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Programme Assessment 2002-2003



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Executive summary

UNCTAD takes a result-based approach to its programme management, and reviews its performance at the end of each biennium against the logical framework set up at the start of the programme cycle. The results of this assessment are contained in this report. Highlights of accomplishments during the biennium include: *Trade and Development Report 2003* appreciated by member States as “thoughtful and well researched” and “presented different views in a balanced manner”; *Debt Management and Financial Analysis System* used by 91 institutions in 62 countries; *World Investment Report 2003* covered by 830 newspaper articles, featured by 52 radio/TV in 95 countries, and 37 interviews broadcast in 18 countries; over 3,000 users registered for the on-line FDI database; *Investment Policy Reviews* conducted for 6 new countries with 5 more reviews underway; two rounds of negotiations of bilateral investment treaties for 36 countries led to the conclusion of 47 such treaties; the number of proposals submitted by developing countries under the WTO Doha Work Programme has increased to 88; over 1,000 licenses issued for *Trade Analysis Information System* on Internet; two commodity exchanges created in India, reaching a turnover of close to USD 30 billion in 2003; great progress in the revision and adoption of national competition legislation in 8 developing countries; *E-Commerce Development Report 2002* made practical proposals for maximizing the contribution of electronic-commerce to development, and was downloaded 344,288 times in one year; *Automated System for Customs Data*, now used in 85 countries, halved the customs clearance time in some countries, increased revenue for Governments by 10 to 15 per cent in others; for 5 East African interconnected railways, average consignment transit time reduced from 15 to 3 days and estimated USD 6.4 million per annum saved on rail wagon hire charges with *Advance Cargo Information System*; TDB concluded that least developed countries “need to consider the general policy orientation recommended in” the *Least Developed Countries Report 2002*, which was downloaded about 200,000 times.

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List of abbreviations

ACIS	Advance Cargo Information System
ACP	African, Caribbean and Pacific Group of States
AMAD	Agricultural Market Access database
APTSM	Agricultural Trade Policy Model
ASIT	Advisory Services on Investment and Training
ASYCUDA	Automated System for Customs Data
CSTD	Commission on Science and Technology for Development
DMFAS	Debt Management and Financial Analysis System
ECA	Economic Commission for Africa
ECLAC	Economic Commission for Latin America and the Caribbean
ECOSOC	Economic and Social Council
ESCAP	Economic and Social Commission for Asia and the Pacific
ESCWA	Economic and Social Commission for Western Asia
FAO	Food and Agriculture Organization of the United Nations
FDI	foreign direct investment
G-24	Intergovernmental Group of 24 on International Monetary Affairs and Development
GSP	Generalized System of Preferences
ICT	information and communication technology
IMF	International Monetary Fund
IPR	Investment Policy Review
ISAR	Intergovernmental Working Group of Experts on International Standards of Accounting and Reporting
ITC	International Trade Centre
JITAP	Joint ITC/UNCTAD/WTO Integrated Programme of Technical Assistance
LDC	least developed country
NEPAD	New Partnership for Africa's Development
NGO	non-governmental organization
OECD	Organisation for Economic Co-operation and Development
PRSP	Poverty Reduction Strategy Papers
SIDS	small island developing States
SME	small and medium-sized enterprise
STDev	Science and Technology for Development Network
TDB	Trade and Development Board
TRAINS	Trade Analysis Information System
UNCED	United Nations Conference on Environment and Development
UNCITRAL	United Nations Commission on International Trade Law
UNDP	United Nations Development Programme
UNEP	United Nations Environment Programme
UNIDO	United Nations Industrial Development Organization
WAIPA	World Association of Investment Promotion Agencies
WCO	World Customs Organization
WITS	World Integrated Trade Solution
WTO	World Trade Organization
WTPF	World Trade Points Federation

Introduction

1. In 1997, UNCTAD decided to put into practice the use of a logical-framework approach as an internal management tool with a view to enhancing the effectiveness and the impact of its programmes.¹ Hence, starting from the 1998-1999 biennium, each work unit responsible for a programme component established a logical framework with clear objectives for the biennium linked with a set of activities and performance indicators, and has assessed its programme performance from that perspective at the end of each biennium.² The performance assessment for the biennium 2002-2003 was carried out in late 2003 under the framework established in the biennial programme budget. This document contains the outcome of this assessment.

2. In parallel, the Secretary-General of the United Nations in his reform proposals of 1997 introduced the concept of result-based budgeting (RBB), *inter alia*, as a way of enhancing the role of governing bodies in providing strategic direction, establishing better performance yardsticks and reporting and focusing more on accountability for performance than on input accounting.³ As an institution that had made a head-start to this process, UNCTAD was involved in the exploratory and consultative phase, and its 2000-2001 work programme was used as one of the prototypes presented to the General Assembly. The concept was further developed and refined in consultation with member States during the years following its introduction, and the programme budget for the biennium 2002-2003 became the first one formulated fully in accordance with RBB concepts.⁴ The assessments in this document will form the basis for UNCTAD's contribution to the report to the General Assembly for its biennial review of programme performance⁵ as required under the *Regulations and Rules Governing Programme Planning, the Programme Aspects of the Budget, the Monitoring of Implementation and the Methods of Evaluation*.

¹ Memoranda of 25 August and 22 October 1997 of the Secretary-General of UNCTAD to his programme managers.

² The assessment report for the biennium 2000-2001 was used as a basic document for the mid-term review conducted by the Trade and Development Board in spring 2002, midway between UNCTAD X and UNCTAD XI.

³ *Renewing the United Nations: a programme for reform*. (A/51/950, 14 July 1997; also A/51/950/Add.6, 12 November 1997, for the result-based budgeting).

⁴ In accordance with the approval of the concept by the General Assembly in its resolution 55/231 of 23 December 2000.

⁵ This will be conducted in the first instance through the programme performance review by the Committee for Programme Coordination (CPC), based on the programme performance report prepared by the Office of Internal Oversight Services (OIOS).

3. More generally, this document is intended to serve as reference material for UNCTAD's stakeholders on the results achieved during this period, and also as a guide to the secretariat in the application of lessons learned with a view to enhancing the delivery of mandates.

Subprogramme 1A

***GLOBALIZATION,
INTERDEPENDENCE
AND
DEVELOPMENT***

Objectives of the subprogramme

To contribute to international debate on the evolution and management of the consequences of globalization and to promote policies and strategies at the national, regional and international levels that are conducive to sustained economic growth and sustainable development.

- This subprogramme was implemented by the Division on Globalization and Development Strategies.

Macroeconomic and development policies

Expected accomplishment

4. (a) Enhanced ability of policy makers to design appropriate policies and strategies related to the evolution and management of globalization, global interdependence and their implications for development policies and prospects, including gender dimensions, as well as the resource requirement of developing countries and possible options to solve their debt problems.

Major activities

- Trade and Development Report 2002: Developing countries in world trade, and its Overview
- *Trade and Development Report 2003: Capital accumulation, growth and structural change, and its Overview*
- TDR (Trade and Development Report) updates 2002, 2003 (two conference papers)
- Reports of the Secretary General to the General Assembly on the external debt situation in developing countries (2002, 2003)
- Trade and Development Board, 49th and 50th session
- UNCTAD Discussion Papers (9 completed, 1 in progress)
- G-24 Discussion Papers (7 completed, 10 in progress)
- Technical Support to the G-24 project
- Contributions to the Working Group on Trade, Debt and Finance of the World Trade Organization (WTO)
- Capacity building and advisory services to policy-makers and senior administrators from developing countries and to parliamentary committees in Germany and the United Kingdom, and to the European Union (EU)
- UNCTAD XI pre-Conference events (Argentina, Brazil, China and Mexico)
- *Management of Capital Flows: Comparative Experience and Implications for Africa*

Accomplishments/results

5. The most important outputs of the Division on Globalization and Development Strategies, the *Trade and Development Report 2002* and *2003*, generated lively debates at the 49th and 50th session of the Trade and Development Board (TDB), respectively, under the agenda item “interdependence”. In the formal debate, 15 substantive statements, including from all the regional groupings, were made in 2002, and 19 in 2003. In both years the formal debate was complemented by intensive half-day-long informal debates among delegations, which were enriched by panel discussions with internationally renowned experts on the specific topics addressed in the reports.

6. Commenting on *Trade and Development Report 2002*, delegations stated that it was “an important contribution to the debate on appropriate development strategies in the context of globalization”, that it “raised the awareness among policy-makers for the need to ensure that increasing trade with manufactures is translated into domestic income growth and poverty reduction” and that it raised “very important questions concerning the dangers of an excessive

reliance on foreign direct investment (FDI)". The policy messages of the Report were endorsed by the Latin American Group and the evaluation of China's accession to WTO was considered as being "of particular interest for the developing countries in Asia". It was also recognized that there had "recently been some welcome progress at International Monetary Fund (IMF) towards the introduction of better mechanisms for dealing with unsustainable sovereign debt, an issue that had been raised repeatedly in previous Reports". Experts participating in the panel discussions characterized the analysis contained therein as "excellent", giving "a good picture of developing countries' position in world trade".

7. At the 50th session of TDB, many delegations expressed their appreciation for *Trade and Development Report 2003*. It was stated, *inter alia*, that the documentation was "thoughtful and well researched", "presented different views in a balanced manner", and "constituted a useful basis" for the Board's deliberations. The Chairman's Summary of the debate on interdependence noted that the Report was "a great contribution to the international development policy debate", and that "a large number of delegations stated that UNCTAD remains the best forum to discuss the challenges of global economic interdependence from a development perspective, to explore better ways of enhancing the economic development of developing countries, and to forge consensus on all issues related to trade and development." Several delegations called for a further strengthening of the analytical work in the areas covered by the Report. Among the invited panellists, it was stated that the Report's "analysis of the disappointing Latin American performance is extremely welcome", and that its focus on the international macroeconomic context could much more forcefully explain economic performance in the region than the approach of other international institutions, which usually try to find explanations primarily in domestic policy errors.

8. The 2003 Report was also subject to comments by delegations in the Second Committee of the 58th session of the General Assembly under agenda item 91 (macroeconomic policy questions), and in a number of countries parliamentary debates referred to the analysis contained in the Report.

9. Both Reports were widely commented on in the international press with more than 180 (recorded) articles in 2002. The record for 2003 is likely to be similar, although no precise data is available as yet. For the 2002 Report, there were more than 180,000 internet downloads of the entire Report, more than 145,000 downloads of individual chapters and more than 56,000 downloads of its Overview in the 11 months following its publication. The figures for downloads of the 2003 Report between September and November 2003 are 75,000 for the entire Report, 48,000 for individual chapters, and almost 24,000 for its Overview. Acknowledgement of the Division's contribution of providing policy-makers with advice on policies addressing problems of globalization and development was shown by the number of invitations received by economists of the Division to parliamentary hearings, seminars, conferences and expert meetings (averaging around 10 per month), requests for publications and information received via e-mail and other means (averaging around 600 per year), and requests to reproduce publications (averaging 6 to 10 per year).

10. The reports of the Secretary General to the General Assembly on the external debt situation in developing countries were subject to intensive debate in the Second Committee. The Committee deliberated on the 2002 report (A/57/253), and in resolution A/57/240 renewed its request for an examination of the external debt situation in 2003. The 2003 report (A/58/290) was highly appreciated by delegations at the General Assembly, which commended UNCTAD "for the quality contained therein", while the report was found to

“provide a useful basis for discussion”, to “present a good picture of the ... external debt crisis” and to contain “useful recommendations”.

11. The Project of Technical Support to the Intergovernmental Group of 24 on International Monetary Affairs and Development (G-24) was closely linked with the analytical work of the Division. The Project was one of the main pillars of the activities of the G-24 in the context of its deliberations at IMF and the World Bank. The research work and advisory services provided under the Project were greatly appreciated by the members of the Group for their high analytical quality. The technical meetings and publications under the Project enhanced the understanding of developing country policy-makers of complex current and upcoming issues subject to discussion and negotiation in the international financial institutions. In the absence of a strong institutional framework for policy discussion among developing countries, the project has made an important contribution to their efforts to identify important development issues in a rapidly changing economic environment, and to develop a common perspective on international monetary and financial relations. An evaluation of the Project, carried out in 2002 by one of the donor institutions, underlined “the remarkable success of the project as an alert and provider of solid technical material from a southern point of view”, and remarked that “the research programme has successfully sustained a developing-country agenda for reform of the international monetary system”. The publication of the research papers in the G-24 Discussion Paper Series acquired additional academic standing through the partnership with the Center for International Development of Harvard University.

12. The outreach of the analytical work was enhanced further through capacity-building activities. Upon requests of the Governments of Argentina, Brazil, China and Mexico workshops and seminars were held in connection with the UNCTAD XI preparatory process. Acknowledging the high quality of the Division’s research, the Chinese authorities proposed a joint technical assistance project on managing globalization and integration. Capacity building in developing countries was also supported by four UNCTAD Training Courses on Key Issues on the International Economic Agenda, three of which were conceived to address the interests and needs of participants from specific regions. The Division’s contribution to these Courses received very high ratings in the evaluation by participants.

Lessons learned

13. In response to the requests by delegations, increased efforts could be made, resources permitting, to expand country coverage of the analytical work. Moreover, the impact of the analytical work could be further enhanced by improving the dissemination, especially *via* UNCTAD’s website, of publications containing research findings and policy proposals and by the organization of additional seminars and workshops in member States. While improved and more timely translations into as many official languages would be helpful to strengthen the dissemination and impact of the Trade and Development Report, especially in developing countries, the possibilities for UNCTAD in this regard are limited as it does not have control over the process. There may be a need of streamlining and improving the coordination between Part One of the Trade and Development Report on Global trends and Prospects and other United Nations flagship reports dealing with similar themes, in particular the World Economic and Social Survey.

Debt and development finance

Expected accomplishment

14. (b) Efficient management of debt through the utilization of the Debt Management and Financial Analysis System (DMFAS) by developing countries to record and monitor their external debt.

Major outputs and activities

15. The Debt Management – DMFAS Programme assists developing countries and economies in transition in strengthening their capacity to manage their debt effectively through the use of Debt Management and Financial Analysis System (DMFAS), the Debt Strategy Module Plus (DSM+) and capacity-building activities such as training, workshops and conferences. The programme offers an integrated set of solutions through its framework of technical cooperation projects, of which major activities are the implementation of a standard computerized debt-management system for recording, monitoring and analysing public debt in debt offices of Ministries of Finance and Central Banks. Officials in these institutions receive training and assistance to use the system effectively, in particular to establish a complete and up-to-date debt database, to provide timely and accurate debt statistics and to undertake appropriate debt analysis. For the effective implementation of the system, the programme also provide advice on various debt management issues, including the development of appropriate institutional and administrative structures for effective public debt management and the proper staffing of debt offices.

- The DMFAS software distributed to new and existing clients through on-site services by the Programme's staff at client sites as well as through self-service installations by clients.
- A number of technical training to the clients, both at headquarters and at client sites.
- A new version of the DMFAS software (due to be released at the end of 2003), incorporating important functional and technological improvements in response to client requests and in line with the international standards and best practices.
- Extensive support on a wide range of functional and technical issues for the clients through the DMFAS Helpdesk, with major improvements made in the Client Request module and by the creation of standard messages for communication in all of the working languages.
- Training on the development of debt strategies using the DSM+ in 16 countries. The DSM+ User Guide and Training Manual, published in English, French and Spanish.
- Training modules in the area of debt data validation and debt statistics.
- The 4th Inter-regional Debt Management Conference (November 2003, Geneva).
- Five workshops on various aspects of debt management in Africa in cooperation with regional organizations and the United Nations Development Programme (UNDP).

Accomplishments/results

16. The programme confronted a number of challenges at the outset of the biennium, of which the most important were to: (1) increase the number of countries and institutions using the DMFAS software; (2) manage the increasing amount of change requests submitted by existing user countries and incorporate those requests in a new software release; (3) increase the number and scope of its training activities in debt statistics and analysis; (4) maintain the

user documentation up-to-date with the current status of the software; (5) produce training material in debt management; (6) organize regional and inter-regional training events; (7) ensure the financial sustainability of the programme, which was and is being funded mainly through extra-budgetary resources; and related to this (8) implement the cost-sharing mechanism, through which user institutions contribute to the funding of the programme.

17. After increasing regularly over the previous ten years, with an average of approximately five new countries joining the Programme each year, the number of countries using DMFAS increased by two for the biennium and, in November 2003, the programme was collaborating with 62 countries. Although the rate of increase has slowed down in terms of countries, the number of user institutions clearly increased, as the system can be installed in both the Ministry of Finance and the Central Bank. At the start of the biennium, a target number of 85 user institutions was set against a baseline of 78. In November 2003, the target was largely surpassed, with 91 institutions using DMFAS. Clearly, the demand for the products and services provided by the programme has continued to increase at a considerable pace. Indeed, at the end of 2003, negotiations and project preparations were under way to implement the system in an additional 15 institutions in both ten new and five existing client countries.

18. As to the status of the installations, the number of institutions using the latest version - 5.2 - has grown from 44 to 77, while only 15 institutions continue using the older versions.

19. During the period the helpdesk received a total of 1,053 change requests. Of these, 840 were processed and closed, 38 were awaiting user action, 120 were marked for future version, 4 for testing, 17 in process, and 34 awaiting action.

20. Improved working procedures have also been established in the documentation preparation and the programme expects to be up-to-date with all user documentation shortly.

21. With the 5 workshops on debt management in Africa, the programme trained close to 200 persons in 2002 and more than 300 in 2003. The programme also provided resource persons in workshops arranged by IMF, further contributed to the training on debt management issues.

22. The 4th Inter-regional Debt Management Conference attracted almost 300 participants from user institutions, donor countries and international organizations.

23. With regards to cost-sharing by user institutions, at the end of 2003, around 40 institutions had either agreed to and paid their yearly maintenance fee or were taking the necessary legal and administrative steps to do so.

Lessons learned

24. The financial sustainability of the Programme has been significantly strengthened. The DMFAS Trust Fund, established by the secretariat at the recommendation of the DMFAS Advisory Group in 2001, has received substantial contributions from the Netherlands, Norway and Sweden. The Trust Fund also envisages a more formal cost-sharing mechanism. The cost sharing mechanism has two components: the one-time development contribution made at the time of the first installation of the system within the framework of a technical

cooperation project document, and the yearly maintenance fee applicable to most of the current user-institutions.

25. This maintenance fee allows user-institutions to benefit from the future upgrades of version 5 of DMFAS and from privileged types of maintenance services provided by the technical team. Although the maintenance agreements were introduced on a voluntary basis, the positive response from the community of user-institutions has exceeded the initial expectations. This response constitutes an indication of the value placed on the system and its capacity building services.

26. Programme management has identified the need of implementing an internal client/project management system. This would significantly improve the programme's internal processes and workflows and by extension cooperation with and assistance to the client institutions. This system should have been implemented by the end of 2003, but due to lack of resources it had to be postponed to the next biennium.

Assistance to Palestinian people

Expected accomplishment

27. (c) Strengthened capacity of the Palestinian Authority to take appropriate measures, supported by the international community, in the areas of trade policy, trade facilitation, financial management and development strategies, and enterprise and investment as a result of analytical work and technical cooperation.

Major outputs and activities

- TDB reports on UNCTAD assistance to the Palestinian people (2002 and 2003)
- Studies and technical papers: (i) Transit trade and maritime transport facilitation for the rehabilitation and development of the Palestinian economy; (ii) Palestinian small and medium enterprises: dynamics and contribution to development; and (iii) Compendium on international support to the Palestinian people 1999-2000/2001-2003.
- An economic and demographic database for Palestine and User guide on occupied Palestinian territory statistical database 1972-2001.
- Coordination of and contribution to four technical cooperation projects in cooperation with other Divisions: Automated System for Customs Data (ASYCUDA) Phase I completed in 2003, and funding secured for commencement of Phase II in 2004; Debt management and Financial Analysis System (DMFAS), on-going 2001-2004; Trade Point Palestine Ramallah in cooperation with the Palestinian Trade Centre (ongoing); and EMPRETEC -Palestine project (on-going).
- Contribution to conferences and seminars on the Palestinian economy organised by: Pavia University, Italy; Aix-en-Provence University, France; United Nations Special Coordinator in the Occupied Territories; Department of Political Affairs of the United Nations; ILO; and Economic and Social Commission for Western Asia (ESCWA).
- Ten advisory services at the request of the Palestinian authority in the areas of: of trade policy (3); trade facilitation (1); and financial resource management and economic policy (6).
- Two workshops in the West Bank on (i) Palestinian small and medium sized enterprises and (ii) Transit trade and maritime transport facilitation.

Accomplishments/results

28. The objective of this programme component is to promote coherent, transparent and effective recommendations for policy action by the Palestinian Authority supported by the international community, based on accurate data, clear assessment of needs and practical approaches to addressing them, in the areas of trade policy, trade facilitation, financial management and development strategies, and enterprise and investment. The approach to achieving this objective is to conduct technical studies specific to the Palestinian conditions in the above areas and provide capacity building technical assistance to relevant Government institutions. It is also achieved through workshops for stakeholders in the Palestinian territory, as well as through active participation in international seminars and fora to promote international cooperation among regional and international organizations and donors in the above-mentioned areas of concern.

29. The activities target policy makers and officials in the Palestinian Authority, the private sector, as well as civil society such as academic institutions, research centres, non-governmental organizations (NGOs) and chambers of commerce and industries. In addition, UNCTAD's research and policy analysis aims to highlight, for donors and other international agencies specific issues relevant to their work in areas of UNCTAD's competence. The success of work in this area also depends on the support of, and positive response from concerned Member States, media, other international organizations and the donor community.

30. Despite the difficult conditions in the field in 2002-03, the subprogramme continued to implement a diverse programme of technical cooperation with the Palestinian Authority, assisting it to develop its reform programme in several areas.

31. Indicators of the contribution of this work component include:

- Reports on UNCTAD Assistance to Palestinian people were deliberated widely and noted by TDB. While the 2002 Report was welcomed in statements from 15 Groups and States Members, the 2003 report elicited 18 statements. Most delegates echoed key themes highlighted in the Reports, especially the "cycle of de-development" of the "war-torn Palestinian economy", and the need for policy responses and international assistance efforts that create "synergies between relief, rehabilitation and development". Most delegates stressed the need to increase extrabudgetary support for UNCTAD's work on assistance to the Palestinian people.
- During the biennium, the Palestinian Authority requested and received a range of advisory services from UNCTAD: observations on World Bank trade policy study; proposals for "Israeli economic facilitation measures" and "Economic Road Map"; analytical comments on Humanitarian Action Plan⁶ of 2003 and 2004; evaluation of draft Palestine Competition Act; evaluation of Economic Recovery and Stabilisation Plan; revised draft "Framework for National Economic Development" and terms of reference for "National Task Force on Economic Development". The impact of this advisory services manifests itself in the fact that eight of the Authority's policy papers/draft laws are being reformulated in response to, or drawing on, these and other advisory services.
- Ongoing technical cooperation activities with other Divisions: ASYCUDA Phase I successfully completed, with 5 core staff having been trained on the prototype system, and the Palestinian Authority deciding to continue Phase II, for which funding has been secured; UNCTAD facilitated the Authority's request for assistance in marketing olive oil;

⁶ Plan by the Office for the Coordination of Humanitarian Affairs of the United Nations.

Trade Point Palestine Ramallah mission report; EMPRETEC project progress reports; through DMFAS six staff trained on the debt computerized system and detailed public debt data included in the Palestinian Authority's 2003 budget; DMFAS mission report and progress reports provide the Authority with feedback to further develop the debt directorate in the Ministry of Finance; and UNCTAD investment retention project for the Palestinian Authority (2004) funded by new extrabudgetary bilateral commitment.

- The secretariat's research, analysis and policy advice have a positive impact on the Palestinian Authority's policy-making and capacities in the area of trade facilitation, private sector development and economic analysis and management, as manifested in integration of UNCTAD's ideas and adoption of its recommendations at various levels. Finally the workshops, which UNCTAD conducted in Ramallah for over 60 experts and practitioners, received a very positive response from the local media and helped to further elaborate policy recommendations and build local consensus on emerging policy challenges in the areas of private sector development and trade facilitations.

32. In summary, there were 25 output items programmed for the biennium 2002-03, whereas 32 final activities/outputs were delivered, of which 24 involved technical cooperation and 8 reflect substantive and analytical work. Of the 25 originally programmed items, 2 were postponed, reflecting changes in priorities due to the on-going economic crisis in the Palestinian territory and the difficult field security conditions.

Lessons learned

33. The control exercised by the Israeli authorities over the Palestinian territory, its strict closure policy within and from/to the territory, and hence the political uncertainty and humanitarian crisis in this area of work, directly affect the implementation of almost all the activities of this subprogramme. Therefore, additional improvement of the programme effectiveness would require mobilisation of more predictable extra-budgetary resources to further enhance the selective and flexible mode of operations, which UNCTAD applied in the last two years to circumvent the deteriorating field conditions and achieve concrete progress in this subprogramme. These resources will also be required to pursue technical assistance in a manner that promotes dynamic synergies between rehabilitation, reconstruction and strategic development needs, and allows for elaboration on the development prospects and socio/economic alternatives under conflict conditions and in a post-conflict situation. Enhancement of programme effectiveness would also require further cooperation with all States Members including Israel in different logistic aspects such as granting visas and facilitation of official missions and technical assistance activities.

Statistics and information retrieval

Expected accomplishment

34. (d) Improved quality, accessibility and availability of information and data as a basis for economic and financial analysis and policy making in developing countries and countries with economies in transition.

Major outputs and activities

- *UNCTAD Handbook of Statistics* (annual, printed and in CD-ROM)

- *UNCTAD Commodity Price Bulletin* (bi-annual, printed and CD-ROM; and monthly updates in their printed form)
- The statistical section on the UNCTAD web site with on-line versions of the *Handbook of Statistics* and the *Commodity Price Bulletin*
- The customized replies to specific requests for statistical information from internal and external users, and substantial collaboration in the production of outputs by other secretariat entities such as *Commodity Yearbook*, the FDI database on-line, the Information Technologz indicators on-line and the Investment Benchmarking tool
- The Digital Library of the UNCTAD website and other information retrieval and reference facilities of the website, new internet edition of the UNCTAD Reference Service Library and annual *Guide to UNCTAD publications*.
- Research-partnerships and research-fellowships in support of universities of developing countries
- Research-links with libraries of international institutions, universities worldwide

Accomplishments/results

Statistical activities

35. The subprogramme has been working towards fulfilling its main objective of offering analytical and elaborated statistics as a tool in support of economic and financial research and analysis. Statistics, presented in their various media forms, provided assistance to Governments of developing countries in designing effective economic and social policies and to sustained research of the academic world as well as in UNCTAD and other international organizations.

36. The *UNCTAD Handbook of Statistics* (henceforth the Handbook) and the *Commodity Price Bulletin* (henceforth the Bulletin) have been the major statistical publications for achieving the above objective. The Handbook was used mainly by university researchers, Government officials, intergovernmental organizations and other parties such as NGOs. The Bulletin was used essentially in Governmental institutions, international organizations, universities and libraries. Economists and statisticians from UNCTAD, other United Nations bodies as well as other international organisations also used these publications, as intermediary users, to provide studies and policy advice to developing countries. The analysis of replies to questionnaires on the printed versions of the Handbook (56 replies) as well as the Bulletin (46 replies) showed that the quality, coverage and comprehensiveness of the data contained in the two publications were adequate and answered researchers' needs. Indeed, 91 per cent of the Handbook's readers and 76 per cent of the Bulletin's readers confirmed that they used data and statistical information contained therein to illustrate and document their economic and trade analysis.

37. While users of the Handbook acknowledged the quality of its content (70 per cent appreciated its technical and analytical value), approved the presentation and readability of its data (86 per cent) and their comprehensiveness (72 per cent), they still asked for more figures to be incorporated on some additional economic subjects, such as trade in services, electronic-commerce, transport, tourism, energy, GDP, debt, subsidies to exports, producer prices, etc. Some of these suggestions were taken into consideration in the recommendations submitted by the Task Force on the Handbook of Statistics and included in the 2003 issue of the Handbook.

38. Readers of the Bulletin confirmed that prices of commodities were regularly consulted by 73 per cent of users, among which, food products (71 per cent); vegetable oils and seed oils (64 per cent); and minerals and metals (58 per cent). However, although 64 per cent of users indicated that they were generally satisfied with the Bulletin's coverage of 46 commodities, the questionnaire revealed that there were requests to include new prices such as fish, vegetables, dried fruits, fruit juices, and areas not traditionally covered by the Bulletin such as fertilizers and chemicals. The secretariat is working towards responding to these new requests.

39. In conformity with the indicator of achievements outlining the need to improve the quality, accessibility and availability of statistical information, the subprogramme has succeeded in increasing the number and satisfaction of both end-users and intermediary users (interviews conducted with 14 intermediary users) of its statistical publications by responding to their needs for updated, accurate and consistent statistical data on commodity prices, international trade, finance, and development indicators.

40. To that end, the subprogramme improved the quality of the data by systematically carrying out the crosschecking exercise since 2001 and introducing more condensed explanatory notes on sources, classifications and statistical methodologies.

41. The subprogramme also improved the accessibility and availability of data by publishing statistics in their electronic form and launched the CD-ROM version of the Handbook (in the year 2000) and the on-line versions of both the Handbook (January 2002) and the Bulletin (July 2002). Both publications are now accessible on-line free of charge, except for profit-making institutions. The CD-ROM version of the Handbook, incorporating historical time-series not available in the printed version has attracted new audiences.

42. The improved dissemination of statistical data through these electronic media and their enhanced visibility in the new statistical section in the UNCTAD web site, created in November 2002, generated a large amount of requests for accessing the on-line databases. Presently, the Handbook on-line counts some 12,700 registered users. Despite the widespread use of the printed version in developing countries (56 per cent of the on-line users come from developed countries, 37 per cent from developing countries and 7 per cent from economies in transition), the PDF version of the Handbook has been downloaded at a rate of 10,000 copies per month since its publication on-line in January 2002. Overall, the questionnaire posted in the web confirmed, on a larger scale (810 completed replies), the additional benefits that users could derive from the Handbook as a technical and analytical tool in support of research and policy-making. 75 per cent of end-users rated the Handbook on-line as above average and 46 per cent reported that they access the database on-line at least once a month.

43. The subprogramme, being responsible within the United Nations for the collection, processing and dissemination of data on commodity prices, is also receiving more requests for registrations to access the Bulletin in its electronic form. Most notably, a request for registration to the Bulletin on-line was made by the chief of the Technical Unit of International Cooperation of the INSEE in Paris, stating that he needed the Bulletin's figures to be at his disposal all the time as he would consult them while on mission.

Information retrieval and reference service activities

44. The subprogramme has been striving towards fulfilling the expectations of its end-users (researchers from universities and international research institutions worldwide) and intermediary users (economists, analysts and policy-makers belonging to Governmental institutions, UNCTAD and other international organizations), by offering them an improved availability and accessibility of information through enriched research interconnections and a more sophisticated information retrieval system.

45. In this regard, end-users' links possibilities have been multiplied with the redesign of the UNCTAD web site in 2002. As a result of the incorporation of existing sub-sites into the new site, the Web Content Management Unit (created in March 2003) registered 138 million hits over the biennium 2002-2003, mainly from North America (41 per cent), Western Europe (15 per cent) and Asia (4 per cent), and all other countries (40 per cent). It also recorded for the same period 97 million downloads originating from international entities (28 per cent), international business companies (24 per cent) and educational institutions (14 per cent). The new website, launched in October 2002, was so well received by the diplomatic circle that it obtained the first prize of the Organisation Internationale de la Francophonie for its substantive content and presentation.

46. In addition, through the Internet edition of UNCTAD's Reference Service Library (developed in the course of 2002 and launched in November 2003), end-users and intermediaries are now able to access search facilities and interactive research tools providing access to 50,000 specialized publications and working papers, over 1000 specialized periodicals, over 500 on-line newspapers, and a selection of 200 hyperlinks to research entities, international institutions, on-line subscription packages and databases. They also can access UNCTAD's publications since 1997 into the e-bookshelf. The new user guide, prepared and circulated for this purpose, gained the approval of a number of researchers, analysts and guest users who praised its usefulness.

Lessons learned

Statistical activities

47. The increasing number of requests for more data to be included in both its publications strengthened the subprogramme's determination to improve the quality, presentation and coverage of its statistical data that would lead to meeting these new requirements by end-users. The recommendations of the Task Force on the Handbook of Statistics highlighted the improvements to be brought about to the content and presentation of the Handbook. Moreover, the cross checking exercise has enabled the statistics section to rectify erroneous figures in its own data and draw the attention of other source institutions to errors in their own figures: IMF's statistical experts have been notified twice during the biennium of errors in their statistical data, an initiative which was well received.

48. Feedback from users of statistical information has revealed the necessity of coordinating statistical activities within the secretariat with a view to offering harmonized and consistent data in a wider setting. Interdivisional meetings, within the framework of the Task Force on Statistics, aimed at adopting measures to make the users benefit more from improved presentation, coverage and comprehensiveness of data. The subprogramme's

constantly updated statistical section in the UNCTAD web site proved to be a centralizing instrument that has opened new opportunities for end-users, enabling their wider and more integrated access to statistics.

49. An important milestone for the subprogramme during the biennium has been the progressive accommodation of end-users' and intermediaries' expectations with regard to not only the availability of statistical data in the electronic form but their readability, exploration and manipulation through sophisticated software applications which have facilitated customized operations, calculations, table constructions etc. that only the new web technologies could materialize. The next step will be the rationalization of data exploration through a more elaborated statistics section in the UNCTAD Intranet.

50. In addition, the subprogramme is planning to provide training for those users who still are not very familiar with the utilization of electronic applications when extracting the data from the CD-ROM or the on-line versions (only 33 per cent of the CD-ROM version users said they were at ease with data extraction as well as with the creation of charts and maps). Lately, the delegation of Yemen was trained in the electronic use of the Handbook.

51. Taking into consideration the long-term objectives as designed by the Task Force on Statistics, the subprogramme embarked on the launching of a new product to be presented as an intermediary output, mid-way between the Handbook of Statistics and flagship publications, the usefulness of which would be experimented during the next biennium. The expected impact of this popularized statistical pocket book would be that of targeting a larger audience, and would have the advantage of offering them many benefits in terms of basic statistical information for quick reference, condensed descriptive texts accompanied by tables, charts and graphs, and guidance towards the more comprehensive data to be found in the databases.

Information retrieval and reference service activities

52. An important milestone in the work of the subprogramme's information retrieval and reference activities was achieved with the launching of the web edition of its on-line library. Feedback from users of UNCTAD's On-line Reference Service Library reveals a preference for using hardcopies of books and publications of a certain length, a high degree of complexity and/or containing econometric models or analytical tables/graphs requiring detailed examination.

53. Now, the subprogramme is faced with a new challenge consisting in the complex management of the new web site, which requires the regular consolidation of workflows and the systematic updating of the various databases in three languages. The subprogramme therefore is looking forward to satisfying end-users as well as intermediaries' requests and needs with improved means and resources, if the quality of the underlying databases, the efficiency of search facilities and the architecture of the web site itself were to be properly maintained.

54. The long-term objectives of the subprogramme would be to increase the number of end-users involved in a larger network of integrated research-links and research-partnerships programme with universities worldwide. To that end, the subprogramme will advertise suitably the opportunities and gains that end-users could derive from an active participation in this programme, including a fellowship programme for students of universities from

developing countries. Moreover, end-users will be able to benefit in the future first, from a pilot project, addressing the development dimensions of international trade, which has been submitted to the Geneva International Academic Network for funding; and second, from the Research-Links Database connecting nearly over 1000 universities. The database, initiated and regularly updated during the biennium, has facilitated interactions with academia, in particular the exchange of publications on topics of interest to UNCTAD end-users and intermediaries.

Subprogramme 1B

***DEVELOPMENT
OF
AFRICA***

Objectives of the subprogramme

To increase understanding of the economic development problems of Africa and to promote action required at the national, regional and international levels for the acceleration of African development and fuller participation and positive integration of African countries into the world economy.

- This subprogramme was implemented by the Office of the Special Coordinator of Africa.

Expected accomplishment

55. Increased understanding of the problems faced by Africa in the areas of trade, financial flows, debt, structural adjustment and supply capacity and contribution to international, regional and national policy measures to deal with these problems.

Major outputs and activities

- Annual reports on activities undertaken by UNCTAD in favour of Africa
- Panel of experts on the development of Africa at the Trade and Development Board (2002 and 2003)
- Economic Development in Africa: From Adjustment to Poverty Reduction: What is New?
- Economic Development in Africa: Issues in Africa's Trade Performance
- Economic Development in Africa: Trade Performance and Commodity Dependence
- Contributions to New Partnership for Africa's Development (NEPAD) at its meeting on Agriculture and Market Access Cluster, February 2003, Rome, Italy; participation in NEPAD Work-in-Progress Review Workshop, January 2002, Benoni, South Africa.
- The programme contributed to other meetings, such as: Third Meeting of the High-level Committee on Programmes (March 2002, New York); Second Meeting of the Panel of Eminent Personalities on the independent evaluation of the UN-NADAF in the 1990s (March 2002, New York); Economic Commission for Africa (ECA), Conference of Ministers of Finance and Ministers of Planning and Economic Development (October 2002, Johannesburg); Regional Consultations of Agencies Working in Africa (October 2002, Addis Ababa); ECA Second Meeting of the Learning Group regarding PRSPs⁷ (November 2002, Brussels); Annual Regional Consultations of United Nations Agencies Working in Africa (May 2003, Addis Ababa); ECA Committee of Experts, (May 2003, Addis Ababa); Conference of Ministers of Finance, Planning and Economic Development (June 2003, Addis Ababa); African Development Bank (ADB) Annual meeting and Joint ADB/ECA Symposium (June 2003, Addis Ababa); Ad hoc Committee of the Whole of the General Assembly for the Final Review and Appraisal of the UN-NADAF (September 2002, New York); TICAD III (September-October 2003, Tokyo).

Accomplishments/results

56. The sub-programme carried out analytical studies on the African development *problematique* and published two reports entitled "Economic Development in Africa - From Adjustment to Poverty Reduction: What is New?" and "Economic Development in Africa: Trade Performance and Commodity Dependence". In addition, summaries based on these reports were presented to TDB at its 49th and 50th sessions. The Board adopted agreed conclusions at both sessions, which were transmitted to the General Assembly.

57. The agreed conclusions of the 49th session of the Board highlighted the main issues that were discussed, including: a call on UNCTAD to draw valuable lessons from the independent review of the United Nations New Agenda for the Development of Africa in the 1990s in its activities in support of NEPAD while exploring ways for improved cooperation with the Bretton Woods institutions in support of the poverty reduction strategies; streamlining conditionalities within the context of partnerships, and helping countries to effectively undertake "poverty and social impact analysis" on a more systematic basis in the

⁷ Poverty Reduction Strategy Papers.

implementation of Poverty Reduction Strategy Papers (PRSPs) to ensure effective poverty reduction; finding a durable solution to the debt overhang of the poorest countries, via a speedy implementation of the HIPC Initiative⁸ and a case by case assessment of debt sustainability beyond completion points, and strengthening technical assistance for external debt management and debt tracking; improving the volume and quality of ODA; and assistance by UNCTAD to African countries to accede to WTO.

58. Among other things, the agreed conclusions of the 50th session of the Board underscored a variety of policy measures, which are important for reducing Africa's commodity dependence and improving its trade performance: reducing agricultural subsidies, reducing and eliminating tariff peaks and tariff escalation, and addressing non-tariff barriers and contingency trade protection measures, such as sanitary and phytosanitary measures and technical barriers to trade within the post-Doha framework; adopting a more flexible definition of the rules of origin, and strengthening and upgrading the productive capacity in African countries as a means of improving the benefits these countries derive from the Everything But Arms and the African Growth and Opportunity Act market access initiatives; supporting initiatives to enable African countries adjust to fluctuating commodity prices; and the collaboration of UNCTAD with regional economic communities, to undertake studies on intra-regional trade in Africa with a view to identifying the potential for its further expansion.

59. Most statements made by delegations on the two reports were very positive about their quality and relevance. The panel discussions with the participation of experts were particularly appreciated by the delegations as they brought new development insights to the issues under discussion from an African perspective. A number of delegations indicated that the presentations by the panellists were of the highest quality.

60. There was a total download of 24,000 in 2002 and about 35,000 in 2003 of UNCTAD's reports on Africa. Consultations with NGOs and Government officials have shown that these reports have had an important impact on policy thinking in relation to African development. In addition, UNCTAD has been invited to participate in various conferences with themes related to the issues discussed in these reports such as: ECA Second Meeting of the Learning Group regarding PRSPs, Brussels, Belgium; Working Session of the EU-LDC⁹ International Conference on "Improving Global Governance for Development: Issues and Instruments" Chiang Mai, Thailand; ECA Expert Group Meeting on Africa's External Debt, Dakar, Senegal; "Réformes économiques et développement durable en Afrique: réflexions sur les rôles des acteurs financiers et commerciaux" and "Questions relatives aux résultats commerciaux de l'Afrique et la dépendance sur les produits de base" at the University Institute for Development Studies, University of Geneva.

61. The results of an ex-ante survey on UNCTAD publication proposals in the proposed Programme Budget for 2004-2005 indicates that the Report on Economic Development in Africa ranked 3.45 over 4 indicating "very useful". Professor Kwesi Botchwey, Chairman of the Panel of Eminent Personalities on the Final Review and Appraisal of the Implementation of the UN-NADAF, in a statement to African Ministers of Finance, Planning and Economic Development in South Africa, 19-21 October 2002, made four major positive references to UNCTAD's report.

⁸ Debt Initiative for heavily indebted poor country by the World Bank and IMF.

⁹ LDC stands for least developed country (-ies).

Lessons learned

62. The main lesson arising from the activities of the Subprogramme on the Development of Africa in the past two years is that the choice of topics and the validity and rigour of the analyses are determining factors of the impact of the work carried out. The choice of subject of the research should be considered in the light of issues which are topical, which generate interest and which are of critical importance to the development prospects of the countries in the region; this would include raising issues, which are controversial but pertinent to the development efforts of developing countries. In so doing, awareness is raised not only in the intergovernmental processes, but also in the context of the media, academia and civil society in general, thus stimulating interest in seeking heterodox solutions to development problems, and in the process increasing the impact of UNCTAD's work.

Subprogramme 2

***INVESTMENT,
ENTERPRISE
AND
TECHNOLOGY***

Objectives of the subprogramme

With a view to increasing beneficial international investment flows to developing countries and the benefits they derive from those flows, the objective of this subprogramme is to improve understanding of issues and policy choices in international investment, enterprise internationalization and technology transfer, to strengthen developing countries' abilities to formulate and implement policies, measures and action programmes in those areas, and to promote understanding of emerging issues in order to strengthen those countries' ability to participate in discussions and negotiations.

- This subprogramme was implemented by the Division on Investment, Technology and Enterprise Development

Investment issues and policy analysis

Expected accomplishment

63. (a) Enhanced understanding and consensus on policy choices and emerging issues related to international investment and financial flows, and development implication of these flows.

Major outputs and activities

- *World Investment Report 2002: Transnational Corporations and Export Competitiveness*
- *World Investment Report 2003: FDI Policies for Development: National and international Perspectives* (with a CD-ROM with FDI statistical data).
- *World Investment Directory, Volume VIII: Central and Eastern Europe.*
- *Three Investment Guides for LDCs: Cambodia, Mozambique and Nepal*
- *Transnational Corporations Journal* (six issues).
- *FDI in Least Developed Countries at a Glance.*
- Commission on Investment, Technology and Related Financial Issues, 6th and 7th sessions.
- Expert meetings on the Development Dimension of FDI: Policies to Enhance the Role of FDI in Support of the Competitiveness of the Enterprise Sector and the Economic Performance of the Host Economies, taking into account the Trade/Investment Interface, in the National and International Context (November 2002)
- Expert meeting on FDI and Development (October 2003).
- “Manual for insurance supervisory authority staff” and “How to prepare your business plan” in cooperation with the International Association of Insurance Supervisors.
- Advice, guidance and training (2 major conferences and 8 seminars) in the area of insurance that benefited about 60 developing countries. Software in use in several African insurance companies and 30 African insurers rated on an on-going basis.
- Training workshops on FDI statistics in two regions (South-East Asia and West Asia) and three countries (Brunei, Bahrain and Jordan) to train 100 people.
- FDI database on the website, including the time series data of FDI statistics as well as Transnational Corporations operational data by industry and by host/home country.

Accomplishments/results

64. Through discussion of reports and expert meetings in international fora, seminars and training on investment-related issues in national and intra-regional fora, the objective of the subprogramme is to deliver updated and accurate information to policymakers for their better understanding of emerging investment-related issues and policy options for development. Furthermore, at the national level, the subprogramme aims to increase public awareness by disseminating the results of its investment-related research and analytical work through its publications. Among the beneficiaries of the programme, particular attention was paid to Government officials and delegations from developing countries involved in international or regional investment agreements and/or negotiations.

65. With evolving and changing natures of investment-related issues at national and international levels, the challenge was to keep abreast of the latest issues and information,

analyzing them efficiently and effectively, and disseminating them to as many policymakers and other parties involved (e.g. academics, NGOs, other international organizations, etc.) as possible.

66. The subprogramme has continued its activities in (i) research to analyze the impact of international investment on development and to layout policy implications; (ii) publications to disseminate research work and global and regional trends of FDI through *World Investment Reports*, *World Investment Directories*, *Investment Guides for LDCs*; (iii) maintenance and update of FDI databases; and (iv) training on FDI statistics.

67. The usefulness of analytical work and policy implications was evident from the statements made by delegates and international experts in UNCTAD's intergovernmental and expert debate in 2002-2003. This was also supported by the readership survey results. The Division's online readership surveys started in September 2002 show, among the responses from 227 readers in 60 countries (67 per cent academics and 17 per cent national or international public sector officials), 91 per cent of them rated the publications "very useful" in their work. The *World Investment Report 2003*, was covered in 830 newspaper articles and featured in 52 radio and TV media reports in 95 countries; 37 interviews were broadcast in 18 countries. In the readership surveys, 77 per cent of respondents assessed the publication as "excellent".

68. The FDI database, including the time series data of FDI statistics published annually in the *World Investment Reports*, has been maintained and updated, and was made available through Internet for wider dissemination. There are now over 3,000 registered users with free access to an interactive database covering 196 economies and data from 1970 to 2002. Some 50-country profiles (not only FDI but also Transnational Corporations operational data by industry and by host/home country), published in *World Investment Directories*, also became available on Internet. Among the contents of the division's publications, 57 per cent of readers considered UNCTAD's FDI trends and statistics "most useful".

Lessons learned

69. Further improvements in the dissemination of main results of investment-related policy analyses through wider use of Internet and CD-ROM publications would be desirable. Moreover, to deepen understanding of investment-related issues and FDI data among national policymakers, organizing more training seminars in response to participants' positive feedback is called for. Aside from the readership surveys, the subprogramme should consider creating a mechanism within the division for assessing more accurately improvements in policymakers' understanding of investment-related issues and policies.

Policy and capacity building

Expected accomplishment

70. (b) Improved ability of policy makers to design appropriate policies and strategies to attract and benefit from foreign direct investment and technology transfer, and to understand key concepts of treaties and the development dimension of international trade.

Major outputs and activities

Investment Policy Reviews (IPRs)

- Six Investment Policy Reviews completed for Botswana, Ghana, Lesotho, Sri Lanka, Tanzania, Nepal.
- Five Reviews underway for Algeria, Benin, Colombia, Brazil, Zambia.
- Follow-up activities to Reviews in Egypt, Mauritius and Uganda completed, Algeria, Botswana, Ecuador, Nepal and Sri Lanka.
- Expert Meeting on Effectiveness of FDI Policy Measures (25-27 June 2003).
- Development and launch of the Benchmarking Tool (Investment Compass).

International Investment Agreements (IIAs)

- Eight regional intensive training courses for international investment agreement negotiators with 195 participants.
- Two rounds of negotiations of bilateral investment treaties for 36 countries resulting in the conclusion of 47 such treaties.
- In cooperation with WTO (in the framework of the paragraphs 20-22 of the WTO Doha Ministerial Declaration), 12 regional seminars with 183 participants, 13 national seminars with 10-15 participants per seminar, and 6 Geneva-based technical workshops for 93 participants on international investment agreements issues.
- Two IIA issues papers on Dispute Settlement (State-State and Investor-State) with four more papers (Incentives, Transparency, A Glossary, REIO Clauses) forthcoming, update of the Compendium on International Investment Instruments (publication of 5 additional volumes), and an interactive CD-ROM for the IIA issues papers and the Compendium.
- 13 contributions on substantive provisions and technical cooperation to the WTO Working Group on the Relationship between Trade and Investment.
- Support to WTO Working Group on Trade and Technological Transfer (3 case studies on Brazil, South Africa and India).
- The network of international investment agreement experts: 300 registered members to date
- Five CUTS (Consumer Unity and Trust Society) seminars.

Advisory Services on Investment and Training (ASIT)

- **FORINVEST programme** that provides advisory services and training packages relating to investment regulatory framework, investment policies and strategies, and sector policies governing the participation of transnational corporations in specific industries: technical assistance to Jordan in the elaboration of a foreign investment strategy for minerals industry; Investors' Perception Survey for the Investment Development Authority of Lebanon; Investor Targeting Strategy for electronics industry in the Moscow region; Report on Investment Promotion Strategy to the Andean Community of Nations and a regional meeting in Lima in December 2003; a new project for countries of Economic and Monetary Community of Central Africa for a diagnosis of the investment environment in the region; training workshops on investment promotion to diplomats from Brazil, Egypt and Thailand; advisory services aimed at the improvement of investment law to Angola and Botswana.
- **STAMP programme** that provides advisory services to strengthen investment institutions, especially investment promotion agencies: assistance to investment promotion agencies in Albania, Bolivia, Costa Rica, Djibouti, Ecuador, Egypt, Latvia, Morocco, Tanzania and Saudi Arabia; national and regional (Latin America, Central and Eastern Europe) events to

advise investment promotion agencies in investment promotion strategies, techniques and best practices.

- **Programme on Good Governance in Investment Promotion and Facilitation** that aims to assist LDCs in identifying governance-related obstacles to foreign investment and in introducing instruments and practices that promote accountability, participation, predictability and transparency in the successive stages of the investment process: a review of the status of governance in investment promotion and facilitation in Lesotho, Maldives and Tanzania; advisory reports with recommendations for Lesotho and Tanzania; follow-up to recommendations for Ethiopia, Lesotho and Tanzania through training in customer services to staff of institutions dealing with foreign investors and in developing client charters for the national investment promotion agencies.
- **Investment Gateway**, the Internet-based interactive platform for investment promotion with readily available information on investment opportunities and practical information on the legal and regulatory framework, contact data on potential investors and market intelligence: a pilot project in cooperation with Bolivia, Ecuador and Colombia with projects for Peru, Mexico and Djibouti and an umbrella Investment Gateway for the Andean Community of Nations under development.
- ASIT provided assistance to a number of developing countries (Botswana, Ecuador, Ethiopia, Lesotho, Tanzania) in the organization of the follow-up work to implement recommendations contained in the Investment Policy Reviews.
- “The world of investment promotion at a glance: a survey of investment promotion practices”
- Support to World Association of Investment Promotion Agencies (WAIPA) by hosting its Secretariat and assisting in the organization of some of its training activities as well as annual WAIPA conferences.

Accomplishment/results

71. The objective of the subprogramme is to improve the ability of developing countries, especially of LDCs, to attract and benefit from FDI and technology transfer. A key to the realization of this objective is the strengthening of the ability of policy-makers in designing policies and action programmes to attract and benefit from FDI and technology transfer and in the understanding of, and consensus building on, emerging issues in international investment. The subprogramme provides (1) an analysis of investment policies in a country, mainly through Investment Policy Reviews, to familiarize public and private investors with a country’s environment and policies; (2) services aimed at increasing the capacity of developing countries to attract and benefit from investments through demand-driven advisory services and training projects implemented by Advisory Services on Investment and Training; and (3) assistance to Government officials in participating in international discussions and negotiations on investment (International Investment Agreement). Policy-makers, diplomats, experts, investment promotion agencies and Government officials in developing countries and countries in transition are thus end-users of this programme.

72. During the biennium, six Investment Policy Reviews were completed, published and discussed at the Commission on Investment, Technology and Related Financial Issues for Botswana, Ghana, Lesotho, Nepal, Sri Lanka and Tanzania. Further, an exchange of national experience in strengthening the enabling environment for investment was made at the expert meeting on effectiveness of FDI policy measures, and a benchmarking tool (Investment Compass) was developed for regulatory frameworks on investment and fiscal regimes, which can be used by policy makers, investment promotion agencies and other stakeholders for comparing the performance of countries in these areas, based on experience gained in the

Reviews. The recommendations of the Investment Policy Reviews were followed up in eight countries, and by the end of the biennium, the target set for the endorsement of the recommendations was achieved (90 per cent of the recommendations were endorsed by Governments) as publicly stated by Government representatives in the Commission on Investment, Technology and Related Financial Issues and other intergovernmental bodies.

73. Developing countries and economies in transition were assisted in creating and managing their policy frameworks for attracting FDI through ASIT programmes, including assistance in following up recommendation of the Reviews (for Botswana, Ecuador, Ethiopia, Lesotho, Tanzania). For instance, drafts of FDI legislation and of investment promotion strategy were prepared for Botswana through ASIT programme. During the biennium, about 20 countries benefited from request-based programmes of ASIT, including Albania, Angola, Botswana, Brazil, Costa Rica, Egypt, Jordan, Latvia, Lebanon, Morocco, Russian Federation, Saudi Arabia, Thailand, countries of Andean Community. Technical assistance was further provided at request even after completion of programmes, for example to revise Jordan's Natural Resource Law. These activities were complemented by the Programme on Good Governance in Investment Promotion and Facilitation to five LDCs (Ethiopia, Lesotho, Maldives, Mali and Tanzania) and the Investment Gateway.

74. With the International Investment Agreements work programme, close to 500 negotiators, Government officials and others were trained through national, regional and international seminars, training courses and workshops. Two rounds of negotiations of bilateral investment treaties for 36 countries resulted in the conclusion of 47 such treaties. The civil society also benefited through the CUTS seminars with and the Network of international investment agreement experts. Support was provided to WTO members through the workshops and contributions to the WTO Working Group on the relationship between Trade and Investment and the Working Group on Trade and Technology Transfer.

Lessons learned

75. Positive feedback was received on the investment promotion activities, as appears from the statements by delegates to intergovernmental meetings and from investment promotion agencies at WAIPA events, as well as and from recipients of technical assistance activities. The increasing demand for ASIT advisory services from developing countries and economies in transition has been met by additional support from donor countries to the programme. However, there is a need for more systematic reporting procedures on the implementation of recommendations by the Governments, better cooperation with recipient countries Governments, as well as for additional human and financial resources to perform UNCTAD's investment promotion activities.

Enterprise and technology policies

Expected accomplishment

76. (c) Increased ability of developing countries and economies in transition to formulate and implement sound enterprise and technology policies and translate the into concrete actions benefiting individual enterprises, particularly SMEs.¹⁰

(i) Enterprise Development

Mayor outputs and activities

- Commission of Enterprise, Business Facilitation and Development, 6th and 7th sessions.
- Expert Meeting on Policies and Programmes for Technology Development and Mastery, including the Role of FDI.
- Expert Meeting on Improving the Competitiveness of SMEs through Enhancing Productive Capacity: Financing Technology.
- Several workshops, including on business linkages (Penang), encounter of CEOs on business linkages (Sao Paulo), and on indigenous entrepreneurs (Toronto).
- Enterprise Development Series: *Improving the Competitiveness of Small and Medium-sized Enterprises in Developing Countries: The Role of Finance to Enhance Enterprise Development.*
- Enterprise Development Series: *Proceedings of the Symposium on Modalities for Financing Small and Medium-sized Enterprises (SMEs) in Uganda.*
- Strategy Paper on Private Sector Development for UNDP/DESA¹¹ Expert and High Level Meetings on TICAD Support to Regional Policies for Private Sector Development in Africa
- Joint research with the French Ministry for Foreign Affairs, Austrian Development Cooperation Agency, Swiss Development Cooperation to assess the need for business development services in Francophone Africa and Ghana.

Accomplishments/results

77. The subprogramme seeks to increase the awareness of best practices in enterprise development among developing country policy makers. Further, it provides advisory services to help Governments in formulating concrete policies for improving the competitiveness of the enterprise sector. The results of the work also feed into and shape the technical cooperation projects carried out by the Division, particularly the EMPRETEC programme.

78. During the biennium, the Commission on Enterprise, Business Facilitation and Development had two annual sessions, and two Expert Meetings were organized on enterprise development issues, both of which were attended by some 100 experts from some 50 countries. The results of the intergovernmental deliberations were disseminated through two Enterprise Development Series publications, a result of which was several requests from Governments for advisory services, indicating an increased awareness among policy makers of the work. Some highlights:

¹⁰ SME stands for small and medium-sized enterprise.

¹¹ Department of Economic and Social Affairs of the United Nations.

- Following UNCTAD's work on financing for small and medium-sized enterprises (SMEs), the Central Bank of Uganda requested assistance in organizing a symposium on the "Modalities for Financing SMEs" in Kampala, Uganda, in April 2002. The symposium was attended by 260 participants from SMEs, commercial banks and the donor community who made a number of concrete proposals for improving small and medium-sized enterprises' access to finance in Uganda. A special taskforce on SME finance was established to implement the plan of action. UNCTAD's work on SME finance were also brought to the attention of the Conference on Financing Development *via* the Chairman of UNCTAD's Expert Meeting on SME finance and was incorporated in the final declaration of the Conference.
- As a result of the work over the past 4 years on a range of issues in enterprise development, UNDP requested a strategy paper on private sector development in Africa that served as the key document for the UNDP/DESA Expert and High Level Meeting on TICAD Support to Regional Policies for Private Sector Development in Africa in Morocco, April 2003, and a follow-up meeting organized by UNCTAD in Geneva, July 2003.
- Following research, intergovernmental deliberations, workshops, and a video on SME-Transnational corporation linkages prepared by the programme, a pilot project in Uganda and Ethiopia for concretely establishing linkages between local suppliers and transnational corporations was launched in 2003. The project is set to expand to several other African countries. Advisory services on business linkages were provided to Morocco, Brazil, Cambodia, Vietnam, Ethiopia and Uganda.
- Liaison and joint work with other organizations: Working Party on SMEs of the Organisation for Economic Co-operation and Development (OECD); World Association of SMEs; Committee of Donor Agencies for Small Enterprise Development. The programme has also been able to involve the private sector in spreading best practices in enterprise development including Anglo American, Intel and Unilever. Unilever has put at the programme's disposal an expert on business linkages.

(ii) Science and Technology

Major output and activities

- Commission on Science and Technology for Development (CSTD), Sixth session (2003) and four inter-sessional panels.
- Publications and analytical reports:
 - Coalition of Resources for Information and Communication Technologies;
 - Science and Technology Diplomacy: concepts and elements of a work programme;
 - Electronic Commerce and Music Business Development in Jamaica;
 - Information and Communication Technology Indices;
 - Investment and Technology Policies for Competitiveness;
 - Key Issues in Biotechnologies;
 - Changing Dynamics of Global Software and Service Industry;
 - Partnership and Networking in Science and Technology for Development.
 - Africa's Technology Gap: Case studies on Kenya, Ghana, Tanzania and Uganda.
 - CSTD Panels on Technology Development and Capacity-building in a Digital Society - Report by the Secretary-General;
 - Impact of new biotechnologies, with particular attention to sustainable development, including food security, health and economic productivity - Report of the Secretary-General
- *Science and Technology for Development Network (STDev)*, a gateway to information on activities related to science and technology for development within and outside the United Nations system. An electronic compendium and user guide to UNCTAD's work on issues

of technology for development, 1975-2001, which contains more than 400 reports and studies, were developed. Four internet working groups were held on promoting science and technology to meet the Millennium Declaration goals, attended by approximately 140 individuals from more than 30 countries. The website disseminates the work of the Commission on technology transfer, ICTs, biotechnology, partnering and financing opportunities for science and technology, as well as provides information on international science and technology-related treaties and protocols. It also provides access to information on activities within the United Nations system, other multilateral and bilateral development institutions, and NGOs. STDev has signed an Memorandum of Understanding with the Development Gateway as an outreach effort to broaden its constituencies. It receives on average 2,800 hits per month.

- *ICT benchmarking tool*, designed to help developing country policy-makers in formulating ICT policies. This tool allows users to select a number of indicators such as speed of access to the Internet, number of telephone main lines, mobiles, personal computers, Internet hosts, and Internet users, and benchmark themselves against selective countries from different regions of the world and monitor progress over time. Launched on the occasion of the World Summit on the Information Society in December 2003, the tool provides a useful input to policy analysis in allowing more informed and insightful study of policy and, ultimately, in promoting better, faster and more effective ICT development. The tool is developed in open source and allows flexible configuration.
- *Science and Technology Diplomacy Initiative*: 4 interactive policy dialogues on (trade and transfer of technology; genetically modified organism's adoption and trade; Proposals for an International Science and Technology Treaty; and Biotechnology applications and trade). The main objective of the Initiative is to mobilise scientific and technological expertise to enable developing country diplomats and representatives to participate fully in international negotiations and to make informed decisions on emerging issues, where science and technology play an important role. The Initiative was established by UNCTAD, in collaboration with the Science, Technology and Innovation Program of Harvard University's Kennedy School of Government.

Accomplishments/results

79. The objective of the subprogramme is to strengthen the ability of developing countries and countries in transition to formulate and implement sound technology policies. A key to the realization of this objective is increase in the understanding of technology-related policy issues and provision of policy advice to member States. The programme provides substantive and technical support to the Commission on Science and Technology for Development (CSTD), whose main function is to provide high-level advice to member States through ECOSOC and the General Assembly on matters related to science and technology for development. One indicator of the effectiveness of the programme is the extent to which the Commission's recommendations have been adopted and implemented at the national level; during the biennium, 22 member States indicated that some of the Commission's recommendations had been implemented.

80. The sub-programme developed and administered the STDev, a gateway to information on activities related to science and technology for development within and outside the United Nations system (with an average of 2800 visits per month recorded), published 11 analytical reports on key issues on Science and Technology, and launched the Science and Technology diplomacy initiative designed to build capacity in developing countries to address more effectively, issues related to science and technology in international diplomacy. Three interactive policy dialogues and an executive forum on trade and transfer of technologies gathered more than 300 participants. In December 2003, at the occasion of the

World Summit on the Information Society, the ICT Benchmarking Tool developed to provide policy-makers with an interactive tool allowing assessment of the countries capabilities in terms of connectivity and access, and comparison between performances was launched.

81. As of the end of 2002, the Division received 22 country reports on national policies on science and technology and by the end of October 2003, it was estimated that four additional countries were implementing Commission's recommendations, based on country reports submitted, as well as presentations during panel meetings. This brings the number of countries to 26, which is a significant increase, compared with the last biennium, which reported 20 countries. Impact of the programme on expected accomplishment is further illustrated by positive feedback, given by member states in intergovernmental meetings and by requests from member states on information and advices.

Lessons learned

82. The STDev has proved an effective tool for information dissemination on the work of the Commission on Science and Technology for Development. It provides a forum for exchange of good practices between policy-makers. The Science and Technology Diplomacy Initiative has been welcomed and praised by a number of member States. In the future, the programme will seek to improve collaboration and cooperation with other United Nations agencies.

Entrepreneurship and SME development

Expected accomplishment

83. (d) Strengthening entrepreneurship and development of small and medium-sized enterprises at the national, regional and international levels through the follow-up to the evaluation of the technical cooperation project for promoting entrepreneurship (EMPRETEC), in particular its consolidation, as decided by the Trade and Development Board; the creation of EMPRETEC networking; implementation and/or strengthening of national EMPRETEC programmes in 25 countries, taking into account the decisions of the Trade and Development Board.

Mayor outputs and activities

84. The EMPRETEC programme aims to strengthen the institutional capacity of developing countries to promote entrepreneurship and the competitive SMEs. Its end-users are: developing countries and countries with economies in transition; entrepreneurs with high potential to export in those countries; disadvantaged entrepreneurs (e.g. women entrepreneurs, handicapped and displaced soldiers, farmers); transnational corporations (through Business Linkages activity). These are served through intermediaries which are: EMPRETEC Centers, EMPRETEC Business Associations and the respective Chambers of Commerce and counterpart institutions in each country. At the end of 2003, national EMPRETEC programmes were operational in 27 countries.

85. The main activities and outputs during the biennium were:

- Awareness raising through www.empretec.net.
- Annual Directors Meeting (Casablanca in 2002, Buenos Aires and Accra in 2003) to motivate the directors of EMPRETEC National Centers and to formulate new strategies for entrepreneurial development.
- Newsletters, distributed to all the Empretecnicos (entrepreneurs who have completed the EMPRETEC training programme) and EMPRETEC Center directors, as well as donors.
- Data collection from all the EMPRETEC Centers initiated to better assess the performance of individual centers and to have a integrated management information system.
- Development of new Products and services: Business linkage model, Training for women entrepreneurs.

Accomplishments/results

86. The accomplishments during the biennium are indicated by:

- More than 20,000 visitors to 'www.empretec.net' website.
- Positive responses to EMPRETEC Newsletter from several Empretecnicos and EMPRETEC Centers. Some Empretecnicos requested that Newsletter be published in Spanish for them to understand better.
- Since the inception of the EMPRETEC programme in 1988, about 70,000 entrepreneurs have received training from more than 375 experienced local trainers and follow-up support in 27 countries.
- During 2002, programmes in Guatemala, Jordan, Palestinian Territory and Romania have been fully operationalized.
- During 2003, the Programme in Guyana has been fully installed;
- Two new activities viz. Business Linkages and Women Entrepreneurs were launched. On a test basis, the training programmes have been conducted in those activities in Ethiopia and Uganda.
- Increased South-South cooperation between different EMPRETEC Centers: for example, EMPRETEC Zimbabwe and EMPRETEC Ethiopia assisted in the full establishment of Enterprise Uganda.

87. Further the relevance of the programme was indicated by:

- The increased number of requests from developing countries and countries in transition for installing the programme;
- The increased number of trainees, trainers and customized training programmes to target a particular sector (e.g. exporters, farmers, women entrepreneurs);
- Increased awareness/thirst of Empretecnicos to have a better networking among themselves for business opportunities;
- Awards and certificates won by Empretecnicos indicating the achievement of the highest standards in their particular sector and country,
- The increased number of requests from Empretecnicos to the programme for its continuation.

Lessons learned

88. At the domestic level, Governments need to encourage an improved business environment for entrepreneurial development. A better utilization of the programme by developing countries, especially LDCs, and countries in transition would contribute towards this end, while renewed and continuous efforts for fund-raising are necessary.

Accounting and corporate governance

Expected accomplishment

89. (e) Increased transparency, reliability and comparability of corporate accounting and reporting, and improved governance in developing countries and countries in transition.

Major outputs and activities

- Intergovernmental Working Group of Experts on International Standards of Accounting and Reporting (ISAR), 19th and 20th sessions.
- *Selected Issues on Corporate Governance: Regional and Country Experiences*
- *Guidance on accounting and financial reporting by small and medium-sized enterprises*
- *Guidance on corporate governance disclosure requirements*
- *Guidance on eco-efficiency performance indicators*
- *Revised model curriculum on accounting professional education*
- *International Accounting and Reporting Issues, Review 2002 and Review 2003*
- Workshops on: restoring investor confidence through corporate transparency; strengthening the accounting profession; corporate social responsibility and reporting; and eco-efficiency indicators.
- 5 case studies on issues of implementation of corporate governance disclosure requirements
- *Selected Issues and Best Practices on Corporate Social Responsibility Reporting*
- Four volumes of ISAR Update newsletter
- On-going policy and technical advice to International Federation of Accountants and International Accounting Standards Board on issues related to implementation of accounting, audit and professional education standards

Accomplishments/results

90. The objective of the programme is to promote transparency, reliability and comparability of corporate accounting and reporting as well as to improve disclosures on corporate governance by enterprises in developing countries and countries with economies in transition. The programme achieves this through an integrated process of research, intergovernmental consensus building, dissemination and technical cooperation.

91. During the biennium, the programme provided experts on accounting, financial reporting, corporate governance, corporate social responsibility, accounting education as well as policy makers, regulators, and standard-setters two annual fora where they exchanged views and learned from each others' experiences. The annual sessions of the Intergovernmental Working Group of Experts on International Standards of Accounting and

Reporting (ISAR) resulted in consensus on guidance for accounting and financial reporting by small and medium-sized enterprises and also on corporate governance disclosure requirements. The number of participants in the nineteenth session of the Group reached a record level of 180, a 15 per-cent increase over the previous session. At the twentieth session, 200 experts participated, setting another record and a further 11 per-cent increase. The increasing number of participants indicates the relevance of the issues that ISAR has been tackling to member States, particularly in the aftermath of the series of corporate failures during the biennium. It is important to note here that minimal resources were expended in supporting participants with travel or daily subsistence allowances. The number of requests for technical cooperation programmes as well as invitations for UNCTAD to participate and provide expertise at the national, regional and international level is also on the rise.

Lessons learned

92. Experience during the biennium has shown that consensus building, particularly to the extent of adopting guidance on transparency and disclosure issues, requires consideration of issues beyond one session. Workshops and ad hoc consultative group meetings that feed into the annual ISAR sessions increasingly facilitate the deliberations during annual sessions. It would be helpful to allocate resources to workshops and ad hoc consultations.

Subprogramme 3

***INTERNATIONAL
TRADE***

Objectives of the subprogramme

With a view to assisting developing countries to integrate themselves more fully into, and derive benefits from, the international trading system and to increasing their participation in world trade, the objective of the subprogramme is to improve understanding of current and emerging issues in international trade of concern to developing countries and to enhance ability to address those concerns in the areas of agriculture, services, electronic commerce, competition law and policy and the trade-environment-development nexus.

- This subprogramme was implemented by the Division on International Trade in Goods and Services, and Commodities.

Trade negotiations and commercial diplomacy

Expected accomplishment

93. (a) Strengthened capacities of developing countries and countries with economies in transition to articulate, formulate and implement appropriate policies and strategies to participate effectively in, and derive maximum benefit from, international trade and, in particular, multilateral trade negotiations.

Major output and activities

- Report by the Secretary-General of the United Nations on International Trade and Development to the General Assembly 57th and 58th sessions.
- Trade and Development Board on the post-Doha Work Programme (49th session)
- Trade and Development Board on the outcome of the Fifth WTO Ministerial Conference (50th session).
- Commission on Trade in Goods and Services, and Commodities, 6th and 7th sessions.
- Expert meetings on: Audiovisual Services: Improving the Participation of Developing Countries; Market Access in Mode 4 Supply of Services; and Market Entry Conditions Affecting Competitiveness and Exports of Goods and Services of Developing Countries: Large Distribution Networks, taking into account the special needs of LDCs; and Energy Services.
- Contributions to Ministerial preparatory meetings and expert meetings for the Fifth WTO Ministerial Conference by LDCs, African Union, ACP States, Arab States, Asian countries, Latin American countries and Caribbean countries, as well as a number of national events.
- Participation in, and reporting on, meetings of WTO bodies and providing contributions when requested.
- Some 68 advisory and technical missions to developing countries, in particular to LDCs and African countries, and their regional organizations on the WTO Doha Work Programme, ACP-EU trade negotiations, regional trade negotiations among developing countries, and the Generalized System of Preferences (GSP) and other trade preferences.
- Some 20 publications on trade policy and negotiation issues of interest to developing countries, including *Energy and Environmental Services: Negotiating Objectives and the Development Priorities*
- Numerous WTO negotiation briefs, and policy analyses on international trading system and trade negotiations for reports on follow-up to the Millennium Declaration, Monterrey Consensus, and World Economic and Social Survey.
- 5 training modules on different topics on international trade agenda.
- About 100 training courses, seminars and workshops on multilateral and regional trade negotiations, commercial diplomacy, GSP and other trade preferences, with the total participation of some 3000 representatives from Governments, businesses, civil society and other stakeholders.
- Some 40 technical assistance projects on trade negotiations and commercial diplomacy, including: the programme of capacity building and technical cooperation for developing countries, especially LDCs, and economies in transition, in support of their participation in the WTO Doha Work Programme; the commercial diplomacy activities; the services negotiation projects; small island developing countries (SIDS) and agricultural trade liberalization; dispute settlement in international trade, investment and intellectual property;

the Joint ITC¹²/UNCTAD/WTO Integrated Programme of Technical Assistance (JITAP) Phase I for 8 African countries (1998-2002) and Phase II for 16 African countries (2003-2006); the UNDP-funded regional trade negotiations capacity building programme for Sub-Saharan African countries (1998-2003); and programme on effective utilization of GSP and other trade preferences.

Accomplishments/results

94. The objective is to strengthen human, institutional and regulatory capacities in developing countries and countries with economies in transition to formulate trade policy and conduct trade negotiations so that these countries can participate more effectively in and derive maximum benefits from international trade. Challenges to achieving this objective were: (1) to build awareness and consensus among Governments on the need to address multilateral, regional and national trade policy, regulatory and negotiations issues of development concern and interest to developing and transition countries; and (2) to assist trade officials and trade negotiators of developing and transition countries, through training and economic and legal analyses, in: articulating, formulating and implementing trade and trade-related policies and regulations; defining key national (and common) trade and development interests in international trade negotiations; and identifying and implementing negotiating strategies to promote these interests.

95. Strategies for achieving this objective were through intergovernmental deliberation and consensus building; expert discussions; technical and policy analysis; issue and region-specific negotiation briefs and training materials; demand-driven, need-based and targeted advisory missions, technical assistance and training programmes; and through joint activities with, or contributions on trade negotiations to, other United Nations agencies, WTO, Commonwealth Secretariat, ACP Group Secretariat, African Union, NEPAD Secretariat, Caribbean Regional Negotiating Machinery, South Centre, and others. As regards cooperation with other United Nations agencies, UNCTAD is the Convener of the Working Group on Trade of the United Nations Executive Committee on Economic and Social Affairs. These interventions focused on issues of interest and concern to developing and transition countries, in particular: (a) trade negotiations under the Doha Work Programme in services trade, particularly Mode 4, agriculture trade, non-agriculture trade including textiles and clothing, Singapore issues, special and differential treatment, implementation issues, special concerns of LDCs, African countries and small economies; (b) trade remedies and dispute settlement; (c) regional trade agreements, including ACP-EU trade negotiations and South-South trade; and (d) GSP, rules of origin and other trade preferences.

96. Indicators of achievement included the following: a growing number and quality of proposals were submitted by developing countries on the Doha Work Programme negotiations in agriculture, services and non-agricultural goods; over 88 proposals were submitted by developing countries on the review of special and differential treatment, and detailed proposals by the African Group (TN/CTD/W/3/RE.1) and LDCs (TN/CTD/W/4 and Add.1) formed the basis for negotiations among WTO members; in agriculture negotiations, 43 out of 107 proposals were from developing countries or developing country groups; in the services negotiations, developing countries engaged in the initial offer/request process and a few submitted initial requests and 23 out of a total of 39 initial offers; on non-agriculture market access modalities, developing countries/groups submitted 15 out of 21 proposals.

¹² UNCTAD/WTO International Trade Centre.

97. Developing country groups elaborated substantive common positions on the Doha Work Programme negotiations for, and participated actively in, the Fifth WTO Ministerial Conference (Cancún, September 2003). These included LDCs (Dhaka Declaration and Common Position), African Union States (Mauritius Declaration and Common Position), ACP States (ACP Declaration on the Fifth Ministerial Conference of WTO), and Arab States (Recommendations of the Arab Ministerial Meeting in preparation for the Fifth WTO Ministerial Conference). Many individual developing countries also submitted position papers on the Conference.

98. Prior to and at Cancún, developing countries formed strategic issue-based alliances to pursue common negotiating objectives. These included the G20 on agriculture; G33 on special products and special safeguard mechanism for in agriculture; and tripartite alliance of African Union, ACP States and LDCs.

99. TDB agreed to regularly review developments and issues in the post-Doha work programme of particular concern to developing countries, on the recommendation of the Commission on Trade in Goods and Services, and Commodities. The Board carried out the first review at its 49th and the second at its 50th session. The latter constituted the first intergovernmental discussion of the outcome of the WTO Cancún Ministerial Conference, which was very intensive with some 43 statements by regional groups, countries and observers, and a substantive Chairman's summary on the Cancún impasse and the way forward. A large number of countries expressed their appreciation for the high quality of the documentation presented to the Board and for analyses and capacity building programmes on the Doha Work Programme conducted by UNCTAD. The Chairman presented these conclusions to the 58th session of the General Assembly.

100. The General Assembly reviewed, at its 57th and 58th session developments and issues in the post-Doha work programme of particular concern to developing countries and, following extensive deliberations, adopted respectively resolutions A/RES/57/235 and A/RES/58/197. These resolutions emphasized the importance of development issues and concerns raised by developing countries on the Doha Work Programme that these should be fully taken into account in WTO negotiations, and supported continued and enhanced work by UNCTAD. In particular, the latter resolution took note of the in-depth review undertaken by the 50th session of TDB on developments in the post-Doha work programme, and its contribution to an understanding of the actions required to help developing countries secure beneficial and meaningful integration into the multilateral trading system and the global economy and to achieve a balanced, development-oriented and successful conclusion of the Doha negotiation; and requested UNCTAD to continue its work on trade-related issues and policies from the development perspective. It also noted the work on development benchmarks of the international trading system and trade negotiations; emphasized the importance of, and invited member states to support the activities of UNCTAD; reiterated the importance of supporting UNCTAD's programmes of technical cooperation and capacity building assisting developing countries, in particular those programmes in support of their participation in the Doha Work Programme.

Lessons learned

101. Intergovernmental deliberations on development aspects of multilateral trade negotiations under the Doha Work Programme have been important in facilitating frank discussions that would not have been possible in negotiating forums; enhancing

understanding on different views and approaches; and building consensus on actions to facilitate more effective and beneficial participation of developing countries and transition countries. Such deliberations should be continued. Expert meetings, such as on audiovisual services and Mode 4, have been particularly effective in promoting in-depth examination of trade issues with significant development potential providing policy recommendations to Governments in this regard, and identifying follow-up work. Thus expert meetings should be emphasized. Trade negotiations and commercial diplomacy advisory services and technical assistance have had greater impact in responding to the short-term needs of trade negotiators and policy-makers, particularly when closely coordinated and keeping in pace with actual trade negotiations. Such support would have more sustainable impact, if it addressed in parallel, longer-term institutional, human and regulatory capacity-building needs. This requires support for, and enhancement of, ongoing UNCTAD capacity development programmes and the implementation of new ones. There has been a strong emphasis on and use of inter-Branch cooperation and collaboration, and some of the outputs benefited from this. Closer collaboration with other United Nations and international agencies has proven useful in coordinating activities on international trade and enhancing their impact. Such collaboration should be enhanced.

Trade analysis and information

Expected accomplishment

102. (b) Increased awareness of factors underlying developments in international trade and of the impact of trade policies and increased capacity to implement trade policy tools that make development policies more effective.

Major outputs and activities

- Report by the Secretary-General of the United Nations on International Trade and Development to the General Assembly 57th and 58th sessions.
- Analytical studies on Trade in Services; International Trade and Labour Market Performance; South-South Integration; Agricultural Trade Reform and Poverty Reduction, Implications for Sub-Saharan Africa; Shifting Sands: Searching for a Compromise in the WTO Negotiations on Agriculture; Export Performance and Its Determinants; Crawling out of the Snake Pit: Special and Differential Treatment in post-Cancún Initiatives Trade and Poverty; Non-Agricultural Market Negotiations; Everything But Arms Initiative for the Least Developed Countries of the European Union; Modern RTA's and Their Implications for the Stability of Trade Policy¹³; and Quantification of Non-Tariff Measures, 2002.
- Agricultural Trade Policy Model (ATPSM), developed in close collaboration with the Food and Agriculture Organization (FAO), available on Internet and on CD-ROM, with ATPSM Handbook. Presentation of ATPSM in Geneva and Bangkok for a total number of 140 participants.
- Trade Analysis Information System (TRAINS): increased country coverage from 119 to 148 of which more than 100 countries' data were updated to 2002 or more recent.
- World Integrated Trade Solution (WITS) software: a tool to analyze the TRAINS database developed in close collaboration with the World Bank, with new functions and improvements.

¹³ RTA stands for regional trade agreements.

- 18 regional and national TRAINS Seminars/Workshops for a total number of 440 participants: the regional events for/at Organization of African Unity, Economic and Social Commission for Asia and Pacific (ESCAP), Latin American Integration Association, Economic Commission for Latin America and the Caribbean (ECLAC), Geneva delegations, selected developing countries with EU, Bangkok, FAO and AMAD (Agricultural Market Access database) group, and Pacific Islands; the national events for Samoa, Vanuatu, Fiji, Malaysia, Colombia, Ecuador, Guatemala and Viet Nam, in cooperation with WTO, World Bank and ESCAP.
- Contribution, primarily on Non-Agricultural Market Access Negotiations, in 22 preparatory events and seminars/workshops for trade negotiations with a total number of 1,005 participants from: the Like-Minded Group in Geneva, Argentina and La Facultad Latinoamericana de Ciencias Sociales, ACP (African, Caribbean and Pacific Group) States, LDCs, African Group, Commonwealth Secretariat and Southern African Development Community, Arab States, Southern Africa Trade Research Network, Venezuela, Bolivia, Guatemala, Ecuador, Colombia, Indonesia, India, Tunisia, Kenya, Zimbabwe and Viet Nam.
- Participation in the Joint Vienna Institute Training Seminars on Trade Issues for Transition Economies.
- Policy analyses on international trading system and trade negotiations for reports on follow-up to the Millennium Declaration, Monterrey Consensus, and World Economic and Social Prospects.

Accomplishments/results

103. The objective of this subprogramme, implemented by the Trade Analysis Branch, is to increase awareness of factors underlying developments in international trade and the impact of trade policies, and to increase capacities to utilize and implement trade policy tools in formulating effective development policies. The outputs of this programme have been used as inputs for intergovernmental deliberations and consensus building; for the provision of technical advice by other programmes of the Division in technical cooperation activities; and they have been extensively disseminated to the public at large and used by Governments, the academic community, research institutions and the private sector.

104. Several indicators of achievement are identifiable. The studies are disseminated through various channels: first, throughout the United Nations system around the world, including through UNDP office libraries; second, Government officials receiving studies when advice is provided by UNCTAD officials and through technical assistance missions; third, through the Permanent Missions in Geneva, with delegates from developing countries also relying on UNCTAD's research for negotiations; finally, UNCTAD's staff are invited often to universities and research centres in developed and developing countries to present their findings. There has been a large number of requests for national/regional seminars as well as briefings in Geneva for individual countries and sub-groups as well as cross-regional groups of developing countries that have looked to UNCTAD's work on agriculture and non-agricultural market access in particular to help define their negotiating positions in WTO trade negotiations. In response, training workshops were provided in Geneva and in several developing countries.

105. The continued development and dissemination of TRAINS highlights the particular utility of this tool to trade negotiators and policy makers for trade policy formulation and trade negotiations, as well as to international organizations and academic and research institutions. Over 1000 licenses have been issued to access TRAINS through Internet.

Responses have been provided to more than 50 external requests for tailor-made tabulations received from delegations in Geneva, Government ministries, international and regional organizations, and research institutions and the academics. The TRAINS data were provided to: the Global Trade Analysis Project, a general equilibrium modelling system used by economists worldwide, and the Agricultural Market Access database (AMAD), an inter-agency cooperative effort widely used by agricultural economists and policy-makers. The TRAINS database powered by WITS was presented to more than 50 delegations in Geneva and at various seminars and workshops. Approximately 250 CD versions of ATPSM were distributed since its release. Many users (181 in six months) used the Internet version of ATPSM. Applications using the model have been published in Argentina, Italy and Korea. Papers using ATPSM have been presented at conferences at OECD in Paris, the European Trade Study Group in Madrid and the International Association of Agricultural Economists in Durban. Seminars using ATPSM generated results have been presented in Canada, Kenya, Zimbabwe and Mozambique.

Lessons learned

106. What can be ascertained, as far as policies and negotiations are concerned is that the quality of the debate has been lifted. In the Uruguay Round, many developing countries took on obligations without being fully aware of the costs and technical requirements for their implementation. Moreover, they felt that they were not properly informed about what they were being offered in terms of market access. Partly as a result of technical cooperation, based on research and analysis in UNCTAD and elsewhere, the developing countries were better able to argue their case and the development aspects of the negotiations became central in the WTO's post-Doha work programme.

107. This process has continued since the WTO Doha Ministerial Conference and UNCTAD has continued carrying out studies and providing information to all member Governments and especially to developing countries, including through various technical cooperation programmes. Some of the outputs benefited from extensive inter-Branch cooperation and collaboration. This has allowed developing countries to take a more informed position in the negotiations, putting forward their own proposals and evaluating the proposals of others. UNCTAD's ability to advise developing countries on actual WTO negotiations is constrained by the fact that, as an observer organization, it has been able to participate in some WTO meetings to observe the negotiations but not in many of the actual negotiations that are not open to observers like UNCTAD.

108. Because of the research output and attempts to make this more widely known, UNCTAD has received an increasing number of invitations to participate at international conferences and collaborates with other agencies and institutions in the area of trade policy research, for example, World Bank, World Institute for Development Economics Research of the United Nations University, OECD, Department for International Development of the United Kingdom, annual meetings of research institutions, and so on. Some papers and presentations are prepared especially for such events but are not recorded as United Nations publications. Participation in such meetings assist in the dissemination of UNCTAD's research and helps to maintain UNCTAD as a prime institution for trade-related development-oriented research.

109. A particular concern arises from factors hindering the rapid dissemination of the analytical and research studies to the general public and for specific events. First, the editing

and printing process comes some months after the substantive completion of research studies: thus, for example, some of the outputs prepared in the biennium will not appear until well into the following biennium. For this reason, there has been increasing use of the Internet as a vehicle for rapid dissemination. Consideration has been given to using this source more intensively because of its speed and low cost relative to printing. Because of this and advance informal dissemination of the studies, there has been a considerable demand in 2003 for presentations, particularly on agriculture and the non-agricultural negotiations, at national and regional workshops as well as sub-groups of delegation in Geneva. However, it is recognized that, particularly in developing countries, internet access is sometimes unsatisfactory and expensive.

110. Second, it is not always known to UNCTAD how the outputs are being used by the diverse range of end users, and, despite the inclusion of questionnaires with various products, the response rates are low. Some of the databases and tools are most likely being used for market development purposes in which each country or enterprise has different product/market objectives. Regarding the policy research, many countries, including developing countries and LDCs, have different and sometimes conflicting objectives, depending on their market interests, their preferential or most-favoured-nation treatment the application of other measures such as textiles and clothing restraints or export subsidies and domestic supports in agriculture. Again, while some countries, because of their stage of development, are ready to move faster on liberalisation, others feel less able to move quickly because of the high short-term adjustment costs or unexplored and unexploited opportunities for the use of sectoral policies with externalities. The purpose of much of the research work is to level the playing field through the provision of the best possible information that allows individual member Governments to make the best informed decisions about their own policy stance.

111. Third, to the extent that research points to certain specific policy conclusions, in the area of trade policy any shifts in policy or improvements in market access tend to take place over the medium to long term, rather than within the biennium reporting period.

Commodities

Expected accomplishment

112. (c) Increased contribution of the commodity sector to sustainable development and economic diversification; the application of modern commodity price risk management and financial instruments and greater participation in added-value chains.

Major outputs and activities

- Meeting of Eminent Persons on Commodities Issues (2003, as per General Assembly resolution A/57/381), of which report was discussed by TDB and the General Assembly (resolution A/RES/58/204).
- Commission on Trade in Goods and Services, and Commodities, 7th session.
- Expert meeting on Diversification of Production and Exports in Commodity Dependent Developing Countries, including Single Commodity Exporters, for Industrialization and Development, taking into account the Special Needs of LDCs.

- Expert meeting on Market Entry Conditions Affecting Competitiveness and Exports of Goods and Services of Developing Countries: Large Distribution Networks, taking into account the special needs of LDCs.
- A round table on Commodities, Markets and Rural Development in the context of Economic and Social Council (ECOSOC) preparations.
- Two multi-stakeholder meetings on “Sustainability in the Coffee Sector: Exploring Opportunities for International Cooperation – Assessment and Implementation”.
- Technical reports and publications on: world commodity trends and prospects (for the General Assembly); export diversification, market access and competitiveness (for the Commission on Trade in Goods and Services, and Commodities); trends in international banana marketing structures; agricultural domestic support under the Uruguay Round Agreement on Agriculture with particular reference to the Blue Box; transport and logistics costs; integrating Sub-Saharan small-scale horticultural producers; and impact of supermarket chains on African agro-food sector; organic fruit and vegetables from the tropics: market, certification and production information for producers and international trading companies.
- Project on Diversification and Commodity-based Development: Seven regional and six national workshops. A number of reports available at www.unctad.org/commodities. The results of the project forming a basis for technical assistance on diversification, focusing on national-level issues.
- Project on Natural Resources: Capacity-building and policy networking for sustainable resource-based development, focused on Africa and Latin America. A workshop held for local Government officials in mining regions in Ecuador. In cooperation with the United Nations Environment Programme (UNEP), research papers and news on mineral policy related issues at www.natural-resources.org.
- Technical assistance and advisory services, particularly on diversification and sustainable economic development in areas dependent on mining. A project in Peru on economic diversification in regions where mines are approaching closure. A workshop on a national policy dialogue in Tanzania.
- Market intelligence and analysis through reports containing basic commodity information and statistics:
 - World Commodity Survey (July 2003)
 - Handbook of World Mineral Trade Statistics (December 2002)
 - Commodity Yearbook (October 2003)
 - Reports on iron ore (a market review in spring and statistics in autumn issues)
- Infocomm website (www.unctad.org/infocomm), with quantitative and qualitative commodity information.
- African Oil & Gas Trade and Finance Conferences, Sixth (2002 in Cameroon) and Seventh (2003 in Angola). Assistance to the African Energy Commission, for the development of its work programme on Africa’s energy integration and the role of local players in the energy sector.
- Advisory and training materials on the application of modern commodity price risk management and innovative financial instruments. Guidelines on financing horticultural trade, avoiding commodity finance frauds, and raising funds on capital markets. With the support of FAO, a practical mechanism to operationalize the GATT¹⁴ Marrakesh Decision of 1995 on “measures concerning the possible negative effects of the reform programme on least-developed and net food-importing developing countries”.
- Conferences on structured finance in India, Indonesia and Malaysia. A training course in Cuba on the use of risk management and financing mechanisms in food imports.

¹⁴ General Agreement on Tariffs and Trade

- Advice to developing countries on the establishment of commodity exchanges. A forum on emerging exchanges at the 23rd Bürgenstock Conference of the Swiss Options and Futures Association.
- *Sustainable Coffee Initiative*: developed with International Institute for Sustainable Development, bringing together stakeholders in search of economic and environmental sustainability in the coffee sector.
- A meeting for the entry into force of the International Cocoa Agreement in 2003 and assistance on the renegotiation of a new International Tropical Timber Agreement.

Accomplishments/results

113. The objective of this subprogramme, implemented by the Commodities Branch, is to assist commodity dependent countries in their efforts to adapt their policies and strategies, seeking innovative solutions to the problems they encounter. Considerable effort has been made to analyse the issues and disseminate information in the form of publications, websites, workshops and training courses. Although effectiveness of these activities can only be judged over the long term, indirect conclusions about the usefulness of the activities as perceived by others can be drawn from the fact that UNCTAD receives many more requests for cooperation, assistance and advice in the area of commodities than it can handle.

114. UNCTAD strives continuously to improve the quality of its outputs and to disseminate information on the commodities sector more efficiently. Publications are distributed through official channels and other means to Governments, NGOs, associations of producers and exporters and international organizations. Most reports are also available on UNCTAD's website which has significantly increased dissemination. An indication of the quality and usefulness of the publications can be observed from the fact that the Infocomm website is by far the most visited of UNCTAD's specialized subsites. It covers 20 different commodities, and 20 more will be added by May 2004. This website and UNCTAD's other commodity site (www.unctad.org/commodities), which presents the activities of the Branch, both contain a large number of documents and links to other sites with commodity information. In 2004, these sites will be linked to UNCTAD's statistical database on commodities.

115. Expert and other meetings held in Geneva were attended by over 150 experts, around 100 of them from developing countries, who presented national experiences in commodities production trade promoting an interaction among participants and allowing an interchange of countries' and regional experiences. This provided a valuable insight of the problems faced in other regions and highlighted issues common and/or specific to developing countries and countries in transition. The discussions have provided the basis for reports submitted to the Commission on Trade in Goods and Services, and Commodities, and have thereby contributed to allowing decision makers to develop their strategies in the area of commodities and adapt production and trade policies that allow their countries to participate more fully in international trade in commodities. The eminent persons' meeting on commodity issues has contributed to raising the profile of issues confronting commodity-dependent countries at the international level, with the General Assembly adopting a resolution on commodities at its 58th session.

116. The five national workshops of the Development Account Project on Diversification and Commodity-based Development increased the awareness of participants, including policy makers, of the issues of horticultural diversification, links between artesian fisheries and

world markets, certification and trade in organics products, as well as of problems of diversification in the agricultural sector in general. This increasing awareness was evidenced by the emphasis being given in the countries concerned to increasing the role of the private sector in agriculture and agro-industry.

117. The Development Account Project on Natural Resources, in Africa, has emphasized complementing macroeconomic policy initiatives that promote stability, in particular mechanisms for the management of resource rents over the longer term. Training material on these issues has been produced and an African Mining Network, intended to support the Africa Mining Partnership under NEPAD, is in the process of being established. In Latin America, the focus has been on local authorities, in support of the decentralization policies of national Governments. Training material for local authorities has been produced and a Latin American network with a focus on mineral resources and related sustainable development issues has been established with the website (<http://biblioteca.unmsm.edu.pe/redlieds/>).

118. Important results were achieved as regards the application of modern commodity price risk management and financial instruments. Two commodity exchanges which have been created in India as a result of the Branch's work will reach a turnover of close to US\$ 30 billion in 2003, and a third exchange, which is expected to become even larger, started trading in December 2003.

Lessons learned

119. Many countries are dependent on one or two commodities for the bulk of their export and fiscal revenue. Thus, raising the profile of commodity issues is a major challenge that UNCTAD is addressing. Assisting commodity-dependent countries to maximize benefits from their commodity resources is another challenge that UNCTAD is addressing. The ability of UNCTAD to effect change in commodity-dependent countries will depend to a large extent on having resources available to provide necessary expertise with a critical mass and ensure sustained follow-up. Activities that fulfil these conditions could be given higher priority than singular events. In addition, when an innovative idea and/or approach is identified, it is necessary and worthwhile to repeatedly bring it to the attention of the relevant audience to generate the necessary "critical mass" of interest. This has been amply demonstrated in the distinction that the Commodities Branch has made between market access and market entry issues, and which gained international recognition.

120. Often, delegations do not always demonstrate ownership for the activities that they mandate UNCTAD to undertake. This calls for a better dialogue between UNCTAD and the delegations in the process of identifying priority areas of work.

121. Cooperation with regional organizations adds considerable value to the activities, owing to their closely knitted networks with the stakeholders in the region. Such cooperation embarked upon at an early stage would also be useful for ensuring sustained follow up in the regions. Collaboration with other Branches of the Division has been instrumental in delivering on some of the outputs/activities.

122. The use of the websites to disseminate information, and thus improve understanding, has been a great improvement and has made the work of UNCTAD in commodities more effective. However, there are occasional problems with the search engine of UNCTAD's

digital library that need to be corrected in order to make it easier for clients to access documents.

Competition law and policy, and consumer protection

Expected accomplishment

123. (d) Increased capacity of developing countries and countries in transition for dealing with competition and consumer protection issues, with attention being paid also to gender dimension.

Major outputs and activities

- Intergovernmental Group of Experts on Competition Law and Policy, 4th and 5th sessions.
- *Ad hoc* Expert Meeting on the Revision of the Model Law on Competition.
- Contributions to Intergovernmental expert meetings on Audiovisual Services: Improving Participation of Developing Countries; and Market Entry Conditions Affecting Competitiveness and Exports of Goods and Services of Developing Countries: Large Distribution Networks, taking into account the special needs of LDCs.
- Capacity building and technical cooperation activities to create a competition culture worldwide, in particular by assisting beneficiary countries in the preparation, revision and implementation of competition legislation.
- Technical support to developing countries and economies in transition to help them better evaluate the implications of closer multilateral cooperation in the competition area. Eight regional Post-Doha meetings in cooperation with WTO and other organizations, on which “Consolidated Report” (2002) and “Final Consolidated Report” (2003).
- Technical reports and publications on: Experiences Gained so far on International Cooperation on Competition Policy Issues and the Mechanisms Used; Competition Policy and the Exercise of Intellectual Property Rights; Roles of Dispute Mediation Mechanisms and Alternative Arrangements, Including Voluntary Peer Reviews, in Competition Law and Policy; Recent Important Competition Cases in Developing Countries; the Reviews of Capacity-Building and Technical Assistance, Advisory and Training Programmes on Competition Law and Policy; the Model Law on Competition; and Handbooks on Competition Legislation.
- UNCTAD series on issues on competition law and policy (2 series during the biennium).

Accomplishments/results

124. The objective of this subprogramme, implemented by the Competition and Consumer Policies Branch, is to assist developing countries and countries in transition in examining and developing their national regulatory and institutional framework in competition law and policy and for defending consumer interests. The focus of the programme is reflected in the work of the Intergovernmental Group of Experts on Competition Law and Policy, which meets annually and monitors the application and implementation of the United Nations Set of Principles and Rules on Competition¹⁵. Through the work of this body as well as the United Nations Review Conferences, UNCTAD plays a major role on competition policy at intergovernmental level. UNCTAD is also recognized by all Governments, especially of

¹⁵ The Set was unanimously adopted by the General Assembly in its resolution 35/63.

developing and transitional countries, as the focal point for analytical research and technical assistance on competition policy.

125. The Intergovernmental Group of Experts on Competition Law and Policy (henceforth the Expert Group) is the only fully multilateral body where competition authorities from all over the world, as well as representatives of countries which so far do not have competition law and authorities, meet to discuss and exchange views on specific competition matters. During its fourth (2002) and fifth (2003) sessions, the Expert Group held consultations and exchanges of views on a number of substantive issues in the area of competition law and policy, the results of which are directly taken into account by individual member States when dealing with their competition policies and may have an important impact on their participation in trade negotiations. Following the recommendation of the Expert Group, an *ad hoc* Expert Meeting on the Revision of the Model Law on Competition was organised. Subsequently, a revised version of the Model Law was finalized in time for the July 2003 Expert Group session, where it was highly praised as it is an essential input for those developing countries which envisage the adoption or upgrading of domestic competition legislation. The usefulness of the revised Model Law was confirmed by the high number of countries now preparing competition laws that requested UNCTAD support and capacity building in this respect. In both sessions, the Expert Group adopted *agreed conclusions* that contained specific recommendations addressed to member States and a long list of activities for UNCTAD, indicating the success of the Expert Group sessions and active support of member States for these meetings. The 2003 session of the Expert Group was explicit in recommending to the eleventh conference of UNCTAD the continuation and strengthening of its work on competition law and policy “which proceeds with the active support and participation of member countries”.

126. The practical value and impact of policy recommendations and information contained in reports and publications were highly assessed by representatives of member States. Replies received to questionnaires show high appreciation of the documentation by participants in the meetings with an average of 70 per cent (with variations between 68 and 75 per cent) evaluating documents and publications as “essential” and “very useful”. This is the case, in particular, of the reports noted under the major outputs/activities.

127. During the biennium, technical cooperation in this area expanded significantly as a result of a substantial growth in demand as well as in donor assistance. The programme continued to assist in the creation of a competition culture to individual developing and transition countries, as well as regional and sub-regional integration groupings of States. Through conferences, seminars, workshops, training and advisory missions, assistance was provided in assessing the adverse effects of anti-competitive practices on trade and development and in taking steps 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 of competition authorities. UNCTAD staff members also participated actively in a number of external seminars and conferences related to the issue of competition law and policy and consumer protection. During the biennium, altogether some 80 activities were implemented in many countries, in particular developing countries and economies in transition.

128. The feedback received from these technical cooperation activities was very favourable. UNCTAD has been considered by the international community as a principal international organisation active in this area, and its activities have greatly contributed to the

awareness of developing countries about the necessity of adopting and effectively implementing competition law and policy. Among beneficiary countries, eight countries (Botswana, Vietnam, China, Swaziland, Malawi, Kenya, Thailand and Zambia) have achieved most progress in the preparation or adoption, revision and implementation of national competition legislation as a result of UNCTAD's contributions. It should be noted that demands for assistance in this field have by far exceeded the assistance actually provided by UNCTAD, due to the resource limitations. All UNCTAD technical cooperation meetings were highly praised in the evaluation questionnaires distributed during these events.

129. In 2002-2003, as part of its capacity-building programmes and in line with requests made in the WTO Doha Ministerial Declaration, UNCTAD, in cooperation with WTO and other intergovernmental organisations, organised a series of 8 regional Post-Doha meetings, aimed at helping developing countries, particularly LDCs, to "better evaluate the implications of closer multilateral cooperation for their development policies and objectives." For these meetings, an attempt was made to bring together not only Government officials and competition experts from capitals, but also independent experts and top Geneva negotiators to WTO, in order to enable a full exchange of views of competition experts with Geneva WTO negotiators. In 2002, UNCTAD organized a first series of four regional seminars in Panama City, Tunis, Hong Kong and Odessa. In 2003, four further regional Post-Doha meetings were held; Regional Asian Conference in Kuala Lumpur, the Conference on Post-Doha Competition Issues for Africa in Nairobi, Regional Post-Doha seminar for Latin America and the Caribbean in Sao Paulo, and the Competition Conference for Countries in Transition in Tashkent. The discussions and results of these meetings were highly appreciated and found very helpful by participating countries as evidenced by the highly positive replies received to the evaluation questionnaires at each event. The 2002 "Consolidated Report" and the 2003 "Final Consolidated Report", summarizing the main issues and concerns expressed in the meetings, were widely distributed and discussed at the Expert Group meetings and the WTO Working Group on the Interaction between Trade and Competition Policy. These consolidated reports were very well received and constitute an important basis for further work in the Post-Doha period.

130. UNCTAD also actively cooperated with other organisations working in this field, including OECD and the newly-created International Competition Network.

Lessons learned

131. The programme has made a key contribution to enhancing member States' understanding of competition-related issues in the overall development process. Feedback received from the users of different outputs and activities will be used to adjust the assistance to be as close as possible to the demand. For instance, there is a scope for improvements in the focus of assistance so as to make it correspond more exactly to the needs of countries at different stages of development in competition and consumer-protection laws and policies. In this respect, it was decided that, whenever feasible, experts from developing countries should participate in the events along with those from developed countries. Some concern has been raised on the lack of sufficient time for discussion, following the lectures at seminars; also on the late delivery of transcripts of presentations and studies. Such concerns should be addressed in the next biennium. More definite support from within UNCTAD and better contacts with UNDP, individual Governments and donor institutions, will also have to be constructed and strengthened. Time-consuming activities in the implementation of extensive and substantially increased technical cooperation projects, especially those related to

administrative paperwork, will need careful review, for which internal reform or additional staff might be a solution. Cooperation with other organizations has been useful and will be continued. Cooperation with WTO has helped meet the mandate from Doha for UNCTAD-WTO cooperative efforts. Also, internal collaboration with other branches of the Division was particularly useful in delivering some of the outputs/activities.

Trade, environment and development

Expected accomplishment

132. (e) Increased awareness and ability of developing countries to develop mutually supportive trade, environment and development policies at the national and multilateral levels, with consideration being given to gender equality in discussions and decision-making.

Major outputs and activities

- Experts meeting on Environmental Requirements and International Trade.
- Experts meeting on Definitions and Dimensions of Environmental Goods and Services in Trade and Development.
- Commission on Trade in Goods and Services, and Commodities, 6th and 7th sessions.
- Task Manager on Trade in 2002 Review of UNCED¹⁶; contribution to the World Summit on Sustainable Development.
- UNEP-UNCTAD Capacity Building Task Force, also as a type-II deliverable of the World Summit.
- Enhanced provision of technical cooperation and capacity building, particularly through the project, Building Capacity for Improved Policy Making and Negotiation on Key Trade and Environment Issues. Also with four regional meetings, ten national workshops and five training workshops.
- UNCTAD/India/United Kingdom project Strategies and preparedness for trade and globalization in India
- UNCTAD/FAO/IFOAM¹⁷ Task Force on Harmonization and Equivalence in Organic Agriculture.
- BIOTRADE Initiative and its three components: country and regional programmes; policy development and trade facilitation; internet services.
- Publications on: The New Bioeconomy: Industrial and Environmental Biotechnology in Developing Countries; The Organic Guarantee System. The need and strategy for harmonization and equivalence; Environmental Goods: Trade Statistics of Developing Countries; Trade, Globalization and Gender: Evidence from South Asia (in print); Trade and Environment: Lessons Learned from India; Standards and Trade; Organic Agriculture: Trading Opportunities for Developing Countries (in print); Protecting and Promoting Traditional Knowledge: Systems, National Experiences and International Dimensions (in print); Integrating Environmental Requirements into Foreign Direct Investment; and many working papers for technical cooperation and capacity building programme.
- A new publication series, *Trade and Environment Review* (first issue in print).

¹⁶ United Nations Conference on Environment and Development.

¹⁷ International Federation of Organic-Agricultural Movements

Accomplishments/results

133. The objective of this subprogramme, implemented by the Trade, Environment and Development Branch, is to strengthen the capacity of developing countries to develop mutually supportive trade, environment and development policies at the national and multilateral levels, with consideration being given to gender equality. The Bangkok Plan of Action, adopted at the UNCTAD X, gave the Secretariat an expanded mandate in the area of trade, environment and development. Challenges in implementing this mandate were posed by: new trends in environmental requirements; and negotiations and discussions at WTO, mandated by the Doha Ministerial Declaration.

134. In respect of new trends in environmental requirements, the growing frequency, complexity and stringency of environmental requirements creates problems for trade and trade policy in three areas. First, there is a need for effective participation of developing countries in the regulatory review processes and to provide them with adequate and timely information on changes in regulations having a material impact on market access and manufacturing processes. To address this challenge, UNCTAD has been working on the possibility of creating a consultative group on environmental requirements and international trade, with some initial funding from the Government of the Netherlands. Second, regulations or standards are not based on or do not adhere to internationally agreed standards developed by international standardization bodies, or otherwise do not recognize equivalent regulations or standards adopted by trade partners who might have chosen a less-trade restrictive alternative to protect the environment and human health. The various aspects of this problem are addressed through the UNCTAD/FAO/IFOAM Task Force on Harmonization and Equivalence in Organic Agriculture, which produced a number of studies on: the current status of standards and conformity assessment systems; the impact of organic guarantee systems on production and trade of organic products; the implications of EU Regulation 2092/91 for developing countries and its relations to WTO Rules; the extent of international harmonization and transparency mechanisms; and existing and potential models and mechanisms for equivalency and mutual recognition. Third, regulations or standards are hazard-based rather than risk-based, favouring process and production methods over products, and the precautionary approach over science-based risk assessment. UNCTAD responded to this challenge by facilitating access to scientific and technical advice on issues relating to environmental and sanitary and phytosanitary measures and the impact of application of new technologies, particularly biotechnology. The parameters for this work were explored in a special session at an Expert Meeting on Environmental Requirements and Trade, and the 6th session of the Commission on Trade in Goods and Services, and Commodities. UNCTAD also co-organized an UNCTAD-Harvard International Conference on Science, Technology and Innovation: Emerging International Policy Issues in this regard.

135. In respect of negotiations and discussions at WTO, in an unprecedented decision, the Doha Ministerial Conference called for negotiations on two environment-related issues: the relationship between multilateral environmental and trade regimes, and on liberalization of trade in environmental goods and services. The Declaration has also mandated discussions on environmental requirements and market access. Both negotiating issues create new challenges for developing countries which are being addressed in a number of ways. One is the newly launched *Trade and Environment Review*, which is devoted to exploring practical approaches to negotiations on the relationship between special trade obligations in Multilateral Environmental Agreements, and on environmental goods and services. Another was the expert meeting on Definitions and Dimensions of Environmental Goods and Services in Trade

and Development, examining the issues from the developing country perspective with a view to identifying environmental goods and services of export and import interest to developing countries, and addressing some systemic issues arising from the negotiating mandate, particularly with regard to environmental infrastructure services. The importance of UNCTAD's technical cooperation and work on multilateral trade negotiation issues on environment have been acknowledged by a wide range of countries, developing and developed, leading to an invitation for UNCTAD to participate, for a first time, in a special session of the WTO Committee on Trade and Environment. UNCTAD also actively contributed to the international debate on the protection of traditional knowledge.

136. Technical assistance activities during the biennium also responded to the above-mentioned challenges, and extra-budgetary funding for such activities has increased significantly. The UNCTAD/FIELD project Building Capacity for Improved Policy Making and Negotiation on Key Trade and Environment Issues, funded by the United Kingdom, accounts for most of this increase excluding BIOTRADE. Under the project, UNCTAD started the implementation of two regional programmes: for Central America and the Caribbean (Costa Rica, Cuba, the Dominican Republic, El Salvador, Guatemala, Honduras, Nicaragua and Panama), focusing on environmental goods and services and environmental requirements in key export markets and market access for agricultural products, including the promotion of trading opportunities for organic products; and for South and South-East Asian (Bangladesh, Cambodia, China, the Philippines, Thailand and Viet Nam), focusing on environmental requirements, market access and export competitiveness in three sectors: leather and footwear, horticulture, and electronics.

137. The feedback from both regions has been very positive. Out of a total of 73 participants in the three meetings held so far in Latin America, 88 percent saw a very clear link to their work. Similarly, 89 percent of the participants considered the overall usefulness and quality of the workshop attended "excellent" or "very good". In Asia, more than 90 percent of respondents said that the activities had met the needs of their institutions, with 65 percent of respondents claiming that the events had fully met the needs of their organizations. More than 95 percent of respondents believed that the events had enabled them to deepen their knowledge and understanding of the issues debated.

138. Regular participation in WTO regional seminars on trade and environment and organization of capacity building workshops, held back-to-back with these seminars, served as an important additional dimension in the regional activities.

139. For the World Summit on Sustainable Development, UNCTAD provided continuous support to the process through briefs and meetings with delegations and the Summit's Bureau. Extensive inputs were made into the Secretary's General reports on a 10-year review of UNCED, and implementation of Agenda 21. At the Summit, UNCTAD and UNEP launched a second phase of their Capacity Building Task Force on Trade, Environment and Development, which was recognized as a "type-2" deliverable. The European Commission supported the Task Force with an important contribution to its trust fund. The Government of the Netherlands provided a grant to the activities of the Task Force in the Caribbean dealing with an integrated assessment of trade and trade-related policies, and promotion of production and trade in environmentally preferable products.

140. The subprogramme has maintained a focus on a number of issues relating to supply side constraints, particularly the protection and sustainable use of biodiversity and traditional

knowledge, and trade in environmentally preferable products. The BIOTRADE Initiative has sought to enhance developing countries' capabilities to compete in the emerging market for biological resources, while improving the functioning of this market. The Initiative has established a number of partnerships with national and regional organizations with the aim of setting up programmes that enhance the capability of developing countries to produce value-added products and services derived from biodiversity, for both domestic and international markets.

141. In respect of trade and gender, UNCTAD is the Task Manager for the Inter-Agency Task Force on Gender and Trade, and the subprogramme has been contributing to its work.

Lessons learned

142. As a result of the experience gained thus far, the newly launched Trade and Environment Review is designed to consolidate analytical work, improve its orientation and marketing, and help make public the key results of technical cooperation activities, and the technical assistance/capacity building part of the subprogramme is undergoing a major change in structure, size and strategy. Activities are increasingly carried out in the framework of longer-term projects, which facilitates follow-up and appropriate sequencing of activities to obtain desired results and in 2003, more than three quarters of extra-budgetary resources were allocated according to this principle. To ensure that the subprogramme reaches a larger number of beneficiaries, technical assistance is being complemented by other activities focusing on awareness raising and information – sharing and the subprogramme also cooperates with WTO, UNEP, regional commissions of the United Nations and other partner institutions. In-house collaboration with other Branches of the Division has been strengthened and was important in delivering some of the outputs and activities. Such positive synergies should be expanded in the next biennium.

Accession to the multilateral trading system

Expected accomplishment

143. (f) Enhanced capacities of countries acceding to the WTO for achieving progress in the process of accession.

Major output and activities

- Technical assistance and advisory missions to 18 acceding countries, among which 7 were LDCs (indicated with *): including Algeria, Belarus, Bhutan*, Cambodia*, Cape Verde*, Ethiopia*, Kazakhstan, Lao People's Democratic Republic*, Lebanon, Nepal*, Russian Federation, Samoa*, Serbia and Montenegro, Sudan, Former Yugoslav Republic of Macedonia, Uzbekistan, Viet Nam, and Yemen. Advisory service also to countries considering accession to WTO, such as Iran.
- *WTO Accessions and Development Policies* (October 2002).
- About 16 intensive in-country seminars and training with simulation exercises to prepare for WTO accession and to address trade policy and regulatory implications, with a total of 1400 Government representatives, private sector and academia, for: acceding countries in ESCAP region, Asian LDCs in the process of accession, transition economies, Algeria,

Belarus, Bhutan, Cambodia, Ethiopia, Kazakhstan, Serbia and Montenegro, Sudan, and Viet Nam.

- Support in Geneva to acceding countries in their participation in WTO working parties on country accessions and advice to delegations upon request.

Accomplishments/Results

144. The objective of this subprogramme, implemented by the Trade Negotiations and Commercial Diplomacy Branch, is to assist developing and transition countries in their accession process to WTO for their fuller and beneficial integration into the world economy and the international trading system. Challenges to achieving this objective is to developing and strengthening capacities in acceding countries to: (a) elaborate optimal policy approaches in the WTO accession process by making an inventory of issues and problems to be addressed, such as in adapting existing trade and trade-related legislation to WTO rules and disciplines and/or introducing new ones; (b) assess the impact of WTO accession on trade policy and legislative measures *vis-à-vis* national development objectives; (c) improve negotiating capacity by increasing the knowledge of multilateral trade negotiations in WTO, and in negotiation techniques and tactics; and (d) strengthen trade-supporting national institutions, including of the private sector and academia. In addition, for a number of years, UNCTAD has been advocating clear and objective rules and disciplines for WTO accession procedures, as these tend to be too costly and complicated for LDCs in particular.

145. The major accomplishments of the programme were to have strengthened the participation of developing and transition country negotiators in the WTO accession process, and to have improved their understanding of the WTO rules and disciplines, as well as their impact on national development and policy options. Main modalities of intervention were: (a) supporting national negotiating teams in their preparation for the WTO Working Parties on Accessions; (a) assisting Governments in preparing offers on market access in goods and services, and commitments on agricultural support measures; (c) preparing reports and background papers on the policies adopted by the trading partners of acceding countries towards them; (d) providing expertise and advice on strengthening capacity building in trade policy and legislations; and (e) training trade officials in specific trade policy issues, and in trade negotiation techniques and tactics through simulating trade negotiation scenarios.

146. Several indicators of achievement are identifiable as regards the preparedness of acceding countries, assisted by UNCTAD, to tackle the complex negotiation process of WTO accession, their active participation in WTO working parties, and their reform of trade policies and measures in conformity with WTO disciplines and their national development objectives.

147. Three countries, namely the Former Yugoslav Republic of Macedonia, Cambodia and Nepal, acceded to WTO or completed accession negotiations. Cambodia and Nepal were the first LDCs to have acceded to WTO since its formation through accession negotiations. At the Fifth WTO Ministerial Conference and at the 50th session of TDB, Cambodia and Nepal expressed appreciation for UNCTAD's support to their accession process in their official statements. These countries instituted significant trade policy and legislative reforms. The report of the Working Party on the accession of Nepal (WT/ACC/NPL/16) indicates that the country had undertaken major economic policy reform in monetary and fiscal policies, investment regime, State ownership and privatization, pricing policies, competition policy, import and export regulations including tariffs and tax regimes, industrial policies, technical

and sanitary standards, and intellectual property rights. At the same time, Nepal endeavoured to negotiate transitional arrangements for bringing its foreign trade regime into full conformity with WTO Agreements regarding customs valuation, technical barriers to trade, sanitary and phytosanitary measures, and trade-related aspects of intellectual property rights.

148. Several acceding countries achieved considerable progress in their accession negotiations. Information posted at WTO's website (www.wto.org) indicates that four countries, namely Belarus, Kazakhstan, Russian Federation and Viet Nam, reached the advanced stage of accession. They are engaged in bilateral market access negotiations with WTO members or advanced working party process. Another four countries, namely the Lao People's Democratic Republic, Lebanon, Samoa and Sudan, three LDCs among them, have reached the medium stage of accession. They are engaged in the questions-and-answers phase following their submission of their Memorandums of Foreign Trade Regime, held the first Working Party, or submitted initial offers in goods and services. Initial steps in the accession process were taken by three LDCs, namely Bhutan, Cape Verde and Yemen, through the submission of their respective Memorandums of the Foreign Trade Regime; and an application for accession was submitted by Ethiopia during the biennium.

149. UNCTAD maintains close contact and cooperation with the WTO secretariat in the provision of assistance to acceding countries. The WTO secretariat, in its technical note on the accession process, acknowledged that "cooperation with UNCTAD in the provision and tailoring of technical assistance has been particularly close and complementary".

150. At the international level, for a number of years, UNCTAD has been advocating clear and objective rules and disciplines for accession procedures, as these currently tend to be too complex and costly for LDCs in particular. These concerns were reflected in a set of six commitments adopted by the international community during the Third United Nations Conference on LDCs in Brussels in May 2001. On that basis, WTO members set LDC accession as a priority policy issue in the Doha Ministerial Declaration in November 2001, and the WTO General Council adopted the decision on guidelines to facilitate and accelerate the accession of LDCs in December 2002 (WT/L/508). The latter was widely welcomed and considered as a positive measure forward in the Doha negotiations.

Lessons learned

151. Accession to WTO entails complex and difficult as well as costly negotiations that can go on for several years and impact significantly on the trade policies and measures. Thus, an informed and active participation in the accession negotiations by acceding countries is vital to secure the best terms and conditions reflecting their stage of development and development objectives, while conforming to WTO disciplines. In this regard, UNCTAD provides valuable and strategic as well as timely assistance to developing countries and countries in transition in their WTO accession process. UNCTAD has assisted in the effective participation of developing country negotiators in the WTO accession process by improving their understanding of WTO rules and disciplines, and their impact on national development and policy options. UNCTAD's technical assistance on WTO accession should be continued and strengthened in view of the ongoing needs for such support by acceding countries, particular LDCs. Ensuring full and faithful implementation of the decision on guidelines for accession of LDCs would be an important challenge. At the same time, the effectiveness of UNCTAD's support could be greater if the turnover of officials comprising national accession negotiation teams remains low, allowing the formation of a professional cadre of negotiators.

In addition at the international level, UNCTAD should continue to seek through intergovernmental deliberations and consensus building, clear and objective rules and disciplines for accession procedures.

Subprogramme 4

*SERVICES INFRASTRUCTURE FOR
DEVELOPMENT,
TRADE EFFICIENCY
AND
HUMAN RESOURCES DEVELOPMENT*

Objectives of the subprogramme

To enhance the capacity of developing countries and countries with economies in transition to improve their competitiveness in international trade by building an efficient trade supporting services infrastructure, including through the use of information technologies.

- This subprogramme was implemented by the Division for Services Infrastructure for Development and Trade Efficiency.

Policy analysis and research

Expected accomplishment

152. (a) A better understanding in developing countries and countries with economies in transition of the implications for their development process of policy options and strategies in the areas of electronic commerce, transport, trade facilitation and logistics.

Major outputs and activities

- *Review of Maritime Transport 2002 and 2003.*
- *E-Commerce Development Report 2002 and 2003*¹⁸.
- Technical publications on important developments in transport law, the feasibility of a legal regime for multimodal transport, and on the use of transport documents in international trade,
- Expert Meetings on: Electronic Commerce Strategies for Development: the Basic elements of an enabling environment for e-commerce; Efficient Transport and Trade Facilitation to Improve Competitiveness of Developing Countries in International Trade; Multimodal Transport and Logistics Services; Measuring Electronic Commerce as an Instrument for the Development of the Digital Economy.
- Five Regional High-level Conferences on developing information and communication technology (ICT) strategies for development,
- Trade Facilitation Measures Roundtable at Conference of Landlocked and Transit Developing Countries on Transit Transport Cooperation.
- Side Events on Measuring Electronic Commerce at the World Summit on the Information Society.
- Ad-hoc seminars and workshops on specific transport, trade facilitation and legal issues.

Accomplishments/ results

153. Primarily, the Government Ministries and officials in developing countries, who are responsible for policy in the areas of electronic commerce, transport, trade facilitation and logistics, have benefited from these technical and analytical outputs. In addition, the information contained in these outputs has been drawn upon by those in developing countries who actually provide trade logistics services, as well as by research and academic institutes and international organizations.

154. The annual *Review of Maritime Transport* assisted policy makers and researchers alike with its comprehensive and up-to-date statistics and information on maritime and ancillary services, with a focus on developments concerning maritime activities in developing countries. The 2003 edition, for example, indicated that world output grew by 1.9 per cent in 2002 and world seaborne trade (goods loaded) increased by 2.5 per cent. Indicators for world fleet productivity showed decreases of 1.4 and 1.8 per cent from the figures for 2001. The Review also provided information and analysis on port development, including container port traffic and container terminal throughput, as well as developments in trade and transport efficiency. In 2002, for example, world container port traffic expanded by 2.2 per cent over

¹⁸ “e-commerce” stands for “electronic-commerce”.

that of the previous year, reaching 236.7 million TEUs, and the ports of developing countries handled 96.6 million TEUs, or 40.8 per cent of the total. A readership survey of the *Review of Maritime Transport 2002* in 2003 obtained roughly equal number of replies from Governments, industry, and academic/research institutes, all of which rated the publication as useful or very useful; on a scale of 1 (worst) to 4 (best), the Review was given an average rating of 3.5 for its comprehensiveness.

155. The *E-Commerce Development Report 2003* identified implications of the growth of the digital economy for developing countries and provided practitioners and policy makers with a better understanding of the options available to them in leading sectors of developing-country economies. The Report discussed issues of major policy and strategic concern in many countries: the effect of ICT on productivity, the key elements of national e-strategies, and the implications of open-source and free software for ICT and economic development; sectoral issues and reviews the application of ICT in business process outsourcing, the marketing of agricultural products; and the use of online dispute resolution systems to resolve commercial conflicts. The *E-Commerce Development Report 2002* provided analysis covering a range of topics that will influence the expansion of e-commerce in developing countries. It identified policy and business options available to developing countries, and makes practical proposals for maximizing the contribution of e-commerce to economic and social development.

156. All reports are also available on the UNCTAD website which has significantly increased their dissemination. The *Review of Maritime Transport 2002* was downloaded 74,000 times during the ten month after its issuance, and the *E-Commerce Development Report 2002* was downloaded 344,288 times during the year following its issuance.

157. As concerns the reports on transport law, much positive feedback on the usefulness of the analysis and information provided has been received from Government officials and from commercial parties. The chair of the United Nations CEFAC¹⁹ Working Group on International Trade Procedures has particularly welcomed the report on 'The Use of Transport Documents in International Trade'. The commentary on provisions of the UNCITRAL draft instrument on transport law, as well as a report detailing the results of a large-scale survey on 'Multimodal Transport: the feasibility of a legal instrument' have been made available, by the UNCITRAL Secretariat, as working documents to the UNCITRAL Working Group on Transport Law.

158. The four Expert Meetings held in Geneva were attended by about 400 experts of which about 75 per cent came from capitals. Over 80 experts, half of them from developing countries, presented national experiences promoting an interaction among participants and allowing an interchange of intra-regional experiences. This provided a valuable insight of the problems faced in other regions and highlighted the common need for transport infrastructure development and institutional building to improve trade and transport efficiency. They have provided as well in depth analysis on new issues in the application of ICT to business and its policy implications, and the urge and means for developing countries to benefit from it. The discussions have provided the basis for chairpersons' summaries that were submitted to the Commission on Enterprise, Business Facilitation and Development and have enhanced understanding of selected issues. As well resource persons have provided insights to delegations on various related issues. These will allow decision makers to develop e-strategies

¹⁹ Centre for Trade Facilitation and Electronic Business

and adapt trade and transport policies that allow them to participate more fully in international trade.

159. In depth debates on specific transport, trade facilitation and legal issues were accomplished through the organization and delivery by secretariat staff of twenty-five workshops and seminars in 17 different locations with some 684 participants from developing countries.

160. The High-level Regional Conferences, have brought these e-strategies debates closer to the Governments, 24 ministers and 490 participants participated, and have fostered regional cooperation in Central America & the Caribbean, Asia-Pacific, Africa, Latin America, and the transition economies. The Declarations adopted in these meetings are a first step in advancing from the understanding issues to the political commitment.

161. These activities altogether have raised the awareness of policy makers of the importance of transport for development as evidenced by the increasing emphasis being given to the development and rehabilitation of transport infrastructure, by the increasing role of the private sector in managing and operating public infrastructure, by their participation in international forums such as the Conference in Kazakhstan where about 60 developing countries and 23 developed countries took part and by the resolution at the Johannesburg Summit on Sustainable Development calling for urgent action on all levels for transport and communication infrastructure development. The activities covering electronic commerce have fostered an interest in specific areas of e-strategies, such as the measurement of electronic commerce, the need for an appropriate legal framework or the use of open software, prompting Governments to request further advice both to UNCTAD and other specialist organizations, or to highlight these issues in national and international agendas such as at the World Summit on the Information Society.

Lessons learned

162. The use of the website to disseminate information, and thus improve understanding, has been a great improvement and has made the work of UNCTAD more effective. However there are occasionally problems with the search engine that need to be corrected to make it easier for the clients to access documents.

163. As regards intergovernmental deliberation, selected issues were first discussed from a technical point of view during the expert meetings. The same issues were then discussed from the political perspective by the Commission, but only to arrive in effect at recommendations for the UNCTAD secretariat. The Commissions have not made any recommendation for Governments or the international community, and hence added little value to international consensus on these topics.

164. There is a need for better feedback from clients on how they judge the usefulness of our work; a readership survey appears to be a rather limited indicator, given the current low response rates and the inability to measure the real impact given the nature of the questions.

165. The ability to effect change will also depend on having extra-budgetary resources available to provide expertise through technical cooperation activities.

166. It is envisaged future work in this field may intensify in the new issue of security in the field of transport law and trade logistics. Similarly, policy analysis will intensify in selected areas of the application of ICT to business, in light of technological developments and of the spread of ICT in developing countries.

Capacity building and technical assistance

Expected accomplishment

167. (b) An improvement in the efficiency of the trade-supporting services of developing countries, benefiting from technical cooperation activities in areas such as transport, trade facilitation, customs logistics and electronic commerce.

Major outputs and activities

- Automated System for Customs Data (ASYCUDA) programme, a computerised programme for the management of customs.
- Advance Cargo Information System (ACIS) programme for the movement of cargo and equipment by rail, road and in port.
- Trade facilitation programmes – National trade facilitation programmes in Nepal, Pakistan, and Afghanistan.
- World Federation of Trade Points – Global network of Trade Points acting as a global trade facilitator and trade information provider for small and medium-sized enterprises.

Accomplishments/Results

168. The two major UNCTAD technical cooperation programmes, ASYCUDA and ACIS, work with Government officials involved in international trade and transport, with Customs administrations, and with the public and private sector, in particular transport operators.

169. The ASYCUDA programme continued its adaptation to the new technologies and in addition to the migration to ASYCUDA ++, ASYCUDA World was launched in 2003 and implementation has started in a few of the 85 countries that are now part of this programme. The impact of the programme is corroborated by the fact that it forms part of the 6 million US dollar package, financed by the World Bank, for rehabilitation of Afghanistan that also includes a major trade facilitation component. Moreover, the fact that developing member states finance the ASYCUDA programme, gives credit to its sustainability and impact. In this biennium, ASYCUDA has: increased trade efficiency by halving the customs clearance time in Honduras, Nicaragua, El Salvador, Estonia, Latvia and Slovakia; increased revenue for national Governments by 10-15 per cent by IMF and World Bank surveys; and increased transparency. Recognition must be given to the fact that these effects occur when the necessary preconditions, such as the commitment by national Government to transparency, are in place.

170. During the biennium, the ACIS programme commissioned Port Tracker for the Port and Shipping Organization in Bandar Abbas, the largest Iranian port, and a request for installing Road Tracker for Transport and Terminals Organization in Iran is now under

consideration. In Africa, requests for upgrading Rail Tracker in the Congolese Railways (already commissioned) and that of Zimbabwe (underway) would provide linkage of data networks with those existing in Southern Africa. A feasibility study to install Road Tracker in Rwanda at the request of ECA Centre for Landlocked Countries was completed. An independent evaluation of the implementation of ACIS in five railways in Eastern Africa and two ports recommended a second phase of the project. There were significant improvements in operational performance, for example average consignment transit time was reduced from 15 to 3 days. The main successes of the project to date: the total estimated savings on rail wagon hire charges for the 5 interconnected railways of the region were US dollar 6.4 million per annum and realistic additional revenues due to increased carrying capacity equaled US dollar 20.5 million per annum. The overall effectiveness of the project, from the viewpoint of the railways and their customers, the project has been extremely effective. These railways now have the capacity to track cargo loads and containers deep into the hinterland of the main ports of the sub-region, as well as to track exports from those areas. Further progress is pending decisions by donors.

171. Trade facilitation projects help to reduce trade transaction costs, thus stimulating trade. For example, the Pakistan Central Board of Revenue has extended the use of the Pakistan Goods Declaration following the successful UNCTAD-led experiment at Port Muhammad Bin Qasim of such a single administrative document, which replaces half a dozen customs clearance documents (*Dawn, May 7 2003*). As another example, UNCTAD worked with the Government of Nepal to assist in the development and operation of an Inland Container Depot in Birgunj. Although there were a number of delays, Nepal and India signed the bilateral agreement in November 2003. The operation of this Depot is estimated to save Nepali traders Rs 1.20 billion in transport costs annually (*Kathmandu Post, November 7, 2003*). Trade facilitation has offered various opportunities for close cooperation between UNCTAD and other United Nations agencies, such as: United Nations Industrial Development Organization (UNIDO), together with ITC and WTO, in the organization of joint regional workshops for LDCs in Africa; and World Bank, IMF, WTO, regional commissions of the United Nations, UNIDO and the World Customs Organization (WCO) for the establishment of a web-based cooperation platform (www.gfptt.org).

172. On the basis of UNCTAD's work on trade facilitation, the World Bank invited the organisation to join the Steering Committee of the Global Facilitation Partnership for Transportation and Trade. This initiative, launched by the World Bank, the International Chamber of Commerce and WCO, aims at fostering international public/private cooperation on these issues, focusing on the developing countries' perspective.

173. The World Trade Points Federation (WTPF) originates from UNCTAD's Trade Point Programme launched in 1992. Trade Points created the Federation in close cooperation with UNCTAD's member States. Its main executive body consists of its General Assembly and its Steering Committee and Bureau. The Federation is now operating through 127 Trade Points in 91 countries and has strengthened its position as a global business facilitator with representation offices worldwide. Small and medium-sized enterprises are active generators of income and employment in the economies of a country. However, they often face barriers in entry and participation in international trade due to their lack of knowledge and lack of access to the information related to procedures and business opportunities available worldwide. Trade Points serve as one-stop shops for trade.

174. During the biennium, a total of 23 new Government requests for the establishment of Trade Points were received, demonstrating a high level of interest. During this period, a total of 70 Trade Points have reached the Operational Stage under the new requirements established by the Federation that certify a minimum set of trade-related standard services. There are now an estimated 1,200 people working in these Trade Points serving small and medium-sized enterprises worldwide. There are 56 Trade Points under development that are being provided with the necessary tools to become operational and who have shown a strong commitment to fulfil the requirements.

175. The on-line trade facilitation and trade promotion tools for Trade Points include an enhanced Electronic Trade Opportunity service and an Electronic Investment Opportunity service, a global Trade Library database, a worldwide Trade Events and Exhibitions database and a global Trade Related Sites Database. Their Federation has developed technical solutions that allow Trade Points from remote areas to automatically collect and post information and to pool that information together in one single database coming from all countries that participate in the network.

176. The 30 integrated websites, developed during the biennium primarily for Trade Points that did not have a web based presence in English and Spanish, greatly reduced the costs and time dedicated by Trade Points in maintaining their presence on the Internet.

177. The partnerships between the WTPF with relevant multilateral organizations in the field of trade and development, such as UNCTAD, WTO, ITC and the World Bank, strengthened its effectiveness. In addition, sector-oriented EU market surveys and marketing guides were provided by the CBI. From the private sector, partnerships were established with Siemens, the Coface Group, Ernst & Young and Worldinformation.com. Through these partnerships the Federation has been able to disseminate to Trade Points information on countries, products, services, specific sectors, statistical data, tax information as well as company information.

178. The annual *Trade Point Review*, prepared by the Trade Point community with the support from UNCTAD, provided valuable information on the sharing of best practices, training for small and medium-sized enterprises, and cross-referencing as well as regional integration experiences. Furthermore, Regional forums, organized in Africa, Americas and Asia/Pacific, trained Trade Point staff in the use of the on-line tools and to facilitate commercial cooperation. Training material was provided to enhance the capacity of Trade Points in the use and dissemination of the tools available for small and medium-sized enterprises.

Lessons learned

179. ASYCUDA drew lessons on the resources and time that are required to incorporate further updates, such as ASYCUDA World, even when commitment exists. Moreover, the timing of political commitment by donors, recipients and implementing agency shaped the success of technical programmes such as ACIS and ASYCUDA. For example, ACIS problems with funding were related to having only a single major donor. For measuring the full impact of ASYCUDA, it would be highly desirable to have figures on increased revenues and transparency. Reasons such as national interests, lack of resources or methodological difficulties, make this extremely difficult.

180. Some lessons to be shared from the externalisation of a technical cooperation programme such as the Trade Points were: the externalisation can undoubtedly bring advantages (i.e. easier manoeuvre, increased ability to respond and adjust, a more realistic programme sustainability, resources freed for other activities); a strong support still needed during the transition period; and continued collaboration after externalisation is the key for the achievement of objectives and the creation of sufficient impact.

181. The opportunities offered by combining work in technical areas with research and policy analysis, have been acknowledged but not fully tested in practice. Further guidance, commitment and resources would be needed to clarify the potential of this blend. Some examples are the possibilities to: use ASYCUDA customs data to examine trade patterns; or work with the World Trade Point Federation to study and introduce financial and credit electronic tools for small and medium-sized enterprises in developing countries for electronic commerce. The interchange of electronic messages at the national level between the two programmes, ASYCUDA and ACIS offers the potential to speed up the movement of goods.

Human resources development

Expected accomplishment

182. (c) More effective human resource development, including the treatment of the specific needs of men and women in this area, in countries benefiting from the activities of the Division.

The objective of enhancing the capacity of developing countries and countries in transition to improve their competitiveness in international trade, by building an efficient trade-supporting infrastructure has been addressed through two lines of activities, namely those carried out by the Human Resources Development section, including the TRAINFORTRADE technical assistance programme, and those mandated by paragraph 166 of the UNCTAD Plan of Action.

Major outputs and activities

- Thirty-seven seminars and workshops, in the field of trade, investment and training.
- Four training courses on Key Issues on the International Economic Agenda (Paragraph 166 of the Bangkok Plan of Action): four-week course in Geneva-Turin (2002); two week course each in Bangkok (2002) and Santiago de Chile and Beirut (2003).
- Pedagogical packages: seven new pedagogical packages designed; three existing training courses updated, supplemented and translated; four on-line courses developed.
- A distance-learning platform: <http://www.unctad.org/hrdsite/>

Accomplishments/Results

183. For a more efficient human resources development, the programme has set its main target in strengthening training capacities in LDCs in the field of international trade, trade related services, investment and training. During the biennium 2002-2003 a total of 37 training seminars on various subjects related to above mentioned fields were organized in 18 countries in Africa, Asia, Latin America and Europe, including 10 LDCs in Africa and Asia.

Training materials, including handbooks for the participants, were provided to approximately 550 participants. Learning acquired through the training was evaluated through tests prepared by the programme in cooperation with UNCTAD divisions and programmes.

184. Four major pedagogical packages constituted the core elements of a strategy for human resourced development that aims at the sustainability and the maintenance of knowledge. They are: (i) the design of specific training courses that can be adapted to local needs by local trainers, (ii) the training of trainers; (iii) the establishment of pedagogical steering committees in beneficiary countries at national and sub-regional level; and (iv) the use of information and communication technologies for networking purposes and distance learning delivery. Related achievements were as follows:

(i) Seven were designed in the fields of environment, trade financing, e-commerce and investment, in cooperation with UNCTAD substantive departments. In addition to the generic modules, local needs were addressed through specific modules, case studies, role-play training and discussions. The relevance of the material was evidenced in the questionnaires completed by the participants at the end of the validation sessions as well as by the number of sessions conducted by subject.

(ii) Eighty-six participants (57 from West Africa) were trained in training techniques to become futures trainers in specific topics. Approximately 85% of them had already the opportunity to deliver part of the courses.

(iii) Through technical assistance projects, National Pedagogical Steering Committees are operational in Angola, Benin, Burkina Faso, Cape Verde, Cameroon, Guinea, Mali, Senegal, Togo and Tunisia. Their role is essential in facilitating the sustainability of training actions at the national level. They provide orientations on pedagogical issues and ensure the implementation of plans of action, including cost sharing of training events. They also have, before the end of the project, the responsibility of transferring the training programme to other existing training institutions. In Benin, the “Ecole Nationale d’Economie Appliquée et de Management” will deliver the course on Port training Programme as of 2004.

(iv) A special focus was also made on developing distance-learning activities. On the basis of two pilot exercises carried out in Benin, Burkina Faso and Mali on one hand, and in Comoros and Senegal on the other hand, a “Strategy for implementing a distance learning (DL) process in UNCTAD” was designed. The purpose was to increase the training outreach to target population, while offering geographical flexibility to trainers and trainees. Distance learning proved to be a promising delivery method, and the technology accessible, reliable and cost effective. To date the programme developed four on-line courses to be partially delivered through distance learning and supplemented by face-to face training. The number of on-line courses and the number of distance learning sessions will continue to increase in the near future. A training network through the web has also been created for the exchange of experiences and resources among the member countries.

185. UNCTAD X requested the strengthening of the capacity building programme so that trade officials based in capitals would be better informed of the key issues on the international economic agenda, in ensuring gains from international trading system for growth and social governance. To this end courses on key issues of the international agenda (known as paragraph 166 courses²⁰) were designed to provide a link between the various areas that UNCTAD has competence: trade, development and investment.

²⁰ From the paragraph 166 of the Bangkok Plan of Action adopted at UNCTAD X in 2000.

186. Presentations, group discussions, working groups and simulation exercises were designed for these courses that demanded active participation from participants. Staff from regional commissions (ESCAP, ECLAC and ESCWA) was also involved in the design and delivery of these courses, providing regional perspectives. A website and CD-ROMs have provided relevant information to participants, including general information on the course, training and reading materials that could be downloaded for each module, and a chat forum for participants to engage in a dialogue amongst themselves and with presenters from UNCTAD and other agencies.

187. A total of 98 trade officials and academicians with a background in economics and relevant working experience in the Ministries of Commerce, Industry, Economic Development and/or Trade, and academics from 61 developing countries, including 17 LDCs, were trained on key issues on the international economic agenda.

188. The latest evaluation, conducted six months after the end of the course revealed that participants' knowledge and expertise had been enhanced and their contributions to prepare and defend the position of their Governments in multilateral trade negotiations had been significant (evaluation rate of over 75 per cent for 2002 Turin course). Other participants (evaluation rate of 100 per cent for 2002 Bangkok course 2002) mentioned the enhanced coordination between the respective capitals and the Geneva-based missions and organizations, while others reported better analysis of regional and bilateral trading policies that relate to national development strategies.

Lessons learned

189. Experiences in Benin, Burkina Faso and Mali showed that a sub-regional approach is required to help ensure sustainability in the long run. Lessons are reflected in an independent evaluation undertaken in January 2003 that recommends the extension of the TrainForTrade activities to regional groupings and institutions. The evaluation also stresses the importance of the national pedagogical committees.

190. Training activities carried out in the framework of the Port Training Programme in Angola, Cape Verde, Benin, Cameroon, Guinea, Senegal, Togo and Tunisia have underlined the role of South-South cooperation in the implementation of training cycles.

191. Training network activities are encouraged through the annual meetings of the national pedagogical steering committees. However the central team in Geneva is looking into the possibility of providing additional support to training institutions.

192. As regards the Paragraph 166 courses, the limited number of participants (only up to 75 per annum) fell short of the objective of creating a critical mass of trade officials who are sufficiently trained. To increase the impact, an option was to partner with training institutions. In 2002, the University of Campinas in Sao Paulo designed a masters-level program on International Economic Diplomacy modelled on the UNCTAD curriculum. The course is now underway offering training on international diplomacy skills to officials from Brazil and other countries in the region. UNCTAD intends to pursue this strategy with other training institutions in all regions of the world.

193. UNCTAD continues to upgrade and improve its knowledge content of the Paragraph 166 courses. What seems equally important is that the quality of participants must match the high and specialized training modules offered in these courses. UNCTAD will continue to sharpen its selection process to ensure that the quality of the course is maintained.

Subprogramme 5

***LEAST DEVELOPED COUNTRIES,
LANDLOCKED DEVELOPING COUNTRIES
AND
SMALL ISLAND DEVELOPING STATES***

Objectives of the subprogramme

To contribute to the progressive and beneficial integration and participation in the global economy and international trading system of least developed countries, landlocked developing countries and small island developing States, including through the implementation of the outcomes of the Third United Nations Conference on the Least Developed Countries and contribution to the Integrated Framework for Trade-related Technical Assistance to Least Developed Countries, and to contribute to the graduation of least developed countries.

- This subprogramme was implemented by the Special Programme for Least Developed, Landlocked and Small Island Developing Countries.

Least developed countries

Expected accomplishment

194. (a) A deepened understanding by and consensus among least developed countries and their development partners on policy requirements to achieve the above-mentioned objectives, as well as enhanced commitments and actions by the international community in official development assistance, external debt, trade concessions, gender dimension of their development prospect, and other related areas.

Major outputs and Activities:

- *Least Developed Countries Report 2002: Escaping the Poverty Trap.*
- “Implementation of UNCTAD-wide activities in favour of LDCs”
- Special Executive Session of TDB on LDCs on “Escaping the poverty Trap: National and International policies for more effective poverty reduction in LDCs.
- Reports and documents on: “Least Developed Country status: effective benefits and the perspective of graduation”, “Graduation from Least Developed Country status: where do the LDCs stand?”, “The implementation of the Integrated Framework for Trade-related Technical Assistance, including for human and institutional capacity-building, to support least developed countries in their trade and trade-related activities”, “UNCTAD-wide activities in favour of least developed countries: third progress report”, “Major initiatives in favour of least developed countries in the area of preferential market access: preliminary impact assessment”.
- Assistance to the Second LDC Trade Ministers’ Meeting in Dhaka, 2003.
- Ad hoc expert group meeting on New Trade and Development Strategies in the Least Developed Countries.

Accomplishments/Results

195. *The Least Developed Countries Report 2002*, launched worldwide²¹, was discussed at the July session of ECOSOC in 2002 and at the 30th executive session of the Trade and Development Board (TDB), which in its agreed conclusions²² “[took] note with appreciation of the Least Developed Countries 2002 Report....and commends the UNCTAD secretariat for the high-quality analysis and policy recommendations contained in the Report” and also agreed that the “LDCs, which have the primary responsibility for the formulation and effective implementation of national policies and priorities for their growth and development, need to consider the general policy orientation recommended in the LDC Report 2002”. Ministers from LDCs and representatives from international organizations participated in the panel discussion during the Board expressed satisfaction over the Report that it contributes to their efforts in designing national development policies and strategies especially in the context of PRSPs.

²¹ Launched in Geneva, Berlin, Cape Town, Copenhagen, Cotonou, Dakar, Dhaka, Lisbon, London, Nairobi, New Delhi, Paris, Tokyo.

²² TD/B/EX(30)/2

196. More than 100 international and national newspapers, journals and magazines extensively covered the launching of the Report (for example: *Development Policy Review*, 2003, 21 (5-6): 711-714). The electronic format of the Report and related documents are placed in the LDC section of the UNCTAD's website (www.unctad.org/ldcs) and, as of October 2003, the full Report was downloaded 121,514 times in English version and 74,914 times in French version.

197. In the context of the Integrated Framework for Trade-Related Technical Assistance to LDCs, a number of LDCs (Cambodia, Ethiopia, Guinea, Lesotho, Mauritania, Senegal and Yemen) received policy advice through, *inter alia*, Diagnostic Trade Integration Studies (DTIS) for strengthening their trade-related capacity building activities. TDB reviews yearly the progress made in the design and implementation of activities related to the Integrated Framework. This has resulted in, through better coordination among the six core agencies of the Integrated Framework, enhanced synergies and complementarities in the delivery of trade-related technical assistance as well as effective use of expertise of these agencies.

198. The Second LDC Trade Ministers' Meeting (Dhaka, 2003) resulted in, with the programme's support, a common position in the form of Dhaka Declaration for the WTO Cancún Ministerial Conference. The programme also contributed in the periodic meetings of the WTO Sub-Committee on Least Developed Countries.

199. The 2003 review of the list of LDCs by the Committee for Development Planning (CDP) profited from the programmes contributions on the benefits derived from LDC status and on smooth transition strategies for graduating countries (technical material, vulnerability profiles, etc.), including through contributions at the fourth and fifth sessions of Committee, the expert group meetings on the methodology for identifying LDCs and on the 2003 review of the list of LDCs, and the ECOSOC consultations on the review.

200. The ECOSOC Panel Discussion on Working Together for Rural Development had contribution from the programme for an integrated approach to rural development and poverty reduction in the specific context of LDCs.

Lessons learned

201. The development challenges facing LDCs are complex and require the continued efforts of the international community and LDCs themselves. LDCs are diverse with their respective specific circumstances which require actions and commitments tailored to meet specific challenges. Furthermore, the problems facing these countries require more longer-term solutions or interventions.

202. Facing these challenges, there are a number of lessons learned or elements that could have been improved. First, the conclusions and policy recommendations contained in the LDC Report could have visible impact if LDCs and their development partners made special efforts to implement them. Second, the analysis and the research work covered in the LDC Report could have been widely distributed if official launchings were followed by national and/or regional workshops and seminars. Third, the trade-related technical assistance for LDCs could have more concrete impact if the coordination of activities at national and global levels was further improved and country monitoring process was strengthened. Fourth, technical cooperation programmes and projects could have addressed long-term development

problems in a sustainable manner if financial and human resources were commensurate with the specific needs of LDCs.

203. The challenge remains the strengthening of understanding of the trade-poverty link and formulating pro-poor pro-growth trade strategies. This would be enhanced through successful mainstreaming of trade priorities into national development strategies, including the PRSPs. The Integrated Framework, through the diagnostic studies (DTIS), should be the means to facilitate this process.

204. The triennial review of the list of LDCs has become an increasingly complex exercise, because of the question of graduation from LDC status. UNCTAD has been actively supporting the Committee for Development Planning and ECOSOC in this exercise, with conceptual, methodological, statistical, and country-specific inputs. In particular, UNCTAD has tried to cast light on the importance of the vulnerability criterion under the graduation rule. Although some success has been achieved in this regard, much remains to be done to prevent inopportune graduation of LDCs that are highly vulnerable and not structurally prepared to face the shock of graduation. More work is also needed to bring development partners to adopt explicit smooth transition policies for countries that might be graduating from LDC status.

Landlocked developing countries

Expected accomplishment

205. (b) Further progress in the implementation of the Global Framework for Transit Transport Cooperation between Landlocked and Transit Developing Countries and the Donor Community.

Major outputs and activities

- International Ministerial Conference of Landlocked and Transit Developing Countries and Donor Countries and International Financial and Development Institutions on Transit Transport Cooperation (Almaty, August 2003): substantive contributions in the preparation process and a background document “Challenges and Opportunities for further improving the transit systems and economic development of landlocked and transit developing countries”.
- Assistance to the Transit Traffic Framework Agreement Between the Governments of the People’s Republic of China, Mongolia and the Russian Federation.
- Review of the Vientiane Plan of Action on measures designed to improve transit transport system of the Lao People’s Democratic Republic; and report of the Second Specific Consultative Meeting on the transit transport systems of the Lao People’s Democratic Republic.
- Report of the Secretary General on transit environment in the Landlocked States in Central Asia and their transit neighbours (as per General Assembly resolution 55/181).
- Reports on Improvements of Transit Transport in: West Africa; Southern and Eastern Africa; the Horn of Africa; Central Asia; Latin America; and Central Africa.

Accomplished results

206. The Fourth Negotiating Meeting between China, Russia and Mongolia brought the three countries closer to signing a transit transport framework agreement. The assistance provided by UNCTAD was highly appreciated by the negotiators.

207. Preparatory meetings at the regional (Asia, Africa, Latin America) and International Level (New York and Almaty) were facilitated by the background documents prepared by UNCTAD.

208. The above-mentioned documents prepared for the Almaty Conference were produced on time and in good quality and they were widely used in the preparatory process and during the Conference proper. They were critical for the preparation of the Almaty Programme of Action: Addressing the Special Needs of Landlocked Developing Countries within a New Global Framework for Transit Transport Cooperation for Landlocked and Transit Developing Countries, which requested, *inter alia*, UNCTAD to continue to provide technical assistance and policy advice to landlocked developing countries. The Ministerial Conference commended UNCTAD for its substantive contribution.

Lessons learned

209. The timely preparation and close cooperation with all stakeholders involved is always an asset in the preparation for such events like the above Conference. All in all, the process went smoothly, but better communication and speedier response by administration could have been helpful to make it even more efficient.

210. More work needs to be done at the regional and national level in order to alleviate the transport problems faced by landlocked countries.

211. Further participation of stakeholders (lawmakers, policy-makers, businessmen, transporters, customs officials, insurers, etc.) would speed up the implementation of measures already agreed upon while initiating new activities.

Small island developing States

Expected accomplishment

212. (c) Progress in preventing the marginalization of Small Island Developing States (SIDS) from the global economy through successful implementation of the economic aspects of the Barbados Programme of Action for the Sustainable Development of Small Island Developing States.

Major outputs and activities

- Contribution to the report of the Secretary-General to the General Assembly on the implementation of the Programme of Action for the Sustainable Development of SIDS.
- Country-specific vulnerability profiles and assistance to formulate an “exit strategy” for Cape Verde and Maldives, two least-developed SIDS near the graduation borders.

- Substantive support to various forums of intergovernmental organizations dealing with SIDS (AOSIS, CARICOM, Pacific Islands Forum Secretariat, Indian Ocean Commission, Commonwealth Secretariat) and to the work of their trade experts in the WTO's Work Programme on Small Economies.
- Contribution to: preparation by the Inter-Agency Task Force of the upcoming International Meeting on the sustainable development of SIDS (Mauritius, 2004); the review of the implementation of the Barbados Programme of Action, including an input to the report of the Secretary-General to the International Meeting.
- Joint study with the Commonwealth Secretariat on business costs in SIDS (UNCTAD conducted a field survey in Eastern Caribbean States and Pacific Island States).
- Participation in the regional preparatory meeting for Atlantic and Indian Ocean SIDS for the 2004 International Meeting (Cape Verde, 2003).

Accomplished results

213. Enhanced awareness, in intergovernmental circles of particular importance to SIDS, such as the Alliance of Small Island States, ECOSOC, and the Work Programme on Small Economies of WTO, of the need for a more differentiated special treatment of SIDS on the grounds of structural disadvantages and economic vulnerability.

214. Increased chances of getting the upcoming international meeting on the sustainable development of SIDS to give substantial consideration to the economic aspects of the Programme of Action for the Sustainable Development of SIDS, and to make Mauritius 2004 a landmark in the history of the differentiated treatment of developing countries.

Lesson learned

215. After a decade of existence of the SIDS denomination in the United Nations, its impact in responding to the special economic disadvantages of SIDS has been very limited. Despite efforts by UNCTAD and others to enhance the credibility of the SIDS denomination by highlighting the vulnerability of SIDS, the latter (with the exception of those SIDS that are LDCs) have not achieved any progress toward special treatment on grounds of island-specific vulnerability in the multilateral trading system. The only "small-island exception" that has been granted by a development partner is the World Bank's policy of eligibility for IDA concessionary treatment.

216. In this context, UNCTAD ought to continue to advocate responses to the problems that affect the credibility of the SIDS denomination, in particular, through progress toward a definition of SIDS (with criteria of income, size and vulnerability), and a more significant recognition of island-specific vulnerability in the graduation rule used by the Committee for Development Planning and ECOSOC in reviewing the list of LDCs.