

5 February 2002



UNCTAD

**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 attached draft project proposals have been prepared on the basis of extensive consultations carried out by the UNCTAD secretariat in December 2001/January 2002 with regional and subregional groups and individual delegations with a view to identifying their specific immediate and longer-term needs. Therefore, the proposals reflect requests and priorities indicated by potential beneficiaries during such consultations. The project proposals are concerned with the areas of trade, investment, trade facilitation, and electronic commerce, respectively in Parts A to D of this document. The Task Force on Trade chaired by the Secretary-General of UNCTAD has approved these proposals. Activities identified in all project proposals revolve around (a) policy analysis, (b) human resources capacity building, and (c) institutional capacity building.

In formulating these project proposals, special attention has been given to LDCs' concerns in the light of their specific requirements reflected in the outcome of the 4th WTO Ministerial Meeting, as well as requests made by LDCs (see attached letter). African countries' concerns are similarly reflected, taking into account the views expressed by individual delegations and regional and subregional groupings.

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ABBREVIATIONS

ACP	African, Caribbean and Pacific (group of States)
APEC	Asia-Pacific Economic Cooperation Forum
ASEAN	Association of South-East Asian Nations
BIT	Bilateral investment treaty
CBD	Convention on Biological Diversity
COMESA	Common Market for Eastern and Southern Africa
DMOs	Destination Management Organizations
ESCAP	Economic and Social Commission for Asia and the Pacific
EU	European Union
GATS	General Agreement on Trade in Services
GATT	General Agreement on Tariffs and Trade
FAO	Food and Agriculture Organization of the United Nations
FDI	foreign direct investment
FTAA	Free Trade Area of the Americas
FIATA	International Federation of Freight Forwarders Associations
ICC	International Chamber of Commerce
ICT	Information and communication technology
IIA	International investment agreements
IMF	International Monetary Fund
ITC	International Trade Centre UNCTAD/WTO
ITU	International Telecommunication Union
LDC	Least developed country
MEAs	Multilateral environmental agreements
MERCOSUR	Southern Common Market (Mercado Común del Sur)
NFIDCs	Net food-importing developing country
NGMTS	Negotiating Group on Maritime Transport Services
NGOs	Non-governmental organization
PPAU	Programme Planning and Assessment Unit
OECD	Organization for Economic Cooperation and Development
RTA	Regional trading agreement
S&D	Special and differential
SAARC	South Asian Association for Regional Cooperation
SADC	Southern African Development Community
SIDS	Small island developing States
SME	Small and medium-sized enterprise
SPS	Sanitary and phytosanitary
TK	Traditional knowledge
TRIMS	Trade-related investment measures
TRIPS	Agreement on Trade-related Aspects of Intellectual Property Rights
TRQ	Tariff rate quota
UN-CEFACT	United Nations Centre for Trade Facilitation and Electronic Business
UNCITRAL	United Nations Commission on International Trade Law
UNDP	United Nations Development Programme
UNECE	United Nations Economic Commission for Europe
UNEP	United Nations Environment Programme
WAIPA	World Association of Investment Promotion Agencies
WIPO	World Intellectual Property Organization
WTO	World Trade Organization

UNITED NATIONS CONFERENCE ON TRADE AND DEVELOPMENT

DRAFT Trust Fund Project DocumentPart A: TRADE

TITLE:	Technical assistance and capacity building in developing countries, especially LDCs, and economies in transition on trade negotiations and trade policies formulation for a better participation in the negotiations as provided for by the Doha Ministerial Declaration.	
STARTING DATE:	1 st Quarter 2002	DURATION: 24 months
SECTOR:	Trade	
BENEFICIARY COUNTRIES:	Developing countries, especially LDCs, and countries with economies in transition	
BRIEF DESCRIPTION:	The purpose of this project is to assist trade negotiators, policy makers, the business community, and civil society in developing countries, especially LDCs, and economies in transition, through training and technical assistance, to participate as effectively as possible in the international trading system and, especially, in the post-Doha trade negotiations. The project will focus on deepening the understanding of the issues and development implications involved in WTO negotiations, exploring the range of options that need to be considered to achieve a coherent trade policy and effective participation in WTO negotiations, identifying developing country interests, and ensuring that the development dimension is fully addressed, in view of consensus-building.	
FINANCED BY:	Multidonor	
TARGET BUDGET:	See note to the budget on page 9.	

PROJECT DESCRIPTION

A. Background and justification

The Tenth Conference of UNCTAD, held in Bangkok, Thailand, in February 2000, mandated the secretariat to assist developing countries, especially LDCs, and economies in transition in the area of trade negotiations with a view to integrating themselves more fully into, and deriving benefits from, the international trading system (paragraphs 129-147; 161-163; and 164-169 of the Bangkok Plan of Action). In the Brussels Programme of Action, development partners committed themselves to “assisting LDCs in developing human and institutional capacities for effective negotiations and informed participation in the multilateral trading system in order for LDCs to reap maximum benefits from it” (see paragraph 68(b)). Moreover, in the Development Agenda adopted in Zanzibar, the LDC Ministers responsible for trade underscored that capacity building is at the core of the needs of LDCs in their efforts to fully and effectively integrate into the world economy and the multilateral trading system.

In the Ministerial Declaration of the Fourth Session of the WTO Ministerial Conference in Doha, WTO Members agreed on a wide work programme. This incorporates both an expanded negotiating agenda and other important decisions and activities necessary to address, among others, the challenges faced by developing countries, and in particular the least developed among them, for their effective participation in the multilateral trading system.

The Declaration makes clear reference to the need for addressing the development aspects in the WTO trade negotiations.

B. Technical assistance priorities identified by beneficiary countries

While the beneficiaries of the activities proposed in the present document are all developing countries, including LDCs, and economies in transition, LDCs’ specific interests and objectives have been reflected in a specific window and activities (see Annex to Part A).

WINDOWS 1, 2 and 3

Agriculture, services and implementation issues

These windows will address the required immediate assistance in support of ongoing negotiations on services, agriculture and implementation issues, where deadlines for the submission of offers and decisions on negotiating modalities are imminent.

- 1) On **services**, assistance is required for the identification of trade interests and in the preparation of offers and requests, including for the effective implementation of GATS Articles IV and V.
- 2) On **agriculture**, assistance is required in support of negotiations on: substantial improvements in market access; reductions of, with a view to phasing out, all forms of export subsidies; and substantial reductions in trade-distorting domestic support.
- 3) In the area of the mandates on the **implementation** issues and the **WTO rules**, the requirements encompass the following areas:
 - (i) Anti-dumping
 - (ii) Rules of origin
 - (iii) Market access (tariffs and WTO rules)
 - (iv) Regional integration (in particular support to parallel negotiations at the subregional, regional and multilateral levels).

WINDOW 4

Environment

This window will address the following issues:

- 1) The relationship between existing WTO rules and specific trade obligations set out in multilateral environmental agreements (MEAs);
- 2) Environmental measures and market access for developing countries, especially LDCs and economies in transition;
- 3) TRIPS, environment and traditional knowledge (TK);
- 4) Agriculture and environment interface;
- 5) Biotechnology; and science and technology diplomacy.

WINDOW 5

Competition policy

Developing countries, especially LDCs, as well as economies in transition need to upgrade their legal, human and institutional capacities to enable them to participate effectively in possible negotiations on a multilateral competition framework as called for at Doha.

WINDOW 6

Trade, debt and finance, and transfer of technology:

Assistance is required to support participation in the two related WTO working groups.

Successful trade negotiations increasingly demand a greater understanding by diplomats and policy-makers of the technology and scientific underpinnings of these issues. However, many developing countries tend to spread thinly their limited financial and human resources that deal with international diplomacy in science and technology.

WINDOW 7

LDCS

- 1) **Special attention will be devoted to the LDCs' specific requests for technical assistance** on the basis of the priority areas identified by the LDCs themselves, including, among others.
- 2) General assessment of the implementation of existing S&D provisions for the LDCs:
 - (i) Market access (particularly the issues of quota/duty free and binding issues);
 - (ii) WTO accession of LDCs.

C. Development objectives of the project

The principal and long-term objectives of this project are to provide enhanced support to developing countries, especially LDCs, and economies in transition for policy analysis and capacity building in trade negotiations in order to secure their effective participation in multilateral trade negotiations through better articulation of their trade interests and enhanced ability to link the rules of the multilateral trading system to their national development strategies.

D. Immediate objectives

Objective 1: Capacity building / human resources development

The immediate objective would aim at strengthening the capacity of trade policy-makers, negotiators, and the business community in developing countries, especially LDCs and economies in transition, to jointly formulate coherent trade policies and negotiating strategies in the context of the current WTO trade negotiations in the areas mentioned above in accordance with the Doha Work Programme, taking into account their multilateral and regional trade negotiations agenda. The activities would aim, *inter alia*, at deepening the understanding of the issues involved, exploring the range of issues that needs to be considered, identifying the interests of developing countries, especially LDCs, and economies in transition, and, in particular, ensuring that the development dimension is addressed.

Objective 2: Institutional capacity in trade policy making and analysis

Increased trade policy coherence among multilateral and subregional trade liberalisation initiatives, through an enhanced capacity at national and subregional level to elaborate strategies and design approaches for trade liberalisation, crucial to the development objectives of individual countries and regions.

E. Outputs*Output 1*

A better understanding on the part of trade negotiators from developing countries, especially LDCs, and economies in transition of the implications deriving from the different scenarios implied by the negotiating process, especially in the areas mentioned, through improved national consultation mechanisms and networking among Geneva-based diplomats, their counterparts in capitals, the private sector and the civil society.

Output 2

A strengthened institutional capacity of existing local entities, including universities, think tanks, and similar research institutions, to carry out analytical work directly useful to trade negotiators, and an improved exchange of information and research among the different regional and local institutions to avoid overlapping and duplication of efforts.

F. Activities*See Annex to Part A*

The modalities for the implementation of the proposed activities are:

- 1) Elaboration of training modules and other training materials on the selected issues;
- 2) Organization of a series of training workshops for trade negotiators in the field and in Geneva (including seminars devoted to training of trainers and negotiations simulation exercises) based on training materials and modalities of training customized to take into account the beneficiaries' interests and the needs of the audiences;
- 3) Support and improvement of the consultations at national, subregional, and regional levels in preparing common policies and negotiating positions, through the strengthening of the relevant national, sub-regional and regional institutions;
- 4) Support to strengthening the interaction between policy-makers in the capitals and Geneva-based diplomats.

With regard to the analytical work to support the preparation of negotiating positions at the WTO and at sub-regional level, the following modalities will be considered:

- 1) Studies on selected WTO issues by research institutions and experts of the beneficiary countries on individual sectors/issues for each region;
- 2) Formulation and development of programmes of research at the subregional level with existing local institutions, taking into account the Doha work programme and regional or subregional negotiations;
- 3) Organization of brainstorming meetings to review and discuss the results of the research conducted and to identify how they could be used for the formulation of sound policies and coherent negotiating positions;
- 4) Dissemination of the results of the studies to meetings of trade negotiators on WTO and subregional integration groupings, including those organized under Objective 1 above.

G. Cooperation with other international organizations

UNCTAD is cooperating extensively with several multilateral and regional organizations, in particular with the WTO, ITC, UNDP, FAO and UNEP.

UNCTAD has been following closely the work and discussions of several WTO working bodies dealing with the above-mentioned areas, as well as providing inputs to them.

In particular, in the framework of the UNCTAD Commercial Diplomacy Programme, cooperation with the WTO as well as with the ITC has also extended to the organization of Geneva-based and regional training events in preparation for trade negotiations and on multilateral and regional issues in general. In addition, the Commercial Diplomacy Programme has cooperated extensively with experts and delegates from regionally-based organizations such as the SADC, COMESA, the Andean Community, MERCOSUR, SAARC, ASEAN, ACP countries, Geneva-and-Brussels-based missions, developing-country-based institutions of higher learning and representatives of Parliamentarians, journalists and civil society (such as business organizations, academia, non-governmental organizations (NGOs) and the media) in the pursuance of its work programme on trade negotiations and trade policies formulation.

UNCTAD and UNEP have taken several joint initiatives through joint meetings, research, training and projects. Of particular relevance is the UNEP-UNCTAD Capacity Building Task Force on Trade, Environment and Development. The present project would seek to strengthen this cooperation.

Implementation of the activities described above will be undertaken in close cooperation with the WTO. It will also actively seek close cooperation and consultation with other international, regional and national organizations and processes engaged in trade policy making, as well as other agencies providing technical assistance in this area.

SCHEDULE OF EVALUATION AND REPORTS

A. Reports

UNCTAD will prepare a biannual report on the implementation of the project and a final report at the end of the project. In addition, project implementation will be discussed in informal meetings with donors and beneficiaries and others concerned. These meetings will be organized biannually by UNCTAD after the issuance of the biannual report and, if the need arises, on an ad hoc basis. The meetings will be open to other interested member countries. In addition, activities undertaken within this programme of work and experiences gained in its implementation will be brought to the attention of the intergovernmental bodies of UNCTAD and the WTO on a regular basis.

B. Evaluation

The project will be subject to an independent evaluation that will be implemented through UNCTAD's Programme Planning and Assessment Unit (PPAU). The details of the methodology of the evaluation will be worked out by PPAU in accordance with the existing evaluation practice in UNCTAD.

C. Logical framework

A logical framework including indicators of achievements will form part of the Project for the purpose of the Project's monitoring, reporting and evaluation.

BUDGET

Attached.

DRAFT BUDGET FOR EACH WINDOW IDENTIFIED IN THE ANNEX*(In United States dollars)*

Activity 1: Policy analysis and policy development	
Regional symposia - one week - for policy-makers, each:	145,000.00
Policy analysis on key issues identified in each window (preparation of studies on specific issues; preparation of studies aimed at identifying developing country interests; translation of studies into all official United Nations languages)	80,000.00
Policy analysis at the national level (preparation of studies and dissemination, as well as advisory missions), each:	50,000.00
Activity 2: Human resources development	
Regional intensive training courses - two weeks - on issues identified in each window, each:	200,000.00
Geneva-based in-depth training courses, (with no financing of capital-based experts), each:	35,000.00
Negotiations facilitation workshops in Geneva, each:	20,000.00
Activity 3: Institutional development	
National workshops on issues identified in each window, each:	20,000.00
Strengthening national institutions (training/workshops, advisory missions), each:	40,000.00

NOTE: The costs of a number of activities mentioned above are unit costs, i.e. refer to one event only. The actual number of activities to be carried out will depend on the resources available. Costs include project personnel costs. This project budget is designed in a flexible manner to allow donors to finance one type of activity for several windows, one activity for all windows or all activities for one window. Costs are estimated on the basis of previous activities carried out in the field and in Geneva.

Financial requirements to undertake activities corresponding to the immediate negotiating deadlines (2002) are estimated at US\$ 2,000,000. To undertake part of the activities under other windows, the financial requirements for the year 2002 are estimated at approximately US\$ 2,000,000. Depending on the work programme, the minimum financial requirements for 2003 are estimated at US\$ 3,000,000.

Regarding the possibilities for co-financing these activities or some of them, as appropriate, please refer to section G above (pages 78) on cooperation with other international organizations, further to the ongoing cooperation activities with them.

ANNEX

Activities

WINDOW 1	
Agriculture	<ol style="list-style-type: none"> 1) Assistance on the definition of the modalities for negotiations on market access; export subsidies, including export credits and domestic support; definition of the "development box". Identify priority sectors and prepare offers/requests in the next 6 months. 2) Enhance the understanding of the precautionary principle and interface between agriculture/environment issues. 3) Tropical products: market access issues in developing and developed countries, and linkages with market entry and supply capacity issues. 4) Support and follow-up in the elaboration of S&D provisions, particularly the provisions regarding the LDCs' S&D. 5) Assist in the identification of the implications of possible tariff cut modalities. 6) Identification of ways to fully utilize tariff rate quotas (TRQs). 7) Support domestic coordination between private sector stakeholders, who are the agricultural producers and traders, and the trade negotiators. 8) Achieve more precision on food security (safeguard mechanisms) and rural development. Identify interests of: ACP countries, net food-importing developing countries (NFIDCs), small island developing States, and single commodity exporters. Identify preferential erosion, particularly from the point of view of LDCs.
WINDOW 2	
Services	<ol style="list-style-type: none"> 1) Continuation of work on sectoral issues. Identify priority sectors. Disciplines to be applied in certain sectors. 2) Support for the preparation of offers/requests (before June 2002). 3) Work on horizontal issues and links with the offers/requests. 4) Assistance in the preparation of the "WTO assessment" on services (mid-2002). 5) Identification of conditions needed to market access. 6) Operationalisation of Article IV and emergency safeguard mechanism. 7) Inventory of measures affecting trade in services for the LDCs. 8) Identify in which sectors universal access really matters for LDCs' development. 9) Assistance in the elaboration of suitable modalities for implementation of Article V.
WINDOW 3	
Implementation issues	<ol style="list-style-type: none"> 1) SPS: formulation of a programme of implementation of the SPS agreement. 2) Customs: training on minimum values for the LDCs. 3) TRIMS: assistance and analysis on the elaboration of specific modalities to take into account developmental aspects.

WTO rules: a) Rules of origin b) Anti-dumping and countervailing duties	<ol style="list-style-type: none"> 1) Assistance to participate more effectively in the negotiations in order to complete the work of the WTO Committee. 2) Assistance in the elaboration of suitable product-specific rules of origin, particularly for the LDCs. 1) Assistance in the identification and elaboration of modalities to accommodate specific concerns of beneficiary countries during negotiations.
Market access: Tariffs	<ol style="list-style-type: none"> 1) Provide assistance in the formulation of mechanisms to deal with tariff peaks: update databases on tariffs and non-tariff measures, by product and by country. Identify modalities for the negotiations on tariff peaks. 2) Analyse market access issues in respect of the impact of industrial tariffs on LDCs' economies. 3) Support in the negotiations related to tariff-free and quota-free access for LDCs.
Regional integration	<ol style="list-style-type: none"> 1) Assistance in the elaboration of rules of origin and introduction of special and differential treatment in regional trading arrangements. 2) Support for ASEAN and SADC in their negotiations on services. 3) Support for the interface between FTAA and WTO negotiators, in particular for the Andean countries. 4) Support to ACP/EU negotiations. 5) Identification of the treatment of preferential regimes in the mandated WTO negotiations on regional trading arrangements (RTAs). 6) Support to the negotiations on WTO rules on RTAs. 7) Support to regional negotiations on transfer of technology.
WINDOW 4	
Environment	<ol style="list-style-type: none"> 1) Brainstorming on the negotiating mandates in the area of environment. 2) Development of a positive agenda on trade, environment and development. 3) Support to enhance understanding of development aspects of specific policy instruments under multilateral environmental agreements (MEAs) and implications of proposals. 4) Support to enhance understanding of (a) implications of negotiations on the interface between agriculture and the environment, and (b) the precautionary principle. 5) Environmental goods and services. 6) Environmentally preferable products, in particular organic agricultural products. 7) Environmental and SPS requirements and market access for developing countries, in particular LDCs. 8) Traditional knowledge (TK): Support to effective participation in discussions in WTO, WIPO and CBD. 9) Training on trade and environment issues. 10) Impact assessments.

WINDOW 5	
Competition	<ol style="list-style-type: none"> 1) Continue UNCTAD capacity building activities through the preparation of national competition legislation, including implementation and enforcement issues; 2) Strengthening of competition authorities through the upgrading of skills and acquisition of analytical and legal techniques; 3) Advocacy for a competition culture through workshops and seminars; 4) Strengthening consumer protection institutions; 5) Enabling developing countries and countries with economies in transition to participate effectively in multilateral and international cooperation. 6) Impact of concentration in international commodity markets and identification of possible solutions.
WINDOW 6	
Trade, debt and finance and Transfer of Technology	<ol style="list-style-type: none"> 1) Provide inputs for the terms of reference of the WTO working groups (particularly from the point of view of the indebted countries) and support to the participation of developing countries. 2) Support to the establishment of an initiative on science and technology diplomacy to provide training and workshops for diplomats and policy-makers with a view to assisting them in international negotiations on matters related to the transfer of technology at the newly established WTO Working Group on Trade and Transfer of Technology.
WINDOW 7	
LDCs priority activities to be implemented in addition to those listed above under the six windows.	<ol style="list-style-type: none"> 1) Support and assistance to elaborate modalities to achieve the development objectives contained in the Zanzibar Declaration and in Commitment 5 of the Brussels Programme of Action. 2) Support for the elaboration of suitable modalities for the implementation of article 66.2 of TRIPS. 3) Analyse the linkage between technology transfer and supply capacity-building-related measures. 4) Support to effective access to and utilization of technologies, including information technology in the public domain. 5) Study the existing provisions in international agreements related to the facilitation of transfer of technology, implementation experience and possible best practices. 6) General assessment of the implementation of existing S&D provisions for the LDCs and their "development value". 7) Further analysis and elaboration of mechanisms to improve the existing preferential and non-preferential market access, especially in the area of rules of origin and textiles. 8) Enhance the understanding of the interface between multilateral trade negotiations and regional or interregional trade negotiations from the point of view of trade interests of the LDCs. 9) Assistance towards strengthening national institutional frameworks and trade negotiations infrastructure.

UNITED NATIONS CONFERENCE ON TRADE AND DEVELOPMENT

DRAFT Trust Fund Project Document

Part B. INVESTMENT

TITLE: Technical assistance and capacity building in developing countries on investment as provided for in paragraphs 20-22 of the Doha Ministerial Declaration.

STARTING DATE: 1st quarter 2002 **DURATION:** 22 months

SECTOR: Investment

BENEFICIARY COUNTRIES: Developing countries, especially LDCs, and countries with economies in transition

BRIEF DESCRIPTION: The purpose of this project is to build national capacity in developing countries, through policy analysis and human and institutional development, with a view towards assisting these countries in participating as effectively as possible in multilateral discussions on investment and evaluating the implications of closer multilateral cooperation for their development policies and objectives as provided for in paragraphs 20-22 of the Doha Ministerial Declaration. The project will focus on deepening the understanding of national decision-makers and negotiators on the issues involved, exploring the range of issues that need to be considered, identifying and protecting developing country interests and ensuring that the development dimension is addressed, with a view towards consensus-building.

FINANCED BY: Multidonor

TARGET BUDGET: Excluding support costs US\$ 8,200,000.

PROJECT DESCRIPTION

A. Background and justification

Reflecting the growing proliferation of discussions and negotiations on international investment agreements (IIAs) at the bilateral, regional and multilateral levels, the tenth conference of UNCTAD, held in Bangkok, Thailand, in February 2000, requested the secretariat to help strengthen understanding of the relationship between trade and investment, as well as the role of international investment arrangements in the development process and of how such arrangements could contribute to development, including through facilitation of technology and enterprise development (Plan of Action, TD/386, paragraph 126). UNCTAD's experience in this area is based on the work programme on IIAs that was initiated in pursuance of the Midrand mandate and endorsed by the Bangkok Plan of Action.¹

Members of the WTO have recently agreed, in their Declaration at the Fourth WTO Ministerial Conference in Doha, on a work programme on investment. In this context, they also recognized (in paragraph 21) the need for strengthened technical assistance in the pursuance of that mandate:

20. *Recognizing the case for a multilateral framework to secure transparent, stable and predictable conditions for long-term cross-border investment, particularly foreign direct investment, that will contribute to the expansion of trade, and the need for enhanced technical assistance and capacity building in this area as referred to in paragraph 21, we agree that negotiations will take place after the Fifth Session of the Ministerial Conference on the basis of a decision to be taken, by explicit consensus, at that Session on modalities of negotiations.*

21. *We recognize the needs of developing and least-developed countries for enhanced support for technical assistance and capacity building in this area, including policy analysis and development so that they may better evaluate the implications of closer multilateral cooperation for their development policies and objectives, and human and institutional development. To this end, we shall work in cooperation with other relevant intergovernmental organisations, including UNCTAD, and through appropriate regional and bilateral channels, to provide strengthened and adequately resourced assistance to respond to these needs.*

22. *In the period until the Fifth Session, further work in the Working Group on the Relationship Between Trade and Investment will focus on the clarification of: scope and definition; transparency; non-discrimination; modalities for pre-establishment commitments based on a GATS-type, positive list approach; development provisions; exceptions and balance-of-payments safeguards; consultation and the settlement of disputes between Members. Any framework should reflect in a balanced manner the interests of home and host countries, and take due account of the development policies and objectives of host governments as well as their right to regulate in the public interest. The special development, trade and financial needs of developing and least-developed countries should be taken into account as an integral part of any framework, which should enable Members to undertake obligations and commitments commensurate with their individual needs and circumstances. Due regard should be paid to other relevant WTO provisions. Account should be taken, as appropriate, of existing bilateral and regional arrangements on investment."*

(WT/MIN(01)/DEC/W/1, 14 November 2001)

The present project has been developed in response to this mandate and reflects consultations with a wide range of delegations in Geneva, especially from developing countries, and the secretariat of the WTO. It seeks to help implement the follow-up to the Doha mandate in close collaboration with the WTO, taking into account UNCTAD's experience with the implementation of its work programme on IIAs. The range of activities foreseen under this project will be prioritised and selected in the light of resource availability.

¹ UNCTAD's work in this area was reported on in a booklet entitled "UNCTAD's Work Programme on International Investment Agreements: From UNCTAD IX, Midrand (1996), to UNCTAD X, Bangkok (2000)" (UNCTAD/ITE/IIT/Misc.26). Updated information is available in a new report entitled "Work Undertaken within UNCTAD's Work Programme on International Investment Agreements between the 10th Conference of UNCTAD, Bangkok, February 2000, and January 2002" (DITE/ICPB/IA/PUB/2001/4/Rev.5).

B. Development objectives

The principal objectives of this project are to provide enhanced support to developing countries for policy analysis and development and the development of human resources and institutional capacity as called for in paragraphs 20-22 of the Doha Ministerial Declaration, and to assist developing countries to better evaluate the implications of closer multilateral cooperation in this area in the interest of attracting and benefiting from long-term cross-border investment, particularly foreign direct investment (FDI), to advance their development. In particular, there is an urgent need to analyse the development implications of a multilateral framework.

C. Immediate objectives

UNCTAD, where appropriate together with the WTO, would undertake a range of technical assistance activities in developing countries, especially LDCs, pursuant to their respective mandates. In the case of UNCTAD, the activities would aim, *inter alia*, at deepening the understanding of the issues involved, exploring the range of issues that needs to be considered, identifying and protecting developing country interests and, in particular, ensuring that the development dimension is addressed. The project would also contribute to consensus building in this area.

D. Output

The project is envisaged for a two-year period to commence in the first quarter of 2002. It will result in increased awareness and capacity among policy-makers and negotiators from developing countries in terms of dealing with issues related to long-term cross-border investment, particularly FDI, and international investment rule-making. In this manner, it will also contribute to enabling these beneficiaries to participate as effectively as possible in other ongoing discussions and negotiations on IIAs.

Direct beneficiaries will include policy-makers, trade and investment officials and negotiators in capitals in all regions (as participants in the policy analysis workshops and the intensive training courses) and delegates to the WTO and UNCTAD (as participants in Geneva policy analysis seminars and training workshops). In addition, numerous other officials in developing countries will benefit directly through technical assistance provided in the area of international investment rule-making, as well as indirectly through the dissemination of the policy research and analytical work undertaken within the purview of this project, including the UNCTAD series of papers on *Issues in International Investment Agreements* and other information material provided for under this project.

E. Activities

The work programme arising out of the objectives stated above involves three areas of activities that emerge out of the three elements identified in paragraph 21 of the Doha Ministerial Declaration: policy analysis and development, human resources capacity building and institutional capacity building.

Activity 1: Policy analysis and policy development

The policy analysis and policy development element of this project consists of four dimensions:

(1a) Policy analysis of the FDI-trade/FDI-development nexus and, in particular, of key issues in IIAs, with a view towards deepening the understanding of the issues involved, exploring the range of issues that need to be considered, identifying and protecting developing country interests and, in particular, ensuring that the development dimension is addressed. Studies on specific issues would be prepared with the aim of identifying the development dimension of the elements listed in paragraph 22 with a view towards clarifying both safeguards (e.g. an identification of prudent norms and safeguards, including from a balance-of-payments point of view, that address the concerns of developing countries in this area) and proactive issues (e.g. preservation of national policy spaces (right to regulate) in the interest of promoting domestic enterprise development, host country operational measures, role of incentives, flexibility elements, the manner in which the interests of home and host countries can be balanced, special development, trade and financial needs of developing and least developed countries, etc.) that need to be addressed from a development perspective. This would also include studies aimed at identifying developing country interests (including through elements that go beyond those listed in paragraph 22, such as issues related to the transfer of technology and competition) in a multilateral approach, ensuring that they are firmly embedded in overall development strategies of developing countries and clarifying certain concepts laid down in the Doha Declaration (such as a GATS-type approach, negotiation modalities, the interrelationship between trade and investment, etc.). The policy analysis should also analyse how countries have in the past utilized various investment policy measures and options in line with national objectives for economic growth and development. The policy analysis work would build on, and make use of, existing UNCTAD work in this area, most prominently the *World Investment Report* series. The latter would also be used to disseminate the findings of the studies

undertaken under this work element. Work under this element also involves translation of these studies into all official United Nations languages.

(1b) This work would also involve the organization of a number of regional symposia for policy-makers (principally from capitals) on issues related to closer multilateral cooperation in the area of investment. These symposia would use, and benefit from, the studies mentioned above and would address the policy analysis issues raised in paragraph 22 of the Doha Declaration. They would also serve as fora for an exchange of views and consensus building on these matters.

(2) Policy analysis to examine recent trends in bilateral and regional investment agreements, with a view to identifying common elements as well as issues that ought to be brought to the attention of developing countries, including differences in implications of bilateral versus multilateral approaches. (Paragraph 22 of the Doha Ministerial Declaration refers specifically to the need to take into account existing IIAs.) The findings of this work element would be disseminated at the regional symposia mentioned above and Geneva-based seminars foreseen under the second work element.

(3) Policy analysis at the national level, with a view towards stocktaking of the status of national regulatory frameworks for FDI. Some of this work would be undertaken in the context of investment policy reviews.

(4) Policy analysis through an international exchange of views, with the full involvement of all stakeholders, on the implications for development of closer multilateral cooperation in this field. This element principally involves a one-off international exchange of views on the development dimension of a multilateral approach, with particular emphasis on the views of civil society.

Activity 2: Human resources development

The human resources development element of this project consists of four dimensions:

(1) Regional intensive training courses on key issues of IIAs, with particular attention to the issues identified in paragraph 22 of the Doha Declaration. These 10-day training courses are aimed at allowing negotiators of IIAs to delve as deeply as possible into key issues related to the negotiation of such agreements. Presented in four modules (brief overview of FDI and development; key concepts and substantive issues relevant to the analysis and negotiation of IIAs; advanced discussion of procedural issues relevant to the negotiation of IIAs; and simulation exercises of negotiations of investment agreements, including through the sharing of experiences with negotiators of existing IIAs), the courses provide for capacity building in terms of both human resources and institutions.

(2) Geneva-based in-depth training courses on key issues in IIAs for WTO and UNCTAD delegates. These courses will consist of an in-depth immersion into key issues and elements of IIAs (in particular those listed in paragraph 22) based on UNCTAD's series on *Issues in International Investment Agreements*.

(3) Negotiation facilitation events for bilateral investment treaties, as well as double taxation treaties. Apart from the value of such instruments in and by themselves, they also contain a hands-on training element.

(4) A number of background seminars on the politics and economics of FDI, including in particular a seminar on the determinants of investment, would be conducted for interested delegates to discuss in particular the relative importance of the regulatory environment in the context of the determinants of FDI.

The human resources component will be implemented in such a manner as to ensure the building of long-term sustainable capacity through the identification of a standing target audience involving a cohort of investment negotiators/decision-makers. It will incorporate, wherever possible, elements of distance learning, utilizing the Internet.

Activity 3: Institutional development

Building institutional capacity for dealing with investment issues is important, focussing in particular on the following two dimensions:

(1) Technical assistance towards strengthening the national institutional framework and negotiation infrastructure. This work would consist of the organization of a limited number of national seminars aimed at developing teams of investment negotiators, aimed at ensuring long-term capacity building in this field (through, e.g., assistance in the development, organization and implementation of national task forces at the inter-ministerial/inter-agency level). This would also involve ad hoc advisory missions, an exchange of information and experiences between ongoing regional initiatives and a skills-training element, with a view towards assisting in the development of national strategies aimed at attracting and benefiting from FDI in the context of closer multilateral cooperation in this field. This work could involve direct negotiation-related policy analysis and development of national approaches (including questions related to policy coherence, good governance in the FDI field, and overall development strategies in investment promotion) and concerns that need to be taken into account in multilateral discussions in this area.

(2) Technical assistance towards strengthening the institutions dealing with investment issues in countries, especially investment promotion agencies, including through the strengthening of their capabilities, the promotion of good governance, the dissemination of information on investment opportunities, and the upgrading of specific capabilities to attract FDI and benefit from it.

The work programme outlined above forms a substantial technical assistance programme to assist developing countries in the whole range of issues related to policy analysis and development and the building the human and institutional capacity on investment as provided for in paragraphs 20-22 of the Doha Declaration. Efforts will be made to use the synergies arising out of the implementation of the individual elements outlined above (such as the dovetailing of regional and national symposia and workshops). The work programme is embedded in UNCTAD's policy-oriented research in the area of FDI. It will therefore benefit from the continued analytical work, as well as technical assistance work, undertaken within this area by the Division on Investment, Technology and Enterprise Development at large. The results of this work will also be made available to the WTO Working Group on the Relationship between Trade and Investment.

F. Cooperation with other international organizations

UNCTAD has in the past cooperated extensively with several multilateral organizations that help developing countries to improve their regulatory frameworks for investment. In particular, UNCTAD is following closely the work and the discussions within the WTO and has provided inputs to the Working Group on the Relationship between Trade and Investment. Cooperation with the WTO has also extended to the organization of Geneva-based and regional seminars on "Trade, investment and development". The present project would seek to strengthen this cooperation.

In addition, UNCTAD has cooperated extensively with experts from the World Bank Group, regionally based organizations such as the OECD and MERCOSUR, developing-country-based institutions of higher learning and representatives of civil society (such as business organizations, academia, non-governmental organizations (NGOs) and the media) in the pursuance of its work programme on IIAs.

Implementation of a number of the activities described above will be undertaken in close cooperation with the WTO. It will also actively seek close cooperation and consultation with other international and regional organizations and processes engaged in international investment in general, such as the World Association of Investment Promotion Agencies (WAIPA), and in international investment rule making in particular, such as the FTAA process, APEC and the SADC investment protocol initiative. In addition, national Governments will be cooperatively engaged, among others through hosting of training seminars, etc. Where appropriate, representatives of civil society will be involved in the implementation of a number of the activities.

An effort would be made to dovetail the implementation of a number of the activities outlined above with ongoing WTO intergovernmental meetings on the issues concerned.

G. Inputs

UNCTAD/DITE is responsible for the planning, implementation and monitoring of all of the project's activities.

Inputs financed under this project will include expenses related to project management, consultancies, travel, outreach activities, and printing and publication, as well as miscellaneous expenditures, including telecommunication costs, for the implementation of the envisioned activities (see budget and explanations).

In addition, several activities planned under this project will be implemented with the cooperation of beneficiary countries hosting seminars and workshops.

SCHEDULE OF EVALUATION AND REPORTS

A. Reports

UNCTAD will prepare a biannual report on the implementation of the project and a final report at the end of the project. In addition, project implementation will be discussed in informal meetings with donors and beneficiaries and others concerned. These meetings will be organized biannually by UNCTAD after the issuance of the biannual report and, if the need arises, on an ad hoc basis. The meetings will be open to other interested member countries. In addition, activities undertaken within this programme of work and experiences gained in its implementation will be brought to the attention of the intergovernmental bodies of UNCTAD and the WTO on a regular basis.

B. Evaluation

The project will be subject to an independent evaluation that will be implemented through UNCTAD's Programme Planning and Assessment Unit (PPAU). The details of the methodology of the evaluation will be worked out by PPAU in accordance with the existing evaluation practice in UNCTAD.

C. Logical framework

A logical framework including indicators of achievements will form part of the Project for the purpose of the Project's monitoring, reporting and evaluation.

BUDGET

Attached.

ANNEX

Listing of activities

Activity 1: Policy analysis and policy development

- (1a) Policy analysis of key issues in IIAs (preparation of studies on specific issues, studies aimed at identifying developing country interests, and translation of studies into all official United Nations languages)
- (1b) Regional symposia for policy-makers from capitals
- (2) Policy analysis to examine recent trends in bilateral and regional investment agreements (preparation of studies)
- (3) Policy analysis at the national level (national workshops and advisory missions related to direct negotiation-related policy analysis)
- (4) Policy analysis through an international exchange of views (one-off event)

Activity 2: Human resources development

- (1) Regional intensive training courses on issues in IIAs
- (2) Geneva-based in-depth training courses on key issues in IIAs
- (3) Negotiation facilitation workshops
- (4) Geneva-based background seminars

Activity 3: Institutional development

- (1) National workshops aimed at strengthening the national institutional framework and negotiation infrastructure
- (2) Technical assistance towards strengthening national investment institutions

DRAFT BUDGET
(In United States dollars)

Activity/year	2002	2003
Activity 1: Policy analysis and policy development		
(1a) Policy analysis of key issues in IIAs (preparation of studies on specific issues; preparation of studies aimed at identifying developing country interests; translation of studies into all official United Nations languages)	150,000	150,000
(1b) Regional symposia for policy-makers (four annually) ^{1/}	660,000	660,000
(2) Policy analysis on recent trends in BITs and regional IIAs (preparation of studies)	100,000	75,000
(3) Policy analysis at the national level (preparation of studies and dissemination as well as advisory missions)	245,000	200,000
(4) Policy analysis through an international exchange of views	250,000	250,000
Activity 2: Human resources development		
(1) Regional intensive training courses on IIAs (4 per year) ^{1/}	1,060,000	1,060,000
(2) Geneva-based in-depth training courses (3 per year) ^{1/}	105,000	105,000
(3) Negotiation facilitation events (3 per year)	180,000	180,000
(4) Geneva-based "background" seminars (1 per year)	35,000	35,000
Activity 3: Institutional development		
(1) National workshops and missions towards development of IIA cohorts (10 per year) ^{1/}	450,000	450,000
(2) Strengthening national investment institutions (workshops, advisory missions) ^{2/}	900,000	900,000
Total	4,135,000	4,065,000

NOTE: Costs include project personnel costs, official travel and mission costs, in-service training costs, equipment, reporting and miscellaneous costs, and overhead.

^{1/} Project planned to be undertaken jointly by UNCTAD and WTO.

^{2/} Project planned to be partly undertaken jointly by UNCTAD and WTO.

UNITED NATIONS CONFERENCE ON TRADE AND DEVELOPMENT

DRAFT Trust Fund Project DocumentPart C. TRADE FACILITATION

TITLE:	Technical assistance and capacity building in developing countries on trade facilitation as provided for in paragraph 27 of the Doha Ministerial Declaration.	
STARTING DATE:	First quarter of 2002	DURATION: 24 months
SECTOR:	Trade Facilitation	
BENEFICIARY COUNTRIES:	Developing countries, especially LDCs, and countries with economies in transition	
BRIEF DESCRIPTION:	The purpose of this project is to build national capacity in developing countries, through analytical work, technical assistance and institutional development. It will assist these countries in participating as effectively as possible in future multilateral discussions on trade facilitation and evaluating the potential benefits of closer multilateral cooperation in this area as provided for in paragraph 27 of the Doha Ministerial Declaration. The project will focus on deepening the understanding of national decision-makers and negotiators on the issues involved, exploring trade facilitation measures that need to be considered, identifying developing countries' needs and priorities, in a spirit of consensus-building and with particular emphasis on the review of GATT 1994 Articles V, VIII and X.	
FINANCED BY:	Multidonor	
TARGET BUDGET:	Excluding support costs US\$ 1,200,000.	

PROJECT DESCRIPTION

A. Background and justification

Trade facilitation aims at developing a worldwide accepted, consistent, transparent and predictable environment for international trade transactions. It is based on internationally accepted customs and practices resulting from the simplification of formalities and procedures, the standardization of physical facilities and means, and the harmonization of applicable trade and transport laws and regulations.

The effective implementation of such customs and practices would lower transaction costs and improve the capacity of developing countries to supply competitive goods and services on global markets, giving due consideration to their level of development and implementation of transport, information and communications technologies.

The mandate of UNCTAD with regard to its analytical and technical cooperation work on trade facilitation is contained in paragraphs 149 and 150 of the UNCTAD X Plan of Action.

At the Singapore Ministerial Conference in 1996, the WTO Council for Trade in Goods was requested to undertake a work programme to assess the scope for WTO Rules concerning the simplification of trade procedures. Following this request the Council undertook analytical work and the WTO organized expert level discussions, including a Symposium on Trade Facilitation in March 1998, four informal meetings and a Workshop on Technical Assistance and Capacity Building in Trade Facilitation in May 2001.

It clearly emerged from these discussions that trade facilitation measures are not limited to facilitating border crossing, but apply equally to expediting the movement of goods through to the efficient operation of transport modes and interface facilities.

In this context, members of the WTO have recently committed, in their Declaration at the Fourth WTO Ministerial Conference in Doha, to provide their support for technical assistance and capacity building on trade facilitation:

27. Recognizing the case for further expediting the movement, release and clearance of goods including goods in transit and the need for enhanced technical assistance and capacity building in this area, we agree that negotiations will take place after the Fifth Session of the Ministerial Conference on the basis of a decision, by explicit consensus, at that Session on modalities of negotiations. In the period until the Fifth Session, the Council for Trade in Goods shall review and as appropriate, clarify and improve relevant aspects of Articles V, VIII and X of the GATT 1994 and identify the trade facilitation needs and priorities of Members, in particular developing and least-developed countries. We commit ourselves to ensuring adequate technical assistance and support for capacity building in this area. (WT/MIN(01)/DEC/W/1, 14 November 2001)

The present legal framework of the WTO contains a number of provisions directly relating to facilitating the movement of goods and thereby facilitating trade. These provisions can be found in both GATT 1994 and to a lesser extent in GATS.

GATT 1994 Articles V, VIII and X relate respectively to freedom of transit, valuation for customs purposes, and publication and administration of trade regulations, and they contain provisions aimed at facilitating the conduct of international trade transactions. Additionally, the Agreement on Customs Valuation, the Agreement on Import Licensing Procedures, the Agreement on Preshipment Inspection, the Agreement on Rules of Origin, the Agreement on Technical Barriers to Trade and the Agreement on the Application of Sanitary and Phytosanitary Measures have a direct impact on trade facilitation.

Relevant GATS provisions basically relate to the liberalization of transport services. Under the general obligations of GATS, there are in particular the provisions of Article 3 (Transparency) and Article 6 (Domestic regulation) that can be considered to have a trade facilitation component. With regard to the specific commitments, the treatment of the transport modal sub-sectors is, in principle, facilitating trade. The lack of commitments, however, greatly reduces the potentially positive impact of the Agreement. This lack is particularly apparent in the air transport sector, but also in maritime services, where the major players have stopped short of reaching a meaningful agreement under the Uruguay Round and the subsequent Negotiating Group on Maritime Transport Services (NGMTS).

In the process of preparing for a new Round, a number of countries have made a proposal to include trade facilitation in the WTO Agreements. The issue of trade facilitation is perceived by the majority of developing countries as primarily one of implementation of existing instruments.

It is therefore important to review the implementation not only of the elements of the various WTO Agreements related to trade facilitation, but also those of other international organizations, in particular the United Nations and the World Customs Organization, and to build upon or to improve, where necessary, these elements. It is equally important to review the extent to which a new Agreement could overcome the problem of differing trade facilitation approaches due largely to the prevailing technology gap.

Based on this assessment, a strategy should be developed that would include undertakings by the international community to take the necessary trade facilitation measures and provide for a coordinated and integrated approach to technical assistance programmes for the benefit of developing countries. This way it could be ensured that there will be an immediate positive impact on trade through reduced transaction costs. Existing trade facilitation programmes have gone in this direction but need to be further strengthened to ensure that market access benefits enjoyed by developing countries are not annulled by excessive transaction costs.

This project proposal aims at assisting developing countries members of WTO in defining their position regarding the treatment of trade facilitation within the WTO arena and in preparing a decision on modalities of negotiations on new WTO rules in this area, a decision to be taken at the Fifth Ministerial Conference. It has been developed in response to the mandate expressed in paragraph 27 of the Doha Declaration, with a view to initiating consultations with a wide range of delegations in Geneva, especially from developing countries, and the secretariat of the WTO. It seeks to help implement the follow-up to the Doha mandate in close collaboration with the WTO, taking into account UNCTAD's experience with the implementation of its work programme on trade facilitation. The range of activities foreseen under this project will be prioritised and selected in the light of resource availability.

B. Development objectives

The development objectives of this project are (1) to provide support to developing countries, especially LDCs, in their analysis and identification of needs and priorities related to trade facilitation measures, and in the development of human resources and institutional capacity; and (2) to assist them to benefit from closer multilateral cooperation in trade facilitation.

C. Immediate objectives

The immediate objectives of this project consist, *inter alia*, in strengthening the understanding of the trade facilitation issues involved, exploring the range of issues that needs to be considered, identifying developing country interests and, in particular, ensuring that the development dimension is addressed. The project would also contribute to consensus building in this area. UNCTAD, where appropriate together with the WTO, would undertake technical assistance activities at the regional level in developing countries.

D. Output

The project is envisaged for a two-year period to commence in March 2002. It will result in increased awareness and capacity among decision-makers and negotiators from developing countries in terms of dealing with issues related to trade facilitation. In this manner, it will also contribute to enabling these beneficiaries to participate as effectively as possible in other ongoing discussions and future negotiations on trade facilitation.

Direct beneficiaries will include trade officials and negotiators in capitals in all regions (as participants in regional trade facilitation workshops and seminars) and delegates to the WTO and UNCTAD (as participants in Geneva-based trade facilitation seminars). In addition, numerous other officials in developing countries will benefit directly through technical assistance provided in the area of trade facilitation, as well as indirectly through the dissemination of the policy research and analysis work undertaken within the purview of this project.

E. Activities

Activity 1: Analysis of existing trade facilitation measures aimed at expediting the movement, release and clearance of goods, including goods in transit.

This activity will consist of:

- 1) Analysis of key issues in trade facilitation (movement, release and clearance of goods) with a view towards deepening the understanding of the issues involved, exploring the range of issues that need to be considered, identifying priorities, taking into account developing countries' interests, and, in particular, ensuring that the development dimension is addressed. This would make it possible to:
 - (i) Assess existing trade facilitation measures within WTO (including GATT 1994 Articles V, VIII and X) and outside WTO;
 - (ii) Examine recent trends in trade facilitation covered by bilateral and regional agreements with a view to identifying common elements as well as issues that ought to be brought to the attention of developing countries;
 - (iii) Identify and study implications of new trade facilitation measures to be considered under WTO rules and disciplines, paying specific attention to the status of the implementation of existing trade facilitation-related measures in the context of the WTO/Uruguay Round and other international organizations;
 - (iv) Identify the need for technical assistance towards the effective implementation of existing (and potential new) WTO rules related to trade facilitation; and
 - (v) Review the possible modalities that could be applicable to developing countries in the context of negotiations at WTO.

This analysis would highlight the development dimension of trade facilitation measures (e.g. identification of standards and practices that address the concerns of developing countries in this area) and additional issues (e.g. trade, communications and transport infrastructure, services and equipment needs of developing and least developed countries, etc.) that should be addressed from a development perspective. It would also cover the developing countries' interests in a multilateral approach, ensuring that they are firmly embedded in their overall development strategies. This analysis would build on, and make use of, UNCTAD's ongoing work in this area, most prominently its technical assistance experience.

- 2) Preparation of awareness building and training material to disseminate, throughout symposia and seminars (see activity 2), the findings of the studies resulting from the analytical work. This would require translation of these studies and training material into all official United Nations languages.

Activity 2: Capacity building and institutional development

This activity will consist of:

- 1) Organization of a number of regional two-day symposia for decision-makers (principally from capitals) on issues related to closer multilateral cooperation in the area of trade facilitation. These symposia would lead to an international exchange of views on the development dimension of a multilateral approach, with particular emphasis on the views of civil society, e.g. international trade and transport services providers and users. They would use, and benefit from, the analysis mentioned above and would address the possible modalities that could be applicable to developing countries in the context of negotiations at WTO. They would also serve as fora for an exchange of views and regional harmonization of approaches on these matters;
- 2) Provision of technical assistance aimed at designing and implementing comprehensive national and regional programmes on trade and transport facilitation. *Inter alia*, this technical assistance will review the needs and conditions for the development, organization and implementation of national task forces or national trade and transport facilitation bodies at inter-ministerial/inter-agency level, as appropriate. This technical assistance will be based upon the findings and conclusions of the symposia and will consist of preparatory assistance missions organized jointly with regional institutions, and organization of national workshops, as appropriate;

- 3) Organization of a number of Geneva-based one-day seminars for trade officials and negotiators to grasp key issues related to the negotiation of trade facilitation measures within the framework of WTO rules and discuss, in particular, the opportunity to gather under such rules existing internationally-agreed trade facilitation recommendations and standards. This should lead to consensus building on modalities of negotiations as referred to in the paragraph 27 of the Doha Declaration.

The human resources component of this activity will be implemented in such a manner as to ensure the building of long-term sustainable capacity, in coordination with the UNCTAD TrainForTrade programme. It will incorporate, wherever possible, elements of distance learning, utilizing the Internet.

The proposed activities will benefit from the continued analytical work undertaken within the Trade Facilitation Section of the Division on Services Infrastructure for Development and Trade Efficiency.

F. Cooperation with other international organizations

Implementation of the activities prescribed above will be undertaken in close cooperation with the WTO. The present project will act to strengthen this cooperation. It will also actively seek close cooperation and consultation with other international and regional organizations engaged in international trade facilitation, such as UN-CEFACT, ICC, FIATA, etc. In addition, national Governments will be cooperatively engaged, among others through hosting of training symposia.

In addition, as part of its work programme on trade facilitation, UNCTAD is executing technical assistance projects in Nepal and Pakistan, with financing from the World Bank. These projects involve local institutions of higher learning and representatives of civil society (such as business organizations, academia, non-governmental organizations).

An effort will be made to adjust the implementation of a number of the activities outlined above in line with ongoing WTO intergovernmental meetings on the issues concerned.

G. Inputs

UNCTAD/SITE will be responsible for the planning, implementation and monitoring of all of the project's activities.

Inputs financed under this project will include expenses related to project management, consultancies, travel, outreach activities, and printing and publication, as well as miscellaneous expenditures, including telecommunication costs, for the implementation of the envisaged activities (see budget and explanations).

In addition, several activities planned under this project will be implemented with the cooperation of beneficiary countries.

SCHEDULE OF EVALUATION AND REPORTS

A. Reports

UNCTAD will prepare a biannual report on the implementation of the project and a final report at the end of the project. In addition, project implementation will be discussed in informal meetings with donors and beneficiaries and others concerned. These meetings will be organized biannually by UNCTAD after the issuance of the biannual report and, if the need arises, on an ad hoc basis. The meetings will be open to other interested member countries. In addition, activities undertaken within this programme of work and experiences gained in its implementation will be brought to the attention of the intergovernmental bodies of UNCTAD and the WTO on a regular basis.

B. Evaluation

The project will be subject to an independent evaluation that will be implemented through UNCTAD's Programme Planning and Assessment Unit (PPAU). The details of the methodology of the evaluation will be worked out by PPAU in accordance with the existing evaluation practice in UNCTAD.

C. Logical framework

A logical framework including indicators of achievements will form part of the Project for the purpose of the Project's monitoring, reporting and evaluation.

BUDGET

Attached.

ANNEX***Listing of activities***

Activity 1: Analysis of existing trade facilitation measures aimed at expediting the movement, release and clearance of goods, including goods in transit.

1. Analysis of key issues in trade facilitation, through the preparation of studies to explore the needs to be considered, identify priorities and appreciate the development dimension; translation of the studies into all official United Nations languages.
2. Preparation of awareness building and training material, in coordination with WTO and the UNCTAD TrainForTrade programme; translation of the training material into all official United Nations languages.

Activity 2: Capacity building and institutional development

1. Organization of two-day regional symposia for decision-makers on issues related to closer multilateral cooperation in the area of trade facilitation.
2. Organization of preparatory assistance missions towards national and regional technical assistance programmes on trade and transport facilitation, including the development, organization and implementation of national task forces or national trade and transport facilitation bodies at inter-ministerial/inter-agency level. In the context of such preparatory assistance missions, national workshops may be organized as appropriate,
3. Organization of one-day Geneva-based seminars for trade officials and negotiators to build consensus on modalities of negotiations related to trade facilitation.

DRAFT BUDGET*(In United States dollars)*

Activity 1: Analysis of existing trade facilitation measures	
1. Preparation of studies to explore the needs to be considered, identify priorities and appreciate the development dimension; translation of the training material into all official United Nations languages.	300,000.00
2. Preparation of awareness building and training material; translation of the training material into all official United Nations languages.	150,000.00
Activity 2: Capacity building and institutional development	
1. Organization of two-day regional symposia for decision-makers on issues related to closer multilateral cooperation in the area of trade facilitation. Each	100,000.00
2. Organization of preparatory assistance missions towards national and regional programmes on trade and transport facilitation, including the development, organization and implementation of national task forces or national trade and transport facilitation bodies. Each	60,000.00
3. Organization of one-day Geneva-based seminars to build consensus on modalities of negotiations related to trade facilitation. Each	35,000.00
<i>Sub-total (approx.)</i>	1,200,000
Grand total	

NOTE:

- a. The costs of a number of activities mentioned above are unit costs, e.g. they refer to one event only.
- b. The actual number of each activity to be carried out will depend on the resources available.
- c. Costs include: project management personnel, consultancies, travel, outreach activities, translation, and printing and publication, as well as miscellaneous expenditures, including telecommunication costs.
- d. The analysis of key issues in trade facilitation and the preparation of pedagogical material (activities 1.1 and 1.2) will require, over the two-year period, the equivalent of approximately 24 man-months of consultants.
- e. To cover the main geographical areas and to allow for comprehensive worldwide analysis, it is recommended to organize four regional symposia (activity 2.1) and four preparatory missions in the same regions (activity 2.2): for anglophone Africa, francophone Africa, Asia, and Latin America and the Caribbean, as well as up to three Geneva-based training seminars (activity 2.3).

UNITED NATIONS CONFERENCE ON TRADE AND DEVELOPMENT

DRAFT Trust Fund Project Document**Part D. ELECTRONIC COMMERCE**

TITLE:	Technical assistance and capacity building in developing countries in the area of electronic commerce in order to increasing the participation in global electronic commerce by developing countries.	
STARTING DATE:	First quarter of 2002	DURATION: 24 months
SECTOR:	Electronic Commerce	
BENEFICIARY COUNTRIES:	Developing countries, especially LDCs, and countries with economies in transition	
BRIEF DESCRIPTION:	This project aims at increasing the developing countries' participation in electronic commerce by assisting them to better understand the issues at stake in global electronic commerce and their development implications, and creating a national policy environment favourable to developing electronic commerce, as provided for in paragraph 34 of the Doha Ministerial Declaration. This will help developing countries to participate effectively in future multilateral discussions on electronic commerce and increase their participation in global electronic commerce, thus contributing to economic growth and development.	
FINANCED BY:	Multidonor	
TARGET BUDGET:	Excluding support costs US\$ 1,030,000.	

PROJECT DESCRIPTION

A. Background and justification

UNCTAD is required by paragraphs 135, 156 and 157 of the Bangkok Plan of Action to assist developing countries in enhancing their abilities to benefit from electronic commerce and participate actively in international discussions on this issue. This includes supporting developing countries through capacity building activities as well as policy-oriented analytical work on the implications of electronic commerce.

At the 4th WTO Ministerial Conference in Doha, member States agreed to continue the Work Programme on Electronic Commerce (paragraph 34). Furthermore, they recognized “that electronic commerce creates new challenges and opportunities for trade for Members at all stages of development” and “the importance of creating and maintaining an environment which is favourable to the future development of electronic commerce”. A key component of the WTO Work Programme on electronic commerce is “to examine the development implications of electronic commerce, taking into account the economic, financial and development needs of developing countries”.²

The importance of continuing the WTO Work Programme on Electronic Commerce has also been stressed by the Group of 77 and China in their Declaration on the 4th WTO Ministerial Conference (of 22 October 2001), emphasizing the need “to bridge the digital divide and eliminate all restrictions to the participation of developing countries and to the access to modern technologies”. Furthermore, “future work should aim to create new opportunities for the expansion of trade, and in particular, for greater participation in international trade on the part of developing countries and for their small- and medium-sized enterprises”.

The present project has been developed in response to the above mandates and reflects the needs of developing countries for assistance in their efforts to participate fully in global electronic commerce and thus take advantage of the opportunities it creates. Moreover, a number of activities included in this project respond to the need for creating an enabling environment for the development of electronic commerce at the national and international levels.

B. Development objectives

The overall objective of this project is to enhance the participation of developing countries in international electronic commerce and thus enable them to benefit from the opportunities created by electronic commerce through policy analysis and capacity building in the area of electronic commerce offered to policy makers and business people from the developing countries.

C. Immediate objectives

Immediate objective 1

To enhance the understanding of developing country policy makers of issues at stake at the international level in electronic commerce, including proposals made in the framework of the multilateral trade negotiations, and their implications for developing countries' economies.

Immediate objective 2

To enhance the participation of developing countries and especially LDCs in electronic commerce by providing capacity building to developing country policy makers on key policy elements necessary for creating a favourable environment for the development of electronic commerce.

Immediate objective 3

To enhance the participation of developing countries' enterprises, especially SMEs, in international electronic commerce by providing capacity building and advisory services to entrepreneurs.

² As agreed upon by the WTO General Council on 25 September 1998.

D. Outputs*Output 1.1*

Developing country policy makers and negotiators better informed about, and able to participate effectively in, ongoing debates on e-commerce at the international level.

Background papers on key issues in electronic commerce and development available to policy makers.

Output 2.1

Framework for a policy strategy to create an enabling environment for electronic commerce available. Developing country policy makers trained in key elements of a national e-commerce/ICT strategy.

Output 2.2

A tourism portal functional in at least two developing countries in order improve their marketing of e-commerce and e-tourism.

Output 3.1

SMEs from developing countries trained in how to implement an e-commerce strategy.

E. Activities*Activity 1.1*

Prepare studies on key issues in electronic commerce, including the potential benefits of e-commerce, new Internet technologies, online trading practices and systems, payment systems, Internet strategies, legal and regulatory issues, the application of e-commerce in economic sectors such as banking, transport, insurance and procurement, and policy approaches adopted by other countries. The analytical work will also critically evaluate current proposals at the international level in the area of e-commerce, analyse their implications for development and provide policy recommendations for developing countries.

Activity 1.2

Disseminate results of policy-oriented analytical work through regional seminars and conferences, technical missions and the Internet.

Activity 1.3

Organize background seminars for interested delegates on issues related to e-commerce and the multilateral trade negotiations, in particular the implications of current proposals for developing countries.

Activity 2.1.1

Develop a framework for a national ICT/e-commerce strategy. This strategy will then be adapted to the national level based on each country's stage of advancement in creating an enabling environment for e-commerce.

Activity 2.1.2

Carry out regional training courses on key elements of a policy strategy for creating a favourable environment for electronic commerce (ICT strategy). These will include legal and regulatory, institutional, infrastructural and human resource components as they relate to the development of electronic commerce.

Activity 2.2.1

Assist destination management organizations (DMOs) of developing countries to develop a tourism portal.

Activity 3.1

Carry out advisory missions and training workshops for SMEs on best practices for implementing an e-business strategy.

F. Cooperation with other international organizations

UNCTAD has cooperated in the past with a number of international organizations involved in assisting developing countries better understand the benefits arising from electronic commerce. UNCTAD is actively participating in the Geneva informal inter-agency group on e-commerce and development, comprising staff members from WTO, UNECE, WIPO, ITU, ITC and UNCTAD. UNCTAD staff have followed closely the debates in the WTO on electronic commerce and participated as speakers in several WTO events on e-commerce. The implementation of the activities outlined in this project will continue to be undertaken in close cooperation and consultation with other international and regional organizations, in particular the WTO, UNCITRAL and WIPO. Some of the UN regional organizations (e.g. ESCAP) will be engaged through the hosting of regional seminars and national training courses.

G. Inputs

UNCTAD/SITE is responsible for the planning, implementation and monitoring of all of the project's activities.

Inputs financed under this project will include expenses related to project management, consultancies, travel, outreach activities, and printing and publication, as well as miscellaneous expenditures, including telecommunication costs, for the implementation of the envisaged activities.

In addition, several activities planned under this project will be implemented with the cooperation of beneficiary countries hosting seminars and workshops.

SCHEDULE OF EVALUATION AND REPORTS

A. Reports

UNCTAD will prepare a biannual report on the implementation of the project and a final report at the end of the project. In addition, project implementation will be discussed in informal meetings with donors and beneficiaries and others concerned. These meetings will be organized biannually by UNCTAD after the issuance of the biannual report and, if the need arises, on an ad hoc basis. The meetings will be open to other interested member countries. In addition, activities undertaken within this programme of work and experiences gained in its implementation will be brought to the attention of the intergovernmental bodies of UNCTAD and the WTO on a regular basis.

B. Evaluation

The project will be subject to an independent evaluation that will be implemented through UNCTAD's Programme Planning and Assessment Unit (PPAU). The details of the methodology of the evaluation will be worked out by PPAU in accordance with the existing evaluation practice in UNCTAD.

C. Logical framework

A logical framework including indicators of achievements will form part of the Project for the purpose of the Project's monitoring, reporting and evaluation.

BUDGET

Attached.

DRAFT BUDGET*(In United States dollars)*

<i>Activity 1.1</i> Preparation of studies on key issues in electronic commerce.	200,000.00
<i>Activity 1.2</i> Dissemination of results of policy-oriented analytical work through regional seminars and conferences, technical missions and the Internet.	150,000.00
<i>Activity 1.3</i> Organization of background seminars for interested delegates on issues related to e-commerce and the multilateral trade negotiations, in particular the implications of current proposals for developing countries.	30,000.00
<i>Activity 2.1.1</i> Development of a framework for a national ICT/e-commerce strategy and adaptation to country level.	50,000.00
<i>Activity 2.1.2</i> Organization of regional training courses on key elements of a policy strategy for creating a favourable environment for electronic commerce (ICT strategy).	250,000.00
<i>Activity 2.2.1</i> Assistance to destination management organizations (DMOs) of developing countries to develop a tourism portal.	200,000.00
<i>Activity 3.1</i> Implementation of advisory missions and training workshops for SMEs on best practices for implementing an e-business strategy.	150,000.00
<i>Sub-total (approximately)</i>	1,030,000.00
Grand total	

The letter dated 29 January 2002, addressed to the Secretary-General of UNCTAD
from the Coordinator of the LDCs' Consultative Group in WTO

January 29, 2002

Mr. Rubens Ricupero
The Secretary-General
UNCTAD Secretariat,
United Nations, Geneva

Dear Mr. Ricupero,

RE: PRIORITY AREAS FOR SUPPORT FOR POST-DOHA
LDCs NEGOTIATING CAPACITY

On behalf of the LDC Consultative Group in WTO, I wish to express our appreciation for the support that you personally, as well as the UNCTAD secretariat, gave us in organizing the Zanzibar LDC Ministerial conference that helped us define and articulate our position both in the preparatory process and at Doha WTO Ministerial conference.

The Doha Ministerial Declaration recognizes the particular vulnerability of LDCs and the special structural difficulties that limit their meaningful participation in the multilateral trading system and the global economy. It therefore calls for a coordinated response and support in addressing their limitations and building their capacity needs, including through policy analysis and development.

It is in this regard that I write to you in my capacity as the coordinator of the LDC Consultative Group in WTO, to thank you for the initiative and process you have set in motion designed to help identify and elaborate the priority areas for LDCs that require support for Post-Doha negotiating capacity. I wish therefore to forward to you the draft matrix for LDCs as a basis for further elaboration and comments, if any.

The LDCs have special problems, needs and interests in the multilateral trading system. With the setting up of the Trade Negotiating Committee we shall face quite a number of peculiar challenges in negotiations.

Therefore, we would appreciate if the negotiating capacity building programme being developed by UNCTAD as a response to addressing our needs could be LDC – specific. Concurrently, the LDC group requests for designation of focal points in the secretariat with whom we shall be working closely on the programme.

SIGNED

Nathan Irumba
Amb./Chargé d'Affaires, a.i.

CC: All members of WTO LDC Consultative Group.