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RECENT AND UPCOMING EVENTS

The Report of the Panel of Eminent Persons highlights the need to increase participation of civil society and the private sector in UNCTAD's work

Fernando Henrique Cardoso, former President of Brazil, who joined the UNCTAD Secretary-General in launching the report of the Panel of Eminent Persons to UNCTAD's member States on 21 June 2006, highlighted that:

"UNCTAD should increase the involvement of civil society and the private sector in its work, giving particular attention to 'grass-roots' NGOs and small and medium-sized enterprises in developing countries."

The Eminent Persons panel considered that UNCTAD should be a "think tank on development issues" and firmly anchored in its three working pillars of research and analysis, consensus-building and technical cooperation.

Within the context of the ongoing UN reform now under way, the organization should maintain and expand its independence and core competencies. The report, entitled "**Enhancing the development role and impact of UNCTAD**", contains 21 pragmatic proposals that reflect current thinking on development.

The Panel's report is addressed to the Secretary-General of UNCTAD. While some of its proposals fall within his purview to implement, others will require consultations with member States.

The report is available at:

<http://www.unctad.org/Templates/webflyer.asp?docid=7095&intlItemID=3611&lang=1>

UNCTAD convened its Second Meeting of the Mid-term Review

The second meeting of the Mid-term Review was held between 12 to 16 June 2006 in Geneva and focused on strengthening the three pillars of UNCTAD, namely: Consensus-building, research and analysis and technical cooperation. The meeting made recommendations under the three pillars.

The agreed outcome adopted by the Trade and Development Board on 15 June 2006, encourages the participation of non-state actors working in the development fields, including the private sector, in UNCTAD's intergovernmental meetings.

The third meeting of the Mid-term Review will be held from 3 to 10 October 2006 and will discuss the following issues: i) UNCTAD, development and the way forward; ii) Globalization for development; iii) Coherence for development between national development strategies and international economic processes; and iv) UNCTAD, the UN reform process, and development. This meeting will integrate, finalize and adopt the outcomes of the three meetings held under the Mid-term Review.

The documents discussed at the meeting are available at:

<http://www.unctad.org/Templates/meeting.asp?intItemID=2068&lang=1&m=11823&info=doc>

Research in progress: TDR 2006

The point of departure of the analytical work underlying the preparation of the TDR 2006 is that, since the turn of the Millennium, various initiatives including, *inter alia*, the proclamation of the MDGs, the Monterrey Consensus, the São Paulo Consensus, and the 2005 World Summit Outcome have stressed that national development efforts needed to be supported by an enabling international economic environment.

This global partnership for development has found its most vivid expressions in the commitment of developed countries to increase aid and grant considerable official debt relief. A similar spirit is reflected in the stated attempt to make development the centrepiece of a new round of global trade negotiations. On the other hand, the UN Millennium Project Report, while recognizing the importance of a favourable global environment, underlined that the role of national policies and development strategies for a country's economic and social development cannot be overemphasized.

However, there are growing concerns that the aspirations of the global partnership for development - as enshrined in the MDGs - may not be fulfilled. On the one hand, there are concerns on whether the developed countries will honour their commitment of substantially raising the financial resource transfer to the poorest countries and keep their promise to make development the guiding principle of the Doha Round.

On the other hand, it is not clear whether in the context of advanced global economic, financial and institutional integration, there is sufficient scope for developing country governments to translate an improved external environment into faster development by employing policy instruments similar to those which have supported growth and structural change in many of the "old" and "new" industrialized economies.

It is therefore essential to support developing countries in identifying policy tools at the macroeconomic, institutional and sectoral level which - based on past experience but taking into account the changing global environment - have a potential to accelerate economic development or are a condition for faster growth. In this context the question to what extent today's international institutional and market environment constrains traditional policy options and the extent to which it allows policy innovation is of key importance.

In the light of the experience with policies guided or inspired by the "Washington Consensus" over the past 25 years, a fundamental reorientation of development policies may be required; this reorientation will require a focus on pro-growth macroeconomic policies and industrial and sectoral policy options in a changed institutional context. Any such reorientation will need to take into account that the autonomy of developing country governments to formulate and pursue economic policies has been shrinking since the 1980s, as a result of, *inter alia*, opening-up to international trade and finance, as well as accession of developing countries to WTO. The issue here is not policy autonomy per se, but whether the costs of reduced autonomy are overcompensated by the gains from better market access and increased external finance.

Case studies take a critical look at LDCs

An expert meeting held in Geneva on 29 May 2006 examined the progress made by the least developed countries (LDCs) in implementing the Brussels Programme of Action adopted at the Third UN Conference on the LDCs (LDC III) in Brussels in 2001. The Programme of Action was adopted for the decade 2001-2010.

The group of experts looked at how well the Brussels Programme of Action has been implemented and how LDCs have performed since LDC III. It also considered how far development partners have met the commitments they made in 2001.

The debate focused on a number of country case studies and national reports. Case studies have been prepared for: Bangladesh, Burkina Faso, Cape Verde, Ethiopia, Nepal and Uganda. The national reports are from Benin, Rwanda, Samoa and Vanuatu.

The studies take a critical look at whether these commitments have been implemented in the countries under review. While some countries are making progress in some areas, others are not. None of these countries are on target in terms of halving poverty by 2015.

Of the 50 LDCs, only six have achieved the growth target of 7 per cent a year:

- Angola (oil exporter);
- Chad (oil exporter);
- Equatorial Guinea (oil exporter);
- Maldives;
- Mozambique; and
- Sierra Leone.

If the past poverty trends continue, the number of people living in poverty in LDCs will soar from 334 million in 2000 to 471 million in 2010.

In the Programme of Action, four commitments are directly related to UNCTAD's work, namely: i) building productive capacity; ii) building human and institutional capacities; iii) enhancing the role of trade in development; and iv) mobilizing financial resources.

The outcome of the expert group meeting, including a compilation of case studies and an analytical report on country experiences, will be made available in September 2006 at the 61st session of the UN General Assembly. On 18-19 September 2006, UN Member States will review the progress made in implementing the Programme of Action.

The case studies on Bangladesh, Ethiopia and Nepal are available at: <http://www.unctad.org/Templates/Page.asp?intItemID=3851&lang=1>
Others will be available on the UNCTAD website shortly.

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Ninth session of the Commission on Science and Technology for Development

The ninth session of the Commission on Science and Technology for Development was held from 15 to 19 May 2006.

The meeting discussed key issues on bridging the technology gap between and within nations – the substantive theme of the Commission's work programme for 2005-2006. One panel discussion was devoted to the role of the Commission in the system-wide follow-up to the World Summit on the Information Society (WSIS).

Under the substantive theme, the Commission adopted a resolution on "Science and Technology for Development", which contains recommendations to national governments and the international community. The Commission reiterated that the technology gap between and within nations is wide and substantial. It exists in all dimensions and ranges from accessing knowledge to its effective use and creation. This gap severely limits developing countries' efforts in meeting the MDGs, and must be bridged if they are to participate effectively in a globally-inclusive knowledge society.

The Commission made a number of recommendations to national governments to ensure that science, technology and innovation strategies are incorporated in national development strategies, especially those addressing the MDGs. At the international level, the Commission called for the creation of an enabling environment to assist developing countries in their efforts to implement these recommendations. The Commission highlighted the importance of South-South cooperation and regional networks and centres of excellence, as a critical means to building up a critical mass of scientists and technologists in developing countries.

On the issue of WSIS follow-up, the Commission held a panel comprising representatives of member States, international organizations, NGOs and the private sector. Almost all speakers highlighted the need to maintain the development dimension in WSIS follow-up, and that it should constitute an integral part of the integrated follow-up to all major UN conferences and summits to ensure coherence and coordination. Several speakers highlighted the importance of maintaining the momentum of multi-stakeholder participation, especially non-state actors such as the civil society and the private sector, which was unique to the WSIS process. It was also emphasized that the CSTD should maintain its traditional science and technology for development mandate, while taking on its new role in WSIS follow-up.

It was decided that the substantive theme of the Commission's work during 2006-2007 will be "Promoting the building of a people-centred, development-oriented and inclusive information society, with a view to enhancing digital opportunities for all people".

For more information on the ninth session or the CSTD, please visit: <http://stdev.unctad.org>.

For all substantive enquiries, please contact: mongi.hamdi@unctad.org

UNCTAD brings together academics through the Virtual Institute

In recognition of the role of universities play in educating future decision makers and providing policy advice to governments, the UNCTAD Virtual Institute (Vi) was launched at UNCTAD XI (São Paulo, 2004). The Virtual Institute builds capacity in academic institutions from developing countries that teach and conduct research in the fields of trade, investment and development.

The Virtual Institute has become a leading example of higher education capacity-building, which is driven by members. It started with five university members and has now grown to 13 universities across five continents. These higher learning institutions benefit from UNCTAD research and pedagogical capacity and, at the same time, collectively support each others' teaching and research.

The Virtual Institute has developed several comprehensive training packages available online, and has also built up a substantial library of resources available to members and the general public covering a wide range of topics in international trade and trade policy. Many of the materials of the Virtual Institute are available online free of charge. In addition, members (either institutions or individuals) can access specialized training materials and participate in our Geneva-based study tours. The study tours provide invaluable practical experience and exposure for students hoping to continue their careers as trade policy professionals.

The Virtual Institute has also organized regional workshops in Thailand and Tanzania and is currently concluding a French-language workshop in Senegal on commodities production and trade. The aim of these workshops is to support the publication of Virtual Institute training materials and to promote research interests in the regions concerned.

In May 2006, the Virtual Institute also completed its first fellowship programme which hosted five graduate students from the University of Dar-es-Salaam, United Republic of Tanzania. They spent a month in UNCTAD researching, writing and finally presenting a paper relating to their research interests, and supported by UNCTAD staff. They have now returned to teach on the university's master's course in international trade policy.

Later this year, from 11 to 15 September 2006, the Virtual Institute will hold a workshop in Geneva on tools and methods for trade and trade policy analysis. The workshop is being developed in collaboration with the International Trade Centre and the World Trade Organization (please see our news item for more information and how to apply). Other upcoming activities include the publication of several training materials and the annual meeting of university members in October 2006, to discuss and plan the future needs of members and how the Virtual Institute will respond to these. The membership of the Virtual Institute is expected to expand in 2007.

For further information on the Virtual Institute and its activities, please visit: <http://vi.unctad.org>, or subscribe to our newsletter by sending an email to: joseph.clements@unctad.org.

Upcoming events

- **Trade and Development Board (TDB), fifty-third session, and the third meeting of the Mid-term Review, 27 September to 10 October 2006, Geneva, Switzerland.**

The third hearing with civil society and the private sector will be convened during the TDB on 26 September 2006. The hearing will focus its discussion on one or two agenda items selected from the TDB agenda which this year includes: the Post-Doha work programme: Review of developments and issues of particular concern to developing countries; interdependence; LDCs; Africa; Review of technical cooperation activities; and the Report on Assistance to Palestinian People.

Further information on the exact agenda and time of the hearing will be sent out by email to NGOs/CSOs with UNCTAD observer status and those NGOs awaiting accreditation. UNCTAD also welcomes requests from organizations that would like to be accredited and to participate in the hearing.

The outcome of the hearing will be summarized by the secretariat and submitted as an input to the Board discussions. A civil society representative will be designated to present the report to the closing plenary of the TDB on 10 October 2006.

Information concerning the Trade and Development Board will be posted at www.unctad.org/meetings.

- **Ad Hoc Expert Meeting on Competition Law and Policy, 30 October, Geneva, Switzerland.**

Within the context of the seventh Intergovernmental Group of Experts on Competition Law and Policy, this meeting will focus on:

- The relationship between competition law and policy and subsidies; and
- The analysis of cooperation and dispute settlement mechanisms relating to competition policy in regional free trade agreements, taking into account issues of particular concern to small and developing countries.

For further information, please consult: <http://www.unctad.org/competition>.

New publications

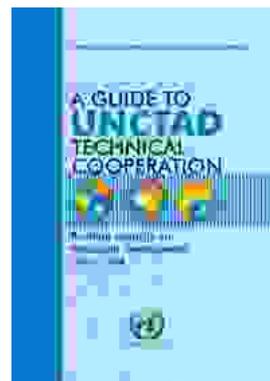
- **New guide to UNCTAD technical cooperation**

A new Guide to UNCTAD Technical Cooperation provides a summary of UNCTAD's assistance to developing countries in such fields as globalization and development; international trade in goods, services and commodities; investment, technology and enterprise development; services infrastructure; and trade efficiency.

As explained in the guide, UNCTAD technical assistance is provided in the form of policy advice; training and training of trainers; the provision of trade- and investment-related data; the development of computer-based technical cooperation packages; and through institution-building.

Government officials of developing countries are the main beneficiaries, but many projects and programmes also target businesses, academia and relevant members of civil society.

The Guide also contains information on how UNCTAD's technical cooperation is carried out in partnership with other agencies. The intent is to provide trade-related technical assistance in their areas of expertise, reduce duplication and create synergies.



Voluntary contributions from developed countries currently fund about 65 per cent of UNCTAD's technical cooperation work, but the share of developing countries' contributions - which currently stands at around 20 per cent - has been increasing. Total voluntary contributions have grown significantly in recent years, from an average of \$22.8 million in 2000-04 to \$34.8 million in 2005.

The Guide to Technical Cooperation is available in PDF at:
http://www.unctad.org/en/docs/dom20051_en.pdf

● **Utility models and innovations in developing countries**

The study on the potential use of utility models in developing countries is part of the efforts of the UNCTAD/ICTSD Project on Intellectual Property Rights and Sustainable Development to contribute to a better understanding of issues relating to innovation and the place of developing countries in the globalizing knowledge-based economy.

Many factors influence the creation and preservation of systems of innovation, including education policies, a country's technological absorptive capacity, its general institutional base to promote domestic research and development (R&D) and legal and economic incentives particularly in terms of adequate intellectual property and investment regimes.

With a view to fostering local technological capacity, the study examines one category of intellectual property, namely utility models and their potential as a tool for spurring innovation, particularly in developing countries. To do so, the study draws from past experience to analyse their potential to accommodate small-scale or incremental innovation in both developed and developing countries today.

The study is available at: http://www.unctad.org/en/docs/iteipc20066_en.pdf

● **Least Developed Countries Report 2006: Developing Productive Capacities**

In recent years, many least developed countries (LDCs) have achieved higher rates of economic growth than in the past and even higher growth of exports and of FDI inflows. But this is not translating effectively into poverty reduction and improved human well-being. Moreover, the sustainability of growth is fragile as it is highly dependent on trends in commodity prices, aid inflows, trade preferences and weather conditions.



UNCTAD's Least Developed Countries Report 2006 argues that the development of domestic productive capacities and concomitant expansion of productive employment opportunities is the key to sustained economic growth and poverty reduction in the least developed countries (LDCs).

Defining productive capacities as "the productive resources, entrepreneurial capabilities and production linkages which together determine the capacity of a country to produce goods and services and enable it to grow and develop", the Report shows that the core processes through which productive capacities develop - i.e. capital accumulation, technological progress and structural change - have been very weak in most LDCs. As a result, labour productivity is low and there is widespread underemployment. This is the basic cause of persistent mass poverty in the LDCs.

For the LDCs as a group, the decade 2000-2010 is going to be the first decade in which the growth of the economically active population outside agriculture is predicted to be greater than the growth of the economically active population within agriculture. This transition will affect more than half of LDCs during the decade, and most of the others in the decade 2010-2020. Substantial poverty reduction in the LDCs will thus require not simply increased agricultural productivity, but also the development of competitive businesses in manufacturing and services, as well as increased dynamic inter-sectoral linkages.

The Report calls for a paradigm shift from a consumption- and exchange-oriented approach to poverty reduction towards a production- and employment-oriented approach. It analyses three basic constraints on the development of productive capacities in the LDCs, namely: poor physical infrastructure; weaknesses of the domestic private sector and supporting financial systems and knowledge systems; and insufficient demand and thus underutilization of domestic resources and capabilities, as well as weak incentives to invest and innovate. The Report also identifies some key policy priorities to overcome these constraints, including the mobilization of underutilized domestic potentials and a rebalancing of the sectoral allocation of aid.

NGOs enjoying observer status with UNCTAD automatically receive official notifications inviting them to participate in and contribute to the debate and discussions of Expert Meetings, sessions of the Commissions of the UNCTAD Trade and Development Board, and quadrennial sessions of the Conference. Competent and relevant NGOs interested in contributing to UNCTAD's programmes and activities may wish to consider applying for observer status.

For further information, please contact amel.haffouz@unctad.org.

For more information, please visit UNCTAD's website:

www.unctad.org