Ghana undertook three installation missions to Guyana to train local staff in business development services. EMPRETEC Uruguay continued to

coordinate the creation of EMPRETEC centres in Ecuador, Guatemala and Panama. Finally, EMPRETEC Zimbabwe and EMPRETEC Ethiopia continued to assist in the installation of Enterprise Uganda.

10. An International EMPRETEC Directors Meeting was organized in Geneva in November 2005 to address the major strategic challenges facing the EMPRETEC Programme, including questions touching upon the effectiveness of the training methodology, the need for customization, the key success factors in the selection and preparation of trainers, the financial sustainability of the centres, the need for communication and networking, and the role of UNCTAD and the international coordination unit. The new UNCTAD business linkages tool kit (a road map for developing countries wishing to promote business linkages between TNCs and SMEs) was presented to all new and established EMPRETEC country programmes during the EMPRETEC Directors Meeting in Geneva. It has three primary objectives: to identify potential demand among TNCs, to upgrade potential domestic business partners, and to match and monitor operations.

11. In 2005, the UNCTAD Business Linkages Programme continued to focus on developing policy advice on improving the environment for sustainable business linkages, and to implement technical assistance projects to create and strengthen business linkages between TNCs and domestic SMEs in developing countries. TNCs have shown a keen interest in, and committed themselves to, assisting their supply chain partners in upgrading the capacity of SMEs. Currently, within the framework of the business linkages project in Brazil (Projeto Vínculos, funded by GTZ). In the course of preparatory meetings, a Study Group comprising two Brazilian institutions (Fundação Dom Cabral and Ethos Institute) and a number of foreign affiliates examined the different types and benefits of linkages, as well as existing mechanisms to foster and develop business partnerships and identify concrete linkage opportunities. The project's official launch ceremony took place on 8 December 2005.

12. The UNCTAD Business Linkages Programme in Uganda was officially launched on 21 October 2005 and is funded by the Swedish International Development Agency (SIDA). The lead implementer is Enterprise Uganda, in collaboration with the Uganda Investment Authority (UIA). Out of the 20 TNCs that were initially contacted, two TNCs have already committed to the programme and discussions are ongoing with three more. The two-year pilot project aims to facilitate over twenty such business linkages in agribusiness, real estate development, retail merchandising, manufacturing and telecommunication. UNCTAD is also pursuing potential business linkages projects in Vietnam with initial funding from Unilever – and in Ethiopia, subject to the availability of funding.

13. UNCTAD has developed a project proposal to initiate the EMPRETEC programme in South and South-East Asia following a request from Indonesia, Sri Lanka and the Maldives. The project proposal foresees a regional project, which would be implemented in places affected by the 2004 tsunami, as well as to promote SMEs that can grow, partner and compete in the global economy. It includes the establishment of an institutional framework for implementation, the development of national training and support capacities, support to selected entrepreneurs and enterprises, and the integration of the programme into a regional and international EMPRETEC network. Intense discussions are currently underway with the requesting countries as well as several national donor countries to examine how fund this project will be funded.

Recommendation

14. The Commission requests the secretariat to undertake a preliminary study on the possible development of a competitiveness analysis framework and relevant indicators to support progress in building a sound SME sector in developing countries and countries with economies in transition.

Action

15. A preliminary review of existing literature was undertaken and a report prepared as a basis for further actions towards developing such a framework. In addition, contacts were established with the Institute for Strategy and Competitiveness at the Harvard Business School, the Competitiveness Institute in Barcelona, and the Hong Kong Institute of Business Strategy in order to identify the most appropriate partner to undertake the requested preliminary study. Additionally, relevant speakers have been invited to address the Commission at its tenth session.

II. ON EFFICIENT TRANSPORT AND TRADE FACILITATION TO IMPROVE PARTICIPATION BY DEVELOPING COUNTRIES IN INTERNATIONAL TRADE

Recommendation

16. Keep under review and monitor developments relating to efficient transport and trade facilitation and examine their implications for developing countries.

Actions

17. The secretariat continued to monitor and analyse developments relating to efficient transport and trade facilitation, including multimodal transport and logistics services. Information was disseminated to member countries through recurrent publications such as the annual *Review of Maritime Transport* and the quarterly *Transport Newsletter*, as well as through non-recurrent publications. Availability of these publications on the UNCTAD website has further increased their accessibility to interested parties around the globe. In addition, the UNCTAD secretariat contributes to information available through the website of the Global Facilitation Partnership for Transportation and Trade (<http://www.gfptt.org>).

18. Secretariat staff members also disseminated information about recent developments through presentations and lectures at a number of international, regional and national conferences, seminars and workshops. In the area of trade facilitation, the secretariat contributed in particular to the delivery of the 'Paragraph 166' courses on the implications for developing countries of World Trade Organization (WTO) negotiations in the context of the Doha work programme. Parliamentary documentation prepared by the secretariat for the Expert Meeting and the tenth session of the Commission provides further analysis of the role of transport and trade facilitation as an engine for development (TD/B/COM.3/EM.24/2).

19. The annual *Review of Maritime Transport* provides comprehensive and up-to-date statistics and information on maritime and ancillary services with particular emphasis on developing countries. Particular attention is given to developments in Latin American trade and maritime transport in the 2005 edition of the *Review of Maritime Transport*.

20. The trend towards increased containerization of trade continued in the course of 2004 and 2005. Access to global container shipping networks is thus ever more crucial for the competitiveness of countries. UNCTAD has analysed the connectivity of countries with global shipping networks and published two articles in the *Transport Newsletter* (UNCTAD/WEB/SDTE/TLB/2005/1 and UNCTAD/WEB/SDTE/TLB/2005/3). The analysis showed that a majority of countries are better connected in 2005 than in 2004, although large differences continue to persist; it also reconfirms a trend towards consolidation in the container shipping business. Recent trends in trade, transport and logistics have led to new requirements in the area of trade facilitation, which have also been analysed in an article in the *Transport Newsletter* (UNCTAD/WEB/SDTE/TLB/2005/2).

21. UNCTAD convened an expert meeting in Geneva on the issue of trade facilitation as an engine for development in September 2005. Experts analysed the relationship between trade and transport facilitation and development, trade facilitation in the context of regional integration, private sector expectations from the WTO negotiating process, as well as implementation issues. The report of the expert meeting is contained in document TD/B/COM.3/EM.24/3.

22. A number of UNCTAD member countries have introduced trade and transport facilitation committees with a view to improving coordination between different agencies when implementing trade and transport facilitation measures. UNCTAD has reviewed these experiences and produced the document “National Facilitation Bodies: Lessons from Experience” (UNCTAD/SDTE/TLB/2005/1). On a related issue, UNCTAD has published a report on “The Establishment and Operation of an Electronic Single Window: Case Study of Guatemala” (UNCTAD/SDTE/TLB/MISC/2004/5).

23. A number of international and regional conventions are in force to govern liability arising from transportation by sea, air and land. However, the international legal framework is complex, in particular regarding the carriage of goods by air and by sea. In order to assist developing countries in their understanding of the international legal framework and provide some guidance, which may be useful in the context of the national implementation of international conventions, the UNCTAD secretariat has prepared a guide on aspects of air law, which is currently in the process of being finalized.

Recommendation

24. Provide assistance to developing countries in the ongoing negotiations relating to the Doha Development Agenda at the WTO. In particular, UNCTAD, in cooperation with other relevant international organizations, should strengthen assistance to the trade facilitation negotiations process. It should also seek the support of the donor community in expanding its activities within the Global Facilitation Partnership. The secretariat should conduct consultations immediately with relevant stakeholders in order to create a better understanding

of the developmental aspects of trade facilitation with a view towards the development of an appropriate consultative framework.

Actions

25. The ongoing negotiation process on trade facilitation issues at the WTO stressed the need for developing countries to receive the effective support of the international community to better assess their needs and priorities, and to table proposals on development-conscious facilitation measures. To this end, the creation of UNCTAD's trust fund on trade facilitation has become a tool to support the work of capital- and Geneva-based negotiators from developing countries.

26. The trust fund, established in early 2005, and financed by the Governments of Sweden and Spain, aims at building capacity in developing countries and least developed countries to support their effective participation in the WTO negotiating process on trade facilitation (Project INT/0T/4CO). In 2005, UNCTAD organized and co-sponsored nine regional workshops, hosted two round tables for Geneva-based delegates, and supported various other national and regional events related to the WTO negotiations on trade facilitation. During the regional workshops, experts from capitals and Geneva-based delegates, together with external technical experts, analysed and discussed possibilities to improve and clarify GATT Articles V, VIII and X, as well as the linkages between possible commitments on trade facilitation, technical assistance, capacity building and special and differential treatment.

27. The trust fund also supported the organization of a round table on WTO negotiations on trade facilitation on the occasion of the Meeting of Trade Ministers of Landlocked Developing Countries to facilitate their effective participation in the Doha Round of trade negotiations (Asunción, 10 August 2005). This event addressed the basic issues of trade facilitation and the progress made by the WTO Negotiating Group on Trade Facilitation (NGTF), taking into account the perspective of landlocked developing countries.

28. As part of the same trust fund activities, UNCTAD further elaborated a number of technical notes on specific trade facilitation measures as included in various proposals made during the WTO negotiations on GATT Articles V, VIII and X. Each technical note describes the measure in the WTO context and provides information on costs, benefits and implementation issues. It is planned to revise and expand these technical notes during the ongoing process of negotiations at the WTO.

29. UNCTAD organized a meeting of the Global Facilitation Partnership for Transportation and Trade in Geneva in September 2005 in which the major international organizations involved in trade and transport facilitation exchanged experiences and coordinated their work. A panel of private sector representatives were also invited to the meeting to discuss how best to support the ongoing negotiations at the WTO.

30. In September 2005, the secretariat hosted the seventh Inter-Agency Meeting on Trade Facilitation, a cooperation mechanism requested by the High-Level Committee on Programmes of the United Nations System Chief Executives Board for Coordination, with a view to identifying trade facilitation issues to be addressed in a coordinated manner within the United Nations system.

Recommendation

31. Provide technical assistance and capacity building activities in the area of transport and trade facilitation, including on the use of automated systems to improve international trade and transport management. Special attention should be paid to the improvement of transit arrangements for the landlocked and transit developing countries.

Actions

32. The Automated System for Customs Data (ASYCUDA) Programme continued to implement a number of technical assistance projects to allow user countries to benefit from a robust and modern customs system using information technology (ASYCUDA++), mainly in Africa, the Caribbean and Afghanistan. During 2005, ASYCUDA systems became fully operational in Burundi, Cameroon, Ethiopia, New Caledonia, Rwanda, Sudan and the United Republic of Tanzania. Following the implementation of customs telecommunications networks customs administrations in Uganda and Zimbabwe began operating the ASYCUDA transit module in April and June 2005, respectively. Migration projects to ASYCUDA++ have been signed and activities have been launched in Central African Republic, Guinea (Conakry) and Papua New Guinea.

33. ASYCUDA created regional centres to support the user countries and facilitate regional integration. These centres provide the ongoing expertise needed to support system implementation and maintenance. The ASYCUDA sub-regional office in Fiji is currently working closely with regional experts in line with its strategy of transferring know-how. The ASYCUDA regional support centre for western Africa in Ouagadougou (Burkina Faso) is staffed with both international and local experts who undertake multiple support missions in the region. The Common Market for Eastern and Southern Africa (COMESA) regional centre in Lusaka (Zambia) started its support activities in March 2005 with a three-month 'train the trainers' ASYCUDA functional and technical course for national system managers. Discussions are ongoing with the Economic and Monetary Community of Central Africa (CEMAC), and potential donors for the establishment of a third regional support centre in Central Africa. A regional centre was also established in Caracas (Venezuela) to provide support to Central American and Caribbean countries.

34. The ASYCUDA programme is finalizing the development of a new system called ASYCUDAWorld that is compatible with ASYCUDA++. This new system provides customs administrations with a new generation of ICT tools targeting e-business and e-government processes and will allow Customs administrations and traders to handle most of their transactions via the Internet. The first implementation of an ASYCUDAWorld project started in 2004 in the Republic of Moldova and the system became operational in August 2005. Projects for the installation of ASYCUDAWorld have been signed with the Governments of Ivory Coast and Syria and implementation activities have already started in these two countries.

35. Regarding the implementation of the Advanced Cargo Information System, ACIS, contacts have been maintained with the secretariat of the West African Economic and Monetary Union (WAEMU) to finalize the feasibility study for the implementation of a road tracker system in West African countries. Implementation of the system would allow tracking and control of cargo and trucks along the main roads using satellite technology and thus

improve truckers' performance and costs. As proposed, the system would be managed and maintained regionally and would be expected to become self-sustainable, with the support of the public and private sectors. The final report has been submitted to WAEMU and decision is still pending on this matter.

36. The secretariat has continued to support the development of transit transport related arrangements. Within the framework of the Development Account project on Capacity Building in Trade and Transport Facilitation for Landlocked and Transit Developing Countries, three corridors have been selected in Africa, Asia and South America for the creation of facilitation clusters. The project relies on the active participation of national and regional private and public entities as they are needed to build the long-term capacity for transit transport facilitation in landlocked and transit developing countries participating in the project. This project addresses transit transport collaborative solutions as part of the special needs of landlocked countries, one of the targets of Millennium Development Goal 8 (Develop a global partnership for development). It is also a direct contribution to the implementation of the Almaty Plan of Action adopted 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 August 2003.

37. The secretariat continued to provide technical cooperation through project activities under: (a) the Norway-funded project on assessment of trade facilitation needs and priorities (Project INT/OT/2CS); (b) the Sweden-funded project on the establishment of trade facilitation platforms (Project INT/OT/3BJ); and (c) the Islamic Development Bank-funded project on international multimodal transport operations in the ECO region (Project RAS/OT/1BR).

38. Furthermore, UNCTAD pursued the implementation of a project on trade and transport facilitation in Pakistan, which had been initiated in August 2001 (Project PAK/99/A01). This project, funded by the World Bank, will be completed by the end of April 2006. Recent and ongoing activities include the establishment of an electronic trading platform, sanitary and phytosanitary import controls, export transaction analysis, shipping lines charges, implementation of conventions on international transport of goods (ATA/TIR), and professional standards for freight forwarders. In addition, research is currently being undertaken to launch a possible new project on trade facilitation.

39. Under the Inter-Agency Letter of Agreement (IALA) between the United Nations Office for Project Services (UNOPS) and UNCTAD signed in late October 2004, UNCTAD's services continued to be provided to the World Bank-funded Emergency Customs Modernization and Trade Facilitation project in Afghanistan (Project AFG/OT/4CE). In 2005, activities included expert missions in the areas of customs (initial stages of the implementation of ASYCUDA) and trade facilitation (audit of Ministry of Commerce departments related to international trade and transit, support to the Afghan freight forwarding industry, and start-up of the WTO accession process).

Recommendation

40. Monitor developments and disseminate information on security measures affecting the international trade and transport of developing countries and analyse their potential implications.

Actions

41. The secretariat has continued to monitor major international developments in respect of security measures, in particular those aimed at enhancing the security of international maritime traffic. One of the main recent international developments was the entry into force, in July 2004, of the International Ship and Port Facility Security Code (ISPS Code). The ISPS Code, which aims at enhancing maritime security on board ships and at the ship/port interface, was adopted in 2002 under the auspices of the International Maritime Organization (IMO) as part of a series of amendments to the 1974 Safety of Life at Sea Convention (SOLAS). It places a range of responsibilities on governments, companies that own or operate ships, and port facilities serving such ships engaged on international voyages. Implementation of the ISPS Code's requirements, by 1 July 2004, was mandatory for all SOLAS member States.

42. Against this background, UNCTAD's *Review of Maritime Transport 2005* provides some information on the ISPS Code and its implementation. The secretariat is also finalizing two documents on this topic, which will be issued shortly. The first document reviews the experiences of selected ports in Africa, Asia, North and South America in their efforts to implement the ISPS Code. The second document provides a brief review of recent maritime security initiatives and discusses security-risk assessment and management frameworks methods and applications relevant to maritime transport. The secretariat has also commenced work on a large-scale survey that seeks to establish the experiences and views of parties directly affected by the new maritime security regime, namely governments, ship-owning and operating companies engaged in international transport, and ports serving such ships. The results of the survey are expected to be available in the course of 2006.

Recommendation

43. Cooperate with other intergovernmental and non-governmental organizations in their work relating to the development of international legal instruments affecting international transport and trade facilitation, including multimodal transport, as provided for in paragraphs 59 and 60 of the São Paulo Consensus.

Actions

44. International transportation of goods is increasingly being carried out on a door-to-door basis, involving more than one mode of transportation. Although transportation practices and patterns have changed accordingly, the international legal framework governing multimodal transportation is lagging behind. There are currently no uniform international conventions to support international multimodal transportation and it is therefore important for international and regional efforts to be made to develop a new legal instrument to govern transportation.

45. The UN Commission on International Trade Law (UNCITRAL) began its deliberations for the preparation of a new draft international instrument on transport law in 2002. In light of the implications of the provisions of this draft instrument for developing countries, the UNCTAD secretariat is actively contributing to the work carried out under the auspices of UNCITRAL and providing substantive contributions to, and attending, the bi-annual meetings of the UNCITRAL Working Group.

III. ON ICT AND E-BUSINESS FOR DEVELOPMENT

Recommendation

46. Carry out research and policy-oriented analytical work on the implications for trade and development of the different aspects of ICT and e-business that fall within UNCTAD's mandate, with a focus on those sectors of main interest for developing countries. Particular attention should be paid to supporting the consideration of the trade and development dimensions of international discussions pertaining to ICT and e-business, including in the contexts of the World Summit on the Information Society (WSIS), the high-level plenary meeting of the General Assembly to review the implementation of the Millennium Declaration and WTO.

Actions

47. The main instrument used by the secretariat to deliver the results of its policy-oriented analytical work on these issues is the flagship publication Information Economy Report, which was released in November 2005 and has replaced the E-commerce and Development Report (that had been published annually since 2000). Based on the results of UNCTAD's recent work on the measurement of ICT for development, the report provided the most up-to-date information available on the uptake of ICT by enterprises in developing countries. The report also explained how the gap between developed and developing countries remains wide in both quantitative (number of users relative to population) and qualitative terms (bandwidth availability), even though some developing regions have recorded robust growth in the number of Internet users. The report also stressed the need to explore policies and best practices that could help enterprises to use ICT to enhance their competitiveness. The report also covered several other matters related to international discussions on ICTs and development such as: the impact of international Internet backbone connectivity arrangements on the cost of accessing the Internet in developing countries; the challenges faced by developing countries in promoting tourism through the Internet; information security concerns and related risk management approaches; and the role of e-credit information in providing access to trade-related finance.

Recommendation

48. Continue, with an appropriate implementation strategy, to provide a forum for international discussions and exchange experiences on ICTs, e-business and their applications, including dissemination of best practices and standards, in the promotion of trade and development. In this context, free and open source issues and topics should be incorporated into UNCTAD's contribution to, and support for, the high-level General

Assembly plenary meeting on the Millennium Declaration and WSIS Phase II processes, as well as in contributions to ECOSOC activities and other relevant United Nations bodies considering ICTs in the development context, especially in LDCs.

Actions

49. UNCTAD has been closely involved in, and substantively contributed to, international discussions on ICT and development, focusing on issues related to the business and economic implications of ICT. In the context of the WSIS process, UNCTAD, the International Labour Organization (ILO), the International Trade Centre (ITC) and the OECD co-organized the preparatory thematic meeting on the economic and social implications of ICT. Under the umbrella of the Partnership on Measuring ICT for Development, another WSIS thematic meeting was also organized on the subject of measuring the information society.

50. UNCTAD has, in cooperation with other UN agencies and through its annual *Information Economy Report*, continued to provide substantive support on free and open source issues. UNCTAD actively collaborated with UNDP in the development of the WSIS Phase II panel discussion on 'Software for Development: Is Free/Open Source Software the Answer?' and has presented the topic under the chapeau of Paragraph 166 activities, most recently in March 2005, in Havana, Cuba and at other international events. The Information Economy Report 2005 reviews the role of free and open source technologies in providing better ICT security.

51. UNCTAD has also been actively participating in the activities of the United Nations ICT Task Force and the Global e-Policy Resource Network (ePol-Net).

Recommendation

52. Continue work in the field of the measurement of ICT, including the development of statistical capacity, to enable developing countries to measure the access, use and impact of ICT and to monitor progress in this field. Activities concerning the statistical measurement of ICT should be undertaken in the context of the Partnership on Measuring ICT for Development that was launched at UNCTAD XI.

Actions

53. Shortly before the ninth session of the Commission, the WSIS Thematic Meeting on Measuring the Information Society (hosted by UNCTAD in Geneva, 7-9 February 2005) agreed on a core list of ICT indicators that could be collected by all countries. The core list covered three broad areas of measurement: basic ICT infrastructure and access, ICT access and use by households, and ICT access and use by businesses. UNCTAD contributed to the preparation of a Partnership publication entitled Core ICT Indicators that presents the indicators, definitions, model questions and suggestions on data collection for developing countries. The publication was released and distributed at WSIS Tunis in November 2005 (available online at <http://www.measuring-ict.unctad.org/>).

54. UNCTAD coordinated the Partnership publication Measuring ICT: The Global Status of ICT Indicators, also released during WSIS Tunis (available online at

<http://www.measuring-ict.unctad.org/>). This publication contained the results of the global stocktaking exercise carried out in 2004 to assess the availability of official Information Society statistics in developing and transition economies. UNCTAD and the UN regional commissions played a leading role in carrying out the stocktaking in developing countries.

55. UNCTAD co-organized with the Partnership a one-day WSIS parallel event in Tunis on measuring the information society. The event brought together ICT policy makers, statistical offices and telecom regulators, to discuss the need for internationally comparable data on ICT access, use and impact, share best practices in ICT measurement and examine some of the policy issues impeding effective measurement of the information society. The results of the event were reported to the WSIS Plenary.

56. The secretariat has also participated in regional workshops to identify priorities for action in the area of ICT indicators and further discuss a common set of core indicators at the regional level. Workshops took place in Western Asia (Beirut, June 2005), in Africa (Addis Ababa, June 2005), and in Latin America and the Caribbean (Santo Domingo, October 2005). The Secretariat has also been invited to national workshops, such as one held in South Africa in October 2005.

57. Furthermore, the secretariat conducted its second annual survey on ICT business indicators from March to June 2005, which is directed at national statistics offices in developing countries. The results of this survey, which was started in 2004, have fed into the *E-Commerce and Development Report 2004* and the *Information Economy Report 2005*.

58. During the last quarter of 2005, the Government of France committed funds to UNCTAD for its work on assisting developing countries in the area of e-measurement. These funds are being used to support, *inter alia*, the upgrading of the website on measuring ICT (<http://www.measuring-ict.unctad.org/>), which is an increasingly popular source of information on indicators, methodologies and statistics related to the information economy. The upgraded website will be more user-friendly and will have enhanced functionalities for searching information, and for a discussion forum that allows practitioners from all countries to exchange knowledge and further develop conceptual and methodological work. The website will also host the UNCTAD database on ICT business indicators, which is currently being developed and will include the data collected through the UNCTAD annual survey on ICT business indicators.

Recommendation

59. Contribute to capacity building in the area of ICT for development, particularly in trade sectors of special interest to developing countries or those that can be more profoundly enhanced through the use of ICT, such as tourism, SME development and poverty alleviation. Such work should address aspects of the identification of specific needs in the area of ICT and e-business, the exchange of experiences and the dissemination of information, and the enhancement of technical and managerial skills and other capacities. Without prejudice to other technology and content models, UNCTAD should provide advisory services to developing countries in the context of its capacity-building activities and the multi-stakeholder partnerships launched at UNCTAD XI, and facilitate an informed and factual discussion on free and open source software, in partnership with private sector and civil society entities so that they can take advantage of developments in this area.

Action

On E-Tourism:

60. UNCTAD launched a website (<http://etourism.unctad.org>) in April 2005 in English, French and Spanish, destined to all public or private committed partners and contributors. This collaborative site will allow transparency on the objectives, means and outcome of the UNCTAD E-Tourism Initiative, as well as enhance communication through emails, newsletters and discussion forums between the various partners. In particular, this site contains a section where the outputs of the ongoing projects are described, and will be updated on a regular basis. In addition, the *Information Economy Report 2005* dedicates a chapter to the opportunities offered by e-tourism to developing countries.

61. The UNCTAD E-Tourism Initiative has carried out several activities related to capacity building. A module and pedagogical material on ICT and tourism, which is part of a TrainForTrade training course on 'Sustainable tourism for development', was validated in a seminar in Mali in September 2005. The module aims to create awareness among policy-makers and the private sector of the business opportunities and challenges created by ICTs when applied to the tourism industry. The module is originally in French and will be translated to English and Portuguese in 2006.

62. The secretariat has developed the framework of the Electronic Tourism Platform (ETP), including a technical and functional description, timetable, and required extra budgetary resources for implementation. The ETP will allow developing, least developed and small island countries to organize, market and sell their own tourism services online. It will be an open source portal generator, which will support the travel decision process as well as assist local tourism business processes involving public and private actors. Subject to funding, a prototype of the ETP is expected to be ready in 2007, and the final system and deliverable to be implemented is expected in the first half of 2008.

63. Furthermore, an expert meeting on ICT and tourism for development took place in Geneva between 30 November and 2 December 2005. The report of the expert meeting is contained in document TD/B/COM.3/EM.25/3. The experts discussed existing international best practices in the area of e-tourism and shared experiences of strategies and policies which developing countries could use ICT in the tourism industry to maximize its contribution to their sustainable development. They also examined the practicalities of implementing e-tourism tools in a private-public partnership framework, involving all tourism industry stakeholders. During WSIS Tunis, UNCTAD co-organized a parallel event on e-tourism with the University of Manouba (Tunisia) and the University of Quebec (Canada). The Secretariat also participated in the African Preparatory Summit for WSIS (February 2005) and in a workshop of the Center for Administrative Innovation in the Euro-Mediterranean Region (C.A.I.MED) (March 2005), which were opportunities to exchange expertise and best practices in the field of tourism and development.

64. The secretariat has contacted the International Federation on Information Technologies, Travel and Tourism (IFITT), the Asian Development Bank, the World Bank/IFC, and universities such as those of Trento and Lecce (Italy) for cooperation on the technical side of the initiative. A feasibility study on a triangular partnership involving the

University of Quebec's Laboratory for Research on Technology for E-commerce (LATECE-UQAM), a Canadian public fund, and UNCTAD is underway.

65. Angola, Benin, Lebanon and Mauritania have formulated technical assistance requests. The Governments of Cambodia, Dominican Republic, Jordan, Lao PDR, Madagascar, Mali, Mauritius, and Senegal, along with the Arab Maghreb Union (AMU) and the WAEMU, have all expressed interest in the E-Tourism initiative and platform. Project documents have been prepared in collaboration with AMU, Angola, Benin and Senegal. The secretariat is also exploring ways of cooperating with NGOs for the joint implementation of projects. An expert from the Ministry of Tourism of Québec (Canada) has been detached to the E-Tourism initiative for a 6-month period starting in mid-November 2005.

On free and open-source software:

66. UNCTAD has established a series of partnerships on free and open-source software capacity building with a diverse range of entities, including governments, industry and civil society organizations.¹ Within the scope of partnership activities, and during WSIS Tunis in November 2005, UNCTAD assembled a free and open-source advisory team that provided advisory services, in the form of bilateral consultations, to a number of developing countries, including Afghanistan, Morocco, and Tunisia. Also during WSIS Tunis, UNCTAD and the Government of Brazil signed a memorandum of understanding to support the promotion of free and open-source software, by improving training and education in their use, sharing training materials and resources, and building expertise in Portuguese-speaking nations with the help of FOSS training experts.

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¹ At the time of preparation of this progress report, these partners were the Government of Brazil, the Free & Open Source Software Foundation for Pakistan and Novell.