

UNITED NATIONS CONFERENCE ON TRADE AND DEVELOPMENT

# Activity Report 2009

## DITC



DIVISION ON INTERNATIONAL TRADE IN GOODS AND SERVICES, AND COMMODITIES



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Report by the secretariat



DIVISION ON INTERNATIONAL TRADE IN GOODS AND SERVICES, AND COMMODITIES



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## EXECUTIVE SUMMARY

UNCTAD is the focal point of the United Nations for the integrated treatment of trade and development and interrelated issues in the areas of finance, technology, investment and sustainable development. UNCTAD's Division on International Trade in Goods and Services, and Commodities is responsible for its subprogramme on international trade. This divisional report for 2009 provides an overview and illustrative range of the Division's outputs in 2009 in implementing the Accra Accord mandates of UNCTAD XII on international trade (paragraphs 89 and 90, 94 to 106, and 170), an internal assessment of the results and lessons learnt that can be applied to improve the quality, effectiveness and impact of programme implementation. It also responds to the request in the Accra Accord in paragraph 206 for the secretariat to produce activity reports.

The subprogramme on international trade was established by the United Nations General Assembly under subprogramme 3 of Section 12 (Trade and Development) of the United Nations programme budget for 2008–2009, as adjusted by the Trade and Development Board to reflect the Accra Accord. This Report provides an overall assessment of outputs by the Division in 2009, and includes the specific support provided to least developed countries (chapter I), followed by a report on progress towards meeting each of the four expected accomplishments (intermediate goals) of subprogramme 3, achieved by the relevant branch of the Division, namely on trade negotiations (chapter II), trade analyses (chapter III), competition and consumer policies (chapter IV) and trade and environment (chapter V).



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## I. BUSY IMPLEMENTING THE ACCRA ACCORD IN THE CONTEXT OF FINANCIAL AND ECONOMIC CRISIS

To assure developmental gains from international trade, the trading system and trade negotiations in goods and services and to enhance the commodity sector's contribution to the development process for the effective and beneficial integration of developing countries and countries with economies in transition into the global economy (A/62/6 (Sect. 12)).

UNCTAD's subprogramme on international trade falls under the responsibility of the Division on International Trade in Goods and Services, and Commodities. The Division is composed of the Office of the Director and the following branches: (a) the Competition and Consumer Policies Branch; (b) the Trade Analysis Branch; (c) the Trade, Environment, Climate Change and Sustainable Development Branch; and (d) the Trade Negotiations and Commercial Diplomacy Branch.<sup>1</sup> The United Nations 2008–2009 programme budget allocated \$24,358,100 to the subprogramme on international trade (including commodities).<sup>2</sup> This comprised \$23,701,700 for the funding of 85 regular budget posts and \$656,400 for non-post requirements covering consultants and experts, staff travel and for printing of publications.

### Developmental gains from international trade, the trading system and trade negotiations in goods and services

The development objective pursued by the Division is to support the effective and beneficial integration of developing countries and countries with economies in transition into the global economy. The Division's goal is to assure developmental gains from international trade, the trading system and trade negotiations in goods and services, consistent with the Accra Accord of UNCTAD XII. This is implemented through the three pillars of UNCTAD's operations: (a) research and analysis, (b) technical assistance and aid for

trade, and (c) intergovernmental deliberations and consensus-building. Such support in 2009 was buttressed by a focus on catering to the needs of countries to assess and respond to the impact of the global financial and economic crisis that erupted at the end of 2008, juxtaposed over the food and energy crisis and climate change impact.

The effectiveness of the Division is reflected to some extent in its rate of implementation of outputs (meetings, studies, workshops, advisory services and technical assistance) that were approved in the 2008–2009 budget of UNCTAD. At the end of 2009, the Division implemented 90 per cent of the total mandated outputs for the biennium. Developing countries from all regions, and transition economies, benefited from activities implemented by the Division. Least developed countries (LDCs) and African countries in particular benefited from the Division's technical assistance and training activities. In carrying out its activities, the Division cooperates with a wide range of partners including public, private and intergovernmental organizations, non-governmental organizations (NGOs), international and national agencies.

In terms of research and analysis, the Division produced about 40 publications, training materials and handbooks in 2009. It also produced parliamentary reports for various intergovernmental meetings. Some 15 press releases, highlights and news items were prepared on topics such as services trade and development, regulatory and institutional dimension in infrastructural services, trade preferences, mitigation of climate change, the Clean Development Mechanism (CDM), migrants' contribution to development, and South–South trade. The Division produced a series of promotional brochures, flyers and pamphlets. These included UNCTAD's Creative Economy E-Newsletters, Generalized System of Preferences newsletters, and Trade and Environment Information Bulletins. Promotional material included a biotrade video and brochure, a Climate Change Programme brochure and country briefs for Viet Nam, Costa Rica and Colombia.

The Division participates in the inter-Divisional Publications Committee which streamlines documents, ensures high quality and promotes wider disseminations of findings in the research and analysis.

<sup>1</sup> In August 2008, consistent with paragraph 183 of the Accra Accord, the former Commodities Branch of the Division was transformed into the Special Unit on Commodities reporting directly to the Secretary-General of UNCTAD. A sub-account for commodities has been established under which the regular budget allocation for this work will be distinct from the Division as from 2010.

<sup>2</sup> This amount represents 20.8% of the total allocation to UNCTAD for the biennium.

## Four thematic clusters in implementation

Regarding technical cooperation, the Division implements 4 of the 17 technical cooperation thematic clusters of UNCTAD: (a) capacity-building for trade negotiations and commercial diplomacy; (b) trade analysis capacities and information systems; (c) competition policy and consumer protection; and (d) trade, environment and development. Under the four clusters, the Division's expenditure on technical cooperation in 2008 amount to \$6.7 million, representing 17.6 per cent of total UNCTAD expenditure in 2008.<sup>3</sup> The Division conducted 168 seminars in the biennium, which benefited 6,891 participants from developing countries and transition economies. A conscious effort was made to ensure a good level of female participants in the seminars – in the biennium, 39.7 per cent of the participants were women. The staff of the Division undertook 425 advisory services and lectured on issues regarding trade in goods and services to a wide audience, and participated in various national and international events.

The Division participates in the work of inter-Divisional Project Review Committee that fosters greater cooperation and coordination among divisions in designing, implementing projects, and promoting the thematic clustering.

The Division's technical cooperation programmes benefited from financial support from Canada, Denmark, Finland, France, Germany, Ireland, Italy, Japan, the Netherlands, Norway, Spain, Sweden, Switzerland, the United Kingdom and the United States; some developing countries; and institutional donors such as the European Union (EU), the United Nations Development Programme (UNDP), the United Nations Environment Programme (UNEP), the United Nations Foundation, and the United Nations Development Account. Also, many activities have been implemented through cooperative arrangements with countries, United Nations agencies and programmes, the private sector, research and academia and NGOs. The Division gratefully acknowledges these contributions and collaboration, and welcomes continued support in its programmes to build trade capacities for development.

The Division participated actively in the work of the Aid for Trade Advisory Group of the Director-General of the World Trade Organization (WTO). It contributed to the Second WTO Global Review of

Aid for Trade: Maintaining Momentum (Geneva, 6–7 July), that was opened by the Secretary-General of the United Nations. It also (a) provided inputs to the WTO–Organization for Economic Cooperation and Development (OECD) publication *Aid for Trade at a Glance 2009: Maintaining Momentum*; (b) assisted developing countries, such as the African, Caribbean and Pacific Group of States (ACP) in preparing their participation in the Second Global review; and (c) supported UNCTAD's participation. The Division also contributed to the preparation by WTO of the Aid for Trade Work Programme for 2010–2011.

In regard to intergovernmental consensus-building, the Division serviced the first session of the Trade and Development Commission (11–15 May). The meeting took place in the backdrop of the global financial and economic crisis and hence, in addition to the substantive item on energy-related issues from the trade and development perspective, the impact of the crisis was also addressed. The Division prepared several reports for these deliberations, the two key ones to which all branches contributed being (a) Energy-related issues from the trade and development perspective (TD/B/C.I/2); and (b) Global economic crisis: implications for trade and development (TD/B/C.I/CRP.1). The Commission agreed to continue to monitor the impact of the crisis on trade and development prospects of developing countries. The Division started preparations for the second session of the Commission which will examine (a) successful trade and development strategies for mitigating the impact of the global economic and financial crisis; and (b) the contribution of tourism to trade and development

The Division contributed to the substantive servicing of the fifty-sixth session of the Trade and Development Board. Under agenda item 6, the Board conducted a comprehensive review of the "Evolution of the international trading system and of international trade from a development perspective: Impact of the crisis" (16 September), supported by the secretariat's paper (TD/B/55/4). The Chair's summary of the deliberations was presented to the sixty-fourth session of the United Nations General Assembly. The deliberations served to increase understanding on the impact of the financial and economic crisis and mitigating measures on trade and development.

The Division as a whole makes important contributions to South–South trade and economic cooperation. It provided substantive and technical support to the Agreement on Global System of Trade Preferences among Developing Countries (GSTP), and supported

<sup>3</sup> TD/B/WP/212.

developing countries in negotiating the third round (São Paulo Round) of GSTP negotiations launched in June 2004. Developing country parties to the GSTP met at the ministerial level (Geneva, 2 December) and adopted a decision on modalities for cutting tariffs on their mutual trade. The decision paves the way for participating countries to offer reductions of at least 20 per cent on tariffs that apply to some 70 per cent of the goods exported within the group. A timeline was set for intensive negotiations to conclude the negotiations by the end of September 2010. There are 43 participants to the GSTP, with 22 participating in the São Paulo Round.



Additionally, the Division hosted the Fourth Annual Meeting of the General Assembly of Global Network of Export-Import (Exim) Banks and Development Finance Institutions (G-NEXID) (Geneva, 5 May). It brought together 15 regional institutions from more than 80 countries. Coinciding with the annual meeting, a seminar on “Global Financial Crisis: Significance of South-South Trade Finance and Cooperation” was organized (4 May). The fifth annual meeting of G-NEXID’s General Assembly is envisaged to be held in May 2010.

### The Division made substantive contributions to UNCTAD-wide activities

These included the following:

- The UNCTAD Public Symposium on the global crisis (Geneva, 18–19 May);
- The fifty-sixth session of the Trade and Development Board and associated events such as (a) the High-level Segment on the Global Economic Crisis and Necessary Policy Response; (b) events commemorating UNCTAD on its forty-fifth anniversary, including organizing an event on “Realizing Sustainable Development Gains from Trade”; and (c) hearing with civil society and the private sector (Geneva, 14–25 September);

- Ad Hoc Inter-Divisional Task Force on UNCTAD’s Substantive Inputs for the Fourth United Nations Conference for Least Developed Countries (to be held in 2011);
- Second session of the multi-year expert meeting on international cooperation on South-South cooperation and regional integration (14–16 December), including providing a report on South-South trade, trade finance and trade logistics in support of sustainable agriculture development (TD/B/C.II/MEM.2/CRP.1);
- Single-year Expert Meeting on Mainstreaming Gender in Trade Policy, 10–11 March, including preparation of two background reports: (a) Mainstreaming gender in trade policy (TD/B/C.I/EM.2/2/Rev.1); and (b) Mainstreaming gender in trade policy: Case studies (TD/B/C.I/EM.2/3);
- Joint preparation of the single-year Expert Meeting on Green and Renewable Energy Technologies as Solutions for Rural Development (9–11 February 2010), with the Division of Technology and Logistics, including preparation of a background report on Green and renewable technologies as energy solutions for rural development (TD/B/C.I/EM.3/2);
- UNCTAD-wide training courses under paragraph 166 of the Bangkok Plan of Action;
- Training courses offered through UNCTAD’s Virtual Institute on topics such as on analytical tools and empirical techniques for trade analysis;
- UNCTAD’s inter-divisional effort to support Oman in developing a national food security strategy. This includes studying the feasibility of agricultural investment outside Oman;
- UNCTAD’s inter-divisional support, jointly with the South Centre, on training Iranian trade policymakers and negotiators on multinational economic negotiations; and
- Work under the Chief Executives Board (CEB) Cluster on Trade and Productive Capacity.

The Division contributed to the First World Trade Week in the United Kingdom (London, 8–12 June). It supported the participation of UNCTAD’s Secretary-General in the event and produced short films on UNCTAD’s collaboration with the United Kingdom’s Department for International Development (DFID) in promoting pro-poor globalization in India. A national event was also organized in India by UNCTAD.

The Division cooperates closely with other international organizations and fosters coordination of United Nations system-wide activities in the area of trade and development. It contributed to the production of joint reports, for example, (a) the Tariff Profiles 2009 by the

International Trade Centre UNCTAD/WTO (ITC); (b) the World Economic Situation and Prospects 2010 by the United Nations Department of Economic and Social Affairs (DESA) in collaboration with UNCTAD and other United Nations organizations; and (c) Aid for Trade: Global and Regional Perspective, produced by UNCTAD, the United Nations University (UNU), UNDP, UNEP, the United Nations Industrial Development Organization (UNIDO) and United Nations regional commissions.

### Support for the Trade Cluster of the Executive Committee of Economic and Social Affairs

In order to bring about greater coordination and to produce joint outputs, the Division leads the International Trade Cluster of the Executive Committee of the Economic and Social Affairs (ECESA).<sup>4</sup> In 2009, cluster members discussed coordination of their budgetary proposals on international trade for the 2012–2013 programme budget, specifically the preparation of the Strategic Framework for 2012–2013. The cluster members also agreed to contribute to the preparation of a joint publication with UNU, which would focus on climate change and development.

### Specific support to LDCs

In addition to activities under the three pillars of UNCTAD's work that benefit developing countries generally or their regional groups or organizations, some of the customized support to LDCs included:

- (a) Monitoring and reporting on proportion of developed country imports from developing countries and least developed countries, admitted free of duty;
- (b) Conducting national services policy reviews for Nepal and Uganda, including national stakeholder consultations in Nepal (Kathmandu, 18–21 February and 27–29 October) and Uganda (Kampala, 18–20 November) to examine and validate the policy reviews;
- (c) Substantive support to LDCs' members of the Southern African Development Community (SADC) and the Common Market for Eastern and Southern Africa (COMESA) in their participation in trade negotiation in their internal regional integration processes as well as in ACP–EU economic partnership agreements and their development impact;
- (d) Supporting Rwanda in preparing a

comprehensive trade policy framework, holding a national stakeholder consultation to review and validate the trade policy framework (Kigali, 16 June), and assisted the Government in updating the Rwanda diagnostic trade integration studies (DTIS) by mainstreaming trade into it;

- (e) Supporting Rwanda in preparing a national study on enhancing its participation in new and dynamic sectors of international trade;
- (f) Assisting Mozambique, Senegal and Zambia in developing their creative economies. Two studies were prepared for Mozambique and Zambia. Subsequently two high-level policy dialogues on creative economy were held in Mozambique (Maputo, 29 June) and in Zambia (Lusaka, 2 July) to discuss and validate the studies by stakeholders;
- (g) Supporting Uganda, under UNCTAD's BioTrade Initiative, mainstreaming of BioTrade sectors into national development strategies as well as in strengthening competitiveness of BioTrade small and medium-sized enterprises (SMEs) involved in the natural ingredients and wildlife trade sectors in the country;
- (h) Field testing in Uganda a newly developed BioTrade Impact Assessment System on sectors such as natural ingredients for cosmetic and food sectors, fauna for leather and pets, handicrafts and sustainable tourism;
- (i) Conducting a consultative meeting on the interface between competition authority and sector regulators in Rwanda (Kigali, 17–20 January);
- (j) Providing assistance on WTO accession to Comoros (9–12 February), the Lao People's Democratic Republic (9–12 February), and Sudan (6–10 July), and advisory assistance to Yemen;
- (k) Organizing a meeting in Cambodia (Phnom Penh, 9 March) to elaborate the national consumer protection law and the institutional framework for its application. It was followed by a consultative meeting for all stakeholders to elaborate concrete supporting activities. A follow-up consultative meeting on drafting the Consumer Protection Law was also held (Phnom Penh, 19–20 October);
- (l) Conducting an induction workshop for the Board of Commissioners of the Competition and Fair Trade Commission of Malawi (Mangochi, 23–24 March), followed by

<sup>4</sup> ECESA aims to bring coherence and common approaches among United Nations' entities engaged in normative, analytical and technical work in the economic and social field.

- provision of assistance in recruiting new staff of the Commission;
- (m) Holding a parliamentary and stakeholders workshop on the Competition Bill in Angola (Luanda, 21–22 April) to improve understanding of the contents of the bill by members of Parliament and stakeholders and facilitate its passing by the Parliament;
  - (n) Participating in a national seminar on trade and development for Mali (Bamako, 5–7 May);
  - (o) Organizing a study tour to the Australian Competition and Consumer Commission (Canberra, 22–27 May) for officials from Bhutan. Holding a workshop on Competition and Consumer's Laws and Policies (Paro, 5 March) to facilitate coherence between different legislation enforced by different partners and identifying synergies in assistance provided by donors on consumer protection;
  - (p) Presentation of the Draft Competition Bill of Lesotho for consideration of stakeholders and the Government of Lesotho during a meeting (Maseru, 7–18 September);
  - (q) Substantive support to the LDCs Round Table on WTO Accession in Cambodia (Phnom Penh, 28–30 September);
  - (r) Substantive support to the Sixth LDCs Trade Ministers' Meeting (Dar-es-Salaam, 14–16 October), in preparation for Seventh WTO Ministerial Conference;
  - (s) Conducting a national seminar on Competition Law and Policy in São Tome and Príncipe (7–8 December), followed by a national workshop on the draft Completion Bill (9 December) to revise and prepare the draft Bill for its submission for adoption;
  - (t) Holding a consultative meeting on the Consumer Protection Law and a Seminar on Consumer Protection and Fair Trading in the Lao People's Democratic Republic (Vientiane, 22–23 October);
  - (u) Conducting a national Workshop on Consumer Law and Policy for civil society and sector regulators in Malawi (Lilongwe, 24–25 September); and
  - (v) Supporting Burundi, Ethiopia, Rwanda, the United Republic of Tanzania and Uganda on organic agriculture policies and plans.
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## II. THE DEVELOPMENT DIMENSION OF TRADE POLICIES AND THE INTERNATIONAL TRADING SYSTEM PROMOTED

Improved understanding and better ability of developing countries, including non-WTO members, to analyse, formulate and implement appropriate trade policies and strategies in international trade, the international trading system and trade negotiations and improved international trading environment facilitating market access and entry conditions for developing countries' exports. (Expected accomplishment (a) of subprogramme 3, table 12.13 (A/62/6 (Sect. 12))).

The Trade Negotiations and Commercial Diplomacy Branch of the Division promotes the development dimension of trade policies and the international trading system, particularly vis-à-vis the multilateral trading system. Such orientation which emphasizes meeting the Millennium Development Goals (MDGs) became important against the dramatic worsening of the global economic climate and global trade owing to the financial and economic crisis. Attention was thus given to trade and development effects of the global economic crisis and other global challenges, and attendant mitigating measures. The Branch intensified its work to address the development impact of multiple international trade negotiations, most notably the WTO Doha Round, regional and interregional negotiations, particularly ACP–EU Economic Partnership Agreements (EPAs), as well as changes in national trade policies that may have protectionist implications. The Branch's comprehensive work on services, trade and development provided important reference in terms of policies and strategies for developing countries and the international community. Recent work on regulations and institutions in infrastructural services was particularly timely and relevant in view of the financial crisis and the need to strengthen infrastructure services to increase competitiveness, contribute to sustainable development and access of the poor to essential services. Countries acceding to the WTO or in the post-accession phase received tailored and comprehensive assistance from the Branch for their beneficial integration into the multilateral trading system.

### Development mainstreamed into international trade and trade negotiations

The Branch systematically works towards mainstreaming development into international trade and trade negotiations through intergovernmental deliberations and consensus-building, research and analysis, and technical assistance and capacity-building activities. It has helped improve capacities, understanding and awareness on trade policy formulation and implementation capacity development, as well as multilateral negotiations under the Doha Round, especially via (a) timely and targeted support for Geneva-based trade negotiators of developing countries on market access issues; (b) services sector development and trade; (c) WTO accession; (d) regional negotiations among developing countries; (e) negotiations between developing countries and developed countries, especially in the ACP–EU context; (f) Generalized System of Preferences (GSP) and trade preferences; (g) dispute settlement; and (h) strengthening human, institutional and regulatory capabilities.

The Branch contributed to implementation of activities of other Branches of the Division, including on trade data and tools, and other Divisions of UNCTAD, including training courses organized under Paragraph 166, namely the regional courses for (a) Africa (Cairo, Egypt, 25 January–12 February); (b) Latin America and the Caribbean (Medellin, Colombia, 24 August–11 September); and (c) Asia and the Pacific (Jakarta, Indonesia, 2–20 November). The Branch conducts training on trade negotiation simulations. The Branch also made substantive inputs to the World Investment Report 2009 on agriculture. It also provided training on several occasions to visiting students and trainees.

### A. Intergovernmental deliberations and consensus-building

#### United Nations General Assembly

Each year, the United Nations General Assembly discusses progress and key issues in international trade and development and adopts a resolution delineating its views on these issues. In this context, the Branch prepares the annual United Nations Secretary-General's report on "International Trade and Development" to inform the General Assembly. The report gives particular attention to the development impact of the international trading system. Since the launching of the WTO Doha Round

of multilateral trade negotiation in 2001, the General Assembly has also reviewed progress in the Doha negotiations. The 2009 report<sup>5</sup> examined the impact of the global financial and economic crisis on trade and development including achievement of MDGs, and highlighted the need to make developing countries resilient to external shocks by diversifying production and exports with governments acting as enabling States, and supported by an enabling international environment including through Aid for Trade. UNCTAD participated in the discussions of the sixty-fourth session of the General Assembly (the Second Committee) on the subject and supported negotiations by member States on a resolution.<sup>6</sup> The report and its analytical content were appreciated by the member States.

### Trade and Development Board

Under its agenda item 6, the fifty-sixth session of the Trade and Development Board conducted a comprehensive review of the "Evolution of the international trading system and of international trade from a development perspective: Impact of the crisis" (16 September). The Branch prepared the background note for the agenda item,<sup>7</sup> which facilitated the deliberations, and was commended by participants as providing particularly relevant analysis. The deliberations were opened by UNCTAD's Secretary-General, with keynote addresses delivered by the Director-General of WTO and Mr. Pedro Páez Pérez, Chair of the Ecuadorian Presidential Technical Commission for a New Regional Financial Architecture, and a member of the Commission of Experts of the President of the United Nations General Assembly on Reforms of the International Monetary and Financial System (Stiglitz Commission). The meeting's deliberations, as reflected in the President's Summary,<sup>8</sup> highlighted the need for reassessment of trade and development policies in the light of implications of the global crisis, both nationally and internationally. In particular, it noted that markets could not self-regulate, and that governments should play a central role in guiding investments and economic activities, regulating markets and facilitating trade in key sectors. The role of government needed to be redefined as enabling a developmental State, so that it could play a more proactive role, including through the use of policy space.

The Branch coordinated the Division's preparation for and substantively serviced a lunch-time event on "Realizing Sustainable Development Gains from Trade" (17 September), organized in commemoration of UNCTAD's forty-fifth anniversary. The event, *inter alia*, stressed that UNCTAD's role in promoting a robust development agenda in international trade becomes even more pressing in responding effectively to the building recovery from the global crisis and fostering sustained growth and sustainable development. A development agenda in international trade must aim to be (a) socially sustainable so that it is trade and economic growth that creates jobs and reduces poverty; (b) economically sustainable so that it promotes trade growth and economic growth (and consumption) that makes judicious use of natural resources and promotes a pace of industrial development that is energy efficient and climate friendly; and (c) environmentally sustainable so that it promotes, protects and preserves the environment and mitigate climate change, while not inhibiting trade growth. Countries have to experiment with their own best-fit policies to promote development.

### Trade and Development Commission, and expert meetings

The Branch participated in the preparation and servicing of the first session of the Trade and Development Commission (11–15 May), including major contributions to the background reports on (a) Energy-related issues from the trade and development perspective (TD/B/C.I/2); and (b) Global economic crisis: implications for trade and development (TD/B/C.I/CRP.1). It also services the deliberations on the report of the Multi-year Expert Meeting on Services, Development and Trade: the Regulatory and Institutional Dimension. It also coordinated and made major contributions to the substantive documentation for the second session namely examine (a) successful trade and development strategies for mitigating the impact of the global economic and financial crisis (TD/B/C.I/7), and (b) the contribution of tourism to trade and development TD/B/C.I/8).

The Branch prepares and services the Multi-year Expert Meeting on Services, Development and Trade: the Regulatory and Institutional Dimension. Efficient and accessible infrastructure services are essential to sustaining economic growth, catalyzing

<sup>5</sup> A/64/177

<sup>6</sup> A/RES/64/188

<sup>7</sup> TD/B/55/4.

<sup>8</sup> TD/B/56/L.1/Add.2.

diversification, generating employment and achieving the MDGs as well as building resilience to financial and economic crisis and strengthening recovery. The existence of an appropriate and effective policy, legal and regulatory framework backed by institutional support is fundamental to developing infrastructure services supply capacity and markets. The first session of the multi-year expert meeting (17–19 March) gathered services policymakers, regulators and civil society and deliberated on key issues in regulating infrastructure services, building effective institutions for infrastructure services regulation, regulating financial services and markets, and implementing capacity-building for effective regulation. The meeting deliberation was facilitated by the secretariat's background note<sup>9</sup> and related documents.<sup>10</sup> The Branch launched preparation for the second session (17–19 March 2010).

The Branch organized an ad hoc Expert Meeting on the Contribution of Migrants to Development: Trade, Investment and Development Linkages (Geneva, 29 July). It addressed migration trends and the impact of the economic crisis, and the trade, investment and development linkages and policy frameworks to enhance migrants' contributions to development. A high-level panel of Heads of Agencies of the Global Migration Group led the discussions. The Branch prepared a background document that facilitated the deliberation.<sup>11</sup> The document and the deliberations highlighted the positive contribution of migrants to the development of the receiving countries as well as the countries of origin. The meeting was marked with high-level and broad-based participation, and commended by member States. Among the recommendations of the meeting, it was recognized that UNCTAD could play an important role in (a) conducting research and analysis on trade, investment and development linkage of migration, including remittances and recruitment fees, and making the findings accessible to policymakers; (b) monitoring policy developments taken under the current crisis affecting migrants access to labour markets; (c) supporting financial services and sector development and regulatory framework in developing countries to better direct remittances to productive sectors; (d) developing model agreements for bilateral and international labour cooperation schemes; and (e) assisting countries in addressing labour mobility in multilateral

and regional trade negotiations.

On a regular basis, the results of the Branch's analytical work and outcomes of expert meetings were presented at international conferences, forums and bodies, including WTO. For instance, the Branch presented its work on international migration trends and their impacts on development to the Third Global Forum for Migration and Development (Athens, 2–5 November) and WTO Public Forum (Geneva, 28–30 September).

### **Working Party on the Strategic Framework and Programme Budget**

The fifty-third session of the Working Party (7–9 September) reviewed the progress made in the implementation of recommendations contained in the evaluation of UNCTAD's trade-related technical assistance and capacity-building on accession to the WTO based on the progress report prepared by the secretariat.<sup>12</sup> The Branch implements UNCTAD technical assistance programmes on WTO accession. The Working Party noted with appreciation the unique and comprehensive technical assistance programme on accession to WTO provided by UNCTAD and expressed concern regarding the decrease of the funds allocated to this activity, in particular for LDCs. The Working Party invited donors in a position to do so to make contributions to the UNCTAD Trust Fund for WTO accession and, in accordance with paragraph 90 of the Accra Accord, encouraged UNCTAD to strengthen those technical assistance projects and to explore new financing mechanisms for them. During a review of the thematic clusters, the importance of the cluster on capacity-building for trade negotiations and commercial diplomacy in relation to trade policy, services and WTO accessions was highlighted and the need for donor support stressed.

### **Monitoring and assessing evolution in international trading system, particularly WTO**

The Branch continued to monitor and assess the multilateral trading system from a development perspective, including through participation in, reporting on, and contributions to regular meetings of WTO bodies. These included the General Council, the Goods Council and its subsidiary bodies, the Services

<sup>9</sup> TD/B/C.I/MEM.3/2.

<sup>10</sup> TD/B/C.I/MEM.3/CRP.1.

<sup>11</sup> UNCTAD/DITC/TNCD/2009/2

<sup>12</sup> TD/B/WP/215.

Council, the Trade-Related Aspects of Intellectual Property Rights (TRIPS) Council, the Committee on Trade and Development, the Sub-Committee on LDCs, the Committee on Regional Trade Agreements, the Working Parties on WTO accession, and the Trade Policy Review body. The Branch coordinated UNCTAD's participation in, and reported on, the Seventh WTO Ministerial Conference (30 November–2 December).

UNCTAD has highlighted that developing countries' role in the international trading system has considerably strengthened. With such transformation, the multilateral trading system needs adaptation to prioritize the trade agenda of developing countries, and provide them with flexibility to experiment with trade measures in promoting trade, economic growth and development. The prolonged Doha negotiations signal that the multilateral trading system needs reassessment. Stabilizing the system after negotiating rounds requires sufficient time allocated for implementation, reviews and build-up of capacities, particularly in developing countries, avoiding non-implementation risks and disputes, and assessing the impact on development. The lack of balance between a rules-based multilateral trading system and the weak global architecture for the financial system needs addressing.

## B. Research and analysis

The Branch analyses key issues of interest to developing countries in international trade and international trading system, as well as new and emerging issues.

Several studies on services, trade and development – including regulatory and institutional frameworks and cooperative mechanisms – and national services assessment were carried out. These examined the policy and regulatory frameworks and the impact of the liberalization of trade in services in developing countries generally and on a sector-specific basis, with emphasis on poverty reduction. These studies were implemented with the contribution and exchange of experience with other regional and international organizations, as well as NGOs. These include:

- (a) Infrastructure Services, Development and Trade: the Regulatory and Institutional Dimension (TD/B/C.I/MEM.3/CRP.1);
- (b) Contribution of Migrants to Development: trade, investment and development linkages (UNCTAD/DITC/TNCD/2009/2);
- (c) The Basel 2 agenda for 2009: progress so far (UNCTAD/DITC/TNCD/2009/4);
- (d) Implications of international trade and trade agreements for primary health care: the case of

services (UNCTAD/DITC/TNCD/2009/16);

- (e) National services policy review of Uganda (UNCTAD/DITC/TNCD/2009/17);
- (f) National services policy review of Kyrgyzstan (UNCTAD/DITC/TNCD/2009/18);
- (g) National services policy review of Nepal (UNCTAD/DITC/TNCD/2009/19); and
- (h) Global Economic Crisis: Implication and Restructuring of the Services Sector in India (UNCTAD/DITC/TNCD/2009/22);

Thematic, sector and country-specific analyses and notes as well as training modules were also prepared by the Branch for national and regional negotiation forums and trade policy considerations. These include:

- (a) The Rwanda Trade Policy Framework (UNCTAD/DITC/2009/2);
- (b) Economic Partnership Agreements: Comparative analysis of the agricultural provisions (UNCTAD/DITC/TNCD/2009/3);
- (c) Rules of origin and origin procedures applicable to LDC exports (UNCTAD/DITC/TNCD/2009/4);
- (d) Impact of Global Slowdown on India's Export and Employment (UNCTAD/DITC/TNCD/2009/23);
- (e) Handbook on the Generalized System of Preferences (GSP) of the United States (UNCTAD/ITCD/TSB/Misc. 58./Rev.2);
- (f) Generalized System of Preferences: List of Beneficiaries (2009) (UNCTAD/ITCD/TSB/Misc.62/Rev.4);
- (g) Development Interface between Multilateral Trading Systems and Regional Trade Agreements (UNCTAD/DITC/TNCD/2009/20);
- (h) Generalized System of Preferences newsletter No. 10;
- (i) Training modules on the TRIPS Agreement (UNCTAD/DITC/TNCD/2008/3);
- (j) Training module on regional trade agreements (jointly with the Virtual Institute); and
- (k) Various training materials in the CD-Rom format developed for training sessions in Geneva and in the field.

## C. Advisory services, technical assistance and capacity-building

The Branch implemented a large number of technical assistance and capacity-building activities for developing countries, especially LDCs and African countries, and countries with economies in transition.

## WTO Doha negotiations and regional trade agreements

The Branch assisted Geneva- and capital-based trade negotiators and policymakers in developing countries in their preparations for participation in the Doha negotiations particularly on modalities for agriculture and non-agricultural market access (NAMA), as well as on services, trade facilitation, rules, TRIPS and development issues including special and differential treatment and aid for trade. Such support was highly solicited in a run-up to the Seventh Session of the WTO Ministerial Conference. Substantive support including on development implications of different options was provided to individual developing countries and developing country groups as well

as in their preparatory meetings in Geneva (e.g. African Group, LDCs, ACP, small economies and Central American countries); and Ministerial and other high-level meetings of regional groupings, and preparatory processes thereof, to identify their common negotiating platforms. These included (a) the Dar-es-Salaam Declaration adopted by the Sixth LDC Trade Ministers' Meeting (14–16 October), and the Phnom Penh Round Table Statement on LDCs' accession (28–30 September); (b) Communiqué of the Informal African WTO Trade Ministerial Meeting on "Consolidating the Development Dimension" (Cairo, 28 October) and; (c) the ACP Declaration on the Seventh Session of the Ministerial Conference (Brussels, 13 November).

### Box 1. Trade policy and negotiations support to India and Islamic Republic of Iran

#### India

Through the UNCTAD/DFID/India Project on Strategies and Preparedness for Trade and Globalization in India, UNCTAD provided support to the Government of India in its trade negotiations and policy formulation efforts, and strengthened stakeholder participation, especially among grassroots, through the following:

- Trade- and poverty-sensitive assessments and stakeholder consultations in respect of India – European Free Trade Association (EFTA) free trade agreement (FTA) negotiations, WTO negotiations on agriculture, fisheries subsidies, anti-dumping, and on implications of the outcome of the Seventh WTO Ministerial Conference;
- Research undertaken for exploring the possibility of mutual recognition agreements between India and the Association of South-East Asian Nations (ASEAN) in services sectors;
- In-depth analysis of the impact of global economic crisis on India's exports of goods and services, including suggesting mitigating strategies. An international conference was held on this issue (New Delhi, 17–19 December);
- Training of trade policymakers on WTO dispute settlement (Bangalore, 3–5 May and Kolkata, 16–18 November) and supported the preparation of software on rules of origin in 45 FTAs/ RTAs;
- Targeted activities for enhancing awareness of benefits of geographical indications (GI) have resulted in three products acquiring GI registration during 2009. This assists resource poor artisans to leverage the uniqueness of their products for commercial gains;
- Linking resource-poor farmers, artisans and fisher-folks to international trade through websites, disseminating information on export standards, export – import procedures, etc.;
- Comprehensive listing of laboratories involved in testing of products for compliance with various standards, including those for exports. Would form a useful basis for mutual recognition of test procedures, accreditation of laboratories, etc.

#### Islamic Republic of Iran

The Branch undertook an advisory mission on WTO accession issues of concern to Tehran (2–3 June) and held discussions with Government officials in the Ministry of Commerce and officials of the Islamic Republic of Iran Chamber of Commerce and Industry. The Branch also contributed to an inter-divisional activity, jointly with the South Centre, training Iranian trade policymakers and negotiators on multinational economic negotiations. The course for the Ministry of Foreign Affairs (Tehran, 27–21 October), familiarized 40 participants with key economic and development issues under negotiation in the various multilateral forums of relevance to the country, including in regard to WTO Doha negotiations and accession to WTO

Capacity-building support was extended to trade negotiators and policymakers in individual developing countries (see box 1 for some examples on India and the Islamic republic of Iran) as well as country groupings such as LDCs, African Group and the ACP Group, contributing to their greater preparedness and technical capacities with regard to technical issues on agriculture, NAMA, services and other topics of trade policy and negotiations. The Branch continued supporting regional trade negotiations among developing countries, South–South cooperation including under the GSTP, as well as between developing countries and developed countries such as ACP–EU negotiations for economic partnership agreements.

### Aid for Trade

The Branch contributed to policy discussions on implementation of the Aid for Trade initiative. It participated in the work of the Aid for Trade Advisory Group of the Director-General of WTO, through which UNCTAD contributed to the Second WTO Global Review of Aid for Trade (Geneva, 6 and 7 July) which was opened by the Secretary-General of the United Nations. It (a) provided inputs to the WTO–OECD publication “Aid for Trade at a Glance 2009: Maintaining Momentum”; (b) assisted developing countries, such as the ACP Group of States, in preparing their participation in the second global review; and (c) supported UNCTAD’s participation at the global review. UNCTAD also contributed to the preparation by WTO of the Aid for Trade Work Programme for 2010–2011, to which it will make inputs. Also, UNCTAD collaborated with UNU to publish a book that draws together the views of several United Nations agencies (UNCTAD, UNDP,



<sup>13</sup> TD/B/WP/191.

<sup>14</sup> TD/B/WP/206.

UNEP and United Nations regional commissions) on “Aid for Trade and Development: Global and Regional Perspectives”. In these interventions, UNCTAD continually advocates for aid for trade to be provided to developing countries in tandem with any trade reform agenda for the latter to be meaningful in terms of the developmental impact.

### Support on WTO accession

This is a major area of UNCTAD’s technical assistance programme through which over 20 acceding and post-accession countries, including all acceding LDCs, are being assisted. The programme is highly resource-intensive and encompasses assistance on a range of WTO accession processes, including negotiations before, during and after accession, and the implementation of policy and regulatory reforms. The assistance includes advice on trade policy, building of trade institutions, technical issues in the accession processes, preparation of documentation, answers to questions submitted, market access offers in goods and services, conduct of impact studies and assessments, training of officials in WTO-related matters, and logistical support such as procurement of information and communications technology (ICT) equipment. Intensive training sessions were organized in Geneva and in the capitals for members of the negotiating team on managing the Working Party on Accession. The Branch also contributed to an UNCTAD-wide training course under paragraph 166 of the Bangkok Plan of Action on WTO accession issues, and the United Nations Institute for Training and Research (UNITAR)-organized course. UNCTAD’s technical assistance programme on WTO accession was positively evaluated by independent evaluators and commended by the Working Party at its forty-seventh session.<sup>13</sup> Further, the Working Party noted “with appreciation the unique and comprehensive technical assistance programme on accession to the World Trade Organization provided by UNCTAD”.<sup>14</sup>

The Branch received an increasing number of requests for support on WTO accession issues from many countries, including from LDCs, “new” countries which had just initiated their accession process (e.g. Seychelles) and those in the post-accession phase. However, the lack of adequate resources has prevented UNCTAD from addressing fully these requests.

Advisory services, field missions and capacity-building activities were undertaken for (a) Comoros (9–12 February); (b) the Lao People’s Democratic

Republic (9–12 February); (c) Algeria (27–29 April, 20 July–10 August); (d) the Islamic Republic of Iran (2–3 June, 17–19 October); (e) Azerbaijan (4–5 May); (f) Bosnia and Herzegovina (17–18 March, 12–16 October); and (g) Syrian Arab Republic (10–13 August, 7–11 December). Strategic advice was provided to Yemen on issues affecting its WTO accession negotiations, including consultations on 1 July with the Yemeni delegation, prior to the meeting of its Working Party at the WTO. Similar advisory support was provided to Sao Tome and Principe. The Branch also contracted studies by Yemeni experts on the construction services sector and the industrial sector in Yemen. Training was provided for the private sector and Government officials from the Sudan on issues in the multilateral trading system (6–10 July 2009, Geneva). Additionally, the Branch contracted an “Assessment of the distribution services sector in the Sudan: issues to be addressed in the WTO accession negotiations”, which was undertaken by two Sudanese national experts. Analytical support was provided to Belarus through a report on its trade regime. The Branch assisted LDCs substantively in their preparations for the Phnom Penh Round Table Statement on LDCs’ accession (28–30 September), including in respect of fuller operationalizing of the Guidelines for LDCs’ Accession. In its capacity-building programmes on WTO accession, the Branch cooperates with other agencies particularly the WTO.

### Services, trade and development

The Branch undertook comprehensive analysis and work on services, trade and development. Through country- and sector-specific policy reviews and ground-level support, the Branch helped countries with assessing the contribution of services sectors, reforming the sector with an emphasis on development, including strengthening access to essential services,



and generating important data and reference material for policy formulation as well as for multilateral and regional trade negotiations. These included:

- National services policy review (see box 2);
- Analytical work and associated technical assistance activities were scaled up with the initiation of Multi-year Expert Meeting on Services, Development and Trade: the Regulatory and Institutional Dimension;
- Technical assistance and customized support to developing countries and country groupings on General Agreement on Trade in Services (GATS) negotiations, focusing on the request/offers negotiations under article XIX of the GATS, and on rule-making negotiations, including domestic regulations. Such support was extended to the African countries, LDCs, SADC and the Andean Community. For instance, the Branch contributed to regional workshops on trade in services for the Associação Latino-Americana de Integração (ALADI) (21–23 October in Montevideo, Uruguay) and for Caribbean Community (CARICOM) member States (15–17 July, St. Johns, Antigua and Barbuda);

#### Box 2. Services Policy Review

The Branch prepared a methodology for undertaking National Services Policy Reviews (NSPRs) which was successfully applied in Kyrgyzstan, Nepal and Uganda. UNCTAD’s NSPRs guide a broad range of national stakeholders through a systematic review of the economic, regulatory, institutional and trade policy environments, characterizing their services sectors. This enables them to generate concrete recommendations for policies and actions to advance national sectoral development objectives. National stakeholder workshops to wrap up NSPRs were held in (a) Kyrgyzstan on energy and tourism services (Bishkek, 4–8 October); (b) Nepal on tourism and ICT services (Katmandu, 18–21 February and 27–29 October); and (c) Uganda on construction, insurance and professional services (Kampala, 18–20 November). A briefing session is being organized in Geneva in early 2010 so that results from these three countries can be presented and discussed by researchers, policymakers and trade negotiators, and interested professionals from the wider trade and development community. The results will also be disseminated through the publication of the national NSPR reports.

- Profiling issues pertaining to the ongoing international debate on GATS negotiations in the area of temporary movement of natural persons supplying services (Mode 4), trade in labour-intensive services, skills development and recognition of qualifications. This included assistance to LDCs in devising options for the operationalization of the modalities for the special treatment for LDC members in the negotiations on trade in services. Advisory services were provided to developing countries. In the context of the national services assessment, research was also conducted on temporary labour movement, labour force profiles, brain drain, remittances and gender and migration issues;
- Advisory services to developing countries in building services supply capacities, promoting services policy formulation at the sectoral level and in overall terms, and defining strategies for services negotiations at the national, regional and multilateral levels, and at the interface between regional services negotiations and GATS negotiations. Advisory missions were conducted to assist countries with defining a national strategy for services negotiations at the multilateral and regional levels;
- UNCTAD is part of an inter-agency task force on Statistics of International Trade in Services, together with OECD, the European Commission, the International Monetary Fund (IMF), the United Nations Statistics Division, the World Tourism Organization (UNWTO/OMT) and WTO. The Branch has contributed to the preparation of the revised edition of "Manual on Statistics of International Trade in Services" to setting out a statistical framework for the collection and dissemination of trade in services data.

### **Trade and development aspects of migration**

UNCTAD collaborates with the Global Migration Group, international organizations and member States on migration with the Branch coordinating UNCTAD's work in this area. It participated in and contributed to relevant analyses and meetings on migration organized, for example, by the International Organization for Migration (IOM), WTO, World Bank and United Nations bodies such as the Economic and Social Council. UNCTAD coordinated with other United Nations agencies to improve the policy and operational responses of the United Nations system and the international community to international migration. It contributed to the United Nations Secretary-General's report on International Migration and Development (A/63/265).

UNCTAD has raised the importance of potential benefits and opportunities of trade, investment and developmental links between countries of origin of migrants and their communities' abroad. The Branch organized an ad hoc expert meeting "Contribution of migrants to development: trade, investment and development linkages". It prepared a background report (UNCTAD/DITC/TNCD/2009/2) which facilitated the deliberations. Other papers were also submitted for the consideration of the meeting. It also participated in and contributed to discussions in international forums as for instance within the deliberations of the Global Migration Group, the Global Forum on Migration and Development, Asia-Pacific Economic Cooperation (APEC) and WTO, including through its technical assistance programmes at the national and regional levels and through the inter-governmental process. The Branch contributed to the WTO Public Forum (28–30 September) in respect of discussion on migration issues.

### **Trade policy elaboration**

In September 2008, the Minister of Trade and Industry of Rwanda requested UNCTAD to assist the country in the elaboration of a trade policy. Through an intra-divisional effort, the Branch, in collaboration with the Ministry of Trade and Industry of Rwanda, prepared a "development-driven trade policy framework" for Rwanda. This was discussed and endorsed at a national stakeholder workshop. A trade policy statement setting the key areas of focus in the trade policy over the next five years is being prepared. Additionally, the Branch contributed UNCTAD's support to Rwanda in updating of its Diagnostic Trade Integration Study (DTIS) and in mainstreaming trade into the DTIS.

The Government of Papua New Guinea (Department of Foreign Affairs, Trade and Immigration), supported by stakeholders, and with technical assistance from the Branch has been preparing a trade policy as a key part of broader national development strategy. Assistance was provided by the Branch on a trade policy that would foster enhanced diversification of exports and downstream processing in production in agriculture, forestry, fisheries and minerals, as well as possible institutional and administrative arrangements for implementing the trade policy. This work is also being supported by European Commission (EC) financial support under a Trade-Related Assistance Project.

### **ACP–EU negotiations on EPAs**

ACP–EU negotiations on Economic Partnership Agreements (EPAs) continued in 2009 for the majority of ACP configurations with a view to concluding full

and comprehensive EPAs. The Branch provided advisory services on these negotiations, as well as on the interface between these and WTO Doha Round negotiations for the ACP States individually and collectively, and participated in a number of events on EPAs organized by other partner agencies. For example, the Branch supported the ACP Group of States in Geneva on issues interfacing the Doha negotiations and EPAs negotiations, including the developmental aspects of WTO rules on regional trade agreements relating to North–South agreements, agricultural and non-agricultural market access negotiations, particularly in respect of preference erosion, as well as services. Consultation and information sharing on EPAs and their development impact was held with Trade Directorate of EC and the Delegation (Geneva, September).

Technical support was extended upon request to regional configurations (e.g. East African Community (EAC), COMESEA and SADC) and individual ACP States in preparation for EPA negotiations on specific technical issues such as agriculture, market access, preferences, trade in goods, services, new issues and WTO compatibility. Substantive contribution was made to various events, including national consultative workshops and seminars, technical meetings organized by the ACP secretariat, the African Union, ECA, the Commonwealth Secretariat, to discuss EPAs-related technical issues, including a regional consultation meeting of African regions on EPAs (Botswana, 22–23 July).

### **Support to SADC and COMESA regional integration**

The Branch provided technical assistance and capacity-building support on services assessment and negotiations to the SADC Secretariat, the SADC Trade Negotiation Forum and SADC policymakers and trade negotiators. It facilitated services assessments and preparations for (a) regional negotiations with a view to developing a regional framework on services trade; (b) participation in WTO GATS negotiations; and (c) addressing challenges associated with parallel negotiations between SADC and the EU on EPAs.

Synergies were created with the Southern African Customs Union (SACU) and COMESA. The expertise and knowledge of the member countries' trade officials in services negotiations were strengthened through (a) national training workshops and seminars in all the member countries; (b) preparation of national assessment studies in priority services sectors and technical papers on issues relevant to SADC services regional integration; and (c) provision of ad hoc working materials and studies addressing

specific issues and problems identified during regional and multilateral negotiations. The Branch contributed to (a) a SADC Workshop on Trade in Services (Botswana, 17-18 April); (b) the thirty-eighth SADC Trade Negotiation Forum on Services (Durban, 15–19 June); and (c) a SADC Workshop on Trade in Services (10–11 November, Botswana).

The Branch also supported COMESA in negotiating its services agreement largely by providing technical inputs, analysis and guidance in particular in the following areas: (a) value of regional trade in services, approaches used in other RTAs in particular ASEAN, CARIFORUM, SADC and the EC to consider best practices approaches, systems and structures which could be incorporated; (b) the GATS negotiations and developments including the scope and application of the most favoured nation (MFN) clause, special and differential treatment, mutual recognition agreements, domestic regulation, enquiry points, framework for services negotiations, mode 4; (c) legal and drafting provisions during the course of negotiations including implications of the legal form of the agreement, drafting inputs for the finalization of the COMESA regulation among other; and (d) policy assistance on a bilateral basis to several COMESA member States on national services regimes and potential regional implications. The COMESA Regulation on Trade in Services was adopted by the COMESA Council of Ministers on 4 June. Thereafter, the Branch assisted the COMESA secretariat in the preparation of Negotiating Guidelines for implementation of the COMESA Regulation, choice of priority sectors and ongoing preparation of services schedules. For the selection and development of priority sectors for COMESA liberalization, UNCTAD provided analytic inputs of COMESA members, GATS commitments and offers made at WTO, approaches taken for choice of priority sectors and supporting mechanisms in other RTAs. The Branch provided training in the preparation of services schedules. This provided a basis for COMESA members to indicate the kind and scope of priority sectors for liberalization.

Synergies were maintained with SADC, EAC, the GATS and EPA negotiations in order to avoid an overlap and stay abreast of developments in other forums. Specifically, the Branch has contributed to the following meetings: fourth meeting of the COMESA Trade and Legal experts on the regional framework for trade in services (20–22 April, Entebbe, Uganda) and the first meeting of the COMESA Committee on Trade in Services (Victoria Falls, Zimbabwe, 1–4 September).

## Generalized System of Preferences and other trade preferences

UNCTAD promoted awareness among developing countries on ways to utilize better the preferences available under GSP and other preferential schemes through regular provision of information on a dedicated website, administrative support on certificate of origin, collection of data, publication of handbooks on the GSP schemes and newsletters, and technical cooperation and capacity building services.

A training session on various GSP schemes and rules of origin was held for the Syrian Arab Republic (9 December), within the framework of a training course on WTO accession, to build and strengthen understanding of the trading opportunities available under GSP schemes and rules and regulations required to benefit from such opportunities. The seminars benefited from inputs from partner agencies such as WTO. UNCTAD also administers notification of certificate of origin and proposed amendments to Form A.

The Branch ensured the dissemination of relevant information through updating and revising GSP Handbooks of individual GSP schemes, preparing related studies and issuing GSP newsletters. It also continued compilation and updating of the UNCTAD GSP database based on the data submitted by GSP donor countries, which provide useful information on trade conducted under each preferential scheme.

## Dispute settlement in international trade, investment and intellectual property

The Branch continued to develop knowledge and skills and to strengthen institutional capacities in developing countries to deal with dispute settlement in international trade, investment and intellectual property. It updated and disseminated training modules in five areas: (a) trade and investment dispute settlement in international law in general; (b) ICSID<sup>15</sup>/World Bank dispute settlement in the field of international investment; (c) WTO dispute settlement as regards international trade in goods, services and intellectual property; (d) World Intellectual Property Organization (WIPO) dispute settlement (including its arbitration and mediation centre); and (e) international commercial arbitration (UNCITRAL dispute settlement).

It provided training on dispute settlement to government officials, legal practitioners, and private sector from developing countries. The following

training courses were organized: (a) National Seminar on WTO dispute settlement and formulation of trade policy in Papua New Guinea (Lae, 21–25 September); (b) National Seminar on WTO Dispute Settlement in India (3–5 May, Bangalore); (c) Workshop on WTO Dispute Settlement in India (16–18 November, Kolkata); and (d) Workshop on arbitration in intellectual property in China (23–25 November, Guangzhou).

## TRIPS-related issues

The Branch provided legal and policy advice and analyses on intellectual property and development to developing countries including on negotiations in TRIPS-related issues in the WTO. It provided assistance on intellectual property rights-related regulatory reform to countries negotiating their accession to the WTO.

## D. Cooperation with other organizations

The Branch maintains a wide network of partners with which it collaborates. For example, it provided policy analyses on the international trading system and trade negotiations for reports prepared by United Nations departments on follow-up to the Millennium Declaration, the Monterrey Consensus, and the World Economic Situation and Prospects, as well with the WTO. In its capacity-building programmes such as WTO accession, it cooperates with the WTO, ITC, WIPO and others.

The Branch services UNCTAD's partnership in the Global Migration Group, which is a network of international agencies active in migration issues. Also, regular contacts and cooperation are maintained with UNDP, ECA and the African Union. The Branch's work on ACP–EU negotiations of EPAs has involved collaboration including the ACP Group of States, the ACP secretariat and its office in Geneva, and the Commonwealth Secretariat. The Branch cooperates with regional secretariats such as SADC and COMESA, and academic institutions and civil society organizations such as the Third World Network. The Branch maintains regular dialogue on services issues with the OECD. An extensive network of cooperation is also established with national trade institutions and trade policymakers and regular contacts are maintained with donors.

## E. Assessment and lessons learned

Through its integrated analytical, capacity-building and intergovernmental consensus-building activities, the Branch helped to facilitate trade policy formulation and implementation as well as

<sup>13</sup> International Centre for Settlement of Investment Disputes.

related institution-building and strengthening of regulatory frameworks. In respect of multilateral and regional trade negotiations, the Branch assisted developing countries and countries with economies in transition based on robust research, in making informed decisions, and helped build confidence and consensus internationally on how to ensure that trade negotiations and their results promote development and strengthen the fight against poverty.

Many member States found the annual review of “evolution of the international trading system and of international trade from a development perspective” to be particularly useful and critical in raising awareness of trade and developmental issues facing countries during the crisis, and in reinforcing mutual confidence and understanding in respect of actions needed to contain and reverse protectionism and economic nationalism, and advance dialogue and negotiations in the Doha Round. It underlined the importance of UNCTAD’s normative function in contributing positively to the WTO processes. Similar support for the United Nations General Assembly has helped to broaden awareness of the development implications of the Doha negotiations, as well as their contribution to the achievement of MDGs and in addressing global development challenges. Generally, UNCTAD’s support for multilateral and regional trade negotiations, with its emphasis on the development dimension, is widely appreciated and solicited by developing countries and their organizations, and other entities.

The Branch’s comprehensive work on services trade and development is becoming the main repository of forward-thinking analyses and policy ideas in this novel area. It is presented internationally, as well as in WTO, to inform policy formulation and trade negotiations. Services economy is the new frontier for the expansion of trade, productivity and competitiveness, providing jobs and universal access to essential services. Services sector development provides the backbone of an integrated and effective economy. Vibrant infrastructural services such as financial services, telecommunications, transport and energy can catalyse economic diversification and enhance domestic supply capacity. The financial and economic crisis has renewed attention to the role of the services sector in recovery and sustainable development. These sectors have increasingly complex policy, regulatory and institutional frameworks which require in-depth sectoral expertise to provide ahead-of-the-curve analyses, policy recommendations as well as capacity-building. Responding to this need would require a major boost in human resources of the Branch.

The new structure of UNCTAD’s intergovernmental machinery, including the Multi-year Expert Meeting on Services, has proved useful in facilitating systematic

and sustained research and intergovernmental expert discussions. Analytical work also needed to be intensified in respect of national services policy reviews and trade and development aspects of migration.

The Branch contributed to generating evidence-based analysis, promoting constructive intergovernmental dialogue and filling capacity gaps in developing countries and countries with economies in transition as they relate to the international trading system and trade negotiations. Its analytical work helped policymakers and negotiators to identify policy priorities, assess developmental implications and support their negotiating positions. It facilitated intergovernmental deliberations in solidifying commitment to the multilateral trading system and its development component, and promoted best practices in strengthening participation in the international trading system. Its capacity building activities helped countries to strengthen human, institutional, regulatory and policy capacities to draw benefits from the international trading system.

Consistent with the Accra Accord, and against the backdrop of the global economic crisis, the Branch provided comprehensive and balanced analysis of developments in the Doha negotiations from the perspective of developing countries, and technical assistance and capacity that is tailored and responsive to the priorities of beneficiary countries. The positive evaluation of the Branch’s work on WTO accession and the endorsement by the Working Party are illustrative of the development impact in countries of UNCTAD’s assistance and the appreciation expressed by beneficiaries and donors.

A key lesson learnt is that the Branch implemented a diverse and large portfolio of projects, targeting the different and specific needs of developing countries while conducting its regular analytical work and servicing intergovernmental deliberations. This is expected to be increasingly important in the next few years as a number of international trade negotiations, particularly North–South and South–South agreements, are expected to be concluded and implementation of the resulting agreements and adjustment in countries will become a major concern while a number of regional and bilateral negotiations will continue. UNCTAD needs to be strategically positioned to meet such needs and make a difference and impact on the development of developing countries and countries with economies in transition.

The Branch’s network of cooperation with other entities has proved useful in successfully organizing events and widening the impact on beneficiary countries. Such cooperative arrangements can be further strengthened.



### III. POLICY RESEARCH, ANALYTICAL AND DATA WORK TO IMPROVE UNDERSTANDING OF CURRENT AND PROSPECTIVE ISSUES IN TRADE AND DEVELOPMENT

Strengthened analytical, statistical and information bases and tools for trade and trade-related decision-making in developing countries at the national, regional and international levels, and for enhanced global understanding of interactions among trade, competitiveness and development (expected accomplishment (b) of the secretariat in subprogramme 3, table 12.13 (A/62/6 (Sect. 12))). This corresponds to Accra Accord paragraphs 96 and 97.

The Trade Analysis Branch of the Division helps developing countries to take informed decisions on trade and trade-related issues through undertaking policy-oriented research and building analytical and data-related work that improves understanding of current and prospective issues in trade and development and the interactions among trade, competitiveness and development.

#### A. Intergovernmental deliberations and consensus-building

The Branch coordinated the preparation by UNCTAD's inter-divisional task force of the report on the "Global economic crisis: implications for trade and development" (TD/B/C.I/CRP.1) for the first session of the Trade and Development Commission, with important contributions from all branches and other divisions. The branch contributed on trade data to the preparations for the second session in 2010.

The Branch prepared a report on the latest version of the NTMs (non-tariff measures) definition and classification and a plan for a multi-year global initiative on NTMs by ITC, UNCTAD, the World Bank and WTO, as well as a fund-raising strategy. The report was considered by the UNCTAD Secretary-General's Group of Eminent Persons on Non-Tariff Barriers, in close collaboration with the Multi-Agency Support Team (the Food and Agriculture Organization of the

United Nations (FAO), IMF, ITC, OECD, UNIDO, the World Bank and WTO) in a meeting in Geneva (4–6 November).

The Branch substantively contributes to UNCTAD's membership in the Inter-agency and Expert Group on MDG Indicators (IAEG) of the United Nations Secretariat. It continuously provides data and analysis for the update of MDGs indicators on Market Access: Indicator 8.6 (Proportion of total developed country imports from developing countries and least developed countries, admitted free of duty) and Indicator 8.7 (Average tariffs imposed by developed countries on agricultural products and textiles and clothing from developing countries). The IAEG prepared the Millennium Development Goals Report 2008 and 2009 and the United Nations Secretary-General's annual report to the General Assembly on the implementation of the Millennium Declaration. In addition, the Branch provided analytical and statistical inputs to the United Nations MDG GAP Task Force Report 2009.

The Branch collaborated in the single-year Expert Meeting on Mainstreaming Gender in Trade Policy (10–11 March). Besides two background papers for the meeting, this work also produced a policy paper to be published in the Journal of World Trade on "Trade Policy and Gender - Unfolding the Links".

#### B. Research and analysis

The Branch prepared research and technical materials for publication of "Non-tariff measures: Results of sample survey from pilot project in selected developing countries (to be released in February 2010)" to highlight experiences of five developing countries to classify and collect information on NTMs. This work has been used to strengthen the refinement of the Trade and Development Index (TDI) as a diagnostic tool for policy makers and researchers.

The Branch strengthened its analytical work on South–South trade through (a) monitoring the new geography and dynamics of world trade; (b) analysing changing patterns of developing countries' participation and share in international trade; and (c) encouraging South–South trade and economic integration. The Branch initiated work on understanding the patterns of trade of dynamically growing developing countries by examining the skills and technology contents of the exported products via developing a classification system for products at the HS-4 digit level.

The Branch was active in analytical work on better understanding the effects of the economic crisis on trade. A policy paper was disseminated through a

number of conferences and published within a VoxEU book: "The fateful allure of protectionism: Taking stock for the G8". In addition, a research paper on "New and Traditional Trade Flows and the Economic Crisis", analysing the effects of the economic crisis on new export sectors was presented at the Economic and Social Council for Asia and the Pacific (ESCAP) ARTNeT Conference in Thailand (Bangkok, 2–3 November).

The Branch strengthened collaboration with other international organizations, both on research and policy activities, providing substantive inputs and advice. The following are some examples:

- Substantive contributions to the joint UNCTAD–WTO–ITC publication *Tariff Profiles 2009*, which was released in November 2009. This is the third edition of the annual publication containing information on applied and bound customs tariffs for more than 160 countries;
- Analytical inputs to the *World Economic Situation and Prospects 2010*, published jointly with DESA and the United Nations regional commissions. The Branch coordinated the parts on trends in international trade and trade policy developments.
- Contributed to the Project LINK 2009 meetings in St. Petersburg (4–6 June) and Bangkok (26–28 October), in collaboration with DESA, University of Toronto and several regional organizations, national governments and research institutions; and
- Provided technical expertise and data analysis to the World Bank for its *Global Monitoring Report for 2009*.

The Branch continued its analytical work on the effects of trade policies on trade flows. This resulted in a policy paper on the importance of tariff preferences for developing countries' exports. The Branch also collaborated with the World Bank in analyzing the effect of various trade costs on trade flows resulting in a research paper (jointly with World Bank staff) published under the *World Bank Policy Papers (#4797)*.

The Branch has also strengthened UNCTAD's research network capabilities by exchanging ideas and sharing research activities with scholars from several international agencies, national agencies, universities and research institutions. The Branch cooperated with the worldwide Social Science Research Network (SSRN), which now contains and disseminates papers prepared by the Branch.

The Branch produced studies on the adjustment to trade liberalization and other trade issues:

- On the Determinants of Exports Survival (UNCTAD/ITCD/TAB/47);

- The Impact of Removal of ATC Quotas on International Trade in Textiles and Apparel (UNCTAD/ITCD/TAB/43);
- Trade liberalization and the informal sector: insights from panel analysis (UNCTAD/ITCD/TAB/44). This study has been presented in two workshops on the relationship between trade and informality jointly organized by the ILO and the WTO in May and August; and
- Building trade-relating institutions and WTO accession, (UNCTAD/ITCD/TAB/42).

### C. Advisory services, technical assistance and capacity-building

#### Trade information – trade databases and analytical tools

The Branch strengthened its specific trade data and analytical tools to assist the work of policymakers, trade negotiators, academics, civil society and businesses. The Trade Analysis and Information System (TRAINS) database was updated and contains tariff data and matching import statistics for 122 countries (figure from December 2009).

UNCTAD's trade analysis tools, such as TRAINS–World Bank Integrated Trade Solution (WITS), have helped to identify and address market access barriers and trade opportunities, as well as promote informed participation of developing countries in trade negotiations at multilateral and regional levels. Over 3,000 new licenses were issued to users of WITS during 2009. A new tripartite initiative to modernize the WITS software is underway with the World Bank and ITC, which also intends to integrate TRAINS database into a Common Analytical Market Access Database (CAMAD), developed jointly by UNCTAD, WTO and ITC.

The Branch developed a data set on the Revealed Factor Intensity Indices (RFII) at the most disaggregated level of product classification. The dataset is available on the UNCTAD web page (<http://ro.unctad.org/ditc/tab/research.shtm>), and the study on the RFII is in the process of printing.

The Branch provided information services on trade and development policymaking to more than 100 international affairs students from universities in Belgium, Germany, the United States, the United Kingdom, the Republic of Korea and Switzerland. Advisory missions on its research and databases were undertaken in (a) Thailand (Bangkok, 17–18 December); (b) Macao, China (14–15 December);

(c) the Russian Federation (St. Petersburg, 4–6 June); and (d) Turkey (Istanbul, 23–25 April) for government officials and academics. The Branch has also strengthened UNCTAD's research network by exchanging ideas and sharing research activities with scholars from several international agencies, national agencies, universities and research institutions.

The Branch organized training workshops and advisory missions on its databases and analytical tools in (a) the United States (New York, 10 December); (b) Colombia (Bogota, 2–4 December); (c) Peru (Lima, 7–9 December); (d) Syrian Arab Republic (Damascus, 29 September–1 October); and (e) Uruguay (Montevideo, 2–3 July).

### Non-tariff measures

The Secretary-General established a Group of Eminent Persons on Non-Tariff Barriers (GNTB) in 2005 to discuss definition, classification, collection and quantification of non-tariff barriers and to identify data requirements, in order to facilitate understanding of the implications of non-tariff measures for trade and development.

The GNTB established a Multi-Agency Support Team (MAST) in cooperation with FAO, IMF, ITC, OECD, UNIDO, the World Bank and WTO. MAST was requested to provide a clear and concise definition of NTMs and to develop a classification system of NTMs



to facilitate data collection process and analysis. This would help devise ways to collect efficiently the information on NTMs, taking into account existing mechanism of collecting specific elements of NTMs by each member agency and to provide guidelines for the use of data, including their quantification methodology.

A meeting to discuss the work undertaken by MAST was organized under the GNTB in Geneva (4–6 November). The meeting discussed the results and findings of a pilot project that the Branch, in cooperation with ITC, had undertaken in seven countries: Brazil, Chile, India, the Philippines, Thailand, Tunisia and Uganda. UNCTAD and ITC also identified data sources and collected official data for some of the leading importing countries. The pilot project resulted in testing and refining the improved classification of NTMs, testing and refining the approach utilized for official data collection, devising, testing and refining the approach for private sector data collection, developing the information technology platform for the global collection and storage of NTMs data, quantifying the resources and costs involved in collecting NTMs data, and gathering experience as to better recommend next steps for achieving broader NTMs data coverage.

There is an ongoing need for technical assistance to inform exporters and importers about NTMs, which would facilitate the task of identifying and reporting them. Traders must be made aware of the overall impact/financial value of NTMs as well as available methods to address the problem. Confidentiality was a problem as respondents did not want it to be known that there were facing NTMs.

### New and dynamic sectors of international trade

The Branch, together with the Division on Investment and Enterprise, has undertaken research and case studies on ways to strengthen participation of selected developing countries, particularly LDCs and African countries, in dynamic and new sectors of world trade. A national and a regional workshop for SACU members were held in Lesotho (Maseru, December).

The Branch also conducted three regional workshops on new and dynamic sectors for (a) Latin America (Lima, Peru, July); (b) Asia (Bangkok, Thailand, November); and (c) Africa (Maseru, Lesotho, December). Concurrently, three national studies on new and dynamic sectors are being prepared for respectively Rwanda, Peru and the Lao People's Democratic Republic.

## Training modules

The Branch developed a training module on analytical tools and empirical techniques for trade analysis. It complements and strengthens the Branch's trade data and analytical tools to assist policymakers, trade negotiators, academics, civil society and businesses. The module can support a four-to-five-day intensive workshop (five to six hours per day). Three such workshops were organized for universities in collaboration with UNCTAD's Virtual Institute: one in Senegal (April), one in Uganda (June) and one in the United Republic of Tanzania (September). The three workshops were attended by senior researchers, teaching staff and master students.

## Creative economy

The Branch's work under the Creative Economy programme focused on several areas. One was the worldwide dissemination of the "Creative Economy Report – 2008". As the first United Nations report on the subject, the publication has been well received by both developed and developing countries as a reference to assist Governments in policy formulation on the topic. The Branch disseminated the findings of the report in international conferences, and national workshops.

The Branch is implementing a multi-agency project on "Strengthening the creative industries in five ACP countries through employment and trade expansion". The project is jointly executed by UNCTAD, the International Labour Organization (ILO) and the United Nations Educational, Scientific and Cultural Organization (UNESCO), during 2008–2011. The beneficiary countries are Fiji, Mozambique, Senegal, Trinidad and Tobago and Zambia. UNCTAD carried out two policy-oriented studies for Zambia and Mozambique. The studies provided an assessment of the current situation of the creative industries in the countries to identify needs and priorities and recommend strategies to generate employment, enhance creative capacities, promote trade and strengthen the linkages between culture and development.

Subsequently, two "High-level Policy Dialogues on Creative Economy" were organized in Mozambique (Maputo, 29 June), and in Zambia (Lusaka, 2 July). The meetings discussed and validated the country studies. UNCTAD also assisted the two Governments to put in place institutional mechanisms to facilitate concerted inter-ministerial actions involving relevant ministries, for the articulation of long-term plans of action for enhancing their creative economies in the context of their national

development strategies. A High-level Policy Dialogue on Creative Economy was held in Thailand (Bangkok, 12 March) in collaboration with the Office of the Prime Minister, the Ministry of Foreign Affairs and the Ministry of Trade. For Thailand, the creative economy became one of the priorities of its Tenth National Economic and Social Development Plan.

Analytical research and policy analysis was implemented on the current trends of world markets for creative goods and services. The Creative Industries database on trade statistics for creative goods and services, launched in 2008, has been updated in 2009 and is publicly available by internet on UNCTAD's website at [www.unctad.org/creative-programme](http://www.unctad.org/creative-programme).

## D. Cooperation with other organizations

The Branch's work on NTBs has successfully mobilized United Nations system agencies (FAO, UNIDO and ITC), other relevant organizations (IMF, OECD, World Bank and WTO), regional organizations (ESCAP and ECLAC), national and other organizations (EU, India, Philippines, Thailand, Uganda and the United States) and several national research institutions in developing countries, for a coordinated and coherent approach to the definition, classification and collection of NTBs data on the basis of UNCTAD's TRAINS database. The results achieved by the Group of Eminent Persons on NTBs and the NTB multi-agency team illustrate the ability of UNCTAD in effectively mobilizing different parts of the United Nations system and other relevant organizations on important policy subjects and to achieve coherence in international trade and development policymaking.

The same can be said about other inter-organizational cooperation activities of the Branch, including its collaboration with DESA, WTO and ITC, as well as research institutions in the area of research and analysis on trade and development issues, including its contribution to MDG indicators, World Economic Situation and Prospects, the UNCTAD-WTO-ITC publication "World Tariff Profiles 2009" and the LINK project.

UNCTAD plays a leading role in building synergies among the United Nations system within the United Nations Multi-Agency Informal Group on the Creative Economy. It has been holding annual meetings since 2004 to facilitate policy coherence and complementarities, and avoid overlapping. UNCTAD shares knowledge, information and best practices through its Creative Economy e-news, with

an outreach of nearly 2,100 subscribers. UNCTAD updated the information provided on the webpage of the Creative Economy Programme ([www.unctad.org/creative-programme](http://www.unctad.org/creative-programme)), which now also provides a platform for networking among relevant institutions and facilitates research exchanges among academia on creative economy matters.

## **E. Assessment and lessons learned**

The Branch's work on non-tariff measures advanced further with the completion of a pilot project on NTBs data collection in seven countries and the identification of data sources and collection of official data for some of the leading importing countries.

The Branch's South–South trade database provides a solid basis for analysing the dynamic nature of trade among developing countries and in assisting policymakers in these countries to adopt realistic policies and strategies to further enhance South–South trade.

The information and advisory services provided by the Branch on the basis of its information resources, analytical tools and research activities to a broad range of stakeholders indicate substantial demand for such services. It will thus continue and enhance such support for an increased number of developing countries and other beneficiaries.

The Branch's work on new and dynamic sectors further expanded and attracted attention of member States.

An important lesson learnt is that its effectiveness is greater when delivered more directly to policymakers in developing countries. As a result, efforts are being made to organize events on the participation of developing countries in new and dynamic sectors of international trade at national, regional and subregional levels.

The Branch's research work on key trade topics, including the implication of global economic crisis on trade and development prospects of developing countries, provided timely insights into the key issues and policy responses to the crisis. The publication series of the Branch brought new topics especially as regards the emerging economies of the South – identifying issues and policies in transforming export structures of developing countries and building trade-related institutions. The Branch will continue to undertake such topical and timely analysis of trade-related issues of developing countries.

The Branch continues to play a proactive role in promoting international actions around the creative economy and its development impact. Giving its pioneering analytical work in this area, the Creative Economy programme of the Branch continues to support Government initiatives for enhancing public policies, to reinforce institutions and promote capacity-building activities. It liaises with Governments, artists, creators, academia and civil society to promote the creative economy.



work for the poor. As part of the tenth session of the IGE, UNCTAD held a VPR on the competition law and policy of Indonesia. A peer review report was prepared by consultants based on a fact-finding mission to Indonesia, and it was presented to the meeting. The VPR highlighted the challenges and opportunities faced by the Commission for the Supervision of Business Competition of Indonesia (KPPU) and addressed the issues of independence, investigative tools and law reform. UNCTAD also examined how to tackle the issues that arose from the peer review report and discussion and presented a technical assistance project to address the report's findings and recommendations. The proposed assistance would include (a) improving the legal and institutional framework; (b) strengthening institutional and human resource capacity within KPPU; (c) advocating competition law and policy; (d) enhancing understanding of the need for consumer protection; (e) designing ways for cooperation between KPPU and sector regulators and other Government bodies. In 2010, on the occasion of the Sixth United Nations Conference to Review All Aspects of the Set, a VPR will be carried out on the competition policy of Armenia, at its request.

### **Sixth United Nations Conference to Review All Aspects of the Set of Multilaterally Agreed Equitable Principles and Rules for the Control of Restrictive Business Practices**

The conference will be held 8–12 November 2010. Directed by the tenth IGE, the Branch has started preparations for the Conference. The Conference is held every five years, the latest being the Fifth Review Conference held in Turkey (Antalya, 2005).

### **Trade and Development Commission**

The Branch participated in the servicing of the first session of the Trade and Development Commission, and contributed on competition issues to the preparations for the second session in 2010.

## **B. Research and analysis**

The following analytical reports were prepared or commissioned by the Branch and used as material for intergovernmental meetings as well as in advisory missions:

- (a) Public monopolies, concessions, and competition law and policies (TD/B/C.I/CLP/2);
- (b) The relationship between competition and industrial policies in promoting economic development (TD/B/C.I/CLP/3);
- (c) The use of economic analysis in competition cases (TD/B/C.I/CLP/4);
- (d) Review of capacity-building and technical assistance in the area of competition law and policy (TD/B/C.I/CLP/5);
- (e) Voluntary peer review of competition law and policy: Indonesia (UNCTAD/DITC/CLP/2009/1,);
- (f) Voluntary peer review of competition law and policy: Indonesia (Overview), (UNCTAD/DITC/CLP/2009/1);
- (g) UNCTAD Perspective – Competition law and policy, June 2009 (UNCTAD/DITC/CLP/2009/Misc.1);
- (h) Handbook on competition legislation Vol.1 – 2001–2009, June 2009 (UNCTAD/DITC/CLP/2009/2/CD); and
- (i) Africa Competition – The Africa competition programme, June 2009 (UNCTAD/DITC/CLP/2009/Misc.3);

## **C. Advisory services, technical assistance and capacity-building**

<sup>16</sup> See Report of the Intergovernmental Group of Experts on Competition Law and Policy on its tenth session (TD/B/C.I/CLP/6).

### Box 3. Key outcomes of the tenth session of the IGE

In its agreed conclusions, the IGE:

- Underlined the importance of using economic analysis in competition cases in effective enforcement of competition law, the importance of the relationship between competition and industrial policies in promoting economic development, and the need to strengthen international cooperation in these areas, particularly for the benefit of developing countries;
- Called upon UNCTAD to promote and support cooperation between competition authorities and governments;
- Further emphasized the importance of discussions of the Round Table on Public Monopolies, Concessions and Competition Law and Policy, and took note of the written contributions of member States to this issue;
- Requested the UNCTAD secretariat to disseminate the conclusions of the discussions of the IGE to all interested States, including through its technical cooperation activities;
- Also requested the UNCTAD secretariat to continue to pursue its capacity-building and technical cooperation activities and training, and where possible, to focus them on maximizing their impact in all regions, within the financial and human resources available;
- Further agreed on a substantive work programme for UNCTAD in the field of competition law and policy for 2009–2010; and
- Established the agenda and documentation for the Sixth United Nations Conference to Review All Aspects of the Set in 2010

The Branch provided assistance to individual developing countries on competition advocacy, preparation of national competition laws, training of competition case handlers, institution building and consumer protection. A major area of UNCTAD's support was the building of institutional capacity for the promotion of a competition culture.

### Competition advocacy

UNCTAD's advisory and training activities were combined with or provided through workshops and activities directed at stakeholders, specific officials or a wider audience including Government officials and academics, as well as business and consumer-oriented communities. Such advocacy for competition included the following:

- UNDP/UNCTAD meeting on needs assessment of the competition agency and developing a joint project on competition in Syrian Arab Republic (Damascus, 9–13 February). It raised awareness of the new law among stakeholders as well as advocated the need of coherence between competition legislation and other policy objectives among government departments and agencies exempt from regulations of the law;
- A workshop on the Interface between Competition and Trade Challenges in the Dominican Republic (Santo Domingo, 22–23 April). It enhanced awareness of a wide range of officials from relevant Government bodies of issues related to

the interface between trade and competition, in particular the role of competition policy in trade and regional integration. A meeting was also held to approve the extension of the COMPAL programme to the Dominican Republic;

- A national Seminar on Competition Policy at the university "Espiritu Santo" and a competition workshop at IDE Business School in Ecuador (Guayaquil, 4–6 November). They upgraded participants' knowledge on competition law and policy, and facilitated an in-depth discussion on the draft Ecuadorian competition law that was linked to consumer protection issues; and
- A national Seminar on Competition Law and Policy conducted in São Tome and Príncipe (7–8 December), raised awareness of civil society of the importance of competition law and policy in a market economy.

### Assistance in the preparation of national competition laws

UNCTAD's efforts to help countries draft and/or review their competition legislation included the following activities:

- A consultative meeting on the interface between competition authority and sector regulators in Rwanda (Kigali, 17–20 January). An agreement was achieved on the provisions related to sector regulation in national competition legislation;
- Parliamentary and stakeholders workshops on the

- Competition Bill in Angola (Luanda, 21–22 April), which contributed to a better understanding of the contents of the bill by members of Parliament and stockholders in order to ensure its passing by the Parliament;
- In the course of a mission to Ghana (Accra, 29 March–3 April), an agreement was achieved with national stakeholders on the structure and follow-up activities of a project on the elaboration of competition and consumer protection laws and policies and the creation of the appropriate enforcement agencies in Ghana;
  - The Draft Competition Bill of Lesotho was presented for the consideration of stakeholders and the Government of Lesotho during a meeting (Maseru, 17–18 September);
  - A monitoring meeting with national consultants on the COMPAL programme was held in Costa Rica (San Jose, 1–2 October). It provided backstopping to national consultants to finalize draft regulations in the area of interface between competition and investment policy reviews (IPRs) as well as drafting a Manual on ad hoc administrative proceedings for the competition authority;
  - An advisory mission to Botswana (Gaborone, 17–18 November) to advise Government officials and members of the Parliament on the content of the Competition Bill before presenting it to the Parliament;
  - A meeting with the President of Paraguay and a seminar on competition law and policy in Asuncion (9–10 November). These raised awareness of the importance of passing the Competition Bill in the Parliament among high-level Government officials and the President; and
  - A national workshop on the draft Completion Bill in São Tome and Principe (9 December). It facilitated the revision of the draft bill for its submission for adoption.
- ### Training of competition case handlers
- Several capacity-building activities to train case handlers were implemented as follows:
- Within the framework of the Workshop on Investment Agreements and Competition Policy in Swaziland (Mbabane, 8–20 March), UNCTAD provided technical advice on the Economic Partnership Agreements negotiation process to the staff of the Ministry of Trade and Industry;
  - A Workshop on Merger Control for the staff of the Indonesian competition authority in Jakarta (14–15 May). It contributed to building up knowledge of Government officials about merger control with a view to consequent enforcement of the national competition legislation. This workshop was followed by a Workshop on the Validation of the KPPU Manual on Competition Law and Policy (18–20 May). It validated the UNCTAD Competition Manual and other training and testing materials in order to adapt them to specific features of Indonesian competition law and policy and to use them for training of trainers and new staff of the Indonesian competition authority;
  - Training of trainers course on competition law and policy, consumer protection and investment policies for officials from the Kurdistan Regional Government of Iraq (Geneva, 8–12 June). It provided greater awareness of competition law and policy and investment issues among participants and helped to establish links with governmental and academic circles for promoting competition advocacy;
  - A study tour to the Australian Competition and Consumer Commission for officials from Bhutan (Canberra, 22–27 May). The study tour helped officials to become familiar with finalization of the

institutional framework for a consumer protection agency and receive training on the application of the Consumer Protection Law. It contributed to a better understanding of issues required for the creation of an efficient consumer protection agency and for using ICT in handling and tracking complaints and processing reports. It also resulted in the acquisition of a simplified version of the ICT software for use in Bhutan;

- A meeting to review regulations on the application of competition legislation and to elaborate terms of reference for several sectoral studies in the Dominican Republic (Santo Domingo, 16–17 July). It enhanced participants' awareness of issues in competition legislation;
  - A workshop for lawyers and sector regulators on the application and enforcement of the national competition law in Swaziland (Mbabane, 20-23 July);
  - A workshop on the linkage of consumer protection issues and the informal sector in Bolivia (La Paz, 20-21 July). It raised awareness of existing shortcomings in different sectors and of the need to elaborate a coherent competition and consumer protection policies;
  - A workshop on linkages between competition policy and IPRs in Ecuador (Quito, 23-24 July). It facilitated a sharing of experiences on the situation in the pharmaceutical sector in Latin America and agreed on a study on Ecuador;
  - A training workshop on investigation techniques for competition case handlers in Nicaragua (Managua, 24–30 September), for the staff of the newly created competition authority. It also helped to finalize the UNCTAD manual on investigation techniques of the best competition practices;
  - A training workshop on competition law and policy in Paraguay (Asuncion, 1–12 November) to increase awareness of the officials from the Ministry of Trade and Industry of specific aspects of competition cases; and
  - A training workshop for case handlers on the enforcement of competition legislation in Peru (Liquitos, 17-20 November). During the workshop the staff of the provincial office of the regional competition authority was trained in the area of specific aspects of enforcing competition legislation.
- UNDP/UNCTAD meeting in the Syrian Arab Republic (Damascus, 9–13 February) significantly contributed to starting the operations of the Syrian Competition Commission;
  - An induction workshop for the Board of Commissioners of the Competition and Fair Trade Commission of Malawi (Mangochi, 23–24 March) was followed by assistance in recruiting new staff for the Commission. It enhanced knowledge on the role of Commissioners in the administration and enforcement of competition law and policy;
  - A fact-finding mission to Uruguay (Montevideo, 14–16 September) to the newly created Competition Commission of Uruguay helped finalize a project document on the enforcement of competition and consumer protection agencies in the country; and
  - Consultations with provincial and municipal authorities held in Peru (Liquitos, 16 November) helped increase their awareness of the importance of strengthening the local office of the competition authority.

### Consumer protection

A number of activities in support of consumer protection issues were implemented:

- A workshop on Competition and Consumer's Laws and Policies was held in Bhutan (Paro, 5 March). It addressed coherence between different legislation enforced by different partners and identified synergies between assistance provided by various donors, including UNCTAD, on consumer protection. The workshop resulted in the identification of a common UNCTAD/UNDP project. It was followed by a meeting on the findings of the UNCTAD market survey on the state of safety of consumer products, guarantees, labelling, prices and warrants (Paro, 6 March). The meeting disseminated the results of the survey, exchanged views and feedback on the acquired experiences and future process. It was agreed that future surveys should be held annually and monitored by the Government;
- A meeting for the Ministry of Commerce of Cambodia (Phnom Penh, 10 March) contributed to the elaboration of the national Consumer Protection Law and of the institutional framework for its implementation. The consultative meeting invited all stakeholders to start working out concrete measures in this area. It took place back-to-back with the review of the Consumer Protection Law. A follow-up meeting on the Consumer Protection Law (Phnom Penh, 19–20 October) discussed the draft Consumer Protection Law;

### Institution-building

UNCTAD's support to countries that have adopted national legislation, and to newly established competition agencies included activities in institutional building:

- A consultative meeting on the Consumer Protection Law and a Seminar on Consumer Protection and Fair Trading were held in the Lao People's Democratic Republic (Vientiane, 22–23 October). As a result, comments on and details of the draft law were considered and a procedure for further work was agreed upon, including a schedule of additional meetings before presenting the final draft to the Government;
- A consultative meeting on the development of a communication strategy for consumer protection advocacy was held in Botswana (Gaborone, 17–19 August). The meeting initiated the preparation of a consumer protection strategy manual which will serve as a base of a consumer protection advocacy programme;
- A national Workshop on Consumer Law and Policy was organized for civil society and sector regulators in Malawi (Lilongwe, 24–25 September);
- A national Seminar on Consumer Protection in Ecuador (Cuenca, 29–31 October) increased awareness of consumer protection issues and of the UNCTAD guidelines on consumer protection among different groups of population, including indigenous people and owners of SMEs;
- Study tours on consumer protection issues were organized for Botswana's officials to the Australian Competition and Consumer Commission (24–26 November) and to the Hong Kong (China) Consumer Council (1–2 December). These study tours improved the understanding and knowledge of officials of different consumer protection issues, including advocacy programmes and capacity-building initiatives.

### **Competition and consumer protection policies for Latin America (COMPAL)**

Activities carried under the COMPAL programme strengthened competition and consumer protection law and policies in five Latin American beneficiary countries (Bolivia, Costa Rica, El Salvador, Nicaragua and Peru). This comprehensive programme comprises the preparation of sectoral studies, reports, manuals, guidelines, brochures, seminars, workshops and training activities targeting various stakeholders. Following the successful implementation of COMPAL I (2005–2008), resources were obtained for COMPAL II for the period 2009–2012, including Colombia as the sixth beneficiary country and comprising activities at both national and regional levels. COMPAL II's regional component will strengthen cooperation between beneficiary countries and disseminate

lessons learned from COMPAL activities throughout Latin America. To this end, a regional seminar was jointly organized by UNCTAD and SELA in Venezuela (Caracas, 20–21 April). Meetings in the field to launch COMPAL II at national levels and dissemination events on the results of COMPAL I were also held in San Jose (16–17 April), Bogota (22–24 April) and Lima (27–28 April). In addition, technical assistance was provided to Ecuador, the Dominican Republic, Uruguay and Paraguay.

### **Competition programme for Africa**

A new competition programme for Africa (AFRICOMP) was officially launched in Geneva on 22 June. This new initiative aims to help African countries develop appropriate administrative, institutional and legal structures for effective enforcement of competition and consumer law and policies. Most of UNCTAD technical cooperation activities in Africa in the second half of 2009 were undertaken within the framework of AFRICOMP. The programme provides for a more coordinated and streamlined approach in technical cooperation activities based on the needs of each beneficiary country while promoting regional cooperation. It emphasizes beneficiaries' ownership and the demand-driven aspect of technical cooperation. The programme further seeks to establish closer links with the private sector, as well as with NGOs and local learning institutions.

### **D. Cooperation with other organizations**

The Branch has an extensive network of cooperating partners with whom many of the analytical and capacity-building activities are implemented. Through the IGE, the Branch has established long-standing cooperation with national competition authorities and competition experts worldwide. This is being further strengthened with selected countries through its national-level capacity-building activities and recently the conduct of voluntary peer reviews. Cooperation with NGOs and the civil society, as well as the private sector, is also undertaken by the Branch.

As UNCTAD technical cooperation and capacity-building activities were provided both at the national level and through regional and subregional activities, the relations with regional integration groupings of developing countries have been strengthened to support the development and implementation of regional competition policy.

UNCTAD assisted SACU in the preparation of

common rules for competition policy and unfair trade practices. A SACU Technical Workshop for the development of the SACU Draft Cooperation Agreement on Competition Policy Enforcement and an Annex on Unfair Trade Practices (Articles 40 and 41 of the SACU agreement) were co-organized by UNCTAD and the SACU secretariat in Namibia (Windhoek, 23–25 March). It contributed to finalizing Article 40 for the presentation to the Council of Ministers of SACU and agreed on the follow-up work on Article 41.



Advisory assistance on the implementation of the SADC regional cooperation agreement on competition and consumer law and policy was provided to SADC member States during a regional seminar on competition law and policy in Botswana (Gaborone, 18–21 August).

A regional Seminar on Trade and Competition: Prospects and Future Challenges for Latin America and the Caribbean was jointly organized by SELA and UNCTAD in the Bolivarian Republic of Venezuela (Caracas, 20–21 April), to identify areas for further research and recommendations for policymakers to deepen regional integration and promote economic development. The seminar discussed a wide range of issues and agreed on recommendations for a regional agenda on trade and competition for Latin American and Caribbean countries.

## E. Assessment and lessons learned

In line with the Accra Accord and with the resolution adopted by the Fifth United Nations Conference to Review All Aspects of the Set of Multilaterally Agreed Equitable Principles and Rules for the Control of Restrictive Business Practices, UNCTAD continued its demand-driven efforts to assist in the creation

of a competition culture worldwide through (a) extensive technical assistance, capacity-building and dissemination programmes; (b) preparations for, and actual servicing of, the tenth session of the IGE; and (c) substantial documentation.

UNCTAD's activities have greatly contributed to the awareness of developing countries and countries with economies in transition about the necessity of adopting and effectively implementing competition law and policy. The annual IGE continues to serve as a unique forum for competition institutions and experts to discuss, review and develop consensus on key issues in this field. A particular success was the voluntary peer review of the competition policy of Indonesia. Voluntary peer reviews have so far been conducted for Costa Rica, Jamaica, Kenya, Tunisia, the West African Economic and Monetary Union, and Costa Rica, and have allowed an exchange of views and best practices among competition agencies on the role that competition law and policy can play in fostering competitiveness and development.

Assistance in the form of conferences, seminars, workshops, training and advisory missions was provided to assess the adverse effects of anti-competitive practices on trade and development and to adopt, reform and implement effectively competition laws and policies, including by advising on the drafting of domestic competition and consumer protection legislation or regional rules in this field, and on institution-building in respect of competition authorities. UNCTAD's activities have increased awareness of developing countries about the necessity of adopting and effectively implementing competition law and policy. With UNCTAD's assistance Bhutan, Cambodia, the Dominican Republic, Ecuador, Indonesia, the Lao People's Democratic Republic, Lesotho, Rwanda and Uruguay achieved the most progress in the preparation, adoption, revision and implementation of national competition and consumer protection legislation in 2009. The feedback received from technical cooperation activities was favourable. UNCTAD has been considered by the international community as one of the principal international organization active in this area.

Outputs by UNCTAD provided an opportunity for an exchange of views and sharing of experiences between Government officials involved in competition issues, international experts, representatives from regional and international institutions and civil society. They helped to position member States' competition policy role in (a) the promotion of competitiveness and development; (b) the need for a development-

oriented competition policy and its implications at the national, regional and international levels; and (c) the strategies for international cooperation in the field of competition law and policy including in helping to promote achievement of the MDGs.

In accordance with paragraph 103 of the Accra Accord, work has begun on putting into practice voluntary consultations and cooperation in resolving case specific disputes among member States and regional groupings in line with the section F of the United Nations Set.

As countries seek to elaborate development-oriented competition and consumer policies to enhance their competitiveness and development, more in-depth economic analysis has been requested, both in relation to their domestic needs as well as international negotiations. In particular, the need to strengthen capacities at the regional levels has been demonstrated. In providing its contribution to enhancing member States' understanding of competition-related issues in the overall development process, UNCTAD's consultative, analytical, capacity-building and technical cooperation activities will need to take better account of domestic economic realities and the potential offered by regional integration. This needs to be achieved in close cooperation and with technical and financial support from national competition agencies of developed countries and their donor institutions. This close cooperation between UNCTAD, donor institutions and developing countries competition authorities has proven to be very effective in exchanging knowledge, expertise and developing networking among competition experts.

Specific attention is and should continue to be paid to the feedback received from users of different outputs/activities, in order to adjust the assistance provided to the demand. However, it has become apparent that requests for assistance with competition law and policy and consumer welfare continue to exceed the assistance currently provided by UNCTAD.



## V. STRENGTHENING THE CAPACITY TO FORMULATE AND IMPLEMENT MUTUALLY SUPPORTIVE TRADE, ENVIRONMENT AND SUSTAINABLE DEVELOPMENT OBJECTIVES

Strengthened capacity of developing countries to pursue both trade and trade policy objectives and sustainable development objectives in a mutually supportive fashion, and increased attention to the sustainable development objectives of developing countries in international discussions (expected accomplishment (e) of the secretariat in subprogramme 3, table 12.13 (A/62/6 Sect. 12)). This corresponds to Accra Accord paragraphs 99–102 and 105

The Branch works to strengthen the capacity of developing countries to (a) formulate and implement mutually supportive trade, environment and sustainable development objectives; (b) integrate sustainable development objectives in development strategies at all levels; and (c) support the effective participation of developing countries in international deliberations on trade and environment. In its work, special attention is paid to the interaction between the three pillars of UNCTAD.

The Branch is composed of two sections: the Biodiversity and Climate Change Section and the Trade and Sustainable Development Section. The Biodiversity and Climate Change Section implements (a) the BioTrade Initiative, which supports sustainable development through trade and investment in biological resources, consistent with the objectives of the Convention on Biological Diversity; (b) the BioTrade Facilitation Programme, which facilitates sustainable trade in biodiversity-based products and services through innovative collaborative arrangements that enhance sustainable bio-resources management, product development, value-added processing and commercialization; (c) the BioFuels Initiative, which supports developing countries in assessing their potential in embarking on the use and production of biofuels as an emerging trade, investment and energy-alternative opportunity; and (d) the Climate

Change Programme, which brings governments, industry and civil society together to address climate change through its trade and investment implications focusing on the economic and development aspects of climate change.

The Trade and Sustainable Development Section implements activities that focus on three key thematic clusters: (a) the analysis of developmental and market access impact of voluntary sustainability standards; (b) the promotion of production and trade of sustainable agriculture, including organic agriculture; and (c) the fostering of sustainable commodity production through the Sustainable Commodity Initiative. It implemented technical assistance and capacity-building activities under the Consultative Task Force on Environmental Requirements and Market Access for Developing Countries (CTF), the UNEP-UNCTAD Capacity-Building Task Force on Trade, Environment and Development (CBTF), and the UNCTAD-FAO-IFOAM International Task Force on Harmonization and Equivalence in Organic Agriculture (ITF) and its successor project Global Organic Market Access (GOMA).

### A. Intergovernmental deliberations and consensus-building

The Expert Meeting on Trade and Climate Change: Trade and Investment Opportunities and Challenges under the Clean Development Mechanism (CDM), 27–29 April, contributed to a better understanding of the CDM and how the participation of developing countries can be enhanced. The meeting concluded that UNCTAD should (a) assist developing countries in pursuing nationally appropriate mitigation actions; (b) enhance the institutional capacity of developing countries to carry out activities under the CDM; and (c) consider active involvement in the implementation of the Nairobi Framework, which is an interagency collaboration mechanism involving the United Nations Framework Convention on Climate Change (UNFCCC), World Bank, UNEP, UNDP and African Development Bank. Moreover, with its analytical, technical and capacity-building expertise, UNCTAD should assist developing countries in identifying opportunities under the CDM and design low carbon-intensive development strategies to attract investments in areas where national advantages exist.

An Ad Hoc Expert Meeting on Facilitating Access of Small Organic Farmers in Developing Countries to Supermarket Shelves, 10-11 December, was held in cooperation with the International Federation

of Organic Agriculture Movements (IFOAM) and GLOBALGAP secretariats. Demand for organically grown produce in supermarket shelves as well as in the food processing and catering industry is currently the most dynamic growth segment of total global demand for organic produce. As many of the buyers in these markets are either members of GLOBALGAP or apply the GLOBALGAP requirements, there is increasing interest to demand that organic producers also meet the requirements of GLOBALGAP (aimed at ensuring consistent application of Good Agricultural Practices with a particular focus on health and safety of fresh produce). This results in double inspection and certification requirements and potential loss of market for many organic farmers, particularly small-scale farmers.

The meeting brought together some 30 representatives of all key stakeholder groups, including producers from around the world, traders, retailers, standard setters and certification bodies to discuss practical experiences in production and sales of doubly certified products and means to reduce costs. It identified two practical options to move ahead and a set of criteria for successful solutions. Both approaches take certified organic products as the starting point. They are:

- “Organic Plus” Approach: Development of additional, optional modules on food safety and occupational health and safety to accommodate GLOBALGAP requirements, which could be combined with organic certification;
- “GLOBALGAP Interpretative Guidelines” Approach: Creating organic interpretive guidelines for organic production under GLOBALGAP certification, which would have the effect of eliminating some requirements that are non-applicable to organic production schemes and advising how yet other requirements could be addressed by auditors and certification reviews in a streamlined way.

The meeting also agreed on a work plan for future activities, including consultations with GLOBALGAP and IFOAM constituencies in early 2010.

The Branch participated in the servicing of the First session of the Trade and Development Commission, and contributed on green growth development strategies to the preparations for the second session in 2010.

## B. Research and analysis

Highlights of the Branch’s analytical work included:

- The Biofuels Market: Current Situation and Alternative Scenarios (UNCTAD/DITC/BCC/2009/1);

- Developing country interests in climate change action and the implications for a post-2012 climate change regime (UNCTAD/DITC/BCC/2009/2);
- The state of play of the Clean Development Mechanism: review of barriers and potential ways forward (UNCTAD/DITC/BCC/2009/3);
- The Business of BioTrade: Using biological resources sustainably and responsibly (UNCTAD/DITC/BCC/2009/4);
- Issue paper concerning the proposed amendments to the Novel Foods Regulation: Definitions, Concepts and History of Safe Food Use (UNCTAD/DITC/BCC/2009/5);
- Trade and Environment Review 2009/2010: Promoting poles of clean growth to foster the transition to a more sustainable economy (UNCTAD/DITC/TED/2009/2);
- Harmonization and Equivalence in Organic Agriculture. Volume 6 Background Papers of the International Task Force on Harmonization and Equivalence in Organic Agriculture (UNCTAD/DITC/TED/2009/1);
- Tools of the ITF: International Requirements for Organic Certification Bodies (IROCB) and Equitool (UNCTAD/DITC/TED/2009/1);
- Sustaining African Agriculture: Organic Production. UNCTAD Policy Brief No. 6, February 2009 (UNCTAD/PRESS/PB/2009/1/rev.1);
- Comparative study on the GLOBALGAP Fruit and Vegetables Standard and the EU Organic Agriculture Regulation;
- World Trade Law and Renewable Energy: The Case of Non-Tariff Barriers (UNCTAD/DITC/TED/2008/5); and
- WTO Negotiations on Environmental Goods and Services: A Potential Contribution to the Millennium Development Goals (UNCTAD/DITC/TED/2008/4).

Efforts were also made to translate some key studies including the ITF Tools into Spanish and the Best Practices for Organic Policy into French.

## C. Advisory services, technical assistance and capacity-building

### Climate change

Through the Climate Change Programme, UNCTAD supported African countries in articulating their interests in the ongoing climate change negotiations. An analytical study of the negotiating text prepared by the Chair of the Ad hoc Working Group on Long-term Cooperative Action under the Convention was prepared. It focused on areas

where African countries may have interest within the Bali Road Map, specifically as they relate to nationally appropriate mitigation actions, adaptation, technology transfer and finance. The results of the study were presented at the technical session of the African Ministerial Conference on the Environment Pre-Conference of the Parties (COP15) meeting, held in Addis Ababa on 21–23 October. Lead negotiators and high-level experts on climate change benefitted from UNCTAD's contribution. Additionally, UNCTAD made a presentation on trade and climate change – “Advancing Development Gains in the Trade and Climate Change Agenda”.

On the occasion of COP15, UNCTAD jointly organized a side event with the African Union Commission on “Development opportunities for African countries under a post-2012 climate change regime” on 11 December in Copenhagen, Denmark. The event was organized to assist African negotiators in articulating their interests in the ongoing climate change negotiations.

UNCTAD participated in conferences, meetings, seminars and roundtables such as:

- Energy Pact Conference (16–17 March, Geneva);
- Ethanol Summit (1–3 June, Sao Paulo, Brazil);
- World Meteorological Organization (WMO) Dialogue on “Biofuels, Trade Policy and Sustainable Development” (17 June, Geneva);
- Africa Progress Panel workshop on “Kick-Starting Africa's Carbon Markets” (17–18 November, Geneva);
- WTO Seminar on “Climate Change, Trade and Competitiveness” (17 October, Geneva);
- United Nations Economic Commission for Europe (UNECE) Committee on Sustainable Energy (18-20 November, Geneva);
- COP15 of the UNFCCC (7–18 December, Copenhagen, Denmark);
- Various United Nations-organized side events during COP15 such as:
  - Nairobi Framework – Status and future Impacts in Africa (11 December);
  - Advancing Work on Adaptation to Climate Change: A United Nations System (14 December);
  - First Steps Towards a Low-Carbon United Nations (15 December);
  - International Cooperation on Technology Transfer: Time for Action (16 December); and
  - UN main side event on “The United Nations System Delivering as One on Climate Change” (16 December).

## Biotrade

UNCTAD, through the BioTrade Initiative and its BioTrade Facilitation Programme, conducted an initial assessment of biotrade value chains in Aceh, Indonesia, and has identified a list of biodiversity-based sectors such as natural ingredients, handicrafts, and aquaculture, which could be supported under the pilot project. In addition, some sectors have been prioritized the support of national and international experts as well as companies and BioTrade partners such as SIPPO. Discussions are also underway with the National Agency for Export Development (NAFED) in assessing interest and defining next steps to develop a national initiative in Indonesia. Other government entities such as the State Ministry of National Development Planning/ National Development Planning Agency (BAPPENAS) have also been approached with the support of UNDP Indonesia.

Technical assistance was provided to the BioTrade Programme in Colombia, where an advisory mission to Bogota was undertaken (12–14 August) to support biotrade activities implemented under the new phase of the BioTrade Programme developed by the Ministry of Environment, Housing and Territorial Development (MAVDT) and the Comité Técnico Nacional de Biodiversidad y Competitividad (CTNBC).



In Uganda, the BioTrade Initiative continued to support the mainstreaming of BioTrade sectors into national development strategies as well as in strengthening competitiveness of BioTrade SMEs involved in the natural ingredients and wildlife trade sectors.

In collaboration with UNEP, a Biotrade project was launched to strengthen biotrade-related capacities in Namibia, Nepal and Peru. A set of national and international, interrelated and mutually supportive activities are carried out, involving national institutions, NGOs, local businesses, the private sector and governments. By providing a hub for effective

exchange of experiences and lessons learned, the UNEP-GTZ project also promotes South–South cooperation between participating countries. This enables the replication of successful models of seizing opportunities and overcoming barriers in biotrade.

In addressing the constant need to define and measure biotrade contribution to sustainable development as well as the conservation/sustainable use of biodiversity in a harmonized and structured manner, a BioTrade Impact Assessment System was developed. Field testing on sectors such as natural ingredients for cosmetic and food sectors, fauna for leather and pets, handicrafts and sustainable tourism was carried out in Bolivia, Colombia, Ecuador, Namibia, Swaziland and Uganda.

UNCTAD continued to assist developing country negotiators in their participation in the ongoing revision of the Novel Foods Regulation, particularly on issues related to development and legal considerations, history of safe use assessment and important definitions and concepts as well as in identifying priorities and strategic options.

The private sector is a key stakeholder in the conservation and sustainable use of biodiversity. In engaging it in implementing biodiversity-related multilateral environmental agreements, particularly the Convention on Biological Diversity, a workshop on “The Business of BioTrade: Conserving biodiversity through using biological resources sustainably and responsibly” was organized (24 November, Geneva). It enabled participants to share experiences, challenges and opportunities encountered in promoting private sector engagement in the conservation and sustainable use of biodiversity.

A workshop on “Promoting an international enabling environment for biodiversity-related economic incentive measures” was organized (25 November, Geneva). The workshop increased the understanding of participants of the international legal framework for emerging biodiversity-related markets as well as provided a platform to discuss and analyze relevant legal issues on the formulation and implementation of trade-related economic incentive measures for the sustainable use and conservation of biodiversity.

In increasing the awareness and understanding of BioTrade issues by public and private stakeholders, the Initiative participated in various seminars, workshops, conferences as well as discussions of international development processes such as the following:

- International Conference on Sustainable Production, Trade, Consumption and Lifestyle (17–18 February, Nuremberg, Germany);
- Multi-Stakeholders Consultations on Bio-cultural Protocols (1 April, Paris, France);
- In-cosmetics Munich and “The Beauty of Sourcing with Respect” conference (23–24 April, Munich, Germany);
- Side event on “Making the private sector a full partner in CITES implementation” (7 July, Geneva);
- First meeting of the “Commission for Biodiversity, Ecosystems, Finance and Development” (11 September, New York);
- CBD International Workshop on Incentive Measures (12–14 October, Paris, France);
- EXPOSUSTENTAT (26–28 October, São Paulo, Brazil);
- CBD Third meeting on Business and the 2010 Biodiversity Challenge (30 November to 3 December, Jakarta, Indonesia); and
- Third International Fresenius Conference on Novel Foods (7–8 December, Frankfurt, Germany).

UNCTAD also participated in the CBD Working Group on Access and Benefit Sharing in April.

### **Organic Agriculture in Africa (UNEP–UNCTAD CBTF)**

In the framework of the UNEP–UNCTAD CBTF the following activities were implemented in 2009:

- A study on providing an Overview of Organic Agriculture in East Africa is under preparation; and
- The CBTF study “Best Practices for Organic Policy” was translated into French and Spanish.

CBTF funded and co-organized with national partners in the public and private sector the following regional and national activities:

- The African Organic Conference 2009, including the preceding East African Organic Conference (19–22 May, Kampala, Uganda). This was the first organic conference directed at all African countries and played an important role in building and expanding networks between organic stakeholders all over the continent. The conference served as a platform to share experiences, knowledge and skills between stakeholders of countries whose organic sectors are at different development levels. Stakeholders of organic sectors throughout Africa came together to learn, network, and discuss the potential of organic agriculture. Moreover, present obstacles were addressed and possible solutions were discussed. It was preceded by a West African and an East African Organic Conference, the later

being funded and mainly organized by CBTF. The two regional conferences served as a platform to discuss regional challenges, opportunities and achievements, and elaborate future plans. Links and networks between the national organic stakeholders and within the region were strengthened;

- Burundi: A one-day awareness raising workshop followed by a two-day training workshop on organic agriculture (18-20 November). The workshop helped to raise awareness, inform stakeholders on the subject and, together with the launch of the Burundi Organic Agriculture Movement, to give a boost to the sector development in the country;
- Ethiopia: A one-day Ethiopian Organic Forum: Public-Private Partnership (9 July) created awareness among policymakers and facilitated public-private dialogue. As a direct output of the meeting, the attending Government officials approached CBTF with the request for help in developing a better system for third party certification and its supporting legislation. CBTF took up this request and funded a consultant to meet with different stakeholders (October 2009) and come up with such a proposal as well as tailored policy recommendations. Hence, the Ethiopian Government now has two useful tools at hand to promote the sector's development in the country;
- Rwanda: A two-day organic stakeholder workshop to strengthen the cooperation of the sector and work on an action plan for organic agriculture (30 November-1 December);
- United Republic of Tanzania: One national and two regional stakeholder meetings to promote the implementation of the national Organic Agriculture Development Programme (NOADP) as well as two meetings of a task force to include the findings of the stakeholder meetings into an action plan for the implementation of NOADP (regionals: June, September 2009; national: 28 August 2009);
- Uganda: A national stakeholder consultation on the Ugandan draft organic policy as well as several meetings of the organic policy group to include the findings of the different consultations in the draft (27 August 2009); and
- Kenya: Consultations with key Kenyan public and private sector stakeholders regarding development of a Kenyan organic agriculture policy.

### Online training on organic agriculture (UNEP-UNCTAD CBTF)

In November, the CBTF in cooperation with UNITAR

launched the first-ever online training course on Successful Organic Production and Export. The course attracted worldwide attention with more than 600 applications from 80 countries and territories.

This course builds capacities of participants to understand organic farming and its benefits, and enable them to overcome production and export challenges. It provides step-by-step guidance for conversion to organic farming, and monitoring benchmarks for quality assurance in order to meet the necessary standard and certification requirements for accessing local and international markets. The entire value chain and its formation is covered, from the moment an uncultivated piece of land is brought under organic production or a conventional farm is converted into organic, until products reach markets. The course focuses, in particular, on meeting the requirements of the EU market. Participation was enthusiastic and feedback very positive. Course details are available at <http://www.unitar.org/pft/cbtf>.

### Removing technical barriers to international trade in organic agricultural products

UNCTAD, FAO and IFOAM have been working closely together since 2001 to facilitate trade in organic products through harmonization and equivalence. This has been through the UNCTAD-FAO-IFOAM International Task Force on Harmonization and Equivalence in Organic Agriculture (ITF, 2003-2009) and its successor project, GOMA, launched in June.

From 17 to 20 February, the ITF tools and final recommendations were presented to organic sector stakeholders at a workshop at Biofach (Germany), the world's largest organic trade fair. The ITF tools are:

- Equitool – a tool for determining equivalence between organic standards; and
- IROCB (International Requirements for Organic Certification Bodies) – a set of performance requirements for organic certification. It is based on ISO 65 and adapted for the organic sector.

ITF has been participating in the ISO 65 revision process with a view to making the norm better suited for control of processes as well as final products. IROCB has been submitted as an input into this revision process.

In April, ITF organized a regional workshop for Central American countries and the Dominican Republic in Santo Domingo in cooperation with the Inter-American Institute for Cooperation on Agriculture (IICA) and the Government of the Dominican Republic. The objective was to present the ITF tools and recommendations

for application in the region to the key public and private sector actors involved in organic agriculture production, certification, regulation and trade. It was reportedly the first regional meeting that brought together the Government focal points (competent authorities) with the heads of the organic agriculture movements. The workshop was followed by a meeting of the Organic Agriculture Regional Commission of Competent Authorities of Central America and Dominican Republic. Participants agreed that the priority for the region was to develop a common organic agricultural standard, and then as a second step to use the ITF tools to facilitate international and regional trade based on the common standard. ITF–GOMA was asked to help. In the second half of 2009, a joint ITF–IICA project was developed to start in 2010. In June, the GOMA project was launched. GOMA project activities include:

- Outreach to share knowledge about the ITF tools and possibilities for cooperation;
- Pilot projects to test the tools in various environments;
- Technical assistance to governments and private sector stakeholders to implement the tools and related recommendations;
- Facilitation of new regional initiatives for cooperation on harmonized organic standards development and multi-lateral equivalence; and
- Analysis of the organic trade system and evaluation of the trade-facilitating.

GOMA is currently focusing on regional organic standards development in Central America and a scoping study and consultation in Asia for cooperation on harmonization and equivalence. The latter included consultations with CNCA and the Ministry of Agriculture of China in May about their role in regional harmonization and participation in October in Bangkok in the Working Group of Agriculture of the Greater Mekong Strategy Programme (organized and financed by Asian Development Bank).

### **Sustainable Commodity Initiative**

The Sustainable Commodity Initiative (SCI) is a partnership of UNCTAD and the International Institute for Sustainable Development. UNCTAD-led activities in 2009 focused on the field implementation of SCI programme including:

- The Committee on Sustainability Assessment (COSA) – a set of assessment tools to measure the costs and benefits of implementing sustainability programmes in agriculture at the field level. This programme was applied in the United Republic of Tanzania and Colombia at the national level

in the coffee sector and in Côte d'Ivoire in the cocoa sector. Currently, the system is being expanded to coffee in Viet Nam, Kenya and Brazil. A COSA website has been established and a system of propensity scoring is used to match the treatment groups to control groups and the data is then analyzed. This data is interfaced with ITC's Trade for Sustainable Development website (a site presenting comprehensive information on sustainability initiatives) and the data can then be queried by the public;

- A partner programme is the Sustainable Commodity Assistance Network (SCAN) which is a global network of service providers and standard-bodies supporting sustainable production (20 leading institutions). The SCAN provides coordinated technical assistance on sustainable farm management and sustainable business management. In 2009 needs assessments (funded by HIVOS and Solidaridad) were conducted in four countries (the United Republic of Tanzania, Viet Nam, Peru and Honduras) which consisted of examining the critical needs at the national level and recommending the composition of a national service provision platform of SCAN partners and local entities (public and private). The Vietnamese and Peruvian platforms are developing management and best agricultural practices manuals. In the United Republic of Tanzania, the focus is on low-entry quality management systems.

### **Sustainability standards and good agricultural practices (GAP)**

UNCTAD acted as resource in the WTO Regional Workshop on Trade and Environment in Asia (Singapore, February) and organized a side event on the development impact and market access effects of sustainability standards.

UNCTAD and FAO jointly produced a CD-ROM compiling background and training material on good agricultural practices applied in fruit and vegetable exporting developing countries.

UNCTAD actively participated on the Steering Committee of the Trade Standards Practitioners Network (TSPN). The Steering Committee conceptualized the nature and main clusters of TSPN activities. A user's guide on proactive use of sustainability standards by key decision-makers is under preparation.

A new UNCTAD project was approved by the Standards and Trade Development Facility on good agricultural practices to facilitate intraregional Asian trade in fresh fruits and vegetables.

## Websites

A wealth of information is available on the following websites: Climate Change Programme [www.unctad.org/climatechange](http://www.unctad.org/climatechange); BioTrade Initiative <http://www.unctad.org/biotrade/Intro/bti.htm>; Trade and Sustainable Development Section [www.unctad.org/trade\\_env](http://www.unctad.org/trade_env); UNEP-UNCTAD Capacity Building Task Force on Trade, Environment and Development [www.unep-unctad.org/cbtf/](http://www.unep-unctad.org/cbtf/); UNCTAD-FAO-IFOAM International Task Force on Harmonization and Equivalence in Organic Agriculture [www.itf-organic.org](http://www.itf-organic.org); and UNCTAD-FAO-IFOAM Global Organic Market Access [www.goma-organic.org](http://www.goma-organic.org).

## D. Cooperation with other organizations

Cooperation and partnership with other organizations is the hallmark of UNCTAD's work on trade, environment and development. Main partners include (a) intergovernmental organizations such as UNEP, ITC, WTO, FAO, the World Bank and the secretariats of the Multilateral Environmental Agreements; and (b) Governments, research centres and universities, national and international NGOs and relevant initiatives. UNCTAD operates in partnership in virtually all its work on climate change, biotrade, sustainable commodities, sustainability standards and organic agriculture.

The BioFuels Initiative continued to offer a facilitating hub for programmes or initiatives already underway in a number of institutions. It has maintained partnerships with intergovernmental organizations, Governments, applied research centres, NGOs and relevant initiatives such as the International Bioenergy Platform of the Food and Agriculture Organization of the United Nations (FAO), the UNFCCC, the G-8 Global Bioenergy Partnership, UNEP-Risoe, UNIDO, the EPFL/WEF Roundtable for Sustainable Biofuels (RSB), the International Federation of Agricultural Producers, and the Inter-American Development Bank, among others.

Under the BioTrade Initiative and the second phase of the BioTrade Facilitation Programme (BTFP II), the following innovative collaborative arrangements have been established:

- (a) New strategic partnership with Convention on International Trade in Endangered Species (CITES) to support the implementation of its work programme, particularly in promoting the sustainable use of CITES-listed species and private sector engagement. UNCTAD is also a member of the informal private sector network, an initiative launched to promote private sector

engagement during the fifty-eighth meeting of the CITES Standing Committee in July;

- (b) UNCTAD and UNDP Indonesia are jointly implementing a project in Aceh where biotrade was identified as a strategy for disarmament, demobilization and reintegration;
- (c) UNCTAD prepared a brief on the BioTrade framework and experiences in Latin America for the UNDP Regional Programme for Latin America and the Caribbean in the framework of the initiative "Biodiversity and Ecosystems: Why these are Important for Sustained Growth and Equity in Latin America and the Caribbean";
- (d) UNCTAD contributed to the report for businesses of The Economics of Ecosystems and Biodiversity, a global study jointly initiated by the German Federal Ministry for the Environment and the European Commission to analyse the global economic benefit of biological diversity;
- (e) Institute of Sustainable Development and International Relations in building awareness on business and biodiversity and promote business engagement through the creation of an experts' group; and
- (f) Association Orée – entreprises, territoires et environnement – in promoting business engagement from the French industry on biodiversity issues through the creation of an experts' group.

UNCTAD joined the inter-agency collaboration and coordination effort involving the UNFCCC, the World Bank, UNEP, UNDP, UNITAR and the African Development Bank to implement the Nairobi Framework, established to improve the level of participation of developing countries, especially in sub-Saharan Africa in the CDM under the Kyoto Protocol.

UNCTAD is also a key partner in the inter-agency Green Economy Initiative (GEI), led by UNEP. The GEI is designed to assist governments in "greening" their economies by reshaping and refocusing policies, investments and spending towards a range of sectors, such as clean technologies, renewable energies, water services, green transportation, waste management, green buildings and sustainable agriculture and forests.

In work related to organic agriculture, key international partners are FAO, ITC and IFOAM. UNCTAD also works closely with governments, national organic agriculture movements, universities and research institutions. For example, all CBTF activities in Africa were co-organized with these partners. GOMA activities in Central America will be implemented jointly with the Governments of the countries and IICA.

## E. Assessment and lessons learned

The analytical study on “The Biofuels Market: Current Situation and Alternative Scenarios”, was an important undertaking in addressing current concerns on the role biofuels play in the pursuit of energy security. It identified possible scenarios for the biofuels industry and presented alternative decision paths that countries may take and the possible implications. It also provided insights on the economic, energy, environmental and trade repercussions of specific policy development.

The Expert Meeting on Trade and Climate Change: Trade and Investment Opportunities and Challenges under the Clean Development Mechanism (CDM), contributed to a deepened understanding of the CDM and how the participation of developing countries can be enhanced. One of the outcomes of the expert meeting is that UNCTAD became an implementing partner of the Nairobi Framework.

The BioTrade Initiative continued to support the creation of an enabling policy environment to foster private sector engagement in the sustainable use and conservation of biodiversity. The workshop on “The Business of BioTrade: Using Biological Resources Sustainably and Responsibly” provided a platform to discuss developing a BioTrade incentive measures framework, which would identify key challenges and drivers. With the economic slowdown, there is a risk that BioTrade companies could sacrifice their engagement in biodiversity conservation and sustainable use practices, and favour traditional practices to expand production, reduce costs and generate additional income. Policymakers need to address these challenges faced by the value chain actors so that agreements, which could be translated into viable private sector practices, could be defined. The workshop highlighted that the BioTrade Initiative’s work has generated incentive measures for the sustainable and responsible use of biological resources. For the most part, these are voluntary, market-based measures, which directly engage the private sector in activities supporting the conservation of biodiversity. It concluded that biotrade incentive measures are making an important contribution to the conservation of biodiversity and the work of the BioTrade Initiative and its partners should be broadened to enable more countries and more ecosystems to benefit from the BioTrade approach to the sustainable and responsible use of biological resources.

The BioTrade Initiative also developed the BioTrade

Impact Assessment to measure biotrade contribution to sustainable development through trade and investment. Biotrade activities are being implemented worldwide and there is a constant need to obtain real, precise and comparable information to monitor the conservation and sustainable use aspects of the species and ecosystems used. Within the BioTrade network, independent efforts by national and regional programmes as well as partners to measure and report the impact of the activities supported have taken place; however, the data obtained is not always comparable. The BioTrade Impact Assessment System, based on the three basic approaches of value chain, adaptive management and ecosystem, is therefore, a milestone. This system was conceived as an information management tool that will compile and process data to determine and report the impact of biotrade. The continued engagement of BioTrade programmes and practitioners is crucial for its success.

The Biotrade Initiative continuously supports developing countries in addressing existing and potential barriers to trade through research and analytical work as well as capacity building activities. Developing countries have expressed concerns on trade-related biodiversity issues as well as the need for an adequate international trade policy framework for the development of emerging markets.

The work of UNCTAD and its partners on organic agriculture is having a real impact on many levels. In Africa, its work has raised awareness and debunked myths about organic agriculture, facilitated national and regional public–private sector dialogue, and given a measurable boost to development of the organic sector and supportive policies. Uganda is now very close to having the first dedicated policy on organic agriculture in sub-Saharan Africa – a policy based on CBTF’s Best Practices for Organic Policy. The Kenyan Government and private sector have launched a process to follow suit. The United Republic of Tanzania’s National Organic Agriculture Development Programme was launched at a CBTF event this year, as was the Burundi Organic Agriculture Movement. Rwanda has developed an action plan and Ethiopia has tools to support the further development of the sector. The best information on organic agriculture in the region has been compiled.

UNCTAD, FAO and IFOAM’s joint work aimed at reducing technical barriers to trade in organic products through harmonization and equivalence has influenced thinking in the organic public and private sector, creating peer pressure for open trade

in organic products as a counterweight to protectionist tendencies. It helped pave the way for the United States–Canada equivalency agreement in 2009 and the revised EU regulation on imports of organic products based on equivalency. The ITF tools are being used by public and private sector organic regulators. For example, the European Commission’s guidelines on imports of organic products into the European Union refer to the Equitool and the IROCB as examples of international best practice to be used in assessing equivalency of organic guarantee systems. The Global Organic Textiles Standard programme decided to

use the IROCB as its norm for accrediting/approving certification bodies.

The East African Organic Products Standard, developed with the support of UNCTAD and partners, has increased regional organic trade and also inspired other regions – such as the Pacific Islands, Central America and Asia – to follow suit.

UNCTAD brought together for the first time the GLOBALGAP and IFOAM secretariats – both of which are now committed to working together to find solutions to facilitate access of organic producers to supermarket shelves, with potentially huge livelihood

