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TRADE AND DEVELOPMENT BOARD  
First Meeting of the Mid-Term Review process  
Geneva, 28 January 2002

**Programme Assessment for 2000-2001**

NOTE BY THE UNCTAD SECRETARIAT

**Executive Summary**

This document has been prepared to serve as background for the Trade and Development Board's *mid-term review* of UNCTAD's work, scheduled midway between UNCTAD X and UNCTAD XI, and in particular for its *stocktaking* exercise. Based on the logical framework approach, it sets out, by programme areas, an assessment of the work during the biennium 2000-2001, based on objectives, indicators of achievement, accomplishments, impact and lessons learned. It also proposes the focus and the direction of work for the period up to UNCTAD XI, taking into account the work programme approved for 2002-2003, as well as more recent major international developments.

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

Table of contents

<b>Introduction.....</b>	<b>3</b>
<b>Globalization, Interdependence and Development .....</b>	<b>4</b>
1. Interdependence and global economic issues .....	5
2. Debt and development finance.....	10
3. Assistance to the Palestinian people .....	13
4. Statistics and Information .....	15
<b>Development of Africa.....</b>	<b>17</b>
<b>Investment, Enterprise and Technology .....</b>	<b>21</b>
1. Investment Issues Analysis .....	22
2. Investment Policies and Capacity Building .....	27
3. Technology and Enterprise .....	30
<b>International Trade .....</b>	<b>36</b>
1. Trade Negotiations and Commercial Diplomacy .....	37
2. Trade Analysis and Information.....	42
3. Commodities .....	46
4. Competition Law and Policy and Consumer Protection.....	50
5. Trade, Environment and Development .....	54
<b>Services Infrastructure for Development, Trade Efficiency and Human Resources Development .....</b>	<b>59</b>
1. Human Resources Development and Trade Point Programme.....	60
2. Transport, Trade Facilitation and Customs.....	65
3. Electronic Commerce.....	70
<b>Least-Developed Countries, Landlocked Developing Countries and Small Island Developing States.....</b>	<b>74</b>
1. Least Developed Countries .....	75
2. Landlocked Developing Countries and Small Island Developing States .....	80
<b>Cross-Cutting Issues.....</b>	<b>85</b>
1. Civil Society Outreach.....	85
2. Gender mainstreaming .....	86
3. Timeliness of document issuance .....	87

## Introduction

1. At its 24th executive session in May 2000 the Trade and Development Board called for a review of the work of UNCTAD in the second quarter of 2002 midway between UNCTAD X and UNCTAD XI. At its 48<sup>th</sup> session in October 2001 the Trade and Development Board agreed that the basic contents of the midterm review would be made up of three interrelated pillars, including a review of the efficiency and functioning of the intergovernmental machinery, stocktaking in respect of commitments and work programme agreed to in the Plan of Action of UNCTAD X, and a forward looking policy statement on major developments of relevance to UNCTAD's work.

2. This document has been prepared to serve as background for this process, in particular the stocktaking exercise. Based on the logical framework approach, it sets out, by programme areas, an assessment of the work during the biennium, based on objectives, indicators of achievement, accomplishments, impact and lessons learned. The objectives are approved by member States in the Medium-term Plan. It also proposes the focus and the direction of work for the period up to UNCTAD XI, taking into account the work programme approved for 2002-2003, as well as more recent major international developments such as the Fourth Ministerial Meeting of the World Trade Organization held in November 2001 at Doha.

3. On a biennial basis, the General Assembly reviews the programme performance of the United Nations Secretariat as required under the *Regulations and Rules Governing Programme Planning, the Programme Aspects of the Budget, the Monitoring of Implementation and the Methods of Evaluation*. For this review the General Assembly has before it a report containing brief summaries of qualitative and quantitative assessments of each major entity including UNCTAD. Accordingly, the present document will also be used as a basis for including a brief account of the programme performance of UNCTAD in the report to be submitted to the General Assembly.

4. More generally, the present document is intended to serve as reference material for UNCTAD's stakeholders on the results achieved since UNCTAD X and their impact, and also as a guide to the secretariat in the application of lessons learned with a view to enhancing the delivery of mandates.

5. The document was prepared on the basis of contributions from all UNCTAD divisions. The Programme, Planning and Assessment Unit carried out an independent review of these contributions which encompassed both their quantitative and qualitative aspects.

*Subprogramme 9.1*

**GLOBALIZATION,  
INTERDEPENDENCE  
AND DEVELOPMENT**

*Objective of the subprogramme*

6. The objective of the subprogramme is to contribute to international debate on the evolution and management of the consequences of globalization and to promote policies and strategies at the national, regional and international levels that are conducive to human development.

**1. INTERDEPENDENCE AND GLOBAL ECONOMIC ISSUES**

**I. Objectives and assessment criteria**

**a) Objectives**

7. To promote macroeconomic, development and financial policies and strategies at the national, regional and international level that are conducive to sustained economic growth and development, financing for development, greater financial stability and coherence of global economic policy-making, and to enhance the development opportunities of, and address the problems associated with, the globalization process.

**b) Expected accomplishments for 2000-2001 and Indicators of achievement**

Expected accomplishments	Indicators of achievement
Generation of intergovernmental debate and consensus among member States on global interdependence and macroeconomic and development policies.	Feedback from member States (General Assembly and Trade and Development Board) indicating that UNCTAD studies and analyses in these areas have contributed to intergovernmental debate and consensus.
Improved ability of policy makers in developed and developing countries to design appropriate macroeconomic and financial policies that take into account the implications for global interdependence.	The extent to which UNCTAD's research and policy analyses have had an impact on the national and international level in the context of global macroeconomic and financial policies.

**II. Programme implementation and accomplishments**

**a) Accomplishments**

8. The analytical work undertaken on global interdependence and macroeconomic and development policies underpinned deliberations in the 47<sup>th</sup> and 48<sup>th</sup> sessions of the Trade and Development Board (TDB). Both the *Trade and Development Report (TDR) 2000* and *TDR 2001* reviewed global economic performance, regional trends and the interaction of trade, investment and financial flows. *TDR 2000* gave special attention to the crisis and recovery in East Asia, with a view to helping governments in their design of policies for the prevention and better management of financial crises at both the national and international levels. *TDR 2001* assessed progress as well as further policy recommendations on the "Reform of the International Financial Architecture". The discussion of the findings and recommendations of the report in the TDB also contributed to the preparatory process for the forthcoming United Nations Conference on Financing for Development. A supplementary *Note* made available to the TDB at its 48<sup>th</sup> session, containing an up-to-date analysis of the global economic trends and prospects, was one of the first documents issued by international

organisations assessing the impact of the events of 11 September 2001 on the world economy in general and on developing countries in particular. It was aimed at helping member governments in formulating possible policy responses to the new downside risks. This *Note*, as well as *TDR* itself, also served as background documents for intergovernmental deliberations at the General Assembly.

9. Requests from internal and external sources for analytical contributions and inputs to various meetings and events are routine, with the majority of them prepared for the General Assembly. The subjects include: work undertaken by UNCTAD on the involvement of the private sector in the prevention and resolution of financial crises; policy coherence, complementarity and coordination on economic, financial, trade, technology and development issues at the global level in order to optimize the benefits of globalization; current trends in international financial flows and recommendations to consolidate further a broader global agenda for a strengthened and stable international financial system; the effect of increasing linkages and interdependencies among trade, finance, knowledge, technology and investment on growth and development in the context of globalization; and debt problems of developing countries. A paper on "*Globalization and the labour market*" was prepared for the ILO Working Party on the Social Dimension of Globalization.

10. The substantive research undertaken for the preparation of *Capital flows and growth in Africa* (2000) and *Economic development in Africa: Performance, prospects and policy issues* (2001), provided the basis for the discussion at the 47th and 48th sessions of the TDB of issues in and policy formulation for economic development in Africa in connection with UNCTAD's contribution to the UN-NADAF .

11. Under the Project of Technical Support to the Intergovernmental Group of 24 on International Monetary Affairs (G-24), a contribution was made to policy formulation among developing countries in money and finance, including in the context of the international financial institutions. Some 20 research papers were submitted to the G24 and 15 papers were published in the *G-24 Discussion Paper Series*. The Project is a pillar of the activities of the Group and assisted it in making a substantive contribution to the international policy debate at the highest level.

12. Lectures by various staff members, who covered two out of seven modules of the programme at the first UNCTAD Training Course on Key Issues on the International Economic Agenda for senior government officers from developing countries, contributed to the advancement of capacity-building in developing countries.

13. In the *UNCTAD Discussion Paper Series*, five studies were published aimed at informing intergovernmental deliberations and the general public in the following areas: the debate on the international financial architecture and strengthening financial systems in developing countries; trade theory and policies in the context of globalization; and the role of technology and skill acquisition in the context of development strategies.

14. As a contribution to enhancing economic cooperation among developing countries (ECDC), a report on "*The status of cooperation among developing countries*" and another on the implementation and follow-up of the Caracas Programme of Action and San José Declaration and Plan of Action were prepared for the 56th session of the General Assembly and were submitted through the TCDC Unit of UNDP. As requested by the chairman of the

G-77, a review of the state of ECDC was provided as an input to the 10th session of the Intergovernmental Follow-up and Coordination Committee on ECDC.

15. Regarding parliamentary services, the substantive support provided to the 47th and 48th sessions of TDB, reporting of proceedings, and other relevant substantive service, allowed member States not only to exchange views on recent economic performance and prospects and on current policy issues in search of a consensus, but also to receive new insights through interactions with internationally renowned experts at TDB informal sessions. These meetings considerably enhanced the quality of TDB deliberations. In addition, the advisory services and substantive support provided to the High-Level Regional Consultative Meetings on Financing for Development, held in Jakarta (both substantive and logistic backstopping), Bogotá, Beirut and Geneva, were of crucial importance for the success of these meetings in preparing the up-coming Conference in Mexico. Similarly, the substantive servicing and logistical support provided to three Technical Group meetings of the G-24, one of which (in Geneva) was fully organized by the subprogramme, was essential for the smooth functioning of the Group which is the only developing country grouping in the international financial institutions and represents the main counterpart to the Group of Ten.

#### **b) Results and benefits**

16. The analytical reports and contributions by the Branch were decisive for the quality of deliberations in TDB on globalization, interdependence and development. The benefit of this documentation is obvious from delegations' extensive comments on the reports and the appreciation expressed for their analytical quality. Based on the documentation, consensus was achieved in many, though not all, areas of the current policy debate. A number of ideas and policy recommendations put forward in the publications and documents of the subprogramme have won support at different international fora, though sometimes they had appeared as controversial at the beginning, e.g. recommendations relating to standstills on debt payments as part of orderly debt workouts; strict limits on crisis lending by the IMF; a formal bankruptcy procedure for sovereign debtors; or assessment of global economic trends and prospects highlighting underlying imbalances and risks. Both *TDRs* were widely commented on in the international press. Around 200 press articles each year, including in major international newspapers (e.g. Financial Times, The Guardian, The Times, Le Monde, Le Temps, etc.) and magazines appeared worldwide on the launching of the *TDR* in 2000 and 2001. Major television networks - BBC, CNN - featured live interviews with UNCTAD staff. *Oxford Analytica*, an internationally renowned publication of reviews, made the following remarks: "Although UNCTAD is not a significant player in global economic policy-making, its views on the world economy are percipient and should be taken seriously. Its record in foreseeing global financial turbulence in the 1990s was impressive, a factor which adds credence to its current concerns about the prospects for the Argentine economy." In its review of *TDR 2000*, the *Financial Times* called UNCTAD "the UN's development think-tank". In an ex-ante survey on publication proposals, governments rated *TDR* as the most useful UNCTAD publication. Acknowledgement of the Branch's competence in areas such as globalization is indicated by the number of invitations received by UNCTAD to seminars, conferences and meetings (around 10 per month), requests for publications (around 600 per year), and for the right to reproduce documents or parts thereof (8 per year). Dissemination of research results has been achieved not only through circulation of publications, but also by providing substantive inputs for discussions at various levels, which also contributed to consensus building. The launching of *TDR* in spring instead of autumn

provided member States with greater possibility for a more thorough review of its content and, thus, improved its impact on the current policy debate.

17. Through its inputs to the reports *Capital flows and growth in Africa* and *Economic development in Africa: Performance, prospects and policy issues*, the work of the subprogramme contributed to the implementation of UN-NADAF. Both reports were commented upon substantially in the international press.

18. The activities in the context of technical support to the G-24 have enhanced the debate on the requirements for international monetary and financial policies in support of development. They have, in particular helped the members of the G-24 and other developing countries in their preparations for discussions and negotiations within the framework of the IMF and the World Bank. Around thirty research and position papers, including from independent resource persons of the highest competence, have been discussed extensively in the G-24 Technical Group and Ministerial and Deputies' meetings. The advisory services were not only highly appreciated by the beneficiary countries, which through their contributions cover part of the project costs, but also by donors, one of which doubled its pledge for 2000-2002. These papers have been jointly published by UNCTAD and the Center for International Development at Harvard University, were placed on the website of both institutions and have been widely used by academics.

#### **c) Progress in the implementation of the Bangkok Plan of Action**

19. Para. 107: The research and technical cooperation activities helped to promote policies and strategies at the national and international level that are conducive to development and they brought a development perspective to the debate of financial and monetary issues.

20. Paras. 108 and 109: *TDR 2000* provided further analysis of the causes and effects of financial crises, drawing in particular on the East Asian experience. Analytical work and the technical cooperation activities undertaken contributed to the debate on measures for the prevention, management and resolution of financial crises, on achieving greater coherence in global economic policy-making, and on the design of policies at both the national and international levels that improve the positive and minimize the negative effects of globalization.

21. Para. 110 (first bullet): *TDR 2001* reviewed the external financing and debt situation of the least developed countries.

22. Para. 113: *TDR 2000* and *TDR 2001*, as well as the report to the General Assembly on the external debt situation of the developing countries, and the material submitted for the preparatory process for the Conference on Financing for Development, reviewed the evolution of private financial flows to developing countries and also linked this evolution to the question of systemic volatility.

23. Para.164: The technical support provided to the G-24, which was closely linked to the research and policy analysis in the Branch, focussed on capacity-building to assist developing countries in bringing their developmental needs and interests to bear in the context of negotiations and deliberations in the international financial institutions and their reform, and to enhance cooperation among developing countries at the interregional level.



24. Para.166: Expertise and policy analysis in the form of both oral presentations and written material was made available to the training course provided to government officials from developing countries and countries with economies in transition on key issues on the international economic agenda.

**d) Legislative and external reviews**

25. The research activities of this part of the subprogramme are subject to regular review of the TDB which has at its disposal the *TDR* as well as additional ad hoc documentation on current developments in the world economy, as required. The comments are documented in the TDB's Reports. Similarly, the reports and inputs to the Secretary-General's reports to the General Assembly, as well as the support provided to the preparatory process to the Conference on Financing for Development, are documented in the regular reports of the General Assembly's Second Committee. The technical support in connection with the capacity building programme has been evaluated by the participants of the UNCTAD training course.

**III. Programme assessment and future direction**

**a) Assessment and lessons learned**

26. The work of the sub-programme has been delivered fully in line with the Bangkok Plan of Action and the Medium-term Plan, and within the envisaged time frame. Both *TDRs* were published and launched according to schedule. The analytical work has provided a specific development perspective on globalization, interdependence and international finance, that is often neglected in other international bodies. It has contributed to the international debate, not only in UNCTAD and the United Nations, but also in the international financial institutions, among civil society and in the academic sphere. *TDRs* have been used as reading material in many academic institutions, and the expertise of the Branch has been solicited by numerous governmental and non-governmental institutions, indicating the high standing that the work has attained over the years. By the same token, the increasing number of requests for analytical work by the General Assembly and international bodies addressed to the UNCTAD secretariat and falling in the purview of the sub-programme indicate appreciation of the policy-oriented research emanating from the Branch

27. The G-24 technical support project has been able to count on external consultants and resource-persons of the highest calibre, which have helped to raise the prestige of this undertaking while at the same time foster the confidence of both beneficiaries and donors in the quality of the output produced for the benefit of the developing countries. Moreover, through the link between technical cooperation and in-house analytical work, synergies were created that benefited both sides and made this project a model of what member states expect from UNCTAD technical cooperation. Resource constraints did not allow for in-depth analysis of country experiences in order to draw lessons on issues undertaken in Part II of *TDR*.

**b) Areas of emphasis in the next biennium**

28. The subprogramme aims at maintaining and further enhancing the quality of its analytical work, and at assuring the usefulness of this work for intergovernmental

deliberations to maximize the positive effects of globalization and minimize its negative effects. TDR 2002 will focus in its Part Two on trade. The programme will continue to contribute to the debate on the reform of the international financial architecture and to reflections on discussion on appropriate macroeconomic, monetary and financial policies to enhance sustained and stable growth, particularly in the developing countries and focussing on North-South linkages. In this context it will also continue to analyse issues in regional integration and its implications for growth, stability and development. A major objective will be enhancing the design of development strategies in the context of global interdependence.

## **2. DEBT AND DEVELOPMENT FINANCE**

### **I. Objectives and assessment criteria**

#### **a) Objectives**

29. To promote effective, development-oriented and durable solutions to the debt problem of developing countries, particularly the LDCs, and better management of external debt.

#### **b) Expected accomplishments for 2000-2001 and indicators of achievement**

Expected accomplishments	Indicators of achievement
Identification and increased adoption of durable solutions to the debt problems of developing countries and to resource mobilization for least developed countries.	(i) Action at the international level for dealing with debt problems of developing countries. (ii) The number of debt-management projects implemented by UNCTAD in developing countries.

### **II. Programme implementation and accomplishments**

#### **a) Accomplishments**

30. The secretariat prepares the Secretary-General's annual report to the General Assembly on the external debt situation of developing countries consisting of a comprehensive and substantive analysis of their external debt and debt-servicing problems. In the reporting period, UNCTAD continued participating in Paris Club meetings (28 missions) as an observer in the renegotiations of debts of individual countries. Each time a technical report was prepared on the economic situation and prospects of countries requesting debt rescheduling. The advisory services provided to debtor countries have been much appreciated. Contributions were made available to the Report on the Least Developed Countries.

31. Through the Debt Management and Financial Analysis System (DMFAS), the subprogramme is also a major provider of technical co-operation and advisory services, currently covering 60 countries. In 2000, the programme released its latest software version DMFAS 5.2, which is the most widely used debt management system in the world. The release of a version 6 is under preparation, which, in addition to including new functionality in the area of debt conversions and emerging debt instruments, would be the first Web-enabled version of the system. The Secretary-General of UNCTAD established an advisory group for the DMFAS Programme and set up a DMFAS Trust Fund.

32. With the support of UNCTAD, the 1<sup>st</sup> and 2nd General Assembly of the World Association of Debt Management Offices (WADMO) took place. UNCTAD hosted and organised the Third Inter-regional Debt Management Conference in December 2001.

33. The UNCTAD secretariat, through the DMFAS Programme, is also a member of the Inter-Agency Task Force on Debt Statistics.

#### **b) Results and benefits**

34. The report prepared for the General Assembly underpins the annual debate on the issue and contributes to consensus building on debt. The analytical work has enhanced the awareness by the international community of the inadequacies as well as the positive sides of the HIPC Initiative, highlighting the urgent needs for faster and deeper debt relief for these countries. The reports have also drawn attention to the evolving importance of commercial debt problems in middle-income developing countries, pointing to the need for increasing amounts of international liquidity in times of economic downturn. Advisory services provided to developing countries in the context of Paris Club debt renegotiations strengthen their position in the process.

35. The impact of DMFAS is underlined by the fact that the public and publicly guaranteed (PPG) long-term debt outstanding and disbursed (DOD) being managed by the DMFAS installations at the end of 1999 amounted to US\$ 488 billion and represented more than 30 % of the DOD of all developing countries and economies in transition. The number of new country projects in the pipeline (11) is a manifestation that the programme is demand driven. Total number of client countries is expected to further increase to approximately 70 by the year 2003. Furthermore, there are 14 follow-up country projects in the pipeline, which are expected to materialize over the coming years, and new institutions within existing client countries are increasingly expressing their interest in the Programme's products and services.

#### **c) Progress in the implementation of the Bangkok Plan of Action**

36. Paras. 111, 112: The reports submitted to the General Assembly on the external debt and debt-servicing problems of the developing countries included an analysis of ODA and other financial flows and their impact on developing countries. In addition to examining the debt problems of developing countries these reports also sought to identify effective, development-oriented and durable solutions.

37. Technical assistance in debt management has been provided in line with paragraphs 164 and 168.

**d) Legislative and external reviews**

38. The General Assembly resolution on the external debt problem of developing countries (A/RES/55/184) took note of the report prepared by the secretariat and requested a new one for the 56<sup>th</sup> session. The resolution also stressed “the need to strengthen the institutional capacity of developing countries in debt management and “the importance of initiatives such as the Debt Management and Financial Analysis System (DMFAS) and the debt management capacity-building programme”.

39. The TDB’s recommendation on the setting up of an advisory group and of a trust fund on DMFAS indicates member States’ interests in the programme.

**III. Programme assessment and future directions**

**a) Assessment and lessons learned**

40. Analytical work on debt and ODA flows has provided the basis of discussion in the General Assembly and contributed, from a development perspective, to the debate on the pressing needs for debt relief of the poorest countries, middle-income countries and the requirements of official capital flows to accelerate development.

41. The major challenge facing DMFAS continues to be maintaining its financial stability. In this context, the preparations underway to establish the above-mentioned multi-year, multi-donor DMFAS Trust Fund as approved during the last DMFAS Advisory Group meeting, represent an important step forward.

**b) Areas of emphasis in the next biennium**

42. An important challenge is to strengthen links with macroeconomic analysis, particularly on modalities of provision of liquidity during economic downturn, which the world is currently facing. In this way, the question of debt management can be placed in a broader macro-economic perspective.

43. In collaboration with the bilateral donors, the establishment of the DMFAS Trust Fund needs to be finalized. Furthermore, the implementation and follow-up of country projects will continue to be carried out as planned. The development of the new version of the DMFAS software (version 6) needs to be finalized and the DMFAS’ training programme will be consolidated in collaboration with regional associations.

### 3. ASSISTANCE TO THE PALESTINIAN PEOPLE

#### I. Objectives and assessment criteria

##### a) Objectives

44. To improve and develop the institutional and policy environment affecting the performance of Palestinian trade, finance, investment and related services within the domestic economy and with partners at the sub-regional, regional and multilateral levels.

##### b) Expected accomplishments for 2000-2001 and Indicators of achievement

EXPECTED ACCOMPLISHMENTS	INDICATORS OF ACHIEVEMENT
Progress in institutional capacity-building and policy environment affecting the performance of the Palestinian economy.	The number of capacity-building projects implemented and the number of other international technical/financial support projects implemented on the basis of UNCTAD studies and analyses.

#### II. Programme implementation and accomplishments

##### a) Accomplishments

45. Completion or commencement of key UNCTAD capacity-building projects in commercial diplomacy, trade facilitation, customs reform, debt-management and enterprise development.

##### b) Results and benefits

46. Requests addressed to the secretariat by its prime beneficiary and called for under its mandate resulted in new technical cooperation activities. Additional extra-budgetary funding has been secured for technical cooperation from new sources. Public, media and specialist use of UNCTAD documents continues to be noted by the secretariat. Extensive quotes from three UNCTAD press releases on new technical assistance projects, one study (UNCTAD/GDS/APPU/1) and one report (TD/B/48/9) were published in two Arabic language international newspapers (*Al-Hayat* and *Al-Quds Al-Arabi*) and in three local Palestinian newspapers (*Al-Ayyam*, *Al-Quds* and *Al-Hayat al Jadida*). They also generated media interviews with secretariat officials as well as positive comments and requests for documents or information from the general public and specialists, including from a major donor agency (Islamic Development Bank). Meanwhile joint activities have been designed and projects launched with other international agencies, in particular UNDP, ESCWA, ITC and World Bank, as well as with Palestinian civil society institutions (eg. Palestinian Economic Policy Research Institute; Palestinian Banking Corporation).

**c) Progress in the implementation of the Bangkok Plan of Action**

47. Para. 167: The planned intensification of activities through the beginning of three major new development projects was suspended and only cautiously resumed during 2001. Nevertheless, in response to a request from the Palestinian Authority in early 2001, UNCTAD and ITC coordinated efforts to design a proposal for delivering urgent technical assistance in trade.

**d) Legislative and external reviews**

48. The TDB considered the secretariat's reports on UNCTAD's Assistance to the Palestinian People. The General Assembly has also maintained its monitoring of this work-programme in its review of the annual reports of the Trade and Development Board, as well as through the review of the UNCTAD sections of the United Nations' Programme Budget and Medium Term Plan.

**III. Programme assessment and future direction**

**a) Assessment and lessons learned**

49. The uncertain environment during much of the biennium has diverted the secretariat's attention from long-term development cooperation to monitoring rapidly changing developments affecting the economy and the immediate needs of Palestinian policy makers. Current events have delayed realisation of possible benefits that could be derived from longer-term development projects. Flexible modalities were identified to permit a limited resumption of work in several project areas as of early 2001. Contributions in this area can be best realised in stable conditions, within the context of an integrated and systematic approach, well co-ordinated with related international programmes.

**b) Areas of emphasis in the next biennium**

50. The 2002-2003 work programme envisages focus on consolidating and completing work commenced in major capacity-building development projects, while continuing to extend advisory services and group training which build on current activities. Analysis will concentrate on examining the Palestinian economy within the regional and global economic setting. Specific issues of relevance at the national level will continue to be reviewed from the angle of interdependence. Resumption of Israeli-Palestinian permanent status negotiations and the establishment of Palestinian national economic institutions would create an improved environment for deployment of the secretariat's capacities to assist the PA in addressing new development challenges.

#### **4. STATISTICS AND INFORMATION**

##### **I. Objectives and assessment criteria**

###### **a) Objectives**

51. To improve the quality, accessibility and availability of information/data for policy-makers and analysts, particularly developing countries, as a basis for economic and financial analysis, and policy-making.

###### **b) Expected accomplishments and indicators of achievement**

Expected accomplishments	Indicators of achievement
Improved quality, accessibility and availability of statistical data and reference material as a basis for economic and financial analysis and policy making in all countries.	More relevant statistics and reference material on developing countries and countries with economies in transition provided to users, with user-friendly tools, in electronic and hard copy forms.

###### **a) Accomplishments**

52. Based on a recently developed database, the UNCTAD Handbook of Statistics 2000 and 2001 were published in printed and CD-ROM versions. The UNCTAD Monthly Commodity Price Bulletin was issued on schedule. Its 1960-1999 Supplement was published in 2001 in a printed edition and the time series of the 1960-2000 Supplement were disseminated as part of the Handbook of Statistics on CD-ROM. All statistical databases were maintained in a timely fashion. Forty substantial requests for international trade data from external users were replied to.

53. The Research-Links Initiative, launched on the occasion of UNCTAD X, was addressed to 400 Universities of developing countries and countries with economies in transition. In response to the requests to broaden its scope to include exchanges of human resources, 500 universities of developed countries are being contacted. One prototype of the UNCTAD Reference Centre has been established in Bangkok. Launched in 2001, the On-line Reference Service includes an electronic bookshelf with over 5 000 items, and 100 UNCTAD staff members have been trained thereon.

###### **b) Results and benefits**

54. 130 responses to feedback questionnaires of the UNCTAD Handbook of Statistics 2000 and the 1960-1999 Supplement to the Monthly Commodity Price Bulletin indicate that the majority of readers are satisfied as regards the data presentation, coverage, comprehensiveness, up-to-date information and analytical value. The users appreciate supplementary data on investment and trade in services. The CD-ROM version provides easier access to more comprehensive data sets and long historical time series, enhanced possibilities for performing calculations and new opportunities for data analysis.

55. Nearly 100 Universities of developing countries and countries with economies in transition responded positively to the Research-Links Initiative. The Digital Library of UNCTAD Publications was accessed by over 250,000 readers during 2000-2001. The Guide to UNCTAD Publications assured the inclusion of UNCTAD in international directories (the GALE and Ulrich directories, etc.).

**c) Progress in the Implementation of the Bangkok Plan of Action**

56. Para. 105: Basic international trade data, development indicators and commodity price data as a substantive input to research, analyses and technical co-operation were made available. Diffusion of knowledge generated by UNCTAD was enhanced through the Digital Library and through the Research-Links Network. Co-operation and co-ordination were reinforced with international organizations, research institutes and universities, for the exchange of statistics and reference material on subjects and topics outlined in the Bangkok Plan of Action.

**III. Programme assessment and future directions**

**a) Assessment and lessons learned**

57. Responses to the dissemination of statistical data in more user-friendly formats via CD-ROM and direct database access for internal users show that a printed version of statistical publications is still requested by users. Provision of COMTRADE data on a user-friendly browser on the local area network drastically reduced the number of internal data requests in 2001.

58. Positive responses to the Research-Links Network and other related initiatives indicate a need to reinforce research cooperation with academic institutions. Experience gained in establishing the Reference Centre in Bangkok should be shared with other countries and one inter-country institution (SIECA) has expressed a similar interest to UNCTAD.

**b) Areas of emphasis in the next biennium**

59. Central Statistics will place emphasis on international trade and related development indicators, as well as commodity prices. Co-ordination with other international agencies will be reinforced and internal review is being undertaken in order to enhance synergies and consistencies in the compilation, processing and dissemination of statistics. The Commodity Price Bulletin will be published biannually from the year 2002 and monthly updates will be disseminated in a timely manner. A web-based edition of UNCTAD statistics is already under consideration. The pilot version of the Handbook statistical tables on the Intranet will be further tested.

60. Particular attention will be paid to the implementation of the Research-Links Network, inclusion of eversions of all documents in the Digital Library of UNCTAD's publications, establishment of Reference Centres in interested countries and inter-country institutions, and the issuance of 2 printed and 2 web-editions of the Guide to UNCTAD Publications.



*Subprogramme 9.1 (b)*

## **DEVELOPMENT OF AFRICA**

*Objectives of the subprogramme*

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

## **I. Objectives and assessment criteria**

### **a) Objectives**

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

### **b) Expected accomplishments and indicators of achievement**

Expected accomplishments	Indicators of achievement
Increased understanding of problems and constraints faced by African countries for economic recovery and sustainable development.	The number of policy recommendations and international measures adopted by the Trade and Development Board, the Economic and Social Council and the General Assembly in favour of Africa, designed to attain economic recovery and growth.

## **II. Programme implementation and accomplishments**

### **a) Accomplishments**

63. A study on "Capital flows and growth in Africa" (UNCTAD/GDS/MDPB/7) was submitted to the TDB's 47th session. The study analysed the resource requirements of African countries in order to meet the growth targets envisaged by the United Nations New Agenda for the Development of Africa in the 1990s (UN-NADAF) as well as the targets set by the international community for reducing poverty by half by the year 2015. It called for a doubling of ODA flows to Africa and its maintenance for over a decade in order that national savings and investment and private capital flows increase, leading to greater growth and development and thereby reducing aid dependence in the future. In response to General Assembly resolution 55/182, the secretariat prepared a study entitled "Economic development in Africa: performance, prospects and policy issues" (UNCTAD/GDS/AFRICA/1). The study reviewed trends in African development, particularly in the last decade, and analysed the causes behind Africa's slow growth performance and the policy measures required both at national and international levels in order to reverse the vicious circle of low growth and poverty in Africa. The study was also presented to the Second Committee of the General Assembly as an input to the final review and appraisal of the UN-NADAF.

### **b) Results and benefits**

64. The studies undertaken by UNCTAD have contributed to the increased understanding by the international community of Africa's development problems as well as the possible policies and measures required to enhance growth and development in Africa and to further integrate African countries into the world economy. In its agreed conclusions, the TDB concurred with many of the policy recommendations contained in these studies.

**c) Progress in the implementation of the Bangkok Plan of Action**

65. Para. 110 (second bullet): The UNCTAD secretariat has made a contribution in the form of analysis and support of the objectives of the New Agenda and has provided a major input for its final review and appraisal. Furthermore, a subprogramme on Africa has been established in accordance with the requirements of the Plan of Action and will become fully operational as resources are made available to it in the 2002-2003 programme budget.

**d) Legislative and external reviews**

66. The TDB has considered UNCTAD's studies at its 47<sup>th</sup> and 48<sup>th</sup> sessions. On both occasions, the studies have been commended to serve as an input to the preparatory process of the United Nations Conference on Financing for Development as well as to the final review and appraisal of the implementation of the UN-NADAF. Furthermore, at the TDB many delegations and groups thereof have praised the analytical quality and the recommendations contained in the above studies.

**III. Programme assessment and future direction**

**a) Assessment and lessons learned**

67. UNCTAD's studies on Africa have continued to generate interest in the international press, academic circles and other international organizations. For example, commenting on the findings of the UNCTAD study on "Capital flows and growth in Africa", a Technical Report of a High-Level Panel on Financing For Development (Zedillo Report) commissioned by the Secretary-General of the United Nations noted that this study provides a reasonable basis for estimating the costs of reducing poverty by half. The Panel of Eminent Personalities established by the Secretary-General to undertake an evaluation of the implementation of the UN-NADAF invited UNCTAD to make a presentation to the Panel. The African Development Bank and ECA have used UNCTAD's analysis on resource and capital requirements of African countries and growth levels necessary to reduce poverty by half by the year 2015 in the continent. UNCTAD regularly receives requests for its studies on Africa by researchers as well as government officials. UNCTAD is increasingly being invited to provide inputs to both interagency and intergovernmental processes dealing with Africa as well as by national and international institutions. In this connection, the secretariat of the New Partnership for Africa's Development (NEPAD) has requested support by UNCTAD in its areas of competence for the implementation of the NEPAD. Furthermore, the Personal Representative of the Prime Minister of Canada for the G-8 Summit, recognizing UNCTAD's expertise with respect to trade and development problems of Africa, has requested a study by UNCTAD on obstacles to trade and investment in Africa as a contribution to the G-8's own Plan of Action in support of NEPAD.

**b) Areas of emphasis in the next biennium**

68. In the light of the final review and appraisal of the UN-NADAF, any successor arrangement thereto would be based on the African-driven New Partnership for Africa's Development to which UNCTAD will be expected to make a major contribution. These areas would include resources for development, including ODA, private capital flows and debt reduction, enhanced market access, diversification of the commodity base of African countries and poverty reduction and adjustment. In this light, programme focus would need

to be based on the requirements emanating from the implementation of such a successor arrangement.

*Subprogramme 9.2*

**INVESTMENT,  
ENTERPRISE  
AND TECHNOLOGY**

*Objectives of the subprogramme*

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

**1. INVESTMENT ISSUES ANALYSIS**

**I. Objectives and assessment criteria**

**a) Objective**

70. To maximise the benefits derived from international investment and related financial flows and minimise negative effects thereof through policy-oriented analyses of all aspects of global and regional developments in international investment and related financial flows, including their impact on development and policy implications.

**b) Expected accomplishments and indicators of achievements**

<i>Expected accomplishments</i>	<i>Indicators of achievement</i>
(a) Increased knowledge of issues related to international investment, enterprise internationalization and technology transfer.	(i) Member States' views on the practical value and quality of the policy analysis during intergovernmental deliberations.  (ii) The number of articles in the international press and professional journals quoting the work of the secretariat in this area.
(b) Strengthened ability of developing countries to formulate appropriate policies and strategies by attracting and benefiting from foreign investment, enhancing technological capacities and fostering enterprise development.	(iii) Timeliness and relevance of the outputs as measured by readership and other surveys.  (iv) The number of member States indicating that the secretariat's research and policy analysis outputs have been taken into consideration in policy formulation.
(c) Better understanding of international investment arrangements and their implications for.	(v) Effectiveness and impact of technical assistance as assessed by beneficiaries and independent evaluators.

**II. Programme implementation and accomplishments**

**a) Accomplishments**

71. The work undertaken has contributed to increasing knowledge of issues related to international investment:

72. The World Investment Report (WIR) addressed two important areas of policy concerns related to cross-border mergers and acquisitions and their impact on development (2000), and to the promotion of linkages between TNCs and local enterprises, within the broader framework of "the impact of FDI on industrialization, local entrepreneurship and the development of supply capacity generally" (2001). UNCTAD continued to collect and disseminate information about FDI, including through the World Investment Directories. (WID Asia, vol. I and II). The quarterly TNC journal provided inputs to the academic discussion on important issues concerning FDI and TNCs. The study "FDI in least developed countries at a glance" contributed to the Third UN Conference on Least Developed Countries (LDC III). The studies on "Measures of transnationalisation of economic activity" and on "The competitive challenge: transnational corporations and industrial restructuring in developing countries" were also issued.

73. WIR remains UNCTAD's most important and visible vehicle for presenting and disseminating information on foreign direct investment. It serves also as a tool for assisting Governments in the formulation of investment policies. It was disseminated widely and regional seminars on its theme were organized to engage in a policy dialogue with policy makers.

74. Developing countries were assisted through technical assistance projects to formulate policies related to FDI. The project "Asian investment in Africa" identified the specific needs of Asian investors in selected African countries (Botswana, Ghana, Mozambique and United Republic of Tanzania) and policy responses in host countries. The joint project with the International Chamber of Commerce on "Investment guides and capacity building in LDCs" was implemented in 5 LDCs (Bangladesh, Ethiopia, Mali, Mozambique and Uganda). Workshops were organized to discuss with local policy makers and the private sector obstacles to FDI as identified by the guides and measures to overcome these obstacles. On insurance, six seminars for insurance regulators of African, Asian and Caribbean countries were organized. A manual on the supervision of insurance operations was developed together with the International Association of Insurance Supervisors. Three conferences were organised on WTO/GATS negotiations and the handling of liberalisation of insurance markets of developing countries.

75. Two expert meetings considered the policy issues related to "Cross-border mergers and acquisitions" and the "Impact of FDI policies on industrialisation, local entrepreneurship and the development of local supply-capacity". UNCTAD provided concrete policy recommendations on private financial flows to the Preparatory Committee of the United Nations Conference on Financing for Development, and analytical contribution to assist discussions of policy makers on the issue of "Investment climate and FDI trends in Africa".

76. The International Investment Instruments Compendia compiled the most important multilateral and regional instruments (Volume IV), and bilateral and non-governmental instruments (Volume V), while UNCTAD regularly monitors the current regulatory trends in FDI policies.

## **b) Results and benefits**

77. UNCTAD's work on FDI, and in particular WIR, has been assessed positively on a number of occasions during intergovernmental deliberations (Expert Meetings, Commission on Investment, Technology and Related Financial Flows, Trade and Development Board).

During the 10<sup>th</sup> Anniversary of WIR at the TDB, several delegates, including Minister Supachai of Thailand, praised WIR's quality and policy usefulness. The General Assembly in its resolution in December 2000 renewed its confidence in the work of UNCTAD related to FDI and portfolio investment directed to all developing countries.

78. UNCTAD's work in this area evoked strong interest by the media and the general public. Media feedback is substantial: WIR 2000 and 2001 were each the subject of some 600 articles in around 70 countries. TV and radio interviews were requested in many countries. In France, for instance, *Le Monde* devoted most of its front page to feature WIR 2000. Apart from press feedback, UNCTAD also received a large number of requests for data and information from research institutions and individuals (around 500 per year). The WIR Web-page received almost 600,000 hits in the past 2 years. This included more than 213,000 hits in October 2001, 2 weeks after the release, while the Overview was downloaded almost 30,000 times during the same period. Other publications also featured well. The overview of the study "FDI in LDCs at a glance" was downloaded more than 38,000 times since its release in May 2001, while the publication "FDI in Africa: performance and potential" was downloaded almost 14,000 times in the past 2 years. UNCTAD work on investment was also appreciated in the academic world and professional journals. Prof. Jeffrey Sachs referred to WIR as the reference tool for information on FDI and TNCs and stated "Policy makers from these countries understand more and more that FDI is a force to be harnessed for the purpose of national development and WIRs making an unparalleled contribution". The appreciation of the analytical quality of WIR throughout the academic world became also apparent in a meeting as part of the TDB on the 10th anniversary of WIR that brought together a large number of well-known specialists on the issue of FDI and TNCs. A number of book reviews on WIR have been published, consistently with a positive assessment of the report. This includes also a regular review of WIR in the IMF survey.

79. Readership surveys were conducted for all major publications of the programme. The responses are without exception positive. The vast majority of readers assessed the publications as "excellent". The majority of the readers find the publications to be "very useful" to their work and often request additional publications.

80. On various occasions, member States have indicated that they benefited from the work when reformulating policies. Feedback was collected from the United Kingdom, India, Costa Rica, Thailand and the People's Republic of China. WIR 2000 prompted the Government of the People's Republic of China to request UNCTAD to organise a seminar on mergers and acquisitions in China.

81. The UNCTAD/ICC project "Investment guides and capacity-building in LDCs" received a positive evaluation by an independent panel of experts consisting of representatives from private companies and LDCs. The direct feedback from the pilot phase countries is encouraging. In one case the partner Investment Promotion Agency undertook to seek own funds to ensure a reprint of the UNCTAD/ICC guides.

82. UNCTAD's work on insurance also continued attracting attention. More than 50 African insurance companies have declared their interest in using software developed with the help of UNCTAD. 20 African insurance companies have been rated under the scheme set up by UNCTAD and the African Insurance Organization with the technical help of Standard & Poor's. Further, the financial services committee of the United States' Congress and



Senate sought UNCTAD's opinion on the question of setting up a specific insurance facility covering the consequences of terrorist attacks.

**c) Progress in the implementation of the Bangkok Plan of Action**

83. Para. 113: While implementation of analysis of the policy implications of foreign portfolio investment for development has been delayed due to restructuring needs following UNCTAD X, adjustment has now been made in order to complete the work planned.

84. Paras. 114 to 128, and 154: UNCTAD implemented most of the work programme through research and publications, as well as technical assistance and advisory services. On FDI issues, work was undertaken to collect and analyse data and conduct policy-oriented research on investment issues related to development, on the regulatory framework of international investment (regional and bilateral treaties), double taxation treaties, and on policies aimed at maximizing the positive and minimizing the possible negative impact of international investment. Particularly studied in-depth were the question of mergers and acquisitions, their impact on development and the policy challenges thereof (including competition policies), and the question of the impact of FDI on industrialization, local entrepreneurship and the development of supply capacity, through the promotion of backward linkages between TNCs and local suppliers.

85. In banking and insurance, UNCTAD undertook analysis and provided technical assistance to help regulators and relevant industry associations to adapt to international and best practices and to requirements under WTO/GATS. UNCTAD is now enlarging its analytical work to include other sectors of financial services, such as banking and portfolio investment.

**d) Legislative and external reviews**

86. During the two expert meetings on FDI, namely on “Mergers and Acquisition” and on “The impact of FDI policies on industrialization, local entrepreneurship and the development of supply capacity”, experts discussed FDI policy options on the basis of documentation prepared by the secretariat and proposed policy recommendations. The Commission on Investment, Technology and Related Financial Issues, at its fifth session on 12-16 February 2001, endorsed most of the policy recommendations reached at the first Expert meeting.

87. The General Assembly, in its resolution 55/182, requested UNCTAD to provide analysis on foreign direct and portfolio investment.

**III. Programme assessment and future direction**

**a) Assessment and lessons learned**

88. UNCTAD continues to be recognized as a centre of excellence for its work on investment, and the World Investment Report maintains its lead in the analysis of FDI trends and policies, serving as a reference publication for researchers as well as policy makers. This is also evidenced by the readership surveys. During intergovernmental meetings such as the Expert Meetings, the Commission on Investment, and the TDB, several delegates referred to the WIR as the “Bible” and positive feedback was also received from policy makers during regional seminars. The two special topics of WIR 2000 and WIR 2001, namely mergers and

acquisitions and linkages, were dealt with in a timely manner, providing some answers to queries from developing countries on policy approaches to FDI in a changing international context. Efforts at wide dissemination of the WIR, through press launchings and publication on the Website, helped to enhance the impact of the Report. Furthermore, in order to strengthen policy dialogue with member countries, with the help of extra-budgetary contributions UNCTAD has initiated regional seminars to discuss policy issues dealt with by WIR. This helps the secretariat to be more receptive to the concerns of countries in different regions, and in turn, to disseminate the policy findings of the Report.

89. In connection with the preparation of WIR, UNCTAD also maintains its lead in collecting and disseminating information on FDI statistics and trends, as well as on international investment instruments (regional and bilateral investment treaties, double taxation treaties, and national FDI laws). This information is appreciated by countries as a basis on which to formulate their policies. In insurance, recognition of UNCTAD's expertise is reflected in the requests for assistance from many countries.

90. Resource limitations were a problem for work on international investment agreements and foreign portfolio investment. On the latter, since UNCTAD X there has been no new publication despite the usefulness of past work, which has been used for example in the discussion within the WTO Working Group on Trade and Investment. Moreover, efforts to improve FDI statistics by working more closely with member States and also by training officials in charge of FDI statistics have not been implemented for lack of resources. While UNCTAD was able to mobilize extra-budgetary resources as a complement to existing budgetary resources, this has not been sufficient.

**b) Areas of emphasis in the next biennium**

91. Given the recent decision on trade and investment at the WTO meeting at Doha, efforts will be intensified to deepen the analysis on the impact on development of FDI policies and investment instruments, giving special attention to the development, trade and financial needs of developing and least developed countries. Analysis of the impact of FDI on development will focus on the contribution of FDI to trade competitiveness and the enhancement of supply capacity in host countries, as well as to the upgrading of technological capacity, including in the services sector. Work will continue to monitor the distribution of FDI and developments in the FDI-related international production networks, globally and by sectors/industries. In this manner, UNCTAD can assist countries to design their development strategies accordingly, if they use FDI as a catalyst for industrial development.

92. Analysis of financial services and the implications of the liberalization of this sector for development will also be deepened. Financial services have become more and more important and can play a determining role in the development of enterprises.

## 2. INVESTMENT POLICIES AND CAPACITY BUILDING

### I. Objectives and assessment criteria

#### a) Objectives

93. To improve understanding of developing and transition countries of issues and policy choices in international investment, through advisory missions and studies; to strengthen these countries' abilities to formulate and implement policies, measures and action programmes, especially in the area of foreign investment attraction, through capacity-building and technical assistance (paragraphs 123 and 127 of Bangkok Plan of action); and to promote understanding of emerging issues in order to strengthen those countries' abilities to participate in discussions and negotiations, in particular of international investment agreements (paragraph 126 of Bangkok Plan of action).

#### b) Expected accomplishments for 2000-2001 and Indicators of achievement

Expected accomplishments	Indicators of achievement
<p>(i) Strengthened ability of developing countries and countries in transition to formulate appropriate policies and strategies for attracting and benefiting from foreign direct investment (FDI), and</p> <p>(ii) Better understanding of international investment arrangements and improved capacity of those countries to participate as effectively as possible in international investment rule-making at the bilateral, regional, plurilateral and multilateral levels.</p>	<p>(i) Member States' views on the practical value and quality of capacity-building training workshops and seminars.</p> <p>(ii) The effectiveness and impact of technical assistance as assessed by beneficiaries and independent evaluators.</p> <p>(iii) Interest in and level of participation in training events and symposia.</p> <p>(iv) Number of training workshops and other capacity-building events organized.</p>

### II. Programme implementation and accomplishments

#### a) Accomplishments

94. *Investment Promotion:* The STAMP programme has assisted developing countries and transition economies in strengthening their investment institutions, especially investment promotion agencies (IPAs), and in promoting the country as an attractive FDI destination. The FORINVEST programme has assisted in strengthening countries' ability to formulate investment policies, in establishing an enabling legal and regulatory framework, and in maintaining an effective institutional support structure conducive to promoting and facilitating foreign investment. For these purposes, 12 national and regional training workshops with over 200 IPA and Government officials from developing countries and transition economies were held, and two major international conferences were organized by

the World Association of Investment Promotion Agencies (WAIPA) with assistance from UNCTAD. These events attracted over 250 senior-level government officials and representatives of international and multilateral organizations. In addition, a directory of outward investment agencies and two PRO-INVEST advisory series publications were issued.

95. *Investment Policy Reviews (IPRs)* were conducted, and their results published, for Mauritius, Peru, Ethiopia and Ecuador. Reviews have started for Botswana, Ghana, Tanzania and Zimbabwe. The findings and recommendations of the reviews were provided to more than 200 government officials and other national development actors through three national workshops (Peru, Ecuador and Mauritius), and more widely disseminated through publications (usually with about 4,000 print-runs) to all development actors, including the private sector.

96. *International Investment Arrangements (IIAs)*: UNCTAD assisted developing countries and transition economies to participate in international investment rulemaking at the international level. In this respect, four national workshops and regional symposia/seminars were organized (the joint WTO/UNCTAD regional symposium on "Trade, investment and development" with a participation of 20 countries, an NGO seminar with 20 non-state participants from 4 Southern African countries; two intensive training courses for 41 diplomats from 30 countries; six rounds of bilateral investment treaty negotiations in Asia, Latin America and Europe; encouraging dialogues between negotiators and groups of civil society). In addition, the publication of the *Issues in International Investment Agreements* series took place (Flexibility for Development, Employment, Environment, Home Country Measures, Host Country Operational Measures, Illicit Payments, Social Responsibility, Taking of Property, Taxation, Transfer of Funds, and Transfer of Technology).

#### **b) Results and benefits**

97. The *Investment Policy Reviews* have contributed to the beneficiary countries' policy-making capacity for increasing FDI inflows. Uganda has adopted a number of recommendations made in its review, and Ecuador has requested a follow-up to the review. The high demand for publications indicates that the reviews and their findings have been found useful not only to policy makers, but also to officials engaged in investment promotion abroad as well as key development actors in the private sector.

98. Looking at the core elements of *International Investment Arrangements* (such as national treatment, MFN, etc.) from a development perspective, the *Issues in International Investment Agreements* series has established itself as a standard working tool for negotiators that is widely used and referred to. As a result of the operational activities undertaken within this programme of work, 109 negotiators from 49 countries were engaged in the negotiation of BITs and the adjacent capacity-building and experience-gaining that this activity entails, and 73 BITs were initialled during the biennium.

99. The work programme on *International Investment Agreements* was also referred to in the Declaration of the Fourth Session of the WTO Ministerial Conference in Doha, with members of the WTO agreeing to call on UNCTAD to work with the WTO and other relevant intergovernmental organizations to cooperate in the provision of strengthened and

adequately resourced technical assistance in the pursuance of the mandate to prepare for negotiations in the WTO on investment (paragraph 21).

100. A preliminary impact assessment of the intensive training courses on *International Investment Arrangements*, based on questionnaires of individual participants, reveals that the overwhelming number of participants found the quality, efficiency and usefulness of the courses excellent (between 76 and 82 per cent) or good (between 11 and 19 per cent). For the training courses on *Investment Promotion*, on average, the technical content was judged to be very good (39 per cent) or good (52 per cent); the quality of the training materials very good (47 per cent) or good (36 per cent); and finally, the training techniques very good (39 per cent) or good (47 per cent).

101. Gender dimension: The programmes' contribution in this area is indicated by the fact that approximately 50 per cent of consultants, experts and trainers in the programmes and 30 to 35 per cent of course participants were female.

### **c) Progress in the implementation of the Bangkok Plan of Action**

102. Para. 123: Three advisory and capacity-building programmes are being prepared to assist African and least developed countries (LDCs). These activities are carried out within the context of the *Multi-agency initiative* announced at the *LDC III Conference* in Brussels, and efforts are currently under way for Uganda, Senegal and Mali. Furthermore, UNCTAD is studying existing home country measures that could facilitate the efforts of developing countries and economies in transition in attracting and benefiting from FDI. During the biennium, an expert group meeting on home country measures was organized and an IIA issues series was published on the same topic.

103. Para. 126: Two training courses were organized on the role of IIAs in the development process and how such arrangements could contribute to development, including through facilitation of technology and enterprise development. An expert group meeting on issues related to IIAs relevant to transfer of technology was organized, and a publication on the same topic was issued.

104. Para. 127: UNCTAD, through its support of WAIPA, has contributed to private/public sector dialogue and cooperation and the promotion of sharing and diffusion of international best practice in investment promotion among policy makers at the national level.

### **d) Legislative and external reviews**

105. During the biennium, an external evaluation was undertaken on the Branch's Advisory Services on Investment and Training (ASIT) financed by the Swiss Quick Response Window (QRW) trust fund. The evaluation made useful recommendations on project financial reporting, selection of training workshop participants, filing of project documentation, and the use of the Internet in programme delivery.

### **III. Programme assessment and future direction**

#### **a) Assessment and lessons learned**

106. *Positive developments* included increased demand by member states for services, publications and capacity-building activities. This interest is exemplified by the delegates' recent request at the Commission on Investment, Technology and Related Financial Issues to allocate more time at future Commissions for discussion of Investment Policy Reviews.

107. *Problems encountered* included greater than expected demand for foreign language translations of publications, in particular in French, Spanish and Chinese.

108. *Lessons learned* included the need to: match the publications calendar with resources; use information technology more effectively to disseminate information including publications; develop distance-learning capacities; avoid scheduling meetings when other international organizations in Geneva, especially WTO, are holding meetings and to organize meetings back-to-back with those of other organizations to allow experts to more easily participate in related events.

#### **b) Areas of emphasis in the next biennium**

109. Work will continue to focus on capacity-building at all levels, including institutional and human resources, and will seek to advance the negotiating capacity of developing countries and economies in transition, with special attention being paid to LDCs. The programme will also seek to distil best practices and lessons from the ten IPRs already completed with a view to improving the content and structure of future IPRs. These activities will also assist in the follow-up to the Doha Declaration (to the extent that UNCTAD is called upon in this respect) and will contribute to the preparation of UNCTAD XI.

## **3. TECHNOLOGY AND ENTERPRISE**

### **I. Objectives and assessment criteria**

#### **a) Objectives**

110. To enhance the productive capacity in developing countries and countries with economies in transition by: increasing the competitiveness of enterprises, particularly small and medium-sized enterprises (SMEs); identification of policies and best practices which eliminate the obstacles to their development; promotion of entrepreneurship and managerial skills, including among women entrepreneurs; facilitation of the formulation of sound national science and technology policies and measures for the transfer and diffusion of new technologies; harmonisation of national accounting and auditing standards; improvement of corporate governance and strengthening of the accounting profession.

**c) Expected accomplishments for 2000-2001 and Indicators of achievement**

Expected accomplishments	Indicators of achievement
(i) Increased knowledge of issues related to enterprise development and internationalization, science and technology for development and technology transfer, accounting and reporting and corporate governance; (ii) Strengthened ability of developing countries and countries in transition to formulate appropriate policies and strategies for fostering enterprise development and enhancing technological capacities, improving financial transparency and governance; (iii) Institution building and capacity building in these fields in developing countries and countries in transition	(i) Interest in and quality of intergovernmental discussions ; (ii) Relevance and usefulness of the outcomes of intergovernmental deliberations to governments and the private sector; (iii) Number of policy-makers and practitioners advised/trained in enterprise development, accounting, corporate governance; (iv) Requests for EMPRETEC programmes; number of programmes started; number of entrepreneurs trained

**II. Programme implementation and accomplishments**

**a) Accomplishments**

111. Work in this area was aimed at contributing to better understanding by policy makers and the enterprise sector in developing countries and economies in transition of policy issues concerning technology and enterprise development. This was in particular targeted to in-depth deliberations at intergovernmental and expert fora. The Expert Meeting on the relationships between TNCs and SMEs highlighted ways and means of strengthening such linkages, including through national policies; the work of the Commission on Science and Technology for Development contributed to better understanding of various aspects of biotechnology; the work of the Intergovernmental Working Group of Experts on International Standards of Accounting and Reporting (ISAR) looked into such important issues as accounting by SMEs and corporate governance.

112. The high number of delegates and experts (more than 100 at each meeting), their level of preparedness, their numerous written contributions (about 100) and their interest in deliberations contributed to the quality of intergovernmental debate and adoption of concrete proposals/conclusions, such as at the Commission on Enterprise, Business Facilitation and Development (TD/B/COM.2/31). Research in the above areas also facilitated the growth of knowledge among wide circles of policy makers, private sector, academia and civil society. It included about 14 papers to intergovernmental/expert meetings, which were commended by participants, and about 18 publications.

113. Exposure of delegates and experts from developing countries and countries in transition to the above intergovernmental/expert meetings or ad hoc consultations, dissemination of their outcomes, dissemination of the research results, as well as a great number of advisory missions and training activities (seminars, workshops) implemented in

several developing countries and in some countries in transition, contributed to the strengthening of their ability to formulate appropriate policies and strategies at macro and micro levels.

114. UNCTAD's technical cooperation in such areas as entrepreneurship development (EMPRETEC and Mediterranean 2000 programmes, projects on women entrepreneurs, enhancing public-private sector dialogue in LDCs and growing small and micro-enterprises in LDCs), improvement of accounting standards and reporting (projects in Azerbaijan and Russia, project on environmental accounting) and enhancing technological capacities (projects on electronic commerce and music industry in Jamaica and on business linkages) contributed to capacity-building. For example, in the case of accounting reform projects, UNCTAD laid the basis for a modernized accounting system in the Russian Federation. Likewise an accounting system for SMEs has been formulated for developed and developing countries alike. In the case of professional qualifications for accountants, UNCTAD has laid the basic requirements for qualifications.

**b) Results and benefits**

115. The above activities had a positive impact on strengthening policy formulation concerning technological and entrepreneurial capacities in many developing countries and LDCs. Some countries and intergovernmental organisations have used results of UNCTAD's work in formulating their respective policies. For example, a draft recommendation on environmental issues in financial reports adopted by the European Commission was influenced by ISAR's statement of position on Accounting and Financial Reporting for Environmental Costs and Liabilities. About 400 practitioners and 25 trainers were trained in environmental accounting. The International Chamber of Commerce informed that UNCTAD's guidelines for national requirements on the qualification of professional accountants was useful for strengthening accounting education in developing countries and countries in transition. The Federation of Indian Chambers of Commerce and Industry found the reports on SME development strategies very useful for its work. As for technical cooperation activities within EMPRETEC and Mediterranean 2000 programmes, about 35,000 entrepreneurs were trained in 2000-2001 through activities with direct involvement of UNCTAD or through programmes launched with UNCTAD's assistance. In this period, EMPRETEC was implemented in 24 countries and 24 more countries have requested the programme. EMPRETEC also contributed considerably to women entrepreneurship. Thus, as was confirmed by the International Federation of Business and Professional Women, the EMPRETEC programme activities in Brazil were of great benefit to women entrepreneurs, particularly in promoting the development of their business. There is now an ongoing move to "genderize" all EMPRETEC products and services. About 600 stakeholders were involved in various UNCTAD activities related to the development of women entrepreneurs, including the UN Conference on LDCs and its preparatory meetings.

**c) Progress in the implementation of the Bangkok Plan of Action**

116. Para. 116 and 128: These were implemented through analytical work and exchange of experiences in intergovernmental and expert meetings and panels, including CSTD. UNCTAD's work focused on biotechnology, transfer and diffusion of ESTs, partnerships and networking, coalition of resources for information technology (IT) and IT in the music industry, best practices in the development and diffusion of new technologies. A Web-site



(STDev) was created to disseminate science and technology information and network UN agencies active in this area

117. Para. 119 and 127: Research concentrated on such issues as linkages between SMEs and TNCs, the identification of mechanisms for financing SMEs, strengthening public-private sector dialogue and enhancing the capacity and participation of women entrepreneurs in terms of running SMEs, development strategies and support services for SMEs, partnerships and networking. Through the work of the Commission on Enterprise, Business Facilitation and Development, its Expert Meetings and other events, such as the meeting in Penang and the LDC III preparatory meeting in Oslo, opportunities were provided for exchange of experiences in the formulation of policies and programmes favourable to private sector development at local, national and regional levels. At LDC III, an interactive session on enhancing productive capacity and a parallel event on women entrepreneurs were organised. The substantive work on enterprise development was carried out through technical cooperation programmes such as EMPRETEC.

118. Para. 121: Policy-oriented research was undertaken on the implications of enterprise internationalization for competition and competitiveness. In particular, UNCTAD examined ways and means to increase competitiveness *via* inter-firm cooperation and strategic alliances, including linkages, partnerships and networking.

119. Para. 122: ISAR analysed issues of accounting by SMEs, environmental accounting, professional qualifications and corporate governance. The Review of International Accounting and Reporting Issues 2000 was published. Technical cooperation activities included five workshops on environmental accounting and workshops on corporate governance, at which about 430 experts were trained. UNCTAD was a lead agency in executing a project on training of over 500 auditors in Azerbaijan. A project on accounting reform in the Russian Federation was completed.

120. Para. 125: EMPRETEC, including Enterprise Africa, and the Mediterranean 2000 Programme were being implemented in about 30 African and Latin American countries with UNCTAD's direct involvement or with projects launched with its assistance. Over the biennium, these programmes were implemented in more than 20 countries, and 24 more countries have expressed their interest. These efforts are now being supplemented by South-South cooperation.

#### **d) Legislative and external reviews**

121. In 2000, an external in-depth evaluation of the EMPRETEC Programme led to a number of recommendations as to how to improve further work within this Programme. The Working Party on the Medium-term Plan and Programme Budget at its session in September 2001 took note with appreciation of the steps taken for the implementation of these recommendations. The project on accounting reform in the Russian Federation was judged by the European Commission to be "the best in class" for financial reform projects.

### **III. Programme assessment and future direction**

#### **a) Assessment and lessons learned**

122. The better integration of the work of the Commission on Science and Technology for Development with that of UNCTAD materialized in the choice of its new substantive theme, i.e. technology development and competitiveness in a digital society. Likewise, ISAR started two new themes, i.e. accounting by SMEs and corporate governance, which are needed by developed and developing countries alike.

123. Work on two important enterprise-related issues was initiated, namely: building linkages between TNCs and SMEs; and accessing finance for SMEs. Promoting linkages has proven an effective way to create a dynamic core of SMEs. Linkages also have important implications for technology transfer, in that one of the most effective ways for an SME to access technology is *via* its link with a TNC.

124. The work on financing SMEs is both critical and long over-due in that the lack of finance is the major barrier to their expansion and survival. This work will provide inputs to the Conference on Financing for Development and assist in developing practical approaches to implementing best practices in financial innovations.

125. On technical cooperation, two projects were brought to a successful close, one on environmental accounting and another on accounting reform in the Russian Federation. During the course of the environmental accounting project funded by the World Bank, 11 workshops were held, trainers were trained and training materials produced. UNCTAD has now only to add a long-distance training component. As part of a consortium executing the project on accounting reform in Russia, UNCTAD provided advisory services on drawing up/revising accounting standards, including one for SMEs. This work took into consideration the specific conditions of the Russian environment rather than forcing on standard-setters, rules formulated for mature, market economies.

126. EMPRETEC continued to be implemented in Central America and the Mediterranean while at the same time a number of steps were taken to strengthen UNCTAD's ability to deliver.

127. There was an imbalance in the demands made on this subprogramme by the need to substantively service intergovernmental meetings. As a result there was insufficient capacity to follow-up the research and intergovernmental deliberations for effective dissemination of policy advice or technical assistance to implement it.

#### **b) Areas of emphasis in the next biennium**

128. To enjoy the benefits of globalization developing countries need to improve their competitiveness. This has to be looked at from both the macro (trade and investment) and micro levels (enterprise and technology). There should be an integration of the two levels as UNCTAD heads toward UNCTAD XI.

129. In 2002-2003, efforts will be concentrated on work under paragraphs 116 and paragraph 121 of the Bangkok Plan of Action on technological capacity-building for

competition and competitiveness. UNCTAD will also continue work provided for by paragraphs 119 on financing SMEs, particularly with respect to financing new technologies needed by SMEs for meeting international standards, and paragraphs 122, 125 and 128.

*Subprogramme 9.3*

**INTERNATIONAL  
TRADE**

*Objective of the subprogramme*

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

## **1. TRADE NEGOTIATIONS AND COMMERCIAL DIPLOMACY**

### **I. Objectives and assessment criteria**

#### **a) Objectives**

131. To improve understanding of current and emerging issues in international trade of concern to developing countries and to enhance ability to address those concerns in the areas of agriculture, services, with a view to assisting developing countries to integrate themselves more fully into, and derive benefits from, the international trading system and to increasing their participation in world trade (Medium-term plan), and to enhance developing countries' capabilities in the field of commercial diplomacy through targeted training programmes (A/52/898, para. 36(a)).

#### **b) Expected accomplishments and indicators of achievements**

Expected accomplishments	Indicators of achievements
Progress in the integration of developing countries, in particular the least developed ones, and countries with economies in transition into the international trading system; and strengthened participation of those countries in the multilateral trading system.	Member States' indications, through feedback mechanisms of how UNCTAD helped them to participate more effectively in multilateral deliberations and negotiations on international trade issues and/or to better understand the issues involved in the WTO accession process and rights and obligations of WTO membership.

### **II. Programme implementation and accomplishments**

#### **a) Accomplishments**

132. UNCTAD has substantially strengthened and expanded assistance to developing countries through its "positive agenda" programme in their preparations for the ongoing and future multilateral trade negotiations. Over one hundred seminars, workshops, advisory missions and other training events, organized by UNCTAD, have helped developing countries, including LDCs and economies in transition, to better understand their specific individual - and, when appropriate, group interests - and to become more effective players in the multilateral trading system. The active participation of developing countries in the preparatory process and in the work of the fourth WTO Ministerial Conference at Doha are indications of the effectiveness of the work undertaken by UNCTAD. The results of LDC III also point in the same direction; for example, the parts on market access, S&D, and accessions to the WTO included in the Programme of Action have been prepared, inter alia, with the participation of UNCTAD in many individual and group meetings and training events with LDCs and other developing countries.

133. The regular dissemination by UNCTAD of information and analysis to trade negotiators from developing countries based in Geneva helped them to take a more pro-active

position in the WTO negotiations conducted since 2000 on the basis of the "in-built agenda". In the first phase of these negotiations (March 2000-March 2001), of the 126 WTO member governments which submitted proposals on agriculture, 82 (65%) were developing countries and economies in transition.

134. The above work was supported by several publications, most importantly the "Positive agenda and future trade negotiations" (UNCTAD/ITCD/TSB/10), a manual on most issues of interest to developing countries in the negotiation. Responding to the high interest, the book (500 pages) was reprinted twice and is about to be translated into all official languages. Another book on "Trade agreements, petroleum and energy policies" (UNCTAD/ITCD/TSB/9) had also to be reprinted. For LDC III a study on "Improving market access for least developed countries" (UNCTAD/DITC/TNCD/4) was issued.

135. Intergovernmental expert meetings on agriculture, construction services, anti-dumping and energy services, based on the publications (TD/B/COM.1/EM.11/3), (TD/B/COM.1/EM.12/3), (TD/B/COM.1/EM.14/3) and (TD/B/COM.1/EM.16/3), permitted in-depth discussions at expert level. At its 5<sup>th</sup> session, the Commission on Trade in Goods and Services, and Commodities adopted agreed recommendations on these issues and expressed its satisfaction with the above documents. The expert meetings and ad hoc expert group meeting have contributed to the elaboration of national positions and influenced the unfolding multilateral and regional negotiating processes. The discussion at these meetings and the agreed recommendations adopted were supportive to the ongoing negotiations on agriculture and services, and the preparatory process for future negotiations in the WTO.

136. An ad hoc expert group meeting on issues and problems arising from the integration of countries into the multilateral trading contributed to a better understanding of problems faced by the WTO acceding countries and sharing experiences of countries which have acceded to the WTO. A publication "WTO Accessions and Development Policies" will be issued on this subject.

137. A central role in capacity-building has been carried out by the Commercial Diplomacy Programme (CDP), which has organized or participated in 37 training events during the biennium. The scope and the content of activities have been mainly determined by the dynamics of the on-going WTO negotiations, the preparations for future multilateral negotiations and by the needs expressed by developing countries and economies in transition. The regional trade negotiations among developing countries have also been taken into account in the design of some activities of the Programme. The Programme has also prepared several "Training Tools for Multilateral Trade Negotiations" and numerous fact sheets, background papers and training materials on development-related issues in the multilateral trade negotiations.

138. Technical assistance to the countries in the process of accession to the WTO expanded significantly. Assistance was provided to 20 out of the 30 acceding countries, including practically to all acceding LDCs. Overall, 33 events (study tours, group training and advisory missions) were organized. A CD-ROM on "Accession to the WTO: reference materials and analysis for policymakers and negotiators" (UNCTAD/ITCD/TNCDB/TM/1 and revisions) was released.

139. UNCTAD also continued to execute projects on assisting developing countries and countries with economies in transition to utilize trade preferences granted to them within the

GSP system, the Cotonou trade regime and rules of origin, including the most recent developments in the schemes of the Quad countries. A series of publications under the "Generalized System of Preferences" were widely disseminated. A special handbook on GSP for LDCs will be published shortly. UNCTAD also continued to act as a depository for GSP origin instruments.

140. UNCTAD substantially expanded its assistance to developing countries and countries with economies in transition in the negotiation of free trade agreements among themselves (UMA, SADC) or with developed countries (Euromed, MERCOSUR-EU, ACP-EU, APEC) by preparing analytical material and studies. In particular, UNCTAD has provided the SADC FTA negotiating process and SADC delegates with continuous analytical and technical assistance, thereby greatly facilitating the discussions in the SADC Trade Negotiating Forum. Assistance was also provided to the SADC Secretariat and member States in the process of initiating negotiations on intra-SADC trade in services. Upon request, several technical papers were provided to advance deliberations of specialized topics within subregional and regional groupings, including on South-South cooperation.

141. Technical support was also provided to African countries in building capacities for effective participation in the international trade negotiations and the implementation of the trade agreements. Under JITAP, implemented jointly with ITC and WTO, 8 African beneficiary countries have benefited from a series of activities. 9 workshops on trade negotiations' objectives and strategies were undertaken to support the countries in their preparations for effective participation in WTO and the ACP-EU Cotonou Agreement negotiations. Under the UNDP-funded regional programme for sub-Saharan African countries, several studies were concluded and four international workshops were convened on services, international trade issues and the interrelationship between multilateral trade negotiations and ACP-EU trade negotiations. Substantive support was provided to the preparatory events of African countries such as the 3<sup>rd</sup> and 4<sup>th</sup> Meetings of OAU/AEC Trade Ministers; the COMESA/SADC Ministers Meeting in July 2001; and the 3<sup>rd</sup> and 4<sup>th</sup> ACP Trade Ministers Meeting.

142. Two major contributions were made to the report on trade and development submitted by the Secretary-General to the 55<sup>th</sup> and 56<sup>th</sup> sessions of the General Assembly (A/55/396 and A/56/376), and a substantive input to the report to the General Assembly's 56<sup>th</sup> session under resolution 55/20. Substantive contributions were also made to the documents of LDC III, and analytical inputs were provided to the G-77 and regional groups.

## **b) Results and benefits**

143. The analytical outputs of UNCTAD were increasingly used by Governments, their trade negotiators, other international and regional organizations, as well as private entities, NGOs and academia. The most important feedback continued to be the demand from Governments for assistance, including in the contexts of the "positive agenda" for future multilateral trade negotiations, regional trade negotiations, the Commercial Diplomacy Programme and WTO accessions. The majority of the requests came from African countries, LDCs, especially from the acceding LDCs, small economy developing countries, net-food importing developing countries and countries with economies in transition. In particular, the analytical work of UNCTAD has substantially contributed to enhancing capacities of developing countries to participate effectively in the on-going WTO negotiations on agriculture and services, as well as to their active engagement in the preparatory work for the

fourth WTO Ministerial Conference at Doha. The reactions of the participants in the Commercial Diplomacy Programme's activities have been documented in feedback showing in general a good to excellent perception.

144. The expert meetings and an ad hoc expert group, as well as publications, have contributed to the elaboration of national positions and influenced the unfolding multilateral and regional negotiating processes. The quality of the documentation which was prepared for these expert meetings was considered by participants as mostly "good" and "excellent" (78 per cent of surveys). The Commission on Trade in Goods and Services, and Commodities, at its 5th session, adopted agreed recommendations on the basis of expert meetings' outcomes which refined and expanded UNCTAD's work in related areas.

145. Technical assistance resulted in a more effective participation of beneficiary countries in the WTO activities and built-in negotiations, in the WTO accession negotiations through improved understanding of the WTO rules and disciplines and their implications for national policy options. Technical assistance also made substantive inputs in terms of upgrading human and institutional capacities of developing countries and countries with economies in transition in trade policy. Letters of appreciation, from ministers and other senior officials, were received from many beneficiary countries.

146. In resolution 55/182, the General Assembly welcomed the activities of UNCTAD aimed at assisting developing countries in developing a positive agenda for future multilateral trade negotiations, and invited the UNCTAD secretariat to continue to provide analytical support and technical assistance, including capacity-building activities, to those countries for their effective participation in the negotiations.

147. UNCTAD's work has also received positive feedback from other international and regional organizations (e.g. WTO, ESCAP and ECA). With ECA, UNCTAD organized several joint regional workshops on the preparations for the WTO Ministerial Conference at Doha and WTO accessions. Close cooperation and collaboration has been developing with the WTO secretariat, especially in technical cooperation to WTO acceding countries. Several joint national workshops/symposia (e.g. Yemen, Algeria) have been conducted together with the WTO secretariat which has put on record that "co-operation with UNCTAD in the provision and tailoring of technical assistance (for acceding countries) has been particularly close and complementary".

#### **c) Progress in the implementation of the Bangkok Plan of Action**

148. Paragraphs 129-134 and 136-139: Implementation has been satisfactory, as demonstrated particularly by the outcomes of the expert meetings and the fifth session of the Commission, the activities of the Commercial Diplomacy Programme and technical assistance to support developing countries and countries with economies in transition in their participation in new multilateral trade negotiations (positive agenda) and WTO accessions. More detailed implementation of Bangkok mandates in relation to market access in goods (paragraph 132) and special and differential treatment (paragraph 139) will be required in the next biennium (depending on how new multilateral trade negotiations in those areas proceed).



### **III. Programme assessment and future direction**

#### **a) Assessment and lessons learned**

149. UNCTAD has demonstrated its ability to follow the issues and developments in the multilateral trading system and contribute with timely analytical and technical inputs. Governments have appreciated the delivery of technical assistance, particularly as regards the positive agenda for future multilateral trade negotiations, the Commercial Diplomacy Programme and WTO accessions. Invitations to participate in meetings with senior officials in capitals are an indication of the value placed on UNCTAD's expertise. At the same time however, a generally low level of participation, in particular of experts, at UNCTAD intergovernmental meetings, especially those of the Commission on Trade in Goods and Services, and Commodities has been observed.

150. During the biennium, attempts were made to devise a new structure for the programme based on two principles: overall coordination and enhanced interface of analytical work and capacity-building activities, together with more delegation of responsibilities and larger autonomy to staff. The increased demand for technical assistance, as well as the unpredictable and "tied" extrabudgetary funds seriously affected the performance of the technical assistance activities, particularly the Commercial Diplomacy Programme.

#### **b) Areas of emphasis in the next biennium**

151. The subprogramme will concentrate on development dimensions of the international trading system and problems of coherence between trade, finance and development. These would include: (a) empirical research and policy analysis to identify the parameters of the development dimensions of the multilateral trading system and the implications of existing and emerging multilateral trade rules for the development prospects of developing countries; and ways and means to make special and differential treatment for developing countries more operational and legally binding; (b) analysis of market access issues of developing and least developed countries, multilateral negotiations on agriculture, and trade liberalization in services; (c) support for developing countries in multilateral trade negotiations and in the pursuit of regional integration; (d) assistance to developing countries and countries with economies in transition to identify trade policy tools for development, to accede to the WTO on balanced terms and integrate themselves effectively in the multilateral trading system; (e) conduct, through the Commercial Diplomacy Programme, training and capacity-building activities on key issues on the international trade agenda. Work under (c), (d) and (e) will, however, depend on adequate resources.

## 2. TRADE ANALYSIS AND INFORMATION

### I. Objectives and assessment criteria

#### (a) Objectives

152. To enhance understanding of structural changes and new developments in international trade and to identify, on the basis of research and empirical evidence and with development impact assessment, what the implications are of existing and emerging multilateral trade rules for the development prospects of developing countries.

#### b) Expected accomplishments and indicators of achievements

Expected accomplishments	Indicators of achievements
The expected accomplishments relate to: (a) Progress in the integration of developing countries, in particular the least developed countries ... into the international trading system; strengthened participation of those countries in the multilateral trading system”.	They are defined as member States’ indications through feedback mechanisms of how UNCTAD helped them to participate more effectively in multilateral deliberations and negotiations on international trade issues.

### II. Programme implementation and accomplishments

#### a) Accomplishments

153. UNCTAD published several analytical studies on international trade of concern to developing countries containing quantitative assessments of market access proposals on industrial products, agriculture and services using the GTAP (global computable general-equilibrium model). These studies have also been used as input into technical assistance and disseminated in 37 conferences, seminar and other meetings.

154. The TRAINS database and retrieval system has been maintained and upgraded. Two new versions of TRAINS CD-ROM were disseminated to over 200 user focal points and demonstrated and distributed to participants at 17 national and regional seminars in developing countries. TRAINS on the Internet has recorded over 12,000 accesses over the 14-month period since the counter was introduced in May 2000. In addition, tailor-made statistical and analytical tables and files have been prepared for over 50 requests for such information coming from national governments (e.g. Australia, Malaysia, Morocco, USA, etc.), international organizations (e.g. FAO, IDB, ITCB, OECD, World Bank, etc.) and universities and other research institutions.

155. The TDB’s High-Level Segment on Regionalism was provided with analytical support. An Ad hoc expert group reviewed the current state of work on the collection and analysis of data on non-tariff measures (NTMs) so that analysis would be based on the most

comprehensive and reliable data. UNCTAD continues to be the source of data for many academic and policy studies on trade policy. By providing public access to its data, UNCTAD has helped contribute to increasing knowledge on the linkages between trade and development, and the expert group meeting was another step in this direction.

**b) Results and benefits**

156. The quality and effectiveness of developing country participation in trade negotiations (regional and multilateral) has improved greatly in recent years. Developing countries are better able to marshal their facts and argue their case. This is evidenced by the several hundred specific technical proposals that they have made to the WTO Ministerial process in the last three years (pre-Seattle and pre-Doha), as well as their work in specific negotiations in the WTO, regional bodies and other organizations. This increased participation in negotiations is part of the longer-term payoff that can be expected to continue with support from UNCTAD's trade analysis programme.

157. Among the studies, one of the most important was the *Duty and Quota Free Market Access for LDCs: An Analysis of Quad Initiatives*, launched during LDC III. The study was widely quoted in the international press (for instance 'Progress for poor hard to spot at UN conference', Financial Times, 21 May 2001; "U.N. meeting backs ambitious plan for poor nations", World Trade News 21 May 2001; "Positive Gains seen for LDCs if QUAD implements full quota- and duty-free market access").

158. Information provided from the TRAINS database has been used for trade negotiation forums such as APEC, EU-South Africa and EU-MERCOSUR, for various studies carried out by international organizations and research institutions, as well as by individual trade operators around the world. More than 50 donors have contributed to the TRAINS Trust Fund to help finance the maintenance and further development of the database. The Expert Group Meeting organized by ESCAP on regional trade and investment information network (Bangkok, February 2000) "unanimously expressed the usefulness and uniqueness of the TRAINS (CD-ROM) data". TRAINS on Internet was quoted in a research journal, *New Political Economy*, in 2001 as "It (UNCTAD) presents a powerful on-line software application called TRAINS, which has wide application in the subject area of trade and TNC activities."

**c) Progress in the implementation of the Bangkok Plan of Action**

159. The mandate for research and analysis is spread across a number of paragraphs concerning international trade, in particular paragraphs 129-132 and 136-139.

160. Para. 132 (Market Access): "Is there effectively a level playing field for developing country exports?" (UNCTAD/ITCD/TAB/2); "Assessing the results of general equilibrium studies of multilateral trade negotiations" (UNCTAD/ITCD/TAB/4); "What can the developing countries infer from the Uruguay Round models for future negotiations?" (UNCTAD/ITCD/TAB/6); "Tariffs, taxes and electronic commerce: Revenue implications for developing countries" (UNCTAD/ITCD/TAB/6); "Industrial policy and the WTO" (UNCTAD/ITCD/TAB/7); "Is the export-led growth hypothesis valid for developing countries? A case study of Costa Rica" (UNCTAD/ITCD/TAB/8); "Anti-dumping and countervailing procedures – Use or abuse? Implications for developing countries" (UNCTAD/ITCD/TAB/10); "Post-Uruguay round market access barriers for industrial

products” (UNCTAD/ITCD/TAB/13); “Tariffs and the East Asian financial crisis” (UNCTAD/ITCD/TAB/14); “Duty and Quota-Free Access for LDCs: Further Evidence from CGE Modelling” (UNCTAD/ITCD/TAB/15); “Duty and Quota Free Market Access for LDCs: An Analysis of Quad Initiatives (UNCTAD/DITC/TAB/Misc.7); Back to Basics; trade information support by TRAINS, AMAD.

161. Para. 133 (trade in agriculture): “Is there effectively a level playing field for developing country exports?” (UNCTAD/ITCD/TAB/2); “An integrated approach to agricultural trade and development issues: Exploring the welfare and distribution issues (UNCTAD/ITCD/TAB/12); Back to Basics; trade information support by AMAD.

162. Para. 134: “Service sector reform and development strategies: Issues and research priorities” (para. 134) (UNCTAD/ITCD/TAB/9).

163. Para. 135 (trade in services): “E-commerce, WTO and developing countries” (UNCTAD/ITCD/TAB/3); trade information support by MAST; “Tariffs, taxes and electronic commerce: Revenue implications for developing countries”; (UNCTAD/ITCD/TAB/5); Support for developing countries in multilateral trade negotiations in accession to WTO: trade information support by TRAINS, AMAD.

164. Para. 137 (regional integration and the multilateral trading system): “Regional trade agreements and developing countries: The case of the Pacific Islands’ proposed free trade agreement” (UNCTAD/ITCD/TAB/11); “Duty and Quota-Free Access for LDCs: Further Evidence from CGE Modelling” (UNCTAD/ITCD/TAB/15); “Assessing regional trading arrangements in the Asia-Pacific” (UNCTAD/ITCD/TAB/16); “Assessing regional trade arrangements: Are South-South RTAs more trade diverting?” (UNCTAD/ITCD/TAB/17); TDB High Level Segment “Regional integration and the global Economy” (TD/B/47/6); trade information support by TRAINS.

165. Special and differential treatment: “Industrial policy and the WTO” (UNCTAD/ITCD/TAB/7); “Duty and Quota-Free Access for LDCs: Further Evidence from CGE Modelling” (UNCTAD/ITCD/TAB/15); Duty and Quota Free Market Access for LDCs: An Analysis of Quad Initiatives (UNCTAD/DITC/TAB/Misc.7).

#### **d) Legislative and external reviews**

166. The Commission on Trade in Goods and Services, and Commodities, at its 5th session, commended the analytical work undertaken by UNCTAD on various trade policy issues. The General Assembly, in resolution 55/182, welcomed the activities of UNCTAD aimed at assisting developing countries and invited the UNCTAD secretariat to continue to provide analytical support to interested countries for their effective participation in the negotiations. UNCTAD’s work has also received positive feedback from various member states (LDCs and the EU in particular) at LDC III. Similar feedback was expressed at the TDB’s High-Level Segment on Regionalism, when the secretariat’s background document provided a basis for in-depth discussion on many relevant issues.

167. In addition, all the branch’s studies and papers went through a peer review process by internal and external experts.

### **III. Programme implementation and accomplishments**

#### **d) Assessment and lessons learned**

168. The research programme has produced a considerable output in the two years of existence which was presented at official and academic meetings. The analytical work assisted in enhancing developing country grasp of issues and negotiating capacity in recent years.

169. UNCTAD has so far concentrated on implementing the work programme based on requests from member states, experience of its own staff and feedback from fellow professionals in academia and other organizations. The work can benefit from feedback from other sections of UNCTAD, including through participation in technical assistance work, so that research is more finely tuned to the needs of the developing countries. On the other hand, there is also a need to take a longer view and the research function must not only react to today's problems and needs but try to anticipate future ones. In addition, there is a danger that pressure to participate directly in meetings and technical assistance activities will reduce the time spent on core research. Finding the right balance will be part of the challenge ahead.

#### **e) Areas of emphasis in the next biennium**

170. In the light of the results of the fourth WTO ministerial meeting, it is expected that greater emphasis will be placed on negotiating issues. This will comprise analysis as well as the provision of tools to increase the capacity of developing countries to undertake their own analysis and to develop their own negotiating positions. The work would include:

- Quantitative assessments of negotiating proposals using the GTAP (Global CGE model);
- Quantitative assessments of market access proposals over all goods, at the tariff line level, using the SMART partial equilibrium model that will form part of the joint World Bank/UNCTAD WITS project. This will also allow member governments to develop their own proposals. This product can be delivered for use by member governments so that they can identify at the most detailed level the area where they stand to gain most from liberalization in third country markets.
- Quantitative assessments of proposals on market access, domestic supports and export subsidies in agriculture, by detailed commodity and by country, using the ATPS Model. (Development has been financed by the UK Government). This is scheduled for delivery to member governments in the first half of 2002 so that they may also undertake assessments for themselves.

171. In the light of recent crises, the assumptions underlying the "Washington Consensus" are being increasingly questioned, even though it has since been modified to take greater account of institutional factors. Within the multilateral system, many countries have sought to ensure that fuller account is taken of the needs of developing countries in the WTO work programme. The current economic situation lends increased urgency to the need for a serious re-appraisal of the trade-development linkage. In consequence, additional points that need to be emphasized in the period ahead are:

- Review trade and development strategies and policies to identify how these may be used more effectively to foster development through trade
- Extend support to the developing countries in relation to development of the trade agenda at the national, regional and multilateral levels
- Contribute to the preparatory process leading to UNCTAD XI by identifying trade and related policies that have an impact on the competitiveness of sectors and firms in the developing countries.
- Contribute to trade-related capacity building.

172. This work would be done in collaboration with other international agencies, regional commissions and institutions, development banks, and civil society, as appropriate

### 3. COMMODITIES

#### I. Objectives and assessment criteria

##### a) Objectives

173. To improve understanding of current and emerging issues in international trade of concern to developing countries and to enhance ability to address those concerns in the area of agriculture through assisting these countries in the development of their export-oriented commodity sectors, particularly their supply capacities, focusing on diversification.

##### b) Expected accomplishments and indicators of achievements

Expected accomplishments	Indicators of achievements
Increased contribution of the commodity sector to sustainable development and economic diversification, the application of modern commodity price risk management and financial instruments, and greater participation in value-added chains.	Member States' and private sector operators' views, obtained through readership and other surveys, on UNCTAD's contributions to improving their understanding of the most important issues and to taking appropriate actions in the areas of commodity diversification, commodity price risk management and participation in added-value chains.

#### II. Programme implementation and accomplishments

##### a) Accomplishments

174. On market transparency and commodity information, the new *World Commodity Survey* provided up-to-date reviews of market developments for over 80 commodities. The annual *Handbook of World Mineral Trade Statistics* has been the only existing source of comprehensive statistical information on trade in minerals and metals. Further, a new international electronic portal, "INFOCOMM" (<http://www.unctad.org/infocomm>), was developed to provide commodity information, in English, French and Spanish, to facilitate

policy formulation on commodity production, marketing, processing and financing (for example, information on futures exchanges includes a detailed list of emerging commodity exchanges, information on products traded, contracts and regulation frameworks as well as a list of electronic commodity exchanges).

175. Commodity producers were assisted to make use of risk-limiting instruments through awareness-raising activities and training materials, and through collaboration with other organizations (the 10th meeting of the ICCO Advisory Group on the world cocoa economy or the industrial econometrics forum on steel and non-ferrous metals). The African Oil Trade and Finance Conferences facilitated the process of policy change in oil marketing, risk management and finance.

176. Technical assistance on “capacity building for diversification and commodity-based development” has been provided through seven regional and subregional workshops (three for Africa, one each for Central America, Asian LDCs and transition economies, Pacific island countries, and Central Asian countries) and one national workshop (Cuba) with a total of more than 300 participants. Several national workshops are in the pipeline (Gambia, Guinea and the Philippines). For these activities, more than fifty studies and training notes have been prepared, many of which will also be published. Participants at the workshops were generally satisfied: five workshops were evaluated by participants with the average rating of 3.9 (with 1 being the lowest and 5 the highest), with the high marks given to the “level of interest” (4.2) and “the extent to which the workshop addresses needs and concerns that are relevant to your country” (4.1) and the lowest mark to “planning and organization” (3.5).

177. The project on natural resources assisted the improvement of the management of natural resources and sustainable resource-based development through capacity building and policy networking activities. In this regard, a workshop on Mineral Wealth and Human Capital was organized for Latin America, followed by a training programme for the local authorities of mining areas in the region, and policy networking activities supported by the Natural/Mineral Resources Forum website ([www.natural-resources.org](http://www.natural-resources.org)).

## **b) Results and benefits**

178. The *World Commodity Survey 2000-2001* consistently receives very good reviews in the trade press and from the industry. The *American Reference Review Annual* noted, “this fine work provides a short, three to four page essay reviewing current situation and recent world trends for approximately 70 commodities,” “[it] is more analytical on the state of the commodity and provides a better understanding of market conditions than the titles listed above,” and strongly recommended it for “business schools, large public and other libraries interested in commodities and international business”. *Ad hoc* requests from the industry and public organizations are frequently addressed electronically to the INFOCOMM portal, demonstrating the interest of users in this recently introduced source of commodity information with roughly 230,000 hits per month, corresponding to 700,000 electronic pages consulted as of November 2001.

179. Regarding capacity-building for diversification and commodity based development, participants in regional workshops have emphasized that the workshops were original, relevant, and useful and provided excellent insights into diversification issues, problems and prospects. The project has generated demand for tightly focused country specific activities,

with requests for specific assistance received from Kenya, Mozambique, Nigeria, Mauritius, Peru, Papua New Guinea, Fiji, and several Central Asian and CIS countries.

180. Preparations for the fourth Ministerial Meeting of WTO also showed that recommendations were being taken into consideration at the highest levels by participating governments. For instance, the Malian Minister of Agriculture referred to the recommendations made at the African Francophone regional workshop in his statement to the 6th Special session of the Committee of Agriculture in WTO.

181. UNCTAD's work on structured commodity finance, warehouse receipt finance, and emerging commodity exchanges led some governments (Cameroon, Cuba, Ghana, Zimbabwe) to review their policies in order to facilitate risk management and structured commodity finance by private sector operators. In India, where UNCTAD has had an active programme providing policy advice, taxation policies and currency repatriation rules were changed, and the operating modalities of the agency supervising the country's commodity exchanges was revised. UNCTAD's attention to market-based methods to help developing countries handle the problem of volatile commodity prices has helped to bring around a change in policy in other organizations, notably in the World Bank Group. It was a major factor leading to the establishment of the international Task Force on Price Risk Management. Assistance was provided to the ACP countries in the negotiating process for the Cotonou Partnership Agreement, particularly on the reshaping of compensatory mechanisms. Recommendations by UNCTAD and Commonwealth secretariat were adopted by the Committee of ACP Ambassadors.

**c) Progress in the implementation of the Bangkok Plan of Action**

182. Para. 144: Bullet 1: "The Agreement on subsidies and countervailing measures (ASCM) and developing countries" (UNCTAD/DITC/COM/23); "Value chain analysis and strategies for foreign market penetration in the food sector: a focus in fresh fruits and vegetables" (UNCTAD/DITC/COM/33); "Strategies for diversification and adding value to food exports: A value chain perspective" (UNCTAD/DITC/COM/TM/1); Expert Meetings on "Impact of the reform process in agriculture on LDCs and net food-importing developing countries and ways to address their concerns in multilateral trade negotiations" and on "Ways to Enhance the Production and Export Capacities of Developing countries of Agriculture and Food Products, including Niche Products, such as environmentally Preferable Products"; background papers and training notes prepared for the regional, subregional and national workshops; and cooperation with DESA on the Operational Framework for Diversification in Africa. Bullet 2: report to the UN General Assembly on "World commodity trends and prospects"; two Commodity Discussion Forums bringing together governmental representatives, experts from the private sector, specialized development agencies, NGOs and academia, respectively on "What can value chain analysis reveal about the unequal distribution of gains from globalization?" and "Fairtrade: The potential of combating poverty in commodity-dependent countries?"; a book on "Organic Fruit and Vegetable Production in the Tropics and International Trade", comprising an analysis of organic farming in developing countries, and a review of conditions for access to the US, European and Swiss markets; commodity profiles in INFOCOMM on the dynamics of individual commodity markets; presentations on international commodity chains at meetings such as "WTO Negotiations on Agriculture: Setting the Right Agenda" co-sponsored by South Centre/UNDP project, Institute for Agriculture and Trade Policy, ActionAid and Focus on the Global South, "Cours International: Intégration régionale et négociations



internationales dans le bassin méditerranéen” at Zahlé, “Regional seminar on fish quality” at Rabat organized by UNIDO with the Permanent Secretariat of the Ministerial Conference on Fisheries Cooperation among African States Bordering the Atlantic Ocean, and WTO Trade Policy course. Bullet 3: “Effets des fusions, acquisitions, coentreprises et autres formes de partenariat sur la diversification, en particulier dans le secteur de l’industrie alimentaire” (UNCTAD/DITC/COM/24); “Food quality standards: definition and role in international trade” (UNCTAD/DITC/COM/34); as well as other analytical studies, notes to workshops, and reports to intergovernmental meetings. Bullet 4: Handbook of World Mineral Trade Statistics; World Commodity Survey; INFOCOM portal; a website mainly devoted to commodity price risk management (<http://commrisk.net/unctad>), containing price and market risk profiles for a large number of commodities, developed jointly with the World Bank; a publication of information on capacity developments in the bauxite/alumina/aluminium industry (UNCTAD/ITCD/COM/27). Bullet 5: Servicing of the negotiating conferences of the International Jute Agreement and the International Cocoa Agreement. Bullet 6: Advisory missions to developing countries, some in the context of the International Task Force on Price Risk Management (Benin, China, Ghana, Kenya, Mongolia, Singapore, United Republic of Tanzania); three workshops on finance (Ghana, India and Indonesia); advisory service on the establishment of futures market (China, Colombia, Dominican Republic, Hungary, India, Malaysia, Romania, Singapore, South Africa); forum on emerging markets at the annual Bürgenstock meetings of futures markets. Bullet 7: The Fifth African Oil Conference. Bullet 8: Cooperation with the Common Fund for Commodities, *inter alia* through participation of Common Fund staff in UNCTAD workshops and *vice versa*.

### **III. Programme assessment and future direction**

#### **a) Assessment and lessons learned**

183. The work programme was fully implemented. The availability, for the first time in many years, of extra-budgetary funds for work on diversification was a very positive factor in reaching developing countries locally and providing an opportunity to combine analytical work with technical assistance. However, with the exception of the Development Account, generation of extra-budgetary funds proved difficult as activities linked to the WTO agenda appeared to be given almost exclusive priority both inside and outside UNCTAD in allocating available funds in the trade area. Except for the Development Account, most operational activities have been possible through close cooperation with other international organizations and the private sector.

#### **b) Areas of emphasis in the next biennium**

184. Many developing countries, particularly LDCs, continue to depend on their commodity sector for the generation of savings and foreign exchange required for their development and structural transformation. In this light and also the challenges and opportunities created for the commodity sector by the changes in international trading rules and market structures, work on the commodity sector assumes a special importance. To a large extent, in the next biennium UNCTAD’s work will seek to contribute to commodity-based development and diversification in commodity-dependent countries in the international environment defined by the post-Doha international trading system, and the continuing dynamics of international commodity markets. Emphasis is foreseen on actions that improve the use by developing-country governments of the “policy space” in commodities resulting from WTO negotiations to enhance the competitiveness of their commodity sector and

remove supply side obstacles to increased exports and retained value added. There are also plans for organizing an expert meeting in 2002 that would draw the policy conclusions from the project. Activities in risk management and finance should be seen in the same context, with the main objectives being to reduce transaction costs and manage the risks of commodity producers and traders. For effectiveness, particularly at the country level, it is crucial to follow up on the Development Account project on diversification and not to lose the momentum that has been generated. Accordingly, once the project is completed, a prioritized inventory of proposals will be prepared for technical assistance activities flowing from the project.

185. In the area of information on commodities, the INFOCOMM portal will continue to be built-up, including new commodity profiles and new developments on commodity exchanges. Accessibility will be improved by creating relays with developing countries' relevant institutions.

#### **4. COMPETITION LAW AND POLICY AND CONSUMER PROTECTION**

##### **I. OBJECTIVES AND ASSESSMENT CRITERIA**

###### **a) Objectives**

186. To improve understanding of current and emerging issues in international trade of concern to developing countries and to enhance ability to address those concerns in the area of competition law and policy.

###### **b) Expected accomplishments and Indicators of achievements**

Expected accomplishments	Indicators of achievements
Increased capacity for creating a more competitive environment for trade and development at the national and international levels.	Member states' views on UNCTAD's contribution to increasing awareness of or to take appropriate action on competition policy and legislation or on consumer protection.

##### **II. Programme implementation and accomplishments**

###### **a) Accomplishments**

187. The Fourth UN Conference to Review All Aspects of the Set of Multilaterally Agreed Equitable Principles and Rules for the Control of Restrictive Business Practices was the major international event in competition policy and provided an impetus to the multilateral debate on competition policy, competitiveness and development. The Conference agreed on an extensive work programme on competition policy and development for the next five years. On the recommendation of the Conference, an Expert Meeting on Consumer Interests, Competitiveness and Development was convened. The Intergovernmental Group of Experts on Competition Law and Policy, which is the only fully multilateral body of competition authorities as well as representatives of countries without competition authorities, met to

discuss and exchanged views on specific competition matters. UNCTAD's work in this area was transmitted the WTO Working Group on the Interaction of Trade and Competition Policies and other relevant bodies such as OECD and the World Bank. In addition, in the area of multilateral negotiations on competition policy, UNCTAD co-organized, with the Academy of International Law, an intensive course on the "International Trading System and its Interface with Competition Policy".

188. In preparing for the Fourth Review Conference, five regional meetings were organized (respectively for: Central and Eastern European and CIS member countries; Arab and Mediterranean countries; Southern and Eastern African countries; Latin America and the Caribbean countries; and Asian countries). These meetings addressed policy issues specific to the region or integration grouping and identified areas of mutual interest and cooperation, thereby facilitating discussions during the Conference and enhanced their effective participation in deliberations. All preparatory meetings made concrete proposals to the Conference, which were reflected in the resolution adopted by the Conference (TD/RBP/CONF.5/15).

189. Replies received to questionnaires show high appreciation of documentation from the participants to the Conference and other meetings, in particular: Experiences Gained so far on International Cooperation on Competition Policy Issues and the Mechanisms Used (TD/B/COM.2/CLP/21 and TD/RBP/CONF.5/4); Competition Policy and the Exercise of Intellectual Property Rights (TD/B/COM.2/CLP/22 and TD/RBP/CONF.5/6); Review of Technical Assistance, Advisory and Training Programmes on CLP (TD/B/COM.2/CLP/20); the Handbook on Competition Legislation (TD/B/COM.2/CLP/15); Draft Commentaries to Possible Elements for Articles of a Model Law or Laws (TD/RBP/CONF.5/7); and Consumer Protection, Competition, Competitiveness and Development (TD/B/COM.1/EM.17/3). Technical assistance conferences and seminars have also been evaluated and highly appreciated.

190. Developing countries and transition economies were assisted in their effort to draft or revise competition legislation or to implement it efficiently, and were able to exchange experience and information at a number of regional or subregional seminars organized or contributed to by UNCTAD in Hanoi (3 seminars), Bangkok (5), Istanbul, Jakarta (2), Cape Town (2), Pointe-à-Pitre (Guadeloupe), Moscow, Jaipur, Goa (2), Seoul, Havana, Bamako, Mombassa, Quito and Guayaquil (Ecuador), Livingstone (Zambia), Accra, Cartagena and Bishkek (Kyrgyzstan). UNCTAD also contributed to the preparation, drafting or revision of competition legislation of a number of developing countries, in particular Benin, Botswana, Burkina Faso, Dominican Republic, Ecuador, Kenya, Mali, Mauritius, Namibia, South Africa, Thailand, Viet Nam, Lesotho, Namibia, Swaziland, Angola, Mauritania, China, Madagascar, Cuba and countries members of UEMOA (West African Economic and Monetary Union). Moreover, a manual on international competition law, regulation and cooperation (in Russian) was published for distribution in CIS countries.

191. Cooperation with international organizations and NGOs has been strengthened. UNCTAD organized the Intergovernmental Group of Experts meeting back-to-back with the WTO Working Group on the Interaction between Trade and Competition Policy, in which UNCTAD participated as an observer. UNCTAD also participated in the OECD Committee on Competition Law and Policy as an observer, and cooperated with OECD through joint participation in training workshops and seminars. Cooperation with the World Bank has also

been increased and will be continued, as well as cooperation with Consumers International, PRO-PUBLIC and CUTS.

**b) Results and benefits**

192. General Assembly resolution 55/182 “reaffirms the role of competition law and policy for sound economic development, takes note of the important and useful work of the UNCTAD in this field, and, in this regard, decides to convene in 2005 a fifth UN Conference to Review All Aspects of the Set, under the auspices of UNCTAD”. An indication of the commitment to UNCTAD’s work on competition, and thereby its benefit, were official statements made by EU, USA, Japan, Italy, Republic of Korea and others during the Fourth Review Conference and the Intergovernmental Group of Experts on Competition Law and Policy. In the latter meeting, the European Commission Competition Commissioner Mr. Mario Monti acknowledged “that UNCTAD has over the years produced work of considerable value for the international antitrust community”. The G-77 also expressed strong support at its seminar on Globalization and South-South Cooperation in Kuala-Lumpur; its recommendations (para. VI 11) called for “upgrading the UN Set of Principles on RBPs to an internationally binding instrument to counter the effects of the cartelization in the world economy”.

193. Assistance extended for countries to prepare, draft or revise competition legislation was appreciated. For example, the Vice Minister of Trade of Viet Nam, Mr. Le Danh Vinh, wrote to UNCTAD that “the assistance of UNCTAD has greatly contributed to raise the awareness of competition culture among Vietnamese community both in policy makers and enterprises” and expressed hope that UNCTAD could continue to support his country “in drafting and enforcing its competition law, especially in the field of capacity and institutional building.”

**c) Progress in the implementation of the Bangkok Plan of Action**

194. Paras.140-141: Through technical assistance and cooperation with other organizations, as described above, UNCTAD continued and expanded its assistance to interested countries in developing their national regulatory and institutional framework and strengthened the capacity of public institutions for competition and consumer protection, and assisted developing countries to educate the public and representatives of the private sector.

195. Paras.142-143: Through documents and other support provided to intergovernmental meetings, as described above, UNCTAD continued to examine issues on competition law and policy of particular relevance to development, to prepare reports and studies on specific issues (restraints in strategic sectors and developmental impact of possible international agreement) as well as to further study, clarify and monitor the relationship between competition and competitiveness, as well as trade-related aspects of competition. In this respect, the third session of the Intergovernmental Group of Experts requested UNCTAD to study the possibility of formulating a model cooperation agreement on competition law and policy and to prepare studies on: the relationship between competition, competitiveness and development; ways in which possible international agreements on competition may apply to developing countries, including through preferential or differential treatment; the roles of possible dispute mediation mechanisms and alternative arrangements, including voluntary peer reviews, in competition law and policy for its 2002 session.

### **III. Programme assessment and future direction**

#### **a) Assessment and lessons learned**

196. UNCTAD contributed significantly to national, regional and international activities in competition law and policy and consumer protection. Feedback from conferences and seminars is constantly taken into account in order to improve and better focus the delivery to correspond closely to requests and needs of developing countries and economies in transition at different stages with respect to competition and/or consumer protection laws and policies. Some weaknesses identified by the independent in-depth evaluation of 1999 still persist (late delivery of transcripts of presentations to seminars, lack of sufficient time for discussion following the lectures).

197. More definite support from within UNCTAD and better contacts with UNDP, individual governments and donor institutions will have to be pursued. Additional expertise is required to respond to the magnitude of different activities involved in the work programme.

#### **b) Areas of emphasis for the next biennium**

198. Under para.143 of the Bangkok Plan of Action, the secretariat is requested to “study, clarify and monitor, including through specific country and case studies, the relationship between competition and competitiveness as well as trade-related aspects of competition”. The mandate in para.142 provides for the preparation of “periodical reports on restraints in strategic sectors and their impact on the competitiveness of developing countries and countries with economies in transition, particularly on their competitiveness”. Both the Intergovernmental Group of Experts and the Expert Meeting have requested studies related to competitiveness.

199. In addition to studies and parliamentary work, a significant amount of technical cooperation at national, regional and multilateral levels is expected to continue and, resources permitting, to expand. Following the outcome of the WTO Ministerial Conference at Doha in the area of competition, this would also include training and advisory work for developing countries. Moreover, UNCTAD is playing an important part in the “Global competition framework” initiative (OECD, UNCTAD, as well as in the United States and the European Union) where it has been agreed that the development dimension will be fully taken into account and that developing countries will be involved.

## **5. TRADE, ENVIRONMENT AND DEVELOPMENT**

### **I. Objectives and assessment criteria**

#### **a) Objectives**

200. To improve understanding of current and emerging trade-environment-development issues and to enhance the ability of developing countries to address them, with a view to assisting developing countries to integrate themselves more fully into, and derive benefits from, the international trading system.

#### **b) Expected accomplishments and indicators of achievements**

Expected accomplishments	Indicators of achievements
Increased awareness and ability to develop mutually supportive trade, environment and development policies at national and multilateral levels.	Member States' and private sector's indications of UNCTAD contribution and assistance to coordinate and apply trade and environmental policies in a mutually supportive manner

### **II. Programme implementation and accomplishments**

#### **a) Accomplishments**

201. There has been marked progress in implementing several of the fourteen items identified in the Plan of Action. This took place through three Expert Meetings, and a large number of analytical studies and technical co-operation projects. Details for each of these mandates are provided below under programme implementation. The establishment of the UNEP-UNCTAD Task Force on Trade, Environment and Development (CBTF), and the design of the special CBTF programme for LDCs should be highlighted.

#### **b) Results and benefits**

202. Key delegations, in particular Brazil and India, used the results of the Expert Meeting on Traditional Knowledge (TK) and UNCTAD technical cooperation workshops in their submissions to the WTO TRIPS Council and the Committee on Trade and Environment. Traditional knowledge has, for the first time, been explicitly included in the WTO programme of work adopted at the 4<sup>th</sup> WTO Ministerial Conference in Doha. India has decided to host, jointly with UNCTAD, a seminar on traditional knowledge, providing important funding from Indian government resources. Further, UNCTAD, working closely with UNEP, has contributed significantly to building consensus on the benefits of national integrated assessments of trade and trade policies, as reflected in the WTO Ministerial Declaration

203. The BIOTRADE Initiative has been highly appreciated and several Member States (Bolivia, Costa Rica and Venezuela) have requested assistance from their country

programmes, committing institutional support for their implementation. As a direct result of BIOTRADE, the concept of trade and investment in biodiversity products and services has been integrated into national and regional biodiversity strategies of the Andean countries.

204. An ad hoc expert group on Industrial and Environmental Applications of Biotechnology: Implications for Trade and Development led to the inclusion of the Science and Technology Diplomacy Initiative in the decision of the Commission on Science and Technology for Development. The role of scientific and technological advice in multilateral negotiations and implementation at the national level will be the subject of a joint UNCTAD-Harvard annual conference in 2002.

205. The 5<sup>th</sup> Rio Policy Forum “Trade and Climate Change: The State of the GHG Market” (Rio de Janeiro) generated continued interest in and support for UNCTAD’s work on climate change.

206. The in-depth discussion of market access issues and questions on the export of domestically prohibited goods in the UK-funded project led to the submission of two documents to the WTO’s Committee on Trade and Environment.

207. UNCTAD, in collaboration with UNDP and the Philippine Government, set up a multi-stakeholder Panel that advises the Government on developing and implementing a comprehensive national strategy on sustainable management of lead, including sound lead recovery, in the Philippines.

### **c) Progress in the implementation of the Bangkok Plan of Action**

208. Paragraph 146: Bullet 1: Most capacity-building activities focused on enhanced policy co-ordination between trade/industry ministries and environmental departments at national level. A central role in this regard was played by the UK-funded project on enhancing research- and policy-making capacity in 10 developing countries from three regions.

Bullet 2: An analytical study on trade measures for non-trade purposes was published by Kluwer Academics. A number of projects have been initiated to enhance understanding of the effects of health- and environment-related requirements on developing countries’ exports, including a project on Standards and Trade, funded by the International Development Research Centre (IDRC) in Canada, generating closely coordination and joint activities with the World Bank and the OECD.

Bullet 3: The CBTF and a special CBTF programme for LDCs were launched and four UNCTAD-led CBTF projects were initiated. In addition, the sub-programme has implemented 2 international, 2 regional, and 8 national capacity-building projects covering all major areas of work. Some 40 countries have benefited directly from these activities, and many more through publication of project findings and reports. Training has become a particularly important element of trade, development and environment (TED) work, for example, in the context of Paragraph 166 and the TrainforTrade package on TED, with 8 modules (available on Website). Two CBTF training workshops were held in late 2001 (in English and Spanish). The BIOTRADE Initiative and its partners organized training seminars to develop business plans for sustainable use of biodiversity products as well as two three-month courses on sustainable business management and promotion of natural products. A Training Manual on Kyoto Protocol Climate Change Mechanisms was completed.

209. Paragraph 147: Bullet 1: The UNFIP/UNF project “The Launching of a Plurilateral Greenhouse Gas Emissions Trading System” is being implemented. Activities include the publication of a study on GHG Market Perspectives, a Training Manual, several issues of the Global Greenhouse Emissions Trader newsletter and the Fifth Policy Forum (August). Under the UNF-funded CDM Inter-agency project a project coordination meeting was held with Brazilian counterparts. Activities in the context of the Basel Convention included the creation of a multi-stakeholder forum advising the Philippine Government . A CBTF project was set up for sound regional collection and recycling system for scrap vehicle batteries for 12 Central American and Caribbean countries. A series of workshops for rapidly industrializing countries was launched, aimed at developing an international standard for environmentally sound management of waste destined for resource recovery. In the context of the draft Framework Convention on Tobacco Control, UNCTAD, in collaboration with UNDP, published a study on economic aspects of development of agricultural alternatives to tobacco production and export marketing in Malawi.

Bullet 2: A project on cross-border environmental management, carried out in co-operation with the Institute for Environmental Management and Business Administration of Germany, has been instrumental in launching a membership initiative by top German companies and the Federal Government of Germany and produced a compendium of case studies.

Bullet 3: An Expert Meeting on Systems and National Experiences for Protecting Traditional Knowledge, Innovations and Practices was held, and a large number of expert papers were published on the Web. A module on harnessing TK for Development and Trade has been added to the TrainforTrade training course on TED. BIOTRADE and UNCTAD/UNDP country projects have contributed significantly to work in the area.. UNCTAD has been participating in activities under India’s national biodiversity strategy, in particular in the areas of commercialisation and traditional knowledge.

Bullet 4: Workshops were held in three developing regions. Five (including three regional) scoping papers were prepared in co-operation with other intergovernmental organizations such OECD and the World Bank.

Bullet 5: An Expert Meeting on “Ways to enhance the production and export capacities of developing countries of agriculture and food products, including niche products, such as environmentally preferable products” was held. India took concrete action to seek to obtain recognition of its standards and inspection systems in major export markets. The European Union decided to fund a CBTF workshop to examine measures to promote organic agricultural production in developing countries and to improve their market opportunities, and the International Movement of Organic Agriculture Movements requested UNCTAD and FAO to co-organise an International Conference on Standards and Certification Requirements for Organic Produce.

Bullet 6: BIOTRADE country programmes were further developed and implemented in the Amazon and Andean regions addressing legal and policy frameworks, bio-business development and trade promotion, development of sustainability criteria, information systems and financial tools. Projects started included: an Amazon regional project, covering Brazil, Colombia, Ecuador and Peru; a project with the Corporación Andina de Fomento and the Andean Community to collaborate in the implementation of BIOTRADE in the Andean countries and including collaboration with the Inter-American Development Bank on the implementation of the Andean Biodiversity Strategy. Regional BIOTRADE workshops



facilitated exchange of experiences of the country programmes.

Bullet 7: Several studies have been undertaken. In the June 2000 meeting of the CTE, Bangladesh recommended DPGs should be one of the priority items of the UNEP-UNCTAD CBTF.

Bullet 8: In co-operation with the International Rubber Study Group, UNCTAD organized the 3<sup>rd</sup> and 4<sup>th</sup> international workshops on opportunities and constraints for internalising environmental costs and benefits in prices of natural rubber and rubber products. UNCTAD, in co-operation with UNEP, launched a series of workshops among rapidly industrializing countries aimed at developing an international environmental standard on sustainable management of recoverable material that would facilitate trade.

Bullet 9: An ad hoc expert group on Industrial and Environmental Biotechnology: Implications for Trade and Development held in November 2001 advanced the work done by the UN CTSD by addressing issues relating to the industrial penetration and global governance of biotechnology. The AHEG has opened the way for inter-governmental work and technical assistance in a number of areas, including the role of technology cooperation in trade relations and the scope for biotechnology application in textiles, leather, food and nutraceuticals.

Bullet 10: The ad hoc expert group on Biotechnologies was held back-to-back with a panel of the Commission on Science and Technology for Development on the same subject. A joint DITC/DITE group has been set up to make the Initiative on Science and Technology Diplomacy fully operational and will be working in collaboration with the Harvard Center for International Development and its outreach programme.

Bullet 11: Trade and investment issues were considered by the Commission on Sustainable Development. A report was prepared to review the progress made since UNCED. Support will be provided to the World Summit on Sustainable Development and its follow-up during the next biennium.

#### **d) Legislative and external reviews**

210. While no independent evaluations as such took place, reviews in the form of feedback from meetings were positive. For example, for the expert meeting on Traditional Knowledge, almost 90 per cent of feedback judged the document “very useful”, while the document for the Expert Meeting on Enhancing the Production and Export Capacities of Agriculture and Food Products, including Environmentally Preferable Products was regarded as “very useful” by 60 per cent of the participants. In addition, participants in workshops carried out under technical cooperation projects provided positive and constructive feedback .

### **III. Programme assessment and future direction**

#### **a) Assessment and lessons learned**

211. The effectiveness of intergovernmental work could be enhanced through strengthening synergies with technical cooperation activities, including in the field, with a view to *inter alia* securing in-country preparations and effective expert participation. Enhanced cooperation with other intergovernmental organizations and joint programmes with

NGOs (e.g. FIELD, SOLAGRAL, POEMA) have proven useful. The CBTF has gained momentum and is expected to become a full-fledged programme, based on extra-budgetary resources, in 2002-2003. Given the range of mandates in the Bangkok Plan of Action, it remains a constant challenge to focus the work and set periodic priorities.

**b) Areas of emphasis in the next biennium**

212. The extensive work programme under the Bangkok Plan of Action will be further implemented. Special attention will also be given to follow up to LDC III. The inclusion of environment in future WTO trade negotiations will intensify the need for capacity building to assist developing countries and supporting the work of the WTO Committee on Trade and Environment, as well as for policy analysis. Follow up will also be provided to the World Summit on Sustainable Development. More specifically, the work will endeavour to cover: assisting developing countries in the post-Doha process, in particular by supporting their participation in negotiations on trade and the environment, the work of the Committee on Trade and Environment and of the newly established Working Group on Trade and Transfer of Technology; substantive support to the Science and Technology Diplomacy Initiative; protecting and harnessing traditional knowledge for development, further implementing the agreed recommendations of the Commission on Trade in Goods and Services, and Commodities; promoting trading opportunities for environmentally preferable products, in particular organic products, implementing the recommendations of the Expert Meeting; assisting developing countries in dealing with policy issues relating to the international governance of biotechnology such as access to markets and technologies, regulatory pathways, distribution of risks and benefits and public policy, in coordination with the Commission on Science and Technology for Development; further developing a programme on trade, investment and technology aspects of climate change policies, including the Clean Development Mechanism (CDM); further developing the BIOTRADE Initiative, including in Africa; promoting mutually supportive trade and environment policies by promoting policy dialogues and research on policy packages for internalizing environmental costs and benefits in prices of resource-intensive goods as well as joint work with UNEP on economic instruments and integrated impact assessments; a broad programme of capacity building with the Government of India (UNDAF) with funding from UNDP, UNIDO, UNIFEM and UNAIDS; participation in the Interagency High-level Group on Global Environmental Governance; further development of a capacity building programme, with focus on the UNCTAD-UNEP CBTF and training; launching the Trade and Environment Review.

*Subprogramme 9.4*

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

*Objectives of the subprogramme*

213. The objective of this subprogramme is to enhance the capacity of developing countries and countries with economies in transition to improve their competitiveness in international trade by building an efficient trade-supporting services infrastructure, including through the use of information technologies.

**1. HUMAN RESOURCES DEVELOPMENT AND TRADE POINT PROGRAMME**

**I. Objectives and assessment criteria**

**a) Objectives**

214. To enhance the capacity of developing countries and countries with economies in transition to improve their competitiveness in international trade by building an efficient trade-supporting services infrastructure, including through the use of information technologies; strengthen pedagogical capacity building in developing countries in the international trade, maritime transport and port sectors and provide substantive support to existing training organizations through the provision of an updated curriculum of training courses and materials; facilitate the participation of SMEs from developing countries in international trade and improve their competitiveness by providing them with tools to access global information networks and to acquire hands-on experience in electronic commerce.

**b) Expected accomplishments and indicators of achievements**

Expected accomplishments	Indicators of achievements
Development of an international network of cooperation grouping universities and institutions of higher learning that are responsible for training in the field of international trade; development of new courses and organization of sessions for Training of Trainers for developing countries, with special focus on the Least Developed Countries; implementation of the new Distance Learning Strategy of UNCTAD for developing countries and for countries in transition; consolidation of the basis of the Trade Point Programme, including its membership and the Global Trade Point Network; gradual transfer of the Programme to a suitable non-profit entity outside UNCTAD	Modalities of cooperation and agreements elaborated and signed with universities, institutes of higher learning and training centers; number of new courses developed and number of deliveries in developing countries and LDCs; results of pilot tests of the new Distance Learning Strategy; increased numbers of operational Trade Points and enhanced functionalities of the GTPNet; actual transfer of parts of the Trade Point Programme to a suitable non-profit entity outside UNCTAD; evaluation by the relevant intergovernmental bodies of the quality of the secretariat's work

**II. Programme implementation and accomplishments**

**a) Accomplishments**

215. UNCTAD has made substantial progress in the expansion of its TrainForTrade, Port Certificate and, to a lesser extent, TRAINMAR training networks, in particular in LDCs through the analysis of training needs and the organization of group training sessions. The full integration of the three networks as recommended by the TRAINMAR independent evaluation has been completed (December 2001). Distance learning activities using IT tools and the Internet have been progressively incorporated in the delivery of training seminars.

216. The Expert Meeting on “Human Resources Development and Training in Trade-Supporting Services: Key to Growth with Special Potential for LDCs” (December 2000) discussed the themes “HRD for growth”, “Making a success of HRD”, “HRD in trade supporting services”, “Training at the heart of development” and “Measures to best serve LDCs”. The meeting produced policy recommendations including the adoption, at the national level, of a policy framework for HRD, regional and international cooperation, common standards and procedures, the private sector’s role and that of the international community.

217. A new GTPNet has been developed following the most recent technological trends. Operational Trade Points have received a CD-ROM with a software package allowing them to manage their data/databases off-line and directly update their information on the GTPNet.

218. The operation of Trade Points was consolidated through the preparation of standard documents and guidelines. The secretariat also developed a clearly spelled-out framework for technical cooperation between Trade Points and UNCTAD (Standard terms and conditions applicable to technical assistance provided to Trade Points established in accordance with the Trade Point Programme of UNCTAD) to which all operational Trade Points have signed up. UNCTAD facilitated the establishment of the World Trade Point Federation (November 2000).

219. UNCTAD transferred the ownership and the operation of the ETO system to the World Trade Point Federation (May 2001). The Federation has been successfully operating the system using the infrastructure and expertise in Trade Points Madrid and Castilla La Mancha in Spain. The intellectual property rights to the name and logo of the Trade Point Programme have also been transferred to the Federation (November 2001).

#### **b) Results and benefits**

220. Under the umbrella of the TRAINFORTRADE and TRAINMAR capacity building programmes, tools for networking, distance learning and training of trainers were developed for Africa, Latin America, Caribbean, Asia and the Pacific.

221. The ports of Senegal and Benin have had the experience of organizing two full cycles of UNCTAD’s Port Certificate Programme. They have captured widespread local expertise on the instructional side and can be considered as autonomous in this area. Both ports are seeking arrangements with local tertiary education establishments to give permanency to the programme by having it included in existing diploma programmes.

222. With a view to enhancing local training capacities through the use of modern learning methods, 15 course developers were trained in the use of modern learning tools and methods (Antwerp, February 2001), which provided them with skills to begin producing flexible, and distance learning training materials. An electronic platform was put at their disposal to enable them to mutually receive and give support in this regard.

223. Training sessions for the use of the enhanced GTPNet have enabled Trade Point representatives to use these new tools effectively. The technology developed for the GTPNet has also benefited other programmes in UNCTAD such as EMPRETEC. The number of operational Trade Points increased from 51 to 63 during the reporting period, despite the

application of stricter requirements in view of increasing the quality of the Trade Point Programme membership. The standard Terms and Conditions have also served as a model for other projects in UNCTAD.

**c) Progress in the implementation of the Bangkok Plan of Action**

224. Paragraph 159: The Programme has developed networking activities and cooperation with institutes and universities in both developed and developing countries. Examples are with ULB, Brussels, CEMA, Las Palmas, Alberta University, Lisbon, ICE, Rome, as well as with Distance Learning Centres, RESAFAD in Benin and Burkina Faso, and SYFED in Gabon.

225. Paragraph 160: Cooperation with regional and international organizations has included ILO, ECLAC, ESCAP, ILO's International Training Centre and the UN Staff College; regular exchange of information has taken place within the TRAIN-X group of training networks (UNDP, ITU, UNCTAD, ICAO, DOALAS, UNITAR, UPU, FAO); and a new joint ILO/UNCTAD training programme has been launched on "Mainstreaming trade and fundamental principles and rights at work into development policy".

226. Paragraph 162: Work on LDCs has led to concrete proposals in the form of deliverables for projects relating to human resources development and capacity-building for the LDCs which were submitted to the thematic session on "Human Resources Development and Employment" at LDC III.

227. Paragraph 158: UNCTAD has completed the externalization of the ETO system, transferred the intellectual property rights of the name and logo to the World Trade Point Federation and assisted the Federation to draw up a strategic business development plan (May-October 2001). UNCTAD continued supporting regional associations of Trade Points. In addition to the already existing Inter-American Trade Point Forum, an Africa Trade Point Initiative was launched (August 2001) and the Asia/Pacific Trade Point Forum was established (November 2001).

**d) Legislative and external reviews**

228. An independent in-depth evaluation of the TRAINMAR Programme was presented to the 38<sup>th</sup> Session of the Working Party on the Medium-term Plan and the Programme Budget (September 2001, TD/B/WP/144). The evaluation report identified valuable elements and contributions, but at the same time also shortcomings. It stressed that in implementing its recommendations, account should be taken of building upon the valuable aspects of the TRAINMAR Programme for quality control and adaptation to latest developments as well as to achieve a proper integration and coordination of TRAINFORTRADE, TRAINMAR, and the Port Certificate Programmes. The Working Party took note that the preparatory process of implementation had already started.

229. Following the in-depth evaluation of the Trade Point Programme by the 33<sup>rd</sup> session of the Working Party on the Medium-term Plan and the Programme Budget in 1998/1999 (TD/B/WP/110 of 5 October 1998 and TD/B/115 of 16 March 1999) and the subsequent endorsement of the new Trade Point Programme strategy (TD/B/WP/120 of 9 August 1999 and TD/B/WP/120/Add.1 of 16 August 1999) at the 34<sup>th</sup> session of the Working Party, progress reports on the implementation of the Trade Point Programme strategy have been

regularly on the Working Party's agenda. The first progress report (TD/B/WP/128 of 25 July 2000), as well as a CRP on the "Transfer of the ETO system to a non-profit entity" (TD/B/WP (XXXVI)/CRP.1) were submitted to the 36th session in September 2000. In its decisions (TD/B/47/L.4 of 19 September, paragraphs 9-16), the Working Party expressed its support for the establishment of a fully representative international Trade Point federation, and requested several actions towards timely externalization of the ETO system. It also reiterated that the strategy should be implemented in the timeframe agreed in the strategy (i.e. by October 2002). It encouraged donor countries to make available extra-budgetary resources for capacity-building projects aimed at achieving the objective in the approved strategy. A second progress report (TD/B/WP/143 of 5 July 2001) was submitted to the 38th session of the Working Party in September 2001. The session, in its decisions reflected in document TD/B/WP/L.102 of 24 September 2001, paragraph 7, took "note with appreciation of the progress made in the implementation of the Trade Point Strategy, in particular the creation of the World Trade Point Federation and the transfer to this entity of the ETOs system", and emphasized the importance of UNCTAD's role in sustaining and strengthening Trade Points and the World Trade Point Federation at its present stage of development. Another report on the implementation of the strategy should be submitted to the September 2002 session of the Working Party.

### **III. Programme assessment and future directions**

#### **a) Assessment and lessons learned**

230. Analysis of the results of the first year's activities of TRAINFORTRADE for Benin, Burkina Faso and Mali revealed that the programme was making a positive contribution to the training needs of these countries in international trade, providing the basis for extension to all UEMOA countries. Representatives of countries that have participated in the Port Certificate Programme have stated that they consider UNCTAD a major source of impartial guidance and advice for matters concerning ports. Forty-four trainers have been trained in three sessions (Las Palmas, September 2000; Ghent, October 2001; Cape Verde, November 2001), who in turn have disseminated the programme to 140 trainees in Benin, Gabon and Senegal. It appears important that the traditional ties that have linked UNCTAD and ports in West Africa be maintained and strengthened. The challenges facing the region's ports are great and the desire to have UNCTAD as a privileged partner for advice, studies and training is very strong.

231. The implementation of the exit strategy of the Trade Point Programme had to face a number of challenges, namely the lack of extra-budgetary funding for capacity building activities; lack of clear United Nations guidelines on partnerships with the private sector; tight deadlines to fully implement the strategy, in particular in view of the lack of extra-budgetary funding on which a number of activities were contingent, and the unfavourable situation on the international information technology market during the past 12 months, which makes it more difficult to assist the Federation to identify partners willing to contribute to further development of the Programme.

232. The implementation of the Programme since its inception in 1992 has resulted in a number of lessons that could be useful for similar programmes in the future, such as:

- It is difficult to manage, in a UN setting, a project that requires strong involvement of both public and private sector actors in order to be successful, due to the diversity of interests and philosophies that can be difficult to reconcile.
- Unlike country projects, the Trade Point Programme is based on a network. Experience shows that in projects of a similar nature, serious efforts have to be deployed (and capacity building has to be done) to build the network. This includes setting rules and ensuring that are observed by all participants as well as a community of values and objectives. Achieving this is a real challenge, given the limited means that were available for the building of the network. Programme design should therefore be properly defined from the beginning and regularly adjusted in the light of developments.
- A “business plan” should be elaborated in the initial stage of the project and include the concept of attaining self-sustainability, both nationally and at the network level, over a reasonable period of time. To this end, the plan should provide for the conclusion of partnerships from the early stage of project implementation with the most competent actors in the sectors concerned.
- There is also the need to involve the beneficiaries from the very beginning and prepare them systematically (knowledge, skills to manage the programme, institutional framework) to take over the programme once UNCTAD withdraws.
- It is important to (have the freedom to) select the best possible local counterpart for the implementation of the project in a country.

**b) Areas of emphasis in the next biennium**

233. Objectives should include creation and implementation of an Internet site as an interface between UNCTAD, beneficiary countries and members of the network, focusing on the identification and availability of pedagogical materials inside and outside of UNCTAD; links should also be established with other relevant Internet sites, with the possibility of searching for pedagogical and maritime information by subject.

234. Technical assistance is required in capacity building and human resources development in international trade, investment and transport and the development/adaptation/translation of UNCTAD training packages in these areas. Activities will take place in developing countries, with particular emphasis on LDCs. Distance learning activities will continue to be conducted in the next biennium. In this context the distance learning strategy will be finalized and its application extended to cover all relevant UNCTAD capacity building activities.

235. According to the Trade Point Programme strategy adopted by UNCTAD member states, the Programme should be externalized from UNCTAD by October 2002. In the remaining period the focus will be put on assistance to the World Trade Point Federation in becoming fully functional and capable of taking over the Trade Point Programme from UNCTAD; assistance to Trade Points in complying with the requirements for operational Trade Points, in particular with regard to the development of standard Trade Point services; assistance to Trade Points in strengthening mutual cooperation and operating as a network; and the transfer of the remaining parts of the Programme to the World Trade Point Federation.



## 2. TRANSPORT, TRADE FACILITATION AND CUSTOMS

### I. Objectives and assessment criteria

#### a) Objectives

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

237. Specific objectives in trade logistics to improve the efficiency of trade and transport services in developing countries are: (a) analyzing problems and promoting solutions in the area of transport (including multimodal transport), trade facilitation and logistics; (b) launching and implementing technical cooperation activities in the field of transport, trade facilitation, modernization of customs and logistics; and (c) promoting the establishment of a legal framework aiming at the facilitation of international trade and transport in developing countries.

#### b) Expected accomplishments and indicators of achievements

Expected accomplishments	Indicators of achievements
Increased awareness and understanding of decision-makers in the public and private sectors of the needs of developing countries and countries with economies in transition in the areas of transport, trade-facilitation and logistics. Improved capacity of developing countries and countries in transition to generate efficient trade-supporting services and to benefit from the opportunities generated by the expansion of electronic commerce.	Readership surveys of publications; evaluation of seminars and workshops; requests for documentation/publication, information and technical advice; invitations for lecturing and presentation of technical papers at various conferences and academic institutions. Outcome of conferences and expert meetings. Degree of implementation and impact of technical cooperation projects according to criteria and mechanisms established in relevant project documents.

### II. Programme implementation and accomplishments

#### a) Accomplishments

238. The thematic interactive session on transport at LDC III, attended by some 200 delegates from 80 countries, raised awareness of the importance of transport for development of LDCs. The substantive contributions of panelists and the quality of discussions of high-level participants increased knowledge on methods of improving trade and transport efficiency. Ministers and high-level officials acknowledged UNCTAD's contribution and that of the international community through technical co-operation projects to promote the more efficient use of their transport networks and to reform the management and control of customs procedures.

239. The Expert Meeting on Electronic Commerce and International Transport Services in September 2001 served as a forum to discuss the impact of e-commerce on transport and produced a number of important recommendations aimed at improving the efficiency of international transport services to allow developing countries to benefit from the opportunities offered by e-commerce. These related to transport and communication infrastructure, trade facilitation, legal framework, use of information technology and non-negotiable transport documents.

240. Unique information and analysis of the trends in prices, supply, demand and the impact of economic and technological developments on international maritime transport continued to be provided by the annual *Review of Maritime Transport*. This widely read publication has often been the basis for policy, investment and operational decisions for government officials and private sector managers from developing countries. In a survey of 44 reviewers, the *Review of Maritime Transport 2000* received the rating, in a scale from 1 (worst) to 4 (best), of 3.7 in general, 3.6 for its presentation and 3.8 for its utility for their work. Comments from readers include the following: “consistently good”, “excellent publication”, “regularly used” and “extremely useful for shipping executives with limited access to global information”. Guidance to assist port managers from developing countries to benefit from information and communications technologies was provided in the *Study for governments and port authorities on the use of information technology in small ports* (2000). Comprehensive information on measures to reduce trade and transport costs was provided in the second edition of the *Compendium of Trade Facilitation Recommendations*, elaborated in close co-operation with the UN/CEFACT. Further, the document *Implementation of multimodal transport rules* provided an analysis of the existing rules and regulations adopted at international, regional, sub-regional and national levels on multimodal transport and, by highlighting the emergence of diverse laws and regulations that hamper international trade facilitation efforts, it has provided a basis for a widely acceptable legal framework. This work is followed up by an *ad hoc* expert meeting on multimodal transport rules in November 2001, which assessed the impact of the current situation and advised on a future course of action.

241. Management capabilities in trade and transport services have been strengthened through the substantive organization and delivery of lectures, seminars and workshops at different universities and academic institutions, at the International Institute for the Management of Logistics (IML) in Lausanne; the World Maritime University (WMU) in Malmö; the IMO Maritime Law Institute in Malta and the Maritime Institute of Malaysia (MIMA) in Kuala Lumpur; as well as through presentations at different seminars and national/international conferences organized, *inter alia*, by COSCO (Beijing), IMMTA and JEDCO (Amman), Lebanese Marine Insurance Association (Beirut), SINGAPORT (Singapore), IPEC (Valencia) and CPLP (Cape Vert).

242. Capacity building continued with the implementation and backstopping of regional and national projects in the areas of transport (including multimodal transport), trade facilitation, logistics and customs reform. The implementation of the Advance Cargo Information System (ACIS), which is active in 12 countries of Asia and Africa, has improved the productivity and efficiency of transport operators in a number of developing countries. In the COMESA subregion, rail equipment and goods are tracked *via* Internet by major clients and freight forwarders. In the SADC sub-region, work is underway to install a rolling stock information system linking seven railway networks. As part of a large regional TrainForTrade project, pedagogical material for a workshop on multimodal transport and

logistics has been elaborated and three pilot studies on the logistics of non-traditional exports have been initiated. Work on Port Management Rehabilitation in Somalia has improved administration and operations in this important sector for the economic life of the northern region. Work on the improvement of trade and transport sectors of Nepal continued. A new project on trade facilitation in Pakistan was launched in mid-2001.

243. In customs reform, national administrations have benefited through the implementation of the Automated System for Customs Data (ASYCUDA). New modules allow the monitoring of transit goods, and existing functions have been enhanced to suit the evolving needs of users. With the enhancement of system functionality, an additional nine countries are now using ASYCUDA, and the ASYCUDA++ system is now operational in more than 30 countries. Trade has been facilitated, customs control reinforced and budget revenue increased through streamlined procedures that are based on Direct Trader Input (DTI) and automated examination of the transactions through the selectivity module. Three high-level regional meetings were held in 2000 and 2001 that have helped in capacity building in this sector. The first one was for the sub-Saharan African countries and was attended by over 25 countries. The second one was for countries from the Middle East, Asia and the Pacific. The participants were informed about new functions in the ASYCUDA system and exchanged experiences, ideas and views on the impact of e-commerce on Customs and the trading community. Customs officials were made aware of the potential loss of revenue as a consequence of e-commerce and the need to define new types of customs controls based on post clearance audit and using IT tools. The third meeting for the countries of Central and Eastern Europe discussed in particular the compliance with EU systems.

#### **b) Results and benefits**

244. The thematic session on transport organized during LDC III identified a number of solutions to the problems faced by the transport sector in LDCs. Governments' representatives indicated interest in a solution of development corridors bringing together economic activities with new/rehabilitated transport infrastructure, and the session resulted in two concrete proposals: a commitment by the International Union of Railways (UIC) to set up a database of operational statistics for railways in developing countries; and a commitment from a Swiss academic institution (EPFL) to provide LDCs with pedagogical support in the field of supply management and logistics, followed up by sponsoring some activities in a West African project.

245. Following the Expert Meeting on E-commerce and International Transport Services, a major transport operator, MaerskSealand, has been promoting the recommendations of the meeting as a means of improving transport efficiency through its website.

246. Approximately 1,000 persons per year have been provided with training on transport, trade facilitation and logistics issues through seminars, workshops and conferences that have assisted them in improving transport related services. Students, from both developed and developing countries, as well as the inviting institutions have highly valued the contributions made. This is reflected by repeated and continuing requests for this form of assistance. For example, the CEO of China Ocean Shipping (Group) Co. wrote that the strategic planning workshop would play a leading role in the company's growth.

247. Technical cooperation has continued providing beneficiary countries with the latest technological and management tools as well as the best practices to build the capacity and

improve efficiency of their trade and transport sectors. As one example, ACIS projects have allowed railway companies to improve substantially the productivity of their equipment and to provide accurate and timely information to cargo interests (see document UNCTAD/SDTE/TIB/4 on the experience of Tanzanian Railway Corporation). As another example, trade facilitation and customs reform projects are, among other things, fostering institutional building through the establishment of trade facilitation committees. Committees in Nepal and Pakistan have brought and continue bringing consensus among all concerned towards measures to improve trade and transport activities. In Nepal the committee has assisted in finalizing trade and transport laws before their presentation to Parliament.

248. ASYCUDA continued to be the major UN technical cooperation project in customs and is now operational in 75 countries. The World Bank and the IMF continue to propose ASYCUDA as a tool for custom's reform. External (Romania) and internal (Jordan, Estonia) evaluations confirmed the efficiency of the system for providing customs administrations and the trade community with a modern and efficient tool for the simplification of the customs clearance process. The use of telecommunications and both selectivity and DTI procedures has shortened clearance times while preparing the external trade environment for e-commerce and e-administration. The development and implementation of a transit module has increased the usefulness of the system as a tool to reduce transaction costs of international trade for landlocked countries.

**c) Progress in the implementation of the Bangkok Plan of Action**

249. Paragraph 148: Assistance has continued to build up service infrastructure in customs and transport in developing countries and countries in transition through research, training and technical co-operation activities.

250. Paragraph 149: Analysis and technical co-operation included: reports on trade facilitation, IT in ports, e-commerce and international transport services; Expert Meeting on E-commerce and International Transport Services; and training and technical co-operation projects that promote regional co-operation such as ACIS and ASYCUDA.

251. Paragraph 150: The session on transport at LDC III dealt specifically with the problems related to the provision of and access to international transport services. Problems and possible solutions are also treated in the various publications cited previously. In the biennium, capacity building has been provided through the organization of and/or participation in seminars, workshops and conferences and through technical co-operation activities.

252. Paragraph 151: Under the ACIS programme, the beneficiary railways of Uganda, Tanzania (2 railways) and Zambia have signed a certificate of commissioning which hands over the system to the local operators (June 2001). Work is progressing on the implementation of the port system in Iran and the rail system in Bulgaria, while the tracking system in Africa is expected to expand with the new funding.

253. Paragraph 152: A study on multimodal transport rules was published, an *ad hoc* expert meeting on multimodal transport rules was organized.

254. Paragraph 153: Support to customs administrations in the implementation of the ASYCUDA continued. The migration process to ASYCUDA++, mainly in Africa, provided

customs administration with up-to-date information technology. In a number of cases (Benin, Burkina Faso and Nicaragua), the beneficiary countries have self-financed these migration projects. Assistance to allow the application of the WTO Customs Valuation Agreement has been provided through the development of specific ASYCUDA functions and through awareness seminars organized with WTO and WCO

255. Paragraphs 156 and 157: The Expert Meeting on E-commerce and International Transport Services and the publication on IT in ports have provided views and information on the relation between electronic commerce and international transport services.

### **III. Programme assessment and future direction**

#### **a) Assessment and lessons learned**

256. The importance of transport and trade facilitation for developing countries was highlighted by enhanced stress on linking coherently analysis, intergovernmental deliberations, and technical assistance. Publications included the annual *Review of Maritime Transport* and non-recurrent publications on the legal framework for transport and the application of information and communication technologies (ICT) in transport operations, while two expert meetings were held on electronic commerce and international transport services and on multimodal transport rules. In technical assistance, ACIS activities continued and their potential benefits were clearly established in a report produced by a major beneficiary. In addition, two major national projects in Somalia and Nepal were successfully concluded, while a new trade facilitation programme has been initiated in Pakistan jointly with the World Bank. The ASYCUDA programme has been a driving force for customs reform in many developing countries.

257. Apart from these generally positive considerations, it must also be conceded that better interaction between analysis and technical assistance on the one hand and the intergovernmental machinery on the other would better enable the carrying forward of new ideas and approaches and thus enhance development prospects of developing countries.

#### **b) Areas of emphasis in the next biennium**

258. Over the next biennium, work will continue on the integrated approach to transport and trade facilitation in pursuit of the relevant paragraphs of the Bangkok Plan of Action. UNCTAD has a particular strength in that it is the only global intergovernmental organization dealing with economic, commercial and legal aspects of transport and related services in a comprehensive manner. With increasing globalization and the transport and information technology revolution of recent years, developing countries face not only opportunities but also major challenges. The work will focus on the economic, commercial and legal aspects of the new challenges facing the transport and customs sectors with the overall aim of facilitating trade and reducing transaction costs. UNCTAD's work on increasing supply capacities through transport and trade facilitation will be an important element supporting the post-Doha process in the WTO.

### **3. ELECTRONIC COMMERCE**

#### **I. Objectives and assessment criteria**

##### **a) Objectives**

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

260. Specific objectives in the area of electronic commerce are: (a) the improvement of the awareness among policy-makers and enterprises in developing countries of the opportunities created by e-commerce to enhance the competitiveness and hence the participation of developing countries in international trade and (b) to introduce the development perspective in international debates concerning, inter alia, the economic, fiscal and legal aspects of electronic commerce.

##### **b) Expected accomplishments and indicators of achievements**

Expected accomplishments	Indicators of achievements
Increased awareness and understanding of decision-makers in the public and private sectors of the needs of developing countries and countries with economies in transition in the areas of trade-supporting services and trade efficiency.	Readership surveys of publications in the area of electronic commerce and development; evaluation by the relevant intergovernmental bodies of the relevance and quality of the secretariat's work as a basis for intergovernmental discussions in the area of electronic commerce

#### **II. Programme implementation and accomplishments**

##### **a) Accomplishments**

261. UNCTAD has strengthened its policy analysis in electronic commerce. The publication "Building Confidence: Electronic Commerce and Development", was issued in February 2000, and its electronic version had been downloaded 139,207 times from UNCTAD's web site as of October 2001. The "Electronic Commerce and Development Report 2001" provides a review of all aspects of electronic commerce from the viewpoint of their implications for developing countries. More specialized publications, such as "Tariffs, taxes and electronic commerce: revenue implications for developing countries" have also been produced during this biennium.

262. A parallel event on new e-commerce opportunities in the LDCs held during LDC III identified a number of niche markets in which LDC enterprises can exploit new opportunities to engage in e-commerce. The participating ministers, senior officials and entrepreneurs highlighted the importance of changing misconceptions about the viability of e-commerce in LDCs, and welcomed UNCTAD's initiatives to facilitate the development of linkages and partnerships between e-commerce enterprises in the LDCs and developed country enterprises.

This event built on another LDC-focused round table on electronic commerce that allowed a rich exchange of experiences among e-commerce practitioners from virtually all the LDCs.

263. The Expert Meeting on “Capacity-building in electronic commerce: Impact of the new economy on traditional sectors of developing economies: Electronic commerce and tourism” (September 2000) discussed the strategies that developing countries can adopt in using electronic commerce to improve their relative position in the international market for tourism services, and produced and formulated a number of policy recommendations (see document TD/B/COM.3/EM.9/L.1). Among several other issues, these call for the establishment of secure payment methods for e-tourism transactions, the integration of new e-tourism channels in traditional and non-traditional tourism distribution channels and the strengthening of destination management organizations. Similarly, the recent Expert Meeting on “Improving Competitiveness of SMEs in Developing Countries: The Role of Finance, including e-Finance, to Enhance Enterprise Development” made recommendations on establishing an e-finance friendly regulatory environment, the creation of local, regional and global e-finance platforms that can be accessed by the SMEs of developing countries and the development of alternative bilateral and multilateral online financing and payment arrangements such as online clearing houses.

264. UNCTAD also made several contributions aimed at increasing knowledge on electronic commerce at the technical and practical level. In three regional meetings (for Africa, Asia and Central and Eastern Europe) organized by the ASYCUDA programme for top officials from customs, the implications of electronic commerce for customs were presented and discussed. A presentation on the impact of e-commerce technologies on credit insurance was UNCTAD’s main substantive contribution to a Conference in Tunis on the development of credit insurance in Africa and the Mediterranean countries that was co-organized with ITC. A national e-commerce seminar was also co-organized with the Government of Uruguay, which expressed its satisfaction with UNCTAD’s contribution.

#### **b) Results and benefits**

265. Since much of UNCTAD’s work in this area aims at enhancing awareness about the ways in which developing countries can benefit from an increased adoption of electronic commerce practices, as well as on the practical implications of the development of e-commerce in related fields such as taxation and transport, the direct results and benefits are difficult to measure in the short term.

266. However, in some aspects UNCTAD’s work has already made a mark. For instance, in the area of e-commerce taxation, UNCTAD’s research has given policy-makers in developing countries a better understanding of the issues at stake, as shown by some recent statements at WTO meetings on this issue. Developing-country delegations that have expressed a strong interest in the findings of the paper include India, Brazil and Uruguay. The United States also referred to UNCTAD’s research in this area in the context of the above-mentioned discussions in WTO. It should be noted that until recently much of the international debate on e-commerce taxation had been conducted without an appropriate consideration of the concerns of developing countries.

**c) Progress in the implementation of the Bangkok Plan of Action**

267. Paragraph 156: Besides the two expert meetings mentioned above (which covered the issues of e-commerce and tourism and e-finance), other relevant activities in this area already carried out include the following: “Integrating the LDCs into the Digital Economy”, parallel event at LDC III (Brussels, May 2001); National Seminar on E-commerce and Development (Montevideo, June 2001); “Developing Credit Insurance in Africa and the Mediterranean countries”, (Tunis, October 2000); Round Table on Ecommerce and Development for the LDC (Kathmandu, May 2000). In cooperation with the ASYCUDA programme, three Regional High-level Meetings on Electronic Commerce and Fiscal Revenue were also organized in Africa (Abuja, October 2000), Asia (Kuala Lumpur, November 2000) and Central and Eastern Europe (Brussels, June 2001). The branch co-sponsored with DESA the International Symposium on the Networked Economy and Economic Governance (Beijing, April 2000) and the International Symposium on Government in E-commerce Development (Ningbo, China, April 2000).

268. Paragraph 157: During the biennium, the issues on which UNCTAD should carry out policy analysis according to paragraph 157 were covered at length in the following publications: “Building Confidence: Electronic Commerce and Development”(2000), “Tariff, Taxes and Electronic Commerce: Revenue Implications for Developing Countries” (2000), and the “E-Commerce and Development Report 2001”.

**III. Programme assessment and future direction**

**a) Assessment and lessons learned**

269. In terms of policy analysis, UNCTAD has been able to cover the wide-ranging topics on which UNCTAD X established a mandate in electronic commerce. Its publications in this area have been well received, and distinguished themselves from the abundant literature on e-commerce because of their focus on specific experiences and concerns of developing countries, particularly on the commercial implications – as opposed to wider social implications – of Internet. The analytical work in support of the intergovernmental machinery has also proved useful in view of the satisfactory outcome of the two Expert Meetings in this area.

270. An exception to the generally positive outlook in the policy analysis work is the problem of the lack of reliable statistical data on electronic commerce, in which little progress has been made so far. UNCTAD’s cooperation with other international bodies, notably OECD, is expected to lead to progress over the next biennium.

271. As far as the awareness-creation efforts are concerned, UNCTAD was able to organize a series of events, which have given priority to two aspects of e-commerce: the opportunities for the LDCs and the fiscal implications for developing countries. The main shortcoming in this area was that the exclusive attention given to these issues, particularly the preparations for the parallel event at LDC III, did not allow UNCTAD to extend its awareness-raising activities to other geographical areas and/or topics to its satisfaction.



**b) Areas of emphasis in the next biennium**

272. In the next biennium the execution of the Bangkok mandate in electronic commerce should remain the branch's priority. Particular attention should be given to (1) reinforcing the capacity of the programme to deliver policy advice to developing countries in the various aspects of electronic commerce in which there is an on-going international debate; (2) to contribute to raising the profile of developmental issues in such debates; and (3) to provide decision-makers in developing countries with top-quality analysis of the impact of electronic commerce and other ICT applications on the competitiveness of the enterprise sector of developing countries.

*Subprogramme 9.5*

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

*Objectives of the subprogramme*

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

## 1. LEAST DEVELOPED COUNTRIES

### I. Objectives and assessment criteria

#### a) Objectives

274. To facilitate the development efforts of the least developed countries and with the support of their development partners and to contribute to the progressive and beneficial integration and participation of LDCs in the global economy as well as to enable as many countries as possible to develop prospects for graduation from the LDC status.

#### b) Expected accomplishments and indicators of achievement for 2000-2001

Expected accomplishments	Indicators of achievement
A successfully prepared and conclusive Third United Nations Conference on the Least Developed Countries	Adoption by the Conference of a new decennial programme of action for the LDCs, with concrete commitments for its implementation by the LDCs and their development partners
Two annual Least Developed Countries reports to enrich the international community's knowledge and understanding of selected issues relevant to the LDCs	Timely release of the 2000 LDCs Report and 2001 LDCs Report, and reviews received by member States, media and academia
Substantive contribution to the work of the Committee for Development Policy (CDP) and ECOSOC regarding the triennial review of the list of LDCs	Timely completion and submission of relevant inputs to the reviews by CDP (April 2000, April 2001) and ECOSOC (July 2001)
Effective contribution to the preparation and implementation of country-specific technical assistance programmes, for a number of LDCs, under the Integrated Framework	Timely completion of inputs relevant to country-specific programmes of technical assistance under the Integrated Framework

### II. Programme implementation and accomplishments

#### a) Accomplishments

275. LDC III was successfully concluded, producing the Brussels Declaration and Programme of Action (A/CONF.191/13). Participants were able to conduct substantive debate in 12 interactive thematic sessions, 9 parallel events and an NGO forum. This was the result of an elaborate preparatory process and the institution-wide effort by UNCTAD. In preparation for the Conference, each LDC Government received assistance from UNCTAD in establishing a national preparatory committee and preparing a national programme of action. As a result, 46 out of 49 LDCs were able to present their national programmes of action at the Conference (A/CONF.191/CP1 to 46). Substantive support was also provided by UNCTAD during the preparatory phase, focusing on supply capacity and trade issues, through three regional expert meetings (respectively, for the Anglophone African LDCs, for

the Francophone African LDCs and Haiti, and for Asian and Pacific LDCs) and a joint UNCTAD-ESCAP high-level meeting (A/CONF.191/IPC/2-4). Some of their recommendations have been reflected in the new global Programme of Action. At the global level, a high-level panel of experts reviewed the implementation of the Programme of Action for the LDCs for the 1990s, assessing the implementation at the country level, reviewed the international support measures and made recommendations on the mechanisms for effective implementation of such measures (A/CONF.191/IPC/16).

276. LDC III was characterized by the contribution and participation of a wide range of stakeholders and partners, from international agencies to civil society. In all, about 6500 delegates representing 158 countries, 20 UN offices and bodies, 15 specialized agencies and related organizations, 20 intergovernmental organizations and about 200 NGOs, participated at the Conference. The partners involved were mobilized, and their synergies created, through: four inter-agency meetings; four consultative forum meetings of Governments, international organizations and the civil society; and three sessions of the Inter-governmental Preparatory Committee. In addition, ten expert meetings and three NGOs meetings were organized to enrich the substantive basis of the Conference, and formulated recommendations on measures and policies to assist LDCs in their development efforts (A/CONF.191/BP & L series).

277. The *Least Developed Countries Report 2000* outlined the anatomy of the development finance problems in LDCs, including both the scope for domestic resource mobilization, the potential for private capital flows, aid flows and effectiveness, and external debt. It was designed as a key input to both the Third Conference and the Financing for Development conferences. It was the first major international publication which examined in depth the radical changes in international development cooperation that have been introduced since 1999. It suggests elements of an alternative approach for LDCs, which can facilitate a progressive transition in which LDCs build up productive capacities and international competitiveness and increasingly rely on domestic resource mobilization and private capital flows for their development financing needs.

278. UNCTAD produced various notes and studies in support of the Committee for Development Policy (CDP) and the Economic and Social Council (ECOSOC). Among them were vulnerability profiles of Cape Verde, Maldives, Samoa, and Vanuatu (borderline cases) for the 2000 review of the list of LDCs; and a note on the benefits associated with the LDC status and the question of graduation (E/2001/CRP.5), which was quoted in ECOSOC resolution E/2001/L.49.

279. UNCTAD assisted the preparation of trade-related technical assistance programmes in the Gambia, Haiti, Tanzania and Uganda, where round table meetings for the Integrated Framework of technical cooperation for the LDCs were organized. Prior to LDC III, new implementation arrangements for the Integrated Framework were introduced with a pilot scheme involving three LDCs (Cambodia, Madagascar, Mauritania). The new focus of the Integrated Framework entails mainstreaming trade into the national development plans and strategies, including in their respective Poverty Reduction Strategy Papers. Diagnostic studies led by the World Bank were conducted, based on which action programmes to promote international trade in goods and services are being prepared.

**b) Results and benefits**

280. LDC III drew global attention to the situation and needs of the least developed countries. It reaffirmed the commitment and determination of the international community and LDCs to improve the living conditions of the people of the LDCs, and to make substantial progress toward halving the proportion of people living in extreme poverty by 2015. It reiterated the collective responsibility of the international community to ensure that globalization becomes a positive force for all nations, as set out in the Millennium Declaration. Significant improvements were brought to several of the special benefits offered by the international community to the LDCs, including greater access to the European single market, commitments for untied aid, and the possibility of financial and technical assistance through sector-specific programmes. All enhanced benefits and pledges are consistent with the action-oriented commitments that were made in seven important areas of action in the framework of the new Programme of Action.

281. LDC III was extensively covered by national and international media, with more than 450 journalists regularly reporting. (Press Review: Volume I & II). Different views were expressed on the outcome of the Conference, viz: "...UN making slow progress on combating poverty (Financial Times, 20 May 2001)"; ... "The third UN Conference on the LDCs has provided broad-based guidelines for the least developed... countries for their prompt access to the global markets and promotion of their human resources towards reducing their dependence on foreign assistance and debt-relief" (The Independent, 25 May 2001). According to *Revue du marché commun et de l'Union Européenne* (2001), it was "une conférence innovatrice"; "...Unanimes, les Européens comme les dirigeants de la Cnuced louent 'l'esprit nouveau' qui a été célébré a la Conference. On jugera les résultats... dans dix ans." (*Marchés tropicaux et méditerranéens*, 25 mai 2001).

282. The *Least Developed Countries Report 2000* was well received by the international community, as indicated by numerous favourable references to its analysis and recommendations. It was widely quoted in the international press. The Financial Times considered it as a "new deal plan for world's poor" (Financial Times, 13 October 2000).

283. The substantive inputs to the work of the Committee for Development Policy (CDP) and ECOSOC have been appreciated by these bodies in their efforts to carry out a sound periodic review of the list of LDCs, bearing in mind the important conceptual changes that have taken place in the methodology and the criteria in identifying the LDCs. Since 1997, UNCTAD has been instrumental in bringing the United Nations to adopt the criterion of economic vulnerability, which has facilitated a fair treatment of many LDCs, especially least developed island States that have been difficult borderline cases.

284. The institutional evolution of the Integrated Framework has facilitated the introduction of trade-related concerns in the development policies and poverty reduction strategies of the relevant countries. The Integrated Framework Steering Committee recently approved the extension of the scheme to eleven LDCs.

**c) Progress in the implementation of the Bangkok Plan of Action**

285. UNCTAD has played its coordinating role in the implementation of paragraphs 161-163 of the Plan of Action. It made a critical contribution to the preparation and follow-up of LDC III, including drafting the new Programme of Action and a draft roadmap for its

effective implementation. It has participated in the CDP's work on the criteria for the designation of the LDCs and the revision of the lists, as well as in the activities related to assessment of the effective benefits associated with the LDC status.

286. It also monitored the various recent international initiatives relevant to the LDCs and provided continuous assistance to the LDCs in the WTO. Under the Integrated Framework, UNCTAD has made the greatest possible use of limited resources to take part in, and in some cases coordinate, the preparation of country-specific technical cooperation programmes. However, despite the Bangkok call, UNCTAD was unable to play the lead role in preparing "an integrated programme of action for technical assistance for LDCs".

#### **d) Legislative and external reviews**

287. The quality of the delivery has always been appreciated and well-recognized by UNCTAD's various stakeholders including LDCs and their development partners in various fora, including in the General Assembly, ECOSOC, the TDB, LDC III and its various preparatory meetings, the Zanzibar Meeting of LDC Trade Ministers, etc. Participants in these meetings have appreciated the substantive documentation and effective servicing provided by the subprogramme. In line with the provisions of the Brussels Programme of Action, the Secretary-General of the United Nations presented to the General Assembly a report on the establishment of an Office of the High Level Representative for Least Developed Countries, Landlocked and Island Developing Countries.

### **III. Programme assessment and future directions**

#### **a) Assessment and lessons learned**

288. The success of LDC III was a result of firstly the efforts to involve all the relevant stakeholders in the Conference, secondly the substantive support provided by various sections of the secretariat, and thirdly the dedication of staff to the preparation of the event. Two major breakthroughs in the approach to this Conference were: (i) the importance given to a range of sectoral events through which the international community could see what each international or regional organization can do to help the LDCs enhance their economic specialization, seize new trading opportunities, and increase their chances of benefiting from globalization forces; and (ii) the recognition of the prominent role given to the civil society in the development process.

289. One major lesson from the preparatory process and for the future is that one should have taken advantage of the opportunities at the country level to engage, together with local experts, in a systematic analysis of the extent to which the LDC have gained, over the past decade, from the benefits and concessions offered to them by their development partners. This would have implied the elaboration at an early stage of an inventory of the benefits and concessions offered and an analysis of their effectiveness. Such an analysis would cast important light on the need to revisit some existing benefits and consider new concessions.

290. The research orientation in 2000 on financing development, adopted as the theme of the Least Developed Countries Report 2000, proved to be a valuable one considering the vital importance of this subject in the agenda of the Conference. This theme aptly complemented the focus that had been given to the question of productive capacities in the annual report of

the previous year. The Least Developed Countries Report 2001 responds to the new analytical challenges set by the new Programme of Action. A central goal of the new Programme of Action is poverty reduction, but internationally comparable data on poverty trends in LDCs are presently unavailable. The Report tries to rectify this deficiency by constructing a new data set on poverty in LDCs using national accounts statistics. On this basis, it describes the specificities of poverty in LDCs, and analyses the complex interrelationships between growth and poverty, and the ways in which these are affected by international trade. It also considers the implications of the analysis for making poverty reduction strategies more effective.

291. The substantive support by UNCTAD to the CDP and ECOSOC in their ongoing work on the list of LDCs and the criteria has reinforced UNCTAD's role at the heart of the international community's efforts to make the notion of special and differential treatment effective and fair to all concerned nations. Accordingly, UNCTAD is prepared to meet the challenge of "initiating a debate concerning the treatment of graduating [LDCs]" (E/2001/L.49, para. 4) and to facilitate progress toward a consensus on the way LDCs and other categories of countries ought to be treated, considering the specific structural handicaps and vulnerability they suffer from.

292. Regarding the Integrated Framework and changes that have taken place in the relevant institutional arrangements, the benchmark for the effectiveness of these new arrangements should be timely response and delivery of trade-related technical assistance by the six core agencies. The forthcoming appraisal of the pilot scheme under the new arrangements aims at further improvement of the process and increased responsiveness of the assistance. In particular, after the pilot phase has been completed and appraised, there should be an assessment of the benefits and drawbacks of the sole lead agency arrangement that was introduced in 2000.

**b) Areas of emphasis in the next biennium**

293. UNCTAD will continue to contribute in its areas of competence to the implementation of the Programme of Action for LDCs for the decade 2001-2010, and to the activities under the Integrated Framework for Trade-Related Technical Assistance to LDCs. UNCTAD intends to participate in the efforts of the United Nations to refine the methodology for identifying these countries and to facilitate the emergence of a consensus for an "exit strategy" for the LDCs, so that an environment of smooth transition is offered to potential graduating countries. A new UNCTAD vision of the LDC status implies the adoption of a work programme that will reflect the importance of the notions of effective benefits, smooth transition, and greater differentiation in the analysis of the problems faced by disadvantaged countries and in the responses to these problems.

294. A comprehensive research programme on macroeconomic issues and sectoral development problems relevant to the LDCs is also envisaged, in keeping with the momentum that was given through the diversity of subjects within the programme of the Brussels Conference.

295. Technical cooperation for the LDCs, in the new biennium, will be principally organized in the light of specific projects that were presented in Brussels, while at the same time responding to the needs identified by LDCs in the implementation of the Integrated

Framework under the pilot scheme and subsequent phases. The outcome of Doha will have an impact on UNCTAD's assistance.

296. In line with para. 116 of the LDC III Programme of Action, at its current session, the General Assembly has before it the Secretary General's report on the establishment of an Office of High Level Representative for Least Developed Countries, Landlocked and Island Developing Countries.

## **2. LANDLOCKED DEVELOPING COUNTRIES AND SMALL ISLAND DEVELOPING STATES**

### **I. Objectives and assessment criteria**

#### **a) Objectives**

297. To facilitate the improved participation and accelerated integration of land-locked and small island developing countries into the world economy and the International trading system, inter alia, through the implementation of internationally agreed measures in favour of these two groups of countries.

#### **b) Expected accomplishments and indicators of achievement**

<b>Expected accomplishments</b>	<b>Indicators of achievement</b>
Facilitated transit trade for landlocked developing countries.	The number of countries adopting measures to reduce transit time and costs, including the measures recommended under the Global Framework for Transit Transport Cooperation of 1995
	The number of countries joining the consensus to promote transit transport cooperation based on the principles stipulated by the Fifth Meeting of Governmental Experts from Landlocked and Transit Developing Countries and Representatives of Donor Countries and Financial and Development Institutions
Effective contribution to the implementation of the Barbados Programme of Action for the Sustainable Development of Small Island Developing States (SIDS).	The level of international recognition, owing to UNCTAD's effective support, of the problems faced by SIDS in preventing their marginalization from the global economy.



## II. Programme implementation and accomplishments

### a) Accomplishment

#### Landlocked developing countries

298. With the assistance of UNCTAD, many countries are now implementing policy measures adopted in 1995 under the Global Framework for transit cooperation between landlocked and transit developing countries and the donor community. The recommendations, *inter alia*, enjoin member States to promote participation of the private sector in investment or management of transport infrastructure and facilities. Examples of specific action taken are: Concessions of Abidjan-Ouagadougou railways; Malawi-Mozambique railways; Chile and Bolivia; road investment: Build, Operate and Transfer projects in Brazil, Argentina, South Africa, Mozambique; telecommunication privatization: Uganda, Tanzania; port concessions, Djibouti, Tanzania; pipelines: Caspian Pipeline Consortium.

299. UNCTAD facilitated consensus-building based on the agreed conclusions and recommendation of the Fifth Meeting of Governmental Experts from Landlocked and Transit Developing Countries, which called for: (i) a reversal of the current downward trend of ODA and private financing for transport development in landlocked and transit developing countries; (b) provision of financial and technical assistance by donor countries, UNDP and multilateral financial and development institutions to landlocked and transit developing countries in the form of grants or concessional loans for the construction, maintenance and improvement of their transport, storage and other transit-related facilities; (c) the acceleration of reforms in the transport sector and other related services, including support for the liberalization of the transport sector as well as the greater involvement of the private sector in providing transport services; (d) enhancing and accelerating the implementation of transit transport cooperation through bilateral and/or regional agreements and arrangements in line with international convenient; (e) the elimination of non-physical barriers which compromise the competitiveness of trade to and from landlocked and transit countries; and (f) establishment and/or strengthening of trade and professional associations at the national and regional levels.

300. With the substantive support of UNCTAD, 10 member States of the Economic Cooperation Organization (Afghanistan, Azerbaijan, Islamic Republic of Iran, Kazakhstan, Kyrgyz Republic, Pakistan, Tajikistan, Turkey, Turkmenistan and Uzbekistan) adopted transit facilitation measures within the framework of the ECO Transit Transport Framework Agreement, and 9 member States of the Association of South-East Asian Nations adopted transit facilitation measures under the ASEAN Framework Agreement on the Facilitation of Goods in Transit. Similarly, the People's Republic of China, Mongolia and the Russian Federation with support from UNCTAD are continuing negotiations on the Draft Transit Traffic Framework Agreement.

301. UNCTAD has also facilitated strengthening the Northern Corridor Transit Agreement, which involves five countries: Burundi, Democratic Republic of Congo, Kenya, Rwanda and Uganda.

### **Small island developing States (SIDS)**

302. UNCTAD has provided substantive assistance to: the Alliance of Small Island States (AOSIS) in the form of draft common positions for relevant international events (including UNCTAD X and LDC III); the Committee of Development Policy (CDP) in the framework of the 2000 review of the list of LDCs, in particular through vulnerability profiles of the least developed SIDS that are potential graduation cases; the Commonwealth Secretariat and World Bank in the follow-up to their 1998-2000 joint task force on small States; the SIDS in their preparations for negotiations on agriculture in the WTO; and six SIDS through UNCTAD technical cooperation projects (Haiti, Kiribati, Samoa, St. Lucia, Tuvalu, Vanuatu).

303. In addition, the subprogramme is preparing a publication entitled *Small island developing States: issues of vulnerability and new economic opportunities* (14 chapters).

#### **b) Results and benefits**

304. UNCTAD has sought to promote consensus on what might constitute a solid and mutually beneficial foundation for transit transport cooperation between on the one hand, landlocked and transit developing countries and on the other hand, these countries and the donor community. The search for a consensus was in response to the concern of many coastal States that the right of access of landlocked States to and from the sea and freedom of transit, as stipulated under the Law of the Sea Convention, might well limit the exercise of their full sovereignty over their territories. These concerns explain why the proposal by landlocked developing countries to convene a Ministerial Meeting in 2001 on transit issues was not accepted. However, over the last two years, a great deal of change in perception has taken place and the emerging consensus now goes beyond the agreement at the Fifth Meeting of Governmental Experts to convene a Ministerial Meeting in 2003.

305. Recent UNCTAD studies illustrate how the emerging trade and transport patterns have become a matter of interest to a large group of countries. These studies provide evidence showing how some landlocked developing countries have turned into important crossroads. Zimbabwe, for example, provides transit to South African trade destined for Zambia and other countries to the North. Central Asia is becoming an important gateway to Asia from Europe. In the light of these changed circumstances, transit transport facilitation has come to gain greater acceptance and support.

306. Deregulation, liberalization, privatisation and competition commended in the Global Framework have spread in many countries and have opened up business opportunities for the private sector. Local and foreign investors are investing in infrastructure development, signing railway concessions and purchasing telecommunication and energy sector facilities. Investors, both local and foreign, are benefiting from the new business opportunities. Landlocked and transit developing countries are deriving benefit from transfer of capital, technology and management skills.

307. UNCTAD's work in favour of SIDS has increased in significance, as the advocacy of a greater recognition of the problems of SIDS is now effectively pursued in more international circles – beyond the General Assembly and UNCTAD proper – in the Committee for Development Policy and ECOSOC, in the World Trade Organization and in

the World Bank, which are international arenas of vital importance for SIDS. Moreover, about 6 SIDS have benefited from UNCTAD's direct technical assistance.

**b) Progress in the implementation of the Bangkok Plan of Action**

308. Paras. 161-162: UNCTAD has addressed the needs of SIDS as set out in para. 161. Para. 162 requested the "provision of sufficient staff and adequate resources for the Office...". and the current resources are deemed adequate. A report was submitted to the General Assembly on the functioning of the UNCTAD Unit on Landlocked Developing Countries and Small Island Developing States.

**d) Legislative and external reviews**

309. Substantive and technical cooperation activities carried out by the secretariat in favour of landlocked developing countries have been reviewed by: the 55th session of the General Assembly; LDC III; the Fifth Meeting of Governmental Experts from Landlocked and Transit Developing Countries and Representatives of Donor Countries and Financial and Development Institutions; the 48<sup>th</sup> session of the TDB; the 56<sup>th</sup> session of the General Assembly. Appreciation was forthcoming through General Assembly resolutions 55/181 and the meetings of governmental experts from landlocked and transit developing countries and representatives of donor countries and financial and development institutions (TD/B/46/6, TD/B/48/10). There were notes of appreciation in regional consultative meetings (UNCTAD/LDC/Misc.51; UNCTAD/LDC/Misc.61; UNCTAD/LDC/Misc.53; UNCTAD/LDC/Misc.15). Requests were received from SADC, ECA and NGOs inviting UNCTAD to chair expert meetings on transit facilitation. In a letter to the Secretary-General of UNCTAD, dated 16 May 2001, the UNDP Administrator singled out the project to negotiate a Transit Traffic Framework Agreement between the People's Republic of China, Mongolia and the Russian Federation "as one of the most successful..."

**III. Programme assessment and future direction**

**a) Assessment and lessons learned**

310. In order to facilitate intergovernmental deliberations, UNCTAD carried out seven substantive studies to review the progress in the development of transit systems of landlocked and transit developing countries. In addition, technical assistance and advisory services were provided, such as the support to negotiations of the on-going draft transit traffic framework agreement between the People's Republic of China, Mongolia and the Russian Federation.

311. UNCTAD could not however, for budgetary reasons, carry out field studies for each sub-region (e.g. West Africa, Central Africa) to the disappointment of countries in those sub-regions. As the budget for consultancy support is not likely to be increased in the next biennium, in-house research capacity must be enhanced to meet this demand.

312. The success in mobilizing extra-budgetary resources for technical assistance has been limited, especially for projects in favour of African countries, although working with other organizations such as ECA allowed some progress to be made. This suggests increasing outreach to both intergovernmental and non-governmental organizations for joint programming and collaboration in technical assistance delivery.

313. From the perspective of its work on SIDS, the main lesson UNCTAD has learned is that the SIDS category should evolve from a political concept into a conceptual "status" geared to cast more light on the fundamental problems of these countries, and therefore targeting a more compact and homogeneous group of States. (Among the small island developing States that were listed in the 1994 Barbados conference, some were not "small", a few were not "developing", and some were not even "States" but dependent territories.) To that end, a set of criteria reinforcing the relevance of the SIDS denomination could be adopted, similar to the LDC category, with particular reference to structural handicaps and economic vulnerability. Such evolution would facilitate the work in favour of SIDS. In the meantime, UNCTAD will continue to use a conceptually homogeneous list of SIDS in its advocacy, research and technical cooperation activities in favour of these countries.

**b) Areas of emphasis in the next biennium**

314. Areas of emphasis for the next biennium have largely been determined by the General Assembly. UNCTAD, pursuant to GA resolution 55/181, will undertake a study on the transit environment in the landlocked states of Central Asia and their transit neighbours. If the current General Assembly session endorses the recommendations made by the 5th meeting of governmental experts from landlocked and transit developing countries and representatives of donor countries and financial and development institutions, the UNCTAD secretariat would pursue the preparation of a ministerial meeting of landlocked and transit developing countries and donor countries and representatives of international financial and development institutions on transit cooperation to be convened in 2003. In addition, the ongoing negotiations on the draft transit traffic framework agreement between the People's Republic of China, Mongolia and the Russian Federation will be continued and hopefully concluded during the next biennium. Requests for technical cooperation will be reviewed and carried out depending on availability of resources.

315. The operational trilogy in the work in favour of SIDS (advocacy, research and analysis, technical cooperation) will be continued and organized in response to the evolution in the international community's perception of the problems of SIDS. A particular task in the new biennium will be to assist those who seek a special and differential treatment of SIDS, on grounds of structural handicaps and vulnerability, in the international financial arena and multilateral trading framework.

## **CROSS-CUTTING ISSUES**

<b>1. Civil Society Outreach</b>
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### **I. Objectives and assessment criteria**

#### **a) Objectives**

316. "UNCTAD's work can serve to address the challenges and opportunities of globalization and inform an open and systematic debate on diverse development-related issues of global interest among partners in the development process, including the private sector, NGOs, academia and parliamentarians." (Bangkok Declaration TD/387)

#### **b) Expected accomplishments and Indicators of achievements**

Expected accomplishments	Indicators of achievements
<ul style="list-style-type: none"> <li>(i) Developing and implementing policies for public outreach;</li> <li>(ii) Developing cooperation with NGOs, academia and parliamentarians;</li> </ul>	<ul style="list-style-type: none"> <li>(i) Availability of a databank to facilitate participation of civil society actors in UNCTAD's inter-governmental machinery.</li> <li>(ii) A broad and constructive civil society contribution to the Third United Nations Conference on Least Developed Countries;</li> </ul>

### **II. Programme implementation and accomplishments**

#### **a) Accomplishments**

317. A data bank of NGOs cooperating with and interested in the work of UNCTAD was tried out at the Third UN Conference on LDCs and its Preparatory Committee meetings, achieving the approval by member States of several hundred NGOs not yet in status with UNCTAD and a smooth accreditation and participation of NGOs and IGOs at the Conference. Parallel to the Conference, a full scale NGO Forum took place and was attended by over 1000 people, including over 150 LDC NGO delegates and experts.

318. The informal substantive meeting "Developing New Government-Civil Society Alliances for addressing the Gender and Development Dimension of Globalization" (July 2001) produced conceptual and procedural indicators for an UNCTAD pilot project.

**b) Results and benefits**

319. At the end of the Third UN Conference on LDCs, an NGO monitoring committee was established to ensure civil society involvement in the follow-up to the Conference. Also, parliamentarians attending the High-level Parliamentary Roundtable at the Conference established a network to ensure parliamentary action in the implementation of the Programme of Action.

**III. Programme assessment and future direction**

**a) Assessment and lessons learned**

320. Many non-governmental actors appreciate its work as a positive contribution to the international trade and development dialogue; this could be tapped by UNCTAD and its intergovernmental machinery as a mobilization tool in development action and as an intellectual resource in intergovernmental deliberations and expert meetings.

321. Political decisions and statements at all levels of the United Nations, including the Bangkok Declaration and the United Nations Millennium Declaration (A/RES/55/2, agenda item 60 (b)), call for an involvement of civil society; therefore, the current legal framework may need to be reviewed by the intergovernmental machinery in order to ensure that existing rules and regulations match the wishes of member States.

**b) Areas of emphasis in the next biennium**

322. In the spirit of the Bangkok Declaration, UNCTAD will be implementing a "pro-active" approach towards assisting civil society to participate effectively in the work of the organization, particularly with regard to the preparation of UNCTAD XI in 2004.

<b>2. GENDER MAINSTREAMING</b>
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**I. Objectives and assessment criteria**

**a) Objectives**

323. To incorporate gender perspective in the substantive work of UNCTAD wherever applicable.

**b) Expected accomplishments and Indicators of achievements**

Expected accomplishments	Indicators of achievements
Promoting the integration of the gender perspective in the work of the organization	A gender and development dimension reflected throughout UNCTAD's programme activities.

## **II Programme implementation and accomplishments**

### **a) Accomplishments**

324. Based on UNCTAD's contribution, the Expert Meeting "Mainstreaming gender in order to promote opportunities" (November 2001) recommended a series of policy options for introducing effectively the gender dimension into the work of UNCTAD. Other gender related activities are reflected under the subprogrammes, in particular subprogramme 9.2.

### **b) Legislative and external review**

325. UNCTAD participated in an interagency exercise aimed at identifying lessons as to how a gender perspective could be better reflected in work programmes. The exercise included an external review of current work programmes.

## **IV. Programme assessment and future direction**

### **a) Assessment and lessons learned**

326. It is important to link the gender perspective to concrete challenges in the area of trade and development rather than to treat it as an imposed conditionality. The work in this area is still at an early stage, but the recommendations made at the aforementioned Expert Meeting provided a good basis to engage subprogrammes more concretely in this endeavour.

### **b) Areas of emphasis in the next biennium**

327. With regard to developing a gender perspective contributing to the empowerment of women, UNCTAD will make an enhanced effort to reflect this dimension throughout its work, particularly with regard to applying recommendations already made within its inter-governmental machinery and expert meetings.

<h3><b>3. TIMELINESS OF DOCUMENT ISSUANCE</b></h3>
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328. Timeliness in the issuance of documents for intergovernmental meetings is one of the indicators of achievement agreed by the Board in the context of the medium-term plan. A decision by the General Assembly requests issuance of documents to delegations in all six official languages, six weeks before the meeting concerned.

329. Analysis of the date of issuance for 2000-2001 shows that the performance in this respect has deteriorated from the previous biennium. The analysis identifies two main areas of responsibility leading to delays: (i) the UNCTAD divisions responsible for producing documents and (ii) the UNOG services responsible for translating, typesetting, printing and distribution. According to UNCTAD guidelines, the originating division within UNCTAD should submit the document to the central document processing office in UNCTAD for clearance and editing fourteen weeks before the meeting. Only 2.5 per cent of documents

met this guideline and the average date of submission was about eight weeks in advance of the meeting concerned. In turn, there is a ten-week deadline for submission to UNOG, in accordance with the relevant UN rules, so that UNOG could issue the documents in time. Only 9 per cent of UNCTAD documents met this ten-week deadline. Further delays in the processing by UNOG resulted in only 1.5 per cent of documents having met the six-week deadline for their issuance. On average, documents were issued in all languages only on the starting date of the meeting concerned.

330. The processing at UNOG took on average six weeks where four weeks were envisaged, pointing to a problem area. Based on the analysis carried out, however, the major problem with timeliness is delay at the level of substantive divisions in finalizing documents. Over 90 per cent of cases of delay originated in the late submission by divisions. This is a matter that programme managers within the substantive divisions are expected to pursue vigorously so as to alleviate the problem.