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**UNCTAD's contribution to the implementation of and
follow-up to the outcomes of the major United Nations conferences
and summits in the economic and social fields**

**Progress made in the implementation of the
outcomes of the major United Nations conferences
and summits, and UNCTAD's contributions**

Note by the UNCTAD secretariat

Executive summary

Pursuant to General Assembly resolution 57/270B and paragraph 179 of the Accra Accord, UNCTAD should contribute to the implementation of and follow-up to the outcomes of the major United Nations conferences and summits in the economic, social and related fields, as well as to the achievement of the internationally agreed development goals, including the Millennium Development Goals. This document provides a brief review of the progress made in the relevant thematic areas and UNCTAD's contribution thereto.

Introduction

1. The General Assembly, in its resolution 57/270B, stressed the need to make maximum use of existing United Nations mechanisms for the purpose of reviewing the implementation of commitments made within the United Nations system in key areas of development (para. 27). In this regard, it invited the Trade and Development Board to contribute, within its mandate, to the implementation and to the review of progress made in the implementation of the outcomes of the major United Nations conferences and summits.

2. The twelfth United Nations Conference on Trade and Development (UNCTAD XII) held in Accra, Ghana, in April 2008, agreed that “UNCTAD, within its mandate, should make a contribution to the implementation and follow-up to the outcomes of relevant global conferences. It should continue to contribute to the achievement of the internationally agreed development goals, including the Millennium Development Goals. ... It should also contribute to furthering the implementation of the internationally agreed goals in the Doha Ministerial Declaration and other relevant decisions” (Accra Accord, paras. 11 and 179).

3. This note contains a review by the UNCTAD secretariat of progress made in the implementation of the outcomes of the major United Nations conferences and summits and UNCTAD’s contribution in this respect.

I. International trade

4. The important role of international trade in the promotion of economic development and the alleviation of poverty is explicitly recognized in the outcomes of major United Nations conferences and summits. These include the United Nations Millennium Declaration and the associated Millennium Development Goals (MDGs), the World Summit Outcome, the Monterrey Consensus on Financing for Development, the World Summit on Sustainable Development, the Brussels Programme of Action for Least Developed Countries (LDCs), the Doha World Trade Organization Ministerial Declaration, the Accra Accord and the United Nations Conference on the World Financial and Economic Crisis and Its Impact on Development. The outcome of these conferences and summits have in particular underlined a commitment of the international community to an open, equitable, rule-based, predictable and non-discriminatory multilateral trading and financial system.

A. Progress made

5. In 2010, world merchandise exports recorded their largest ever annual expansion – 14.5 per cent in volume and 22 per cent in value – after a sharp contraction in 2009. World commercial services exports expanded 8.3 per cent, but their value was still 5 per cent below the pre-crisis 2008 level. With the deceleration of output growth, export expansion is expected to slow down in 2011. High and volatile commodity prices, fragility in financial markets, pervasive unemployment and a rise in inequalities continue to weigh heavily on the economic recovery and longer-term prospects for sustainable development.

B. UNCTAD’s contribution

6. On 15 December 2010, countries participating in the São Paulo Round of negotiations under the Global System of Trade Preferences among Developing Countries, met in Foz do

Iguacu, Brazil, and concluded their negotiations. The results expanded opportunities for South-South trade.

7. UNCTAD contributed to the Fourth United Nations Conference on the Least Developed Countries (LDC-IV), held in Istanbul on 9–13 May 2011, through the Ad Hoc Expert Group Meeting on Key Development Challenges Facing the LDCs (February 2010) and a pre-conference event on building productive capacities in LDCs for inclusive and sustainable development (October 2010), supported by the secretariat's note entitled "Making trade more development-transmitting, multiplying and inclusive for LDCs".

8. UNCTAD continued to support consensus building for making trade work for inclusive development. The evolution of the international trading system and of international trade from a development perspective: the impact of the crisis-mitigation measures and prospects for recovery was discussed by the Trade and Development Board at its fifty-seventh session in 2010. Policy dialogue on international trade and development by the sixty-fifth session of the United Nations General Assembly resulted in Assembly resolution 65/142, which reiterated the important role of UNCTAD as the focal point within the United Nations system for the integrated treatment of trade and development and interrelated issues, and called upon it to continue monitoring protectionist measures in international trade and to assess their impact on developing countries.

9. The second and third sessions of the Trade and Development Commission, in May 2010 and June 2011, respectively, examined (a) trade and development strategies for mitigating the impact of the global crisis; (b) the contribution of tourism to development, (c) the evolution of the international trading system and its contribution to development and recovery; and (d) the integration of developing countries in global supply chains.

10. Infrastructure services are essential for social development. Deliberations at the second and third sessions of the Multi-year Expert Meeting on Services, Development and Trade: the Regulatory and Institutional Dimension in March 2010 and April 2011 emphasized the need for an integrated approach to infrastructure services development. Member States examined the development impact of remittances at an expert meeting in February 2011 to better harness their positive contributions to poverty reduction.

11. UNCTAD contributed to the preparatory process for the United Nations Conference on Sustainable Development (Rio+20), Brazil, 2012, including through an ad-hoc expert meeting conducted jointly with the Department of Economic and Social Affairs and the United Nations Environmental Programme, *The Green Economy: Trade and Sustainable Development Implications*, on 7–8 October 2010. The UNCTAD Secretary-General served on the High-Level Advisory Group on Climate Change Financing established by the United Nations Secretary-General.

12. UNCTAD contributed to the Inter-agency and Expert Group on MDG Indicators, the United Nations Millennium Development Goals Report 2010, the report of the United Nations Secretary-General to the General Assembly on the implementation of the Millennium Declaration, and the United Nations MDG Gap Task Force Report 2010. Analytical inputs were provided to the following joint outputs: (a) *World Economic Situation and Prospects 2011* (with the Department of Economic and Social Affairs and the United Nations regional commissions); (b) *Tariff Profiles 2010* (with the World Trade Organization and the International Trade Centre); (c) *International Trade after the Economic Crisis* (with the Japan External Trade Organization); (d) Identification of potential supply chains in textiles and clothing sector in South Asia (with the Commonwealth Secretariat and Centre for World Trade Organization Studies of India); and (e) Strengthening the achievement of the African common market (with the African Union Commission).

13. The key contributions of UNCTAD to transport and trade facilitation included its *Review of Maritime Transport 2010* reporting on the evolution of global merchandise trade

and maritime transport activities, and Technical Notes on Trade Facilitation Measures, which provided background information on the concepts discussed in the context of the trade facilitation negotiations at the World Trade Organization. In addition, the quarterly UNCTAD Transport Newsletter provided numerous articles on recent and upcoming transport and trade facilitation issues and events.

14. The work of UNCTAD in the field of policy and legislation was also disseminated by way of contribution to the Report of the United Nations Secretary-General on Oceans and the Law of the Sea and the United Nations Caribbean Sea Report. International meetings and conferences included participation in an event by the International Centre for Trade and Sustainable Development on Climate Change, Trade and Development, focusing on aviation and shipping.

15. UNCTAD organized and participated in several consensus and capacity-building events of particular interest to developing countries. In December 2010, it held the third session of the Multi-year Expert Meeting on Transport and Trade Facilitation. The meeting provided an opportunity for participants to discuss, among other issues, the importance for transport and trade of international legal instruments such as the 1996 International Convention on Liability and Compensation for Damage in Connection with the Carriage of Hazardous and Noxious Substances by Sea, as amended in April 2010 by a protocol adopted under the auspices of the International Maritime Organization; the Hong Kong International Convention for the Safe and Environmentally Sound Recycling of Ships and the 2006 Maritime Labour Convention of the International Labour Organization.

II. Commodities

16. The 2005 World Summit emphasized “the need to address the impact of weak and volatile commodity prices and support the efforts of commodity-dependent countries to restructure, diversify and strengthen the competitiveness of their commodity sectors” (General Assembly resolution 60/1, para. 33). At the same time the Monterrey Consensus stated that “multilateral assistance is also needed to mitigate the consequences of depressed export revenues of countries that still depend heavily on commodity exports” (para. 37). The General Assembly, in its resolution 61/190, reiterated the importance of maximizing the contribution of the commodity sector to sustained economic growth and sustainable development.

17. The Accra Accord acknowledged that the challenges regarding commodity trade continued to be a major issue in the twenty-first century and called for, inter alia, policy actions to mitigate the impact of highly volatile prices and incomes, especially for agricultural commodities on commodity-dependent countries and poor farmers (para. 78). Furthermore, the negative impact of the global economic crisis on the commodity economy was recognized by General Assembly resolution 64/192 and the need to address excessive commodity price volatility was also underscored.

18. General Assembly resolution 65/146 emphasized that “innovative mechanisms of financing can make a positive contribution in assisting developing countries in mobilizing additional resources for development on a stable, predictable and voluntary basis”. This resolution stressed the importance of “scaling up present initiatives and developing new mechanisms, as appropriate”.

A. Progress made

19. Fluctuations in commodity prices have intensified in recent times and posed serious challenges for commodity-dependent developing countries. Attention in the context of the Group of Twenty (G-20) has focussed on (a) better prevention and management of food price volatility, including through increasing transparency on physical markets; defining the parameters of international mechanisms to assist low-income developing countries to meet higher food import bills; strengthening longer-term productivity, sustainability and resilience of agricultural production; and supporting the use of effective, market-based risk management options integrated with social safety nets and (b) better understanding of the evolution and drivers of commodity price fluctuations and their consequences for growth, income distribution, price stability, financial stability, economic policies, including monetary policy, and the regulation of commodity derivatives markets. While work in the G-20 has led to concrete proposals related to physical commodity markets, further international coordinated action led by the United Nations is needed to improve the functioning of commodity derivatives markets, including through, but not limited to, better regulation.

20. International efforts are needed to improve and develop innovative options such as warehouse receipt financing to complement traditional sources of financing in developing countries.

B. UNCTAD's contribution

21. UNCTAD has implemented a broad range of activities, including intergovernmental and multistakeholder meetings, capacity-building and technical cooperation activities, with a view to addressing key trade and development challenges in a number of areas: (a) price volatility, (b) access to commodity finance, (c) market information and (d) mining, minerals and metals governance.

22. The third session of the UNCTAD Multi-year Expert Meeting on Commodities and Development, and the second Global Commodity Forum made substantial contributions to the debate on stabilizing market prices of commodities. Recommendations were made on (a) the global regulation of non-commercial hedgers across all commodities and (b) a better harmonization of the categorization of investors at the international level and fostering an exchange of information and coordination between national market authorities.

23. UNCTAD has also followed up on a recommendation made at its thirteenth African oil, gas, mines, trade and finance conference in Mali to help improve and deliver optimal exploitation and to better manage natural resources in Africa by improving access to data in six countries.

24. UNCTAD hosted and participated in the 2010 Intergovernmental Forum on Mining, Minerals, Metals and Sustainable Development, which produced a policy framework to enhance the contribution of mining to sustainable development based on a compendium of best practices. The Framework is proposed as a global reference for mining good governance at the global level.

III. Investment and enterprise development

25. The Monterrey Consensus emphasizes the vital role of private international capital flows, particularly foreign direct investment (FDI). The Johannesburg Plan of Implementation highlights the role of FDI in achieving sustainable development. The Doha Declaration on Financing for Development highlighted the role of FDI as a “vital complement to national and international development efforts” (para. 23). More recently, the Istanbul Declaration stemming from LDC-IV in May 2011 underlined that “a dynamic, well-functioning and socially responsible private sector, small and medium-sized enterprises in particular, and an appropriate legal framework are crucial in promoting entrepreneurship, investment, competition, innovation and economic diversification...” (para. 8 (b)).

A. Progress made

26. Global FDI inflows rose moderately in 2010 to \$1.25 trillion, following sharp declines in 2008 and 2009. Although this suggests that FDI flows bottomed out in 2010, this is far from a robust recovery. The level of global FDI flows was still some 15 per cent below the pre-crisis average and about 40 per cent below the 2007 peak. Developing countries and transition economies absorbed more than half of global FDI inflows and accounted for nearly 30 per cent of global FDI outflows. The rise of FDI to developing countries masks significant regional differences, however. Some of the poorest regions continued to see declines in FDI flows. Flows to Africa, least developed countries, landlocked developing countries and small island developing States (SIDS) continued to fall, as did those to South Asia. At the same time, major emerging regions, such as East and South-East Asia and Latin America, experienced strong growth in FDI inflows.

27. International investment agreements remain a cornerstone of countries’ efforts to attract and benefit from FDI. In 2010, 136 new investment agreements were concluded – 24 bilateral investment treaties, 99 double taxation treaties and 13 other international investment agreements. This brought the total number of all investment-related agreements to over 6,000 at the end of the year, including over 2,770 bilateral investment treaties, 2,940 double taxation treaties and 300 other international investment agreements. At the same time, the number of investor-State dispute settlement cases reached over 360 cases.

28. While countries continue to rely on international investment agreements as a means to protect and promote FDI, there is at the same time an increasing recognition of the systemic and development challenges that are present in the current regime. A stronger and more effective cooperation mechanism to make international investment policies harness investment for development is desirable.

B. UNCTAD’s contribution

29. UNCTAD organized the World Investment Forum (WIF) 2010 (China, September 2010), which was attended by over 1,800 political and business leaders and investment stakeholders. The aim of the Forum was to discuss how to promote sustainable investment and development. WIF 2010 was successful in providing inputs into the formulation of a new generation of national and international investment policies designed to bring about sustainable development and to help achieve the MDGs.

30. In their follow-up to the outcome of the Summit, world leaders stressed the role of the private sector in the development process, including through public-private partnerships. Both the third session of the Multi-year Expert Meeting on Investment for Development, which dealt with public investment and development, and the third session of the

Investment, Enterprise and Development Commission,¹ whose main agenda item focused on best practices in strengthening investment in basic infrastructure in developing countries, examined the growing role of public-private partnership in investment for development.

31. For 20 years, the *World Investment Report* has provided a vehicle for analysing the impact of FDI on development, thereby contributing to the implementation of the Monterrey Consensus. The *World Investment Report 2010: Investing in a low-carbon economy* focused on the role that transnational corporations can play in supporting the transition to a low-carbon economy.

32. Building on the *World Investment Report 2009* and responding to the mandate of General Assembly resolution 64/192, as well as the Declaration of the World Food Summit held by the Food and Agriculture Organization of the United Nations (FAO) in 2009, UNCTAD continues to operationalize and implement a set of principles for responsible agricultural investment for sustainable development, in cooperation with FAO, the International Fund for Agricultural Development and the World Bank.

33. UNCTAD is the key focal point in the United Nations system for international investment agreements and their development dimension. The secretariat also continued to provide cutting-edge policy analysis in the area, further developing its series on Issues on International Investment Agreements and on International Investment Policies for Development. On this basis, technical assistance is provided to developing countries to modernize their treaty content and tackle the challenges arising from investor-State dispute settlement, together with regional and national training courses, which benefited over 300 participants in 2010.

34. The Monterrey Consensus stresses that countries need to continue their efforts towards achieving a transparent, stable and predictable investment climate in order to attract and enhance inflows of productive capital. The Investment Policy Reviews (IPRs) conducted by UNCTAD and their follow-up activities are designed to maximize the benefits of FDI in client countries by improving the regulatory, institutional and operational aspects of clients' investment frameworks. Since January 2010, five additional IPRs for Burundi, Belarus, El Salvador, Guatemala and Sierra Leone were finalized by UNCTAD, bringing the total of completed IPRs to 31, including 12 for LDCs.

35. The UNCTAD business facilitation programme played an active role in helping developing countries achieve a transparent, stable and predictable investment climate through the promotion of transparent and simple rules and procedures in 2010. In particular, the UNCTAD eRegulation system allowed governments to present their business-related administrative procedures online. Operational in 17 countries, the system aims at providing full transparency on rules and procedures and facilitating the exchange of good practices among countries.

36. To better assist developing countries to attract and retain FDI through strengthened institutions and cutting-edge practices, the Division on Investment and Enterprise launched a new investment compact. This compact contains several components, including the preparation of the toolkits of the Investment Advisory Series, ad hoc advisory services, capacity-building workshops, networking of investment promotion agencies and study tours. Over 100 investment promotion officials from 33 countries, mostly from LDCs and SIDS, benefited from study tours in 2010. Three guides were published in 2010 for Benin, Lao People's Democratic Republic and Morocco, bringing the total number of Investment Guides produced by the Division to 17.

37. LDC-IV highlighted the role of investment in achieving sustainable development. In this context, UNCTAD released an in-depth study, *Foreign Direct Investment in LDCs*:

¹ This is the only intergovernmental body within the United Nations that deals with investment and investment-related issues.

Lessons learned from the past decade 2001–2010 and the way forward. The study informed the ninth session of the Investment Advisory Council, a high-level meeting, organized by UNCTAD and the International Chamber of Commerce, which discussed a new partnership for LDCs' development: "Invest in the poor, for the poor and with the poor".

38. With a view to helping LDCs meet the MDGs, especially goal 8, the secretariat also prepared a practical guide entitled *Investment in Pharmaceutical Production in the Least Developed Countries*. The study examines recent changes in the pharmaceutical industry at large and its implications for local pharmaceutical production in LDCs. It suggests how investment and technology transfer to support the local production of pharmaceuticals in LDCs could be a means to help ensure greater access to high-quality medicaments at a reasonable cost.

39. The Monterrey Consensus urges that special efforts be made in priority areas such as corporate governance and accounting standards. The twenty-seventh session of the Intergovernmental Working Group of Experts on International Standards of Accounting and Reporting discussed the key elements of a capacity-building framework for high-quality reporting by developing countries. Other recent achievements in this area included the preparation of the *2010 Investment and Enterprise Responsibility Review*, which provides an in-depth analysis of investor and enterprise policies on corporate social responsibility.

40. Aiming to foster a dynamic and well-functioning business sector and to reinforce national capacity-building efforts, including in human resource development, UNCTAD continued to develop its entrepreneurship policy framework through the Empretec Programme, which is now present in 32 countries. In addition to various training sessions that benefited over 650 entrepreneurs, UNCTAD also helps developing countries build an enabling policy environment for business linkages. Furthermore, two new projects in support of MDG 1 to eradicate extreme poverty and hunger were launched in Panama and Viet Nam.

IV. External debt and international financial cooperation for development

41. In the area of external debt, the 2000 Millennium Declaration, the 2002 Monterrey Consensus, the Johannesburg Plan of Implementation and the 2005 World Summit Outcome underscored the importance of a timely, comprehensive and durable solution to the debt problems of developing countries. The Accra Accord of 2008 underlined the importance of debt sustainability as an essential element underpinning growth and the importance of effective debt management in achieving national development goals in developing countries.

42. Over the past decade, the global discourse supporting the delivery of assistance to developing countries has remained strong. The 2002 Monterrey Consensus underlined the critical role of official development assistance (ODA) in the pursuit of development and achievement of the MDGs. To achieve internationally agreed development goals, it recognized the requirements for substantial increases in ODA, for the effective allocation and delivery of ODA and for the exploration of innovative sources of finance. The 2005 United Nations World Summit reiterated the determination to ensure the timely and full realization of the development goals and objectives agreed at major United Nations conferences and summits.

43. The 2008 Doha Declaration on Financing for Development reaffirmed the essential role of ODA in the achievement of internationally agreed development goals, in particular the MDGs, and called for the fulfilment of ODA commitments by donors. The Declaration

recognized that developing countries continued to face challenges in maintaining sustainable debt and that the global financial and economic crisis risked undoing the recent gains made by developing countries in the area of debt. It recognized that bold initiatives were needed to resolve the current debt problems of developing countries, including debt cancellation, particularly for African countries and LDCs.

44. The 2009 Outcome of the United Nations Conference on the World Financial and Economic Crisis also called for action to ensure the long-term debt sustainability of developing countries and for the provision of sufficient resources to developing countries without unwarranted conditionalities. It emphasized that appropriate measures must be taken to mitigate the negative effects of the crisis on the indebtedness of developing countries and to avoid a new debt crisis. As a last resort, countries could seek to negotiate agreements on temporary debt standstills between debtors and creditors. Efforts would be made to explore the need and feasibility of a more structured framework for international cooperation by using enhanced approaches to restructure sovereign debt.

45. Priority areas for action highlighted in the Programme of Action for the Least Developed Countries for the Decade 2011–2020 were the mobilization of financial resources for development and capacity-building, including ODA and external debt. As outlined by the Programme, it was important to monitor the debt situation in LDCs and to continue to take effective measures within existing frameworks. The Programme also stressed the importance of responsible borrowing and lending practices to achieve long-term debt sustainability.

A. Progress made

46. Sluggish growth forecasts and the ongoing challenges to the global economy carry important implications and challenges to developing countries in the years ahead. Indeed, areas of particular concern pertain to the sustainability of sovereign debt and the provision of ODA and their impact on development.

47. Prior to the global recession of 2008, developing countries had sharply reduced their average debt ratios and had made progress towards altering the composition of their public debt by borrowing more at home and less abroad. This reduction debt ratio was due to rapid growth in the gross domestic product rather than to a reduction in the stock of external public debt. Owing to the global crisis, the growth of total external debt slowed from 8 per cent to 3.5 per cent in 2007–2008 and 2008–2009 respectively, while the secretariat estimates that the debt stock grew by approximately 10 per cent during 2010, due in part to the depreciation of the United States dollar.

48. Progress continued under the Heavily Indebted Poor Countries (HIPC) Initiative, with an additional four countries reaching the completion point and one reaching the decision point from mid-2010 to mid-2011. This increases the total number of HIPCs that have completed the Initiative to 32 of 40 eligible countries. While this is encouraging, there is concern that a number of post-completion-point HIPCs continue to show signs of debt distress.

49. As the HIPC Initiative winds down, solutions to the persistent debt problems of developing countries post-HIPC Initiative must be explored. Some LDCs have been classified as being at high and moderate risk of debt distress that did not benefit from debt relief of the HIPC Initiative or the Multilateral Debt Relief Initiative. The actual delivery of ODA has not come close to matching donor commitments. In 2010, ODA delivered by Development Assistance Committee donors of the Organization for Economic Cooperation and Development reached \$129 billion, a 6.5 per cent increase over 2009, marking the highest nominal level of ODA to date. While these figures are encouraging at first glance, a different picture emerges once the evolution of exchange rates, inflation and growth are

taken into consideration. The UNCTAD secretariat estimates suggest that controlling for inflation and the depreciation of the dollar have eroded between \$5 billion and \$15 billion from this \$21 billion increase since 2005. Therefore, the actual increase of aid flows over the period 2005–2010 is between 25 and 70 per cent lower than the nominal increase reported in official figures.

B. UNCTAD's contribution

50. UNCTAD continues to respond to emerging problems and challenges posed to developing countries in the areas of debt and development financing, as called for by the outcomes of major United Nations conferences and summits.

51. UNCTAD is entrusted with the preparation of the annual report of the United Nations Secretary-General to the General Assembly on the external debt problems of developing and transitional economies, which analyses the latest trends and the emerging issues and puts forward policy recommendations. According to the 2011 Report, policies should involve (a) the promotion of newer and safer debt instruments, (b) regulatory measures aimed at reducing destabilizing capital flows, (c) the creation of an effective international lender of last resort, (d) the design of a set of guidelines aimed at limiting solvency crises by promoting responsible sovereign borrowing and lending to sovereigns and (e) the design of a mechanism to deal with sovereign debt crises.

52. UNCTAD continues to play an important role in consensus building on issues of debt and development finance. The UNCTAD Project Promoting Responsible Sovereign Lending and Borrowing contains a set of principles to guide responsible sovereign lending and borrowing practices based on extensive consultations with prominent experts in the fields of law, finance and economics. The identification of agreed principles is viewed as the first step in the process of preventing – and resolving, if necessary – future debt problems.

53. UNCTAD has been at the forefront of the international discourse on challenges facing the debt sustainability of developing countries, particularly in the wake of the global economic crisis. It provided analysis and inputs to the annual *Trade and Development Report*, as well as for UNCTAD and G-24 discussion papers and papers delivered at regional meetings. Discussion papers touched upon topics such as international government debt, responsible sovereign lending and borrowing, and avoiding avoidable debt crises through lessons learned from recent defaults.

54. To contribute to the preparation of LDC-IV, UNCTAD has enhanced its analytical work of debt, debt management and ODA flows to LDCs and the challenges they are facing. As a member of the United Nations MDG Gap Task Force, UNCTAD provides feedback and inputs to the preparation of the MDG Gap Report in the areas of external debt sustainability. The 2011 Report focuses on policy coherence across the various dimensions of the global partnership for development under MDG 8.

55. UNCTAD provides support to debtor countries in their preparations for negotiations on rescheduling or restructuring of bilateral official debt in the framework of the Paris Club. Since July 2010, six countries, Antigua and Barbuda, Comoros, Democratic Republic of Congo, Guinea Bissau, Liberia and Togo, have rescheduled their debt within that framework.

56. UNCTAD has continued to assist developing countries in strengthening their debt management capacity through its Debt Management and Financial Analysis System (DMFAS) Programme. To date, the Programme has provided technical assistance to debt management offices of 67 mostly low and lower-middle income countries and 104 institutions. This assistance is mainly provided by technical assistance projects at the country level.

57. In response to the evolving challenges facing the debt management offices of developing countries, UNCTAD has been actively engaged in providing the sixth version of its DMFAS software to countries and providing training to debt officials at the regional and national levels.

V. Coherence of the international monetary, financial and trading systems

58. Following the Monterrey Consensus of 2002, the Doha Declaration on Financing for Development stressed the need to mobilize financial resources that are central to the global partnership for sustainable development, including in support of the achievement of the internationally agreed development goals and the MDGs. The Doha Declaration further recognized that new and highly globalized financial instruments continue to change the nature of risks in the world economy, requiring continuing enhancement of market oversight and regulation.

59. The United Nations Conference on the World Financial and Economic crisis and its Impact on Development of June 2009 discussed the consequences of the worst financial and economic crisis since the Great Depression. The outcomes adopted by General Assembly resolution 63/303 stressed the need for prompt and decisive action in response to the crisis. In particular the resolution recommended several lines of action: (a) to encourage greater cooperation and coordination among countries' fiscal and economic action and avoid any forms of protectionism, (b) to encourage countries in a position to do so to utilize fiscal stimuli while ensuring long-term fiscal sustainability, (c) to recognize that developing countries and especially the least developed countries need a larger share of additional resources – both short term liquidity and long term development financing, (d) to contain the effects of the crisis and improve global resilience, (e) to encourage and support South-South cooperation and triangular cooperation, (f) to improve regulation and monitoring and (g) to reform the international financial and economic system and architecture.

60. The Conference recognized that increases in global liquidity play a useful role in overcoming the financial crisis and acknowledged the call by some States for reform of the global reserve system to overcome its insufficiencies. In addition, the Conference noted “the value of regional and subregional cooperation efforts in meeting the challenges of the global economic crisis”.

A. Progress made

61. The economic and financial crisis of 2007–2008 highlighted the need for a coordinated response by Member States in order to advance consistency, coherence and consensus building around policies to respond to the crisis and mitigate its adverse impact on development. Since the adoption of General Assembly resolution 63/303, a weak recovery in the world economy has taken place. At the same time, fears of a double dip have risen because of a persistent weak job market and currency and debt crisis in many parts of the world. Food and energy crises are looming, with prices for some commodities at a higher level than 2008, threatening to unravel the social and political order.

62. Governments in several of the developed countries have proposed bold actions to curb rising commodity prices and to mitigate systemic risks by reducing financial leverage and increasing market transparency. Those proposals and others are currently being discussed

within the G-20 framework, but deserve to gain impetus at the international level to include all the developing countries.

63. Despite some advances made in national financial sector regulation, especially in some developed countries, the overall regulatory response to the crisis remains insufficient. Consequently, financial imbalances have re-emerged, while national and supranational regulatory efforts still need to be enacted. International cooperation in financial and monetary reforms has been slow getting off the ground and gaining traction, highlighting the important role of the United Nations as a universal platform for discussion and action on the key aspects of global economic systemic coherence. The lack of coordination and of regulatory implementation leaves the world unprepared for a possible relapse into an economic and financial crisis.

B. UNCTAD's contribution

64. Concerned by the risk of a new economic downturn and by sub-potential growth in many parts of the world, UNCTAD addressed issues related to the job market in the *Trade and Development Report 2010*. In the Report, UNCTAD discussed remedies to return to full employment in developed and developing countries alike and to foster sustainable economic growth. Unemployment, poverty and hunger are listed first among the direct consequences of the financial crisis in the June 2009 Conference. The Report also addresses the potential impact of rebalancing on trade flows and employment and reiterates UNCTAD's long-standing call for a thorough reform of the global monetary and financial system.

65. Within the framework of its programme on global financial and monetary issues, UNCTAD has pushed for many years for an internationally coordinated policy response. The study, *Regional Monetary Cooperation and Growth-Enhancing Policies: The new challenges for Latin America and the Caribbean* states that regional economic cooperation and integration arrangements are likely to play an increasingly prominent role in helping policymakers at the national and international levels cope with the vicissitudes of a globalized economy and in meeting key global development challenges.

66. UNCTAD was identified in November 2009 by the G-20 Ministers of Finance as one of the main international organizations to contribute to the G-20 process. Subsequently, UNCTAD has been very active in that process by producing observations and research papers. Notably, UNCTAD contributed to the mutual assessment process through the research note, *Global Imbalances and External Sustainability*, stressing the importance of multilateral exchange rate coordination mechanisms that keep the real exchange rate constant and explaining how to handle technical problems. UNCTAD also contributed actively to G-20 subgroup I on capital flow management with another research note that examined the link between capital flows and exchange rate fluctuations. UNCTAD also contributed to the G-20 Study Group on Commodities. Its research describes the effect of the financialization of commodities markets on the functioning of commodity markets and on price developments. UNCTAD also made contributions to an inter-organizational report that was requested by the French presidency of the G-20 on price volatility in food and agricultural markets, focusing on policy responses.

67. Building on its recent work in this area, UNCTAD published in June 2011 a study on commodities entitled *Price Formation in Financialized Commodity Markets*. The study, which generated a vivid debate among policymakers and experts, showed how the functioning of the commodity derivatives markets has changed following the deregulation of financial and commodity derivatives since the early 2000s.

68. Furthermore, to facilitate better monitoring of systemic coherence issues, UNCTAD launched in 2010 a new comprehensive and regularly updated free online statistics database

called UNCTADSTAT to provide data ready for analysis on all countries, including LDCs. To the extent possible, official data are made to be consistent and unavailable data are imputed to ease the calculation of indicators, mixing information on output, trade and finance.

VI. Science and technology for development, including information and communication technologies

69. The World Summit on the Information Society (WSIS) adopted a common vision and commitment to building a “people-centred, inclusive and development-oriented Information Society”. The Summit also adopted four outcome documents that seek to translate this vision into concrete objectives, goals and targets to be met by 2015, along with a series of 11 action lines and main themes. The Commission on Science and Technology for Development (CSTD) has been designated by the Economic and Social Council to act as the focal point in the system-wide follow-up to the WSIS outcomes.

A. Progress made

70. Connectivity continues to improve, especially with regard to mobile telephones. Recent estimates by the International Telecommunication Union (ITU) suggest that the number of mobile subscriptions exceeded 5.3 billion in 2010. Improved access to information and communications technologies (ICTs) represents one of the most positive developments in LDCs in the past decade. Between 2005 and 2010, the average number of mobile subscriptions per 100 people in LDCs rose from 2 to 30. In other areas, such as Internet access and broadband connectivity, LDCs still lag behind other developing countries. For example, as noted in the *Information Economy Report 2010* released by UNCTAD, a person in a developed country was in 2009 on average more than 600 times more likely to have access to fixed broadband than someone living in an LDC.

71. There is no room for complacency. Although there have been positive developments towards narrowing the digital divide, there remains much to be done if an inclusive information society is to be built.

B. UNCTAD’s contribution

72. As the CSTD secretariat, UNCTAD continues to monitor WSIS implementation and follow-up at the international and regional levels and prepares the annual report of the Secretary-General thereon. At the request of the Chair of the Commission, UNCTAD launched at the end of 2010 an open multi-stakeholder consultation on progress made towards the implementation of the outcomes of WSIS. In line with Economic and Social Council resolution 2006/46, the review also considered how changes in the ICT landscape might call for increased or reduced attention to certain areas. The outcomes of this Consultation were reported in a publication entitled *Implementing WSIS Outcomes: Experience to Date and Prospects for the Future*,² released during the fourteenth CSTD session in May 2011.

² http://www.unctad.org/en/docs/dtlstict2011d3_en.pdf.

73. Through capacity-building in the area of ICT and law reform, UNCTAD in 2010 supported the creation of cyberlegislation and an enabling environment for e-business. In particular, it facilitated the regional harmonization of cyberlaws, with projects in Africa, Asia and Latin America that included training, workshops and comparative law studies.

74. The development of ICT statistics is crucial to enable policymakers to design and monitor their ICT policies. UNCTAD is actively supporting the efforts of member States to improve the availability of ICT statistics. In most developing countries, there is still a serious lack of reliable data in these areas. The UNCTAD *Manual for the Production of Statistics on the Information Economy* serves as a basis for regional training courses.

75. The WSIS Forums 2010 and 2011 were jointly organized by ITU, the United Nations Educational, Scientific, and Cultural Organization and UNCTAD and hosted by ITU in May 2010 and 2011, respectively. UNCTAD played an active role in the preparations of the Forum as well as in its implementation.

76. In connection with the outcome of the 2005 World Summit and as part of its implementation of its science and technology-related work programme, the UNCTAD Science, Technology and Innovation (STI) Policy Reviews support developing countries in assessing their STI-related policies. In 2010, the substantive work on the STI Policy Review of Peru was completed, and the report was issued in early 2011. Work on the STI policy reviews of El Salvador and the Dominican Republic also progressed in 2010 and both Reviews will be completed in 2011.

77. The second session of UNCTAD's Multi-year Expert Meeting on Enterprise Development and Capacity-building in Science, Technology and Innovation took place in January 2010. UNCTAD's proposal of a core list of STI indicators was considered a good basis to adapt STI indicators to the realities of developing countries and to support capacity-building in STI data collection and analysis. The third session of the Multi-year Expert Meeting focused on how to encourage innovation and entrepreneurship through education at all levels. Experts encouraged UNCTAD to support developing countries in building a strong national system of innovation, including through research and analysis, the implementation of national STI policy reviews and other technical assistance, particularly in STI capacity-building.

78. In cooperation with the Latin American and Caribbean System, or SELA, the UNCTAD TrainForTrade Programme in November 2010 organized a distance-learning course, Legal Aspects of Electronic Commerce, for 210 participants from 19 countries. The outcome of discussions and exchanges of experiences strengthened the knowledge of the topic in the region.

VII. Competition law and policy

79. The United Nations Set of Multilaterally Agreed Equitable Principles and Rules for the Control of Restrictive Business Practices (1980) aims "to ensure that restrictive business practices do not impede or negate the realization of benefits that should arise from the liberalization of tariff and non-tariff barriers affecting international trade". The Sixth United Nations Conference to Review All Aspects of the Set of Multilaterally Agreed Equitable Principles and Rules for the Control of Restrictive Business Practices (November 2010), assessed the application and implementation of the United Nations Set on competition during its 30 years of existence, and discussed proposals for its improvement.

80. The Conference reaffirmed the validity of the United Nations Set and concluded that it represents one of the most successful efforts in the establishment by the international community of a multilateral agreement on competition policy. The Conference recommended that the United Nations General Assembly convene a seventh United Nations Review Conference, under UNCTAD auspices, in 2015.

A. Progress made

81. While some progress has been made towards the adoption, reformulation or better implementation of competition laws and policies in developing countries and countries with economies in transition, many still do not have up-to-date competition legislation or adequate institutions for their effective enforcement and rely to a large extent on the UNCTAD capacity-building programme.

B. UNCTAD's contribution

82. UNCTAD assisted individual developing countries in competition advocacy, the preparation of national competition laws, the training of competition case handlers, institution building and consumer protection. For example, such activities were held in Malaysia, on the establishment of competition institutions; in the Lao People's Democratic Republic and Bhutan, on competition law and consumer protection training; and in Mozambique, on exploring the status of competition in the economy. Sectoral studies were conducted in Zambia, Malawi and Lesotho to facilitate improvement in competition law and policy; and competition laws and regulations were developed in Angola, Botswana, Cambodia, Costa Rica, Dominican Republic, Ecuador, Gambia, Ghana, Indonesia, Lao People's Democratic Republic, Lesotho, Paraguay, Sierra Leone and Uruguay. Assistance was provided on drafting legislation or awareness-building of consumer protection for Bhutan, Cambodia, Ecuador, Lao People's Democratic Republic, Sierra Leone, South Africa and the Hong Kong Consumer Council.

83. Activities carried out for Latin American countries under the UNCTAD COMPAL programme strengthened competition and consumer protection law and policies in Bolivia, Costa Rica, El Salvador, Nicaragua, Peru, and Colombia. The competition programme for Africa (AFRICOMP) has helped African countries develop appropriate administrative, institutional and legal structures for the effective enforcement of competition and consumer law and policies.

84. UNCTAD established the Research Partnerships Platform in April 2010, an initiative which brings together researchers from different institutions to conduct and share research findings on the formulation and enforcement of competition and consumer protection laws and policies.

VIII. Countries in special situations

A. Least developed countries

1. Progress made towards key goals and targets of the Brussels Programme of Action

85. LDC-IV undertook a final appraisal of the Brussels Programme of Action for the Decade 2001–2010. It noted that the “economic and social development [of LDCs] was better during the implementation of the Brussels Programme of Action than during the previous decade, despite large differences among individual least developed countries, with some least developed countries having achieved growth rates exceeding 7 per cent annually”.

86. With regard to international support measures, the Conference noted that “the aggregate ratio of ODA to gross national income for the Development Assistance Committee members increased from 0.05 per cent in 1997–1998 to 0.09 per cent in 2008, but remained well below the 0.15–0.20 per cent target”. Progress has also been made towards fulfilling commitments on duty-free quota-free market access for products originating in LDCs, in accordance with the Hong Kong Ministerial Declaration adopted by the World Trade Organization in 2005, but the full realization is yet to be achieved. The Conference led to the adoption of the new Istanbul Programme of Action for LDCs for the decade 2011–2020 and the related political declaration.

2. UNCTAD’s contribution

87. UNCTAD has been providing policy analysis and advice as to where LDCs and their development partners stand at a given time with respect to the implementation of the agreed goals and targets. In this regard, the *Least Developed Countries Report 2010* provided key substantive inputs to the preparatory process in the run-up to LDC-IV. The report calls for a new international development architecture for LDCs, which not only consolidates but also goes beyond the existing international support mechanisms in favour of LDCs.

88. As part of its contribution to the mandated review of the Brussels Programme of Action, UNCTAD also undertook a sectoral appraisal of its implementation. The study provided a detailed account of the challenges faced in undertaking objective and results-oriented assessment of the progress and impact evaluation of the Brussels Programme of Action. Furthermore, it includes an analysis of the role of commodities in improving the growth and development prospects of LDCs and it provides policy recommendations for LDC-IV.

89. UNCTAD organized various events in support of LDC-IV that directly and indirectly contributed to the outcome of the Conference. For example, the secretariat organized a pre-Conference event, Building Productive Capacities in LDCs for Sustainable and Inclusive Development (Geneva, October 2010) and an international expert meeting on tourism development in the LDCs (Caen, October 2010). During LDC-IV, UNCTAD also organized various special events in collaboration with other agencies, including the United Nations Chief Executive Board Inter-Agency Cluster on Trade and Productive Capacity.

B. Small island developing States

1. Progress made in the elements of implementation of the Mauritius Strategy for the Further Implementation of the Programme of Action for the Sustainable Development of Small Island Developing States that are relevant to UNCTAD

90. Chapter XII of the Strategy calls for a smooth transition for any country graduating from the LDC category. In January 2011, Maldives graduated from the LDC category; Samoa is scheduled to graduate in 2014.

91. Chapter XIII of the Strategy, which discusses globalization and trade liberalization, stresses the importance of addressing “the specific limitations and vulnerabilities of small island developing States” in the multilateral trading system.

92. United Nations General Assembly resolution 65/2, resulting from the mid-term review of the implementation of the Mauritius Strategy relating to SIDS, highlights the need for “improved and additional measures ... to more effectively address the unique and particular vulnerabilities and development needs” of SIDS (para. 33).

2. UNCTAD’s contribution

93. UNCTAD has been providing advisory services and technical assistance to all graduating or potentially graduating SIDS in the following areas: (a) identification of the concessionary support and special treatment that are deemed important to the country, irrespective of status, before or after graduation; (b) formulation of a smooth transition strategy for the graduating country and (c) support to government officials in their dialogue with development partners toward a smooth phasing out of LDC-related concessions. This assistance has particularly benefited two SIDS that graduated from the LDC category, namely Cape Verde (2007) and Maldives (early 2011).

94. UNCTAD has been instrumental in bringing to the attention of United Nations members the urgency of helping SIDS build resilience to avoid further marginalization from the global economy. The vulnerability and economic fragility of those States point to the need for international support measures.

95. UNCTAD's long-standing call for the adoption of criteria to define SIDS as a category recognized by the United Nations is gaining international support. UNCTAD’s analytical list of 29 SIDS is frequently cited and used to analyse the performance of those States and their vulnerabilities and fragilities.

C. Landlocked developing countries

1. Progress made in the elements of implementation of the Almaty Programme of Action that are relevant to UNCTAD

96. The International Ministerial Conference of Landlocked and Transit Developing Countries and Donor Countries and International Financial and Development Institutions on Transit Transport Cooperation, held in Almaty in 2003, and its main outcome, the Almaty Programme of Action, provide the framework for national development policies in landlocked developing countries and international cooperation with their development partners in the areas of transit and trade facilitation, as well as for the strengthening of transport cooperation with transit developing countries. All five priority areas of action as highlighted in the Programme of Action are relevant to UNCTAD, which had pioneered actions in favour of landlocked developing countries as early as 1964.

2. UNCTAD’s contribution

97. UNCTAD assists landlocked developing countries in the implementation of the Almaty Programme of Action through research activities and the provision of support to the intergovernmental machinery, as well as through technical assistance activities in response to priorities listed in the Programme of Action.

98. UNCTAD continued to provide advisory services to Mongolia in its efforts to improve the legal basis for transit traffic through its neighbouring countries.

99. In addition, since about half of the 31 members of the group of landlocked developing countries are also LDCs, a large part of UNCTAD's work in favour of landlocked developing countries relates to issues of poverty and vulnerability, with particular reference to the goal of resilience building, which implies, inter alia, helping these countries improve their economic specialization.

100. UNCTAD intends to build on this area of work, in particular, that of international capital flows. To this end, UNCTAD has developed a project proposal entitled "Enhancing the capacities of landlocked developing countries to attract FDI for the development and modernization of productive capacities" to be financed under the development account activities. The project aims to enhance the national capacities of landlocked developing countries in three regions (East Africa, West Africa and Asia) to attract larger and more diversified FDI inflows for the development and modernization of productive capacities.

3. UNCTAD activities in relation to the New Partnership for Africa's Development

101. UNCTAD is directly supporting all thematic areas relating to the New Partnership for Africa's Development, or NEPAD, through regional and country-specific activities, research work, and capacity-building projects.

102. UNCTAD's research and publications have addressed some key problems in the area of food security, investment policy, agriculture development, export competitiveness, debt management, regional integration and enhanced South-South cooperation, and in the role played by ICT in reducing poverty. UNCTAD promotes consensus building on the developmental role of organic agriculture, for example, and strives to improve the level of participation of African countries in the clean development mechanism under the Kyoto Protocol. UNCTAD technical cooperation activities have targeted the improvement of domestic trade policymaking, enhanced the business and related regulatory framework, empowered human development through training e-learning courses and provided advisory services.
