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From UNCTAD's Civil Society Outreach

This is the first issue of the *CSO Newsletter*, an electronic information bulletin produced by UNCTAD's Civil Society Outreach unit. It is being distributed to civil society organizations working closely with UNCTAD and showing interest in its activities. Our objective is to encourage the involvement of civil society actors in UNCTAD's work, since our experiences at UNCTAD X (Bangkok, 2000) and at the Third United Nations Conference on the Least Developed Countries (Brussels, 2001) showed that UNCTAD and civil society actors share an interest in issues and debates concerning trade and development. Many of you were involved in these conferences and their parallel events, and we welcome your continued cooperation.

Right now, preparations are underway for UNCTAD XI (to be held in Brazil in June 2004), and over the next 15 months a series of preparatory activities will take place. Close involvement by civil society actors, not only in the Conference but also in the preparatory process, is encouraged. We hope this newsletter will be a forum for dialogue between civil society and UNCTAD, and that it will motivate many of you to get engaged in our work.

RECENT AND UPCOMING EVENTS

Diversification of exports, trade in services and environment

UNCTAD's Commission on Trade in Goods and Services, and Commodities met recently in Geneva (3-6 February) to consider the development and policy implications of international trade and commodities issues, including some currently on the negotiating table at the World Trade Organization (WTO).

In his opening statement, Mr. Rubens Ricupero, the Secretary-General of UNCTAD, said that UNCTAD's consideration of export diversification, market access and competitiveness required a clear understanding of the changing conditions under which commodity trade took place, including those determined by the international trading system and the characteristics of international supply chains. This understanding was crucial for identifying the critical areas where action was needed so as to escape the "poverty trap" discussed in the most recent issue of UNCTAD's [Least Developed Countries Report](#). Even if market access were ensured, market entry would be possible only if developing-country exporters could enhance competitiveness, position themselves effectively in international supply chains, and improve their influence and power in those chains.

The Commission also provided an opportunity to address developments in the area of trade, environment and development, including the relationship between environmental requirements, market access, and competitiveness. The increasing number, stringency and complexity of environmental requirements could pose a major hurdle to market access and market penetration by developing countries. Government regulations were proliferating, as were industry standards and guidelines set by the private sector, as well as buyers' requirements. This was especially true in key sectors of export interest to developing countries, such as food and health products, textiles, leather and electronics. In practice, importers and buyers were setting the standards in the market, and government regulations risked becoming increasingly irrelevant. Moreover, there were few international standards for environmental purposes. Another question raised was how to deal, in an intergovernmental setting, with the proliferation of voluntary private-sector standards.

Under the agenda item on trade in services and development implications, the Commission debated the benefits and costs of liberalization and discussed the difficulties faced by developing countries in building up services sectors and increasing their participation in trade in services. The discussions focused on the following areas:

- the key role of efficient services in shaping overall economic performance and the importance of a national master plan for services
- enhancing the capacities of developing countries to provide services to domestic markets
- examining the design of reform and liberalization programmes in the services sector to ensure appropriate pacing, sequencing and content adapted to individual countries' level of development
- possible negative impacts of liberalization on balance of payments
- safeguarding the right to regulate and access to essential services for the poor
- addressing constraints faced by developing countries in terms of specific preconditions for liberalization (e.g. supply constraints, lack of modern regulatory and institutional frameworks, weak small and medium-sized enterprises, lack of access to finance and technology, and export barriers)
- competition-related issues and access to distribution channels and information networks

NGO representatives attended the Commission's session, and representatives from Oxfam International, Third World Network and the International Centre for Trade and Sustainable Development contributed as panellists and in the discussions.

For further information on the session, please see [documents](#).

Policies and measures to attract and increase benefits from FDI

UNCTAD's Commission on Investment, Technology and Related Financial Issues met in Geneva (20-24 January) to consider policy issues related to investment and development, investment arrangements and national experiences.

The session's focus was on identifying which national policies are the most important for increasing the benefits from foreign direct investment (FDI). Many countries are engaging in fierce competition to attract FDI, especially since FDI flows, after a decade of steady and strong growth, dropped sharply in 2001, in the wake of the world economic slowdown.

Developing countries have used various policies and measures to attract and increase benefits from FDI, from targeted promotion policies to incentives and performance requirements, as well as measures to support the enterprise sector. Many of these measures, however, are subject to new international rules in the framework of multilateral agreements.

A special segment with the World Association of Investment Promotion Agencies (WAIPA) was held on 22 January. This segment focused on the future of export processing zones in light of the WTO agreements on subsidies and countervailing measures.

Further information on agreed recommendations adopted by the Commission, as well as full texts of the seventh session's opening statements and the meeting report, are available at [documents](#).

UK to support an UNCTAD trust fund for assisting India

UNCTAD, India and the United Kingdom on 30 January launched a five-year project on "Strategies and Preparedness for Trade and Globalization in India" aimed at helping India to build capacities and assess the impact and opportunities involved in trade and globalization. The UK Department for International Development (DFID) has pledged a contribution of £5.4 million (US\$8.65 million) to the project.

UNCTAD and India's Ministry of Commerce and Industry will cooperate on the project. The project's main goals are

- to assist Indian trade negotiators, policy makers and other stakeholders in understanding the development dimension of key trade issues, particularly as they relate to the current WTO agenda; and
- to strengthen the country's human and institutional capacities for analysis of globalization-related issues and facilitate a policy environment that will support and sustain a more equitable process of globalization.

The project should help India derive maximal benefits from the multilateral trading system and influence international trade rule-making. The project will work in partnership with the private sector and civil society. It will focus on the institutions and sectors with the greatest potential to affect the poor in their roles as producers, workers, consumers and citizens.

The main issues to be addressed by the project are agriculture and food security; market access for non-agricultural products, including textiles; the TRIPS Agreement; the impact of WTO agreements on small-scale industries; services; environment; trade facilitation; dispute settlement; regional trade agreements; investment; and competition.

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Inauguration of World Trade Point Federation portal

The inauguration of the portal of the World Trade Point Federation (WTPF) and its e-services, at www.wtpfed.org, took place on 19 February at the Palais des Nations in Geneva.

UNCTAD's Trade Point Programme was launched under the Trade Efficiency Initiative in 1992. Its main objectives were to open international trade to small and medium-sized enterprises (SMEs), particularly those in developing countries; to reduce transaction costs; and to give traders access to advanced technologies and information networks. The Programme is an example of a concept pioneered by the United Nations and later widely adopted around the world.

In November 2002, the Programme was fully transferred to the WTPF. The Federation's mission is to become a leading global business facilitator for SMEs. It offers enterprises a consolidated human network of more than 120 trade information and facilitation centres, known as Trade Points, with local know-how located in over 80 countries, combined with a global e-business marketplace.

For further information, please write to support@wtpfed.org or visit the [WTPF website](http://www.wtpfed.org).

UNCTAD meets with Consumer Unity and Trust Society

CSO recently organized a dialogue between UNCTAD staff members and representatives from the Consumer Unity and Trust Society (CUTS) and its Africa Resource Centre to address issues of mutual interest. Established in 1983, CUTS started off as a consumer protection organization. Since then it has worked in various areas of public interest at the national and international levels. The dialogue took place on 18 February in Geneva and addressed the problems facing least developed countries in light of globalization and the WTO process; competition and consumer policies; globalization and development strategies; recent results of UNCTAD's trade analysis activities; FDI; and the linkages between trade, environment and development. A day later, Mr. Rubens Ricupero, the Secretary-General of UNCTAD, addressed the CUTS symposium on "Competition Policy and Pro-Poor Development", which covered the following areas:

- Competition issues with international dimensions and how developing countries deal with them
- How does competition policy and law help the poor?
- What type of competition policy and law should a developing country have?

African Ministerial Conference on Commodities to be held in June

After meeting in September 2001 in Abuja (Nigeria), the Ministers of Trade of the African Union countries requested UNCTAD's assistance in organizing a ministerial conference of African countries on commodities, in cooperation with the Common Fund for Commodities (CFC). The Government of Senegal offered to host the Conference, and Senegal's Minister of Agriculture met with the Secretary-General of UNCTAD recently to discuss preparations for the Conference, which will take place in June in Dakar, Senegal. Also participating in the discussions was the managing director of the CFC, which will provide financial support for the Conference and contribute to its preparatory work.

During the meeting between UNCTAD, the Permanent Mission of Senegal and the CFC it was reiterated that African countries stand to take only marginal advantage of the global trade liberalization resulting from the Uruguay Round, mainly because of their continuing dependence on primary commodities. A majority of countries in sub-Saharan Africa depend on two or three agricultural commodities for more than two-thirds of their export earnings. Although this alarming reality is widely recognized, few steps have been taken to remedy it.

The Conference will discuss specific measures needed to restore the development potential of Africa's agricultural commodities sector. Competent and relevant civil society organizations are encouraged to participate.

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NEW PUBLICATIONS

Opportunities and challenges for women in the digital economy

A study on "Gender, E-Commerce and Development" is a highlight of UNCTAD's *E-Commerce and Development Report 2002*. The study examines the opportunities and challenges faced by women in the digital economy. It illustrates how information and communication technologies (ICT) enhance business opportunities for self-employed women in developing countries and how they create new employment in ICT-related services industries. It also discusses the main barriers women have to overcome in order to benefit fully from the new technologies. The study makes a number of policy recommendations for mainstreaming gender in ICT policy, including in areas related to enhancing human capacity and training; improving access to telecommunications infrastructures; using new technologies and the Internet; providing financing to SMEs; and promoting new business opportunities and employment for women in the ICT sector.

[E-Commerce and Development Report 2002](#)

New publication geared to producers and traders of organic fruits and vegetables

A new UNCTAD publication, *Organic Fruits and Vegetables from the Tropics: Market, Certification and Production Information for Producers and International Trading Companies*, gives producers and exporters in emerging markets tools for accessing selected developed-country markets for organic products.

The major organic markets are expected to grow 10 to 30 per cent or even more in the next 5 to 10 years. Fruits and vegetables play an important role in all major organic markets. Producers and exporters in developing countries consequently want to increase organic exports, seek new markets, and generally become more competitive. However, during regional workshops in 2001 on diversification and development of the horticultural sector in Africa, it was pointed out that the high cost of certification was a major impediment to increasing certified agricultural production in developing countries. Moreover, many participants expressed concern that the plethora of standards and regulations at the national, regional and international levels created difficulties for exporters, particularly those from developing countries. The need for easily accessible reference material on production techniques and market opportunities was repeatedly emphasized.

UNCTAD was asked to assist developing countries in strengthening their capacities to take advantage of production and trading opportunities for organic products. The new book provides producers and trading companies from emerging markets with information on market potential and conditions for access to the European, United States and Japanese markets for organic products. It also details the production and processing requirements as well as best management practices for a selection of organic tropical fruits and vegetables, and it provides contact information for useful resources in selected European countries as well as the United States and Japan.

For more information, please contact Mr. Djidiack Faye at djidiack.faye@unctad.org or tel. (+ 41) 22 917 63 24.

For more information on UNCTAD's publications, please check [main publications](#).

Upcoming event:

- Trade and Development Board, 31st executive session (10-13 March 2003)

For more information: [Events and meetings](#)

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.

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For more information, please visit UNCTAD's website:

www.unctad.org