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ACTIVITIES UNDERTAKEN BY UNCTAD IN FAVOUR OF AFRICA

Report by the Secretary-General of UNCTAD

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INTRODUCTION

1. The Trade and Development Board considers annually, at one of its executive sessions, a report on UNCTAD's activities in favour of Africa. The present document is the ninth in the series since the fifteenth executive session of the Board. It provides an overview of research and analysis being undertaken by UNCTAD with regard to Africa's development, as well as a summary of specific activities, including advisory services and technical cooperation, in each sector falling under UNCTAD's mandate. This report complements and updates the information in document TD/B/EX(35)/2, which was submitted to the thirty-fifth executive session of the Board in September 2004.

2. The United Nations General Assembly, in its resolution A/RES/59/254, while welcoming the support provided by the UN system to the New Partnership for Africa's Development (NEPAD), requested that such support be continued. At its fifty-first session the Board, in its agreed conclusions 480 (LI), decided that "UNCTAD should, within its mandate, continue to provide analysis and policy advice on African development and to support African countries to implement the programmes of NEPAD and to attain the international development goals, including those contained in the Millennium Declaration". Various divisions and programmes of UNCTAD have continued their close cooperation and collaboration with the NEPAD Secretariat and have made specific contributions to it as well as to the work of its Steering Committee. UNCTAD has also reported its activities to the Office of the Special Adviser on Africa for inclusion in the Secretary-General's Report on United Nations System Support to NEPAD. The reports of the various inter-agency clusters, as well as individual contributions by organizations of the UN system to the implementation of NEPAD, are also presented to the Committee for Programme and Coordination (CPC) in New York.

3. UNCTAD's activities in favour of Africa are generally consonant with the requirements arising from NEPAD as described in paragraph 3 (a)–(f) of document TD/B/EX(35)/2 presented to the thirty-fifth executive session of the Trade and Development Board.

I. POLICY RESEARCH AND ANALYSIS

4. The UNCTAD secretariat prepared a report entitled "Economic Development in Africa: Debt Sustainability: Oasis or Mirage?",¹ a summary version of which was presented to the Trade and Development Board at its fifty-first session. This report provided a technical analysis of the issue and addressed the debt problems of African countries in the context of achieving the Millennium Development Goals by 2015. The analysis showed that, notwithstanding progress in the implementation of the enhanced Heavily Indebted Poor Countries Initiative, indebted African countries would not find themselves in a sustainable debt situation, and it recommended a debt write-off for the poorest countries or the application of alternative debt sustainability criteria which would ensure a permanent exit solution to their debt overhang. Since the publication of that report, the Commission for Africa Report of Prime Minister Blair, as well as the Sachs Millennium Project Report, have come to a similar conclusion, with respect both to the question of Africa's indebtedness and to the additional resource requirements of Africa for achieving the MDGs.

¹ UNCTAD/GDS/AFRICA/2004/1.

5. The Board's deliberations on this item led to the adoption of agreed conclusions in which, *inter alia*, it welcomed the report by the UNCTAD secretariat as a contribution to the debate on debt sustainability and stressed that debt sustainability analysis should incorporate a comprehensive set of variables, including country-specific factors as well as vulnerabilities.

II. SECTORAL ISSUES

A. International trade

1. ITC/UNCTAD/WTO Joint Integrated Technical Assistance Programme to Selected Least Developed and Other African Countries (JITAP)

6. The second phase of JITAP was launched in February 2003, with the support of development partners, for 16 African countries. Under JITAP, capacity building focused on the multilateral trading system (MTS) being delivered by ITC, UNCTAD and WTO through close cooperation and collaboration with the beneficiary countries. National task forces in the 16 beneficiary countries have been set up and all country-specific project documents were finalized through intensive national consultation processes and guidance on the methodology and substance by the executing agencies. The process of nationally prepared country project documents in itself is an exercise in capacity development. Tool kits designed to facilitate self-execution of MTS capacity building have been completed on institutional capacity building for trade negotiations and trade policy formulation; MTS reference centres and inquiry points; and export sector strategies. A "Guide to Commodity-based Export Diversification and Competitiveness Strategies in Africa" has been finalized to help the countries develop a holistic approach to addressing supply-side and competitiveness issues in the commodity sector for export development. Substantive capacity-building activities during the reporting period centred on the development of negotiation capacities and effective participation in the Doha negotiations, including the following: (a) assistance in assessing the implications of the July package and preparing for negotiations, especially through the national inter-institutional committees (IICs) for which retreats were convened in Benin, Kenya, Mauritania, Uganda and the United Republic of Tanzania; videoconferences on agriculture, non-agricultural market access and services; (b) provision of technical advisory services, to Botswana, Kenya, the United Republic of Tanzania and Zambia on the Doha negotiations; (c) organization of a workshop on MTS capacity building and regional integration in Africa in Geneva in May to exchange experiences on challenges and opportunities for actions between JITAP and regional economic communities in developing MTS capacity and building regional integration; (d) convening of a high-level event involving JITAP beneficiary countries, donors and other interested parties in June on the occasion of UNCTAD XI, to exchange ideas on best practices in MTS capacity building, including JITAP's contribution to UNCTAD's programme of work; and (e) training in negotiation skills of some 30 participants from the English-speaking JITAP countries in Uganda in November 2004. A similar workshop for the French-speaking JITAP countries was held in February 2005 for some 32 participants.

2. Integrated Framework for Trade-Related Technical Assistance to Least Developed Countries

7. The Integrated Framework for Trade-Related Technical Assistance to Least Developed Countries (IF) is a multi-agency, multi-donor programme that helps the least developed countries to expand their participation in the global economy, thereby enhancing their economic growth and poverty reduction strategies. The IF programme was first mandated by the WTO Ministerial Conference in Singapore in December 1996. The participating agencies are the IMF, ITC, UNCTAD, UNDP, World Bank and WTO.

8. UNCTAD is continuing to work with the other core agencies in closely monitoring and assisting in the implementation of the IF in the 23 African least developed countries which are benefiting from the IF at different stages of its implementation. For example, UNCTAD is currently working jointly with ITC in project implementation in Djibouti, Guinea and Madagascar, utilizing financial resources from Window II of the IF Trust Fund.

9. At the request of the IF Working Group (IFWG), UNCTAD also organized a subregional workshop in Kigali, Rwanda, from 18 to 21 October 2004 with the underlying objective of strengthening LDCs' capacity for ownership of the IF process to ensure national commitment and effective implementation. This involves active participation in the design and conduct of the diagnostic trade integration studies (DTIS), mainstreaming of trade priorities in the national development plans or PRSPs, and identifying priorities for trade capacity development based on the findings and recommendations of those studies. Ten African LDCs – Angola, Chad, Guinea, Malawi, Mozambique, Rwanda, Sierra Leone, Uganda, the United Republic of Tanzania and Zambia – benefited from the Kigali workshop.

10. In consultation with the other core agencies, donors and the LDCs, UNCTAD is currently developing an IF Manual as a reference informational tool to help all stakeholders to better understand the IF process and thus contribute to its effective implementation and concrete results.

11. In collaboration with the Common Fund for Commodities, UNCTAD is implementing a project on Quality Assurance and Enhancing Export Competitiveness for African LDCs.

3. Other trade-related technical assistance

(a) Support on trade negotiations

12. Under a project for African countries supported by the UNDP Regional Bureau for Africa and UNOPS, UNCTAD's assistance focused on the provision of advisory services on Doha agenda negotiations to African countries and their regional organizations. UNCTAD serviced the first retreat, organized in October 2004 by the African Union (AU) Office in Geneva, on the July Package in the 1 August 2004 Decision of the WTO General Council. It also participated in an African Economic Research Consortium (AERC) workshop to review results of research work undertaken and to set up future priorities for research on issues of concern to African countries. UNCTAD and AERC will collaborate in carrying out research and disseminating the results to trade negotiators. UNCTAD participated in, and provided substantive inputs to, the technical workshop and high-level brainstorming meeting organized jointly by the Economic Commission for Africa (ECA), the AU and the African Development Bank (AfDB) in Tunis in November 2004 to discuss the July Package. Other support to African countries, at their request, included the following:

- Under a project funded by UNDP-Kenya, UNCTAD organized and serviced a symposium on the Doha work programme and other trade negotiations in February 2005, specifically for the Kenyan National Committee on WTO in its preparations for contributing to the finalization of modalities in the July Package.
- Support was provided to Congolese policy makers on the compatibility of economic partnership agreements with WTO rules through a seminar that took place in Brazzaville.

- Assistance was given to the member States of the Arab Maghreb Union (UMA) on WTO issues and assessment of the Fifth WTO Ministerial Conference and the reinforcement of their regional cooperation process.

(b) Assistance to countries in the process of accession to the WTO

13. UNCTAD continued to provide assistance to WTO-acceding countries, including Cape Verde, Ethiopia and Sudan, under the UNCTAD trust fund for accession, supported by the United Kingdom and Norway. Algeria received similar technical assistance utilizing UNDP funds. Activities centred on advisory missions, training of officials in WTO-related issues, procurement of IT equipment and the provision of consultants in specific areas to assist the negotiating team. Technical advisory missions were sent to Cape Verde, Ethiopia and Sudan in preparation for the first working party on accession. UNCTAD provided policy advice, trained and prepared the members of the negotiating teams on both substance and procedures, and carried out simulation exercises. Intensive training sessions were organized in Geneva and in the capitals for members of the negotiating teams on how to manage the Working Party on accession. UNCTAD participated in a joint UNCTAD/WTO workshop on accession organized in Yemen, involving the private sector and civil society. The beneficiary countries have been able to: (a) better appreciate the process of accession and what it entails; (b) table their Memorandum on the foreign trade regime, which is consistent with WTO guidelines, while preserving their developmental policy options; (c) participate more effectively in their accession process; (d) have a better understanding of WTO membership and benefits that can be derived from the WTO provisions; and (e) disseminate information to civil society.

(c) Support to African, Caribbean and Pacific (ACP) States

14. At the regional level, support was provided to the ACP States through advisory services and technical papers in addressing development issues arising from negotiations with the EU on economic partnership agreements, and the multilateral dimension of such partnerships.

(d) Trade in services and development

15. At the request of African and other developing countries, UNCTAD has provided direct individualized assistance on matters related to the current request/offer negotiations under the GATS negotiations and the work being undertaken in the different subsidiary bodies of the WTO Council for Trade in Services. For example, assistance in the request/offer process, and in rule-making negotiations, is an ongoing activity. A number of sector-specific studies have been launched in the course of the year with the support of UNCTAD, including in the areas of tourism and telecommunications and financial services in Kenya. UNCTAD has assisted COMESA, SADC, SACU and other regional organizations in their efforts to liberalize trade in services in the context of economic integration and multilateral trade negotiations.

(e) Preferences, South–South trade, and regional and global trade agreements

16. UNCTAD supports the third round of negotiations in the context of the Global System of Trade Preferences among Developing Countries (GSTP), launched at UNCTAD XI, in which 14 African countries are participating. The potential for South–South trade has been growing exponentially and at UNCTAD XI it was agreed that in the context of GSTP negotiations, preferential and differential treatment would be provided to LDCs. This

provides an important opportunity for many African LDCs which have not participated in the previous rounds to do so by July 2005.

17. UNCTAD has assisted SADC in the negotiations on the establishment of a free trade area in goods since 1997, and is now providing similar assistance in developing an agreement on trade in services.² It is assisting in the development of a "Common global trade and development strategy for SACU", and in assessing the impact of services agreements with other trading partners. In this context, UNCTAD participated in the SACU Ministerial Meeting, which took place in Windhoek, Namibia, in November 2004. It is also assisting COMESA in assessing the implications of services trade with the EU under the Cotonou Agreement.

18. UNCTAD assisted the Group of 77 and China in substantively servicing a High-level Forum on Trade and Investment in Doha, Qatar, in December 2004, in which many African countries participated .

4. Trade, environment and development

19. UNCTAD supports African countries in addressing the interface between trade and environment, in three key areas: the Capacity Building Task Force on Trade, Environment and Development; BioTrade; and the Clean Development Mechanism.

(a) *UNEP-UNCTAD Capacity Building Task Force on Trade, Environment and Development (CBTF)*

20. In 2004, a number of technical cooperation activities in Africa were carried out in the framework of the CBTF. These activities were developed in response to the priority issues and capacity-building needs identified by representatives of the ministries of trade and environment of 18 countries at the CBTF Workshop on Trade and Environment for Anglophone African Countries in Cape Town (May 2003). In July, the CBTF held a Training Workshop on Integrated Assessment for African Countries in Nairobi, Kenya, for selected African research and training institutions and economic and trade bodies. The workshop provided participants with a better understanding of the concept of integrated assessment and discussed possibilities for its application in African countries.

21. In September and October 2004, the CBTF held national multi-stakeholder consultations with representatives of the trade, environment and agriculture ministries, as well as the organic sector, in Kenya, Uganda and the United Republic of Tanzania to discuss the possibility of launching a CBTF project for promoting production and trade of organic agricultural products in East Africa. In addition, consultations were held on 26 September 2004 in Nairobi with the regional standards group convened under the auspices of the Export Promotion of Organic Products from Africa (EPOPA) project, with participants from the private sector organic agriculture networks from all three countries. Further consultations with the organic sector took place in the context of the International Federation of Organic Agriculture Movements (IFOAM) Conference on Organic Agriculture and Biodiversity³ and the IFOAM Organic Coffee Conference.⁴ The project concept note was revised in the light of the useful comments received during these consultations, and implementation is expected to begin in 2005.

² SADC trade ministers specifically requested such assistance.

³ Nairobi, September 2004.

⁴ Kampala, October 2004.

22. From 8 to 10 November 2004, a CBTF Regional Seminar on Trade, Environment and Development for Lusophone African countries was held in Luanda, Angola, with some 70 participants from Angola, as well as representatives from the trade and environment ministries of Cape Verde, Mozambique, and Sao Tome and Principe.

(b) *BioTrade*

23. Africa is particularly well endowed in biodiversity and keen to explore its natural wealth in a sustainable manner. At UNCTAD XI and at the recent ninth session of UNCTAD's Commission on Trade in Goods and Services, and Commodities, the African Group expressed its appreciation for the work undertaken so far by the BioTrade Initiative of UNCTAD to develop a new and dynamic sector for biodiversity products and services (eco-tourism). Such products include natural fibres, medicinal plants, tropical fruits and natural ingredients for the pharmaceutical and cosmetic industries. The first BioTrade national programme in the continent is currently being developed in Uganda. In another seven Southern African countries, community-based enterprises have been supported with the implementation of product-specific sectoral assessments and supply-side capacity development.

(c) *Clean Development Mechanism*

24. An area of interface between trade, sustainable development, investment and environment objectives in which UNCTAD has assisted African countries is the Clean Development Mechanism (CDM) under the Kyoto Protocol, which entered into force on 16 February 2005. Despite the great potential to use the CDM to boost renewable energy, transportation and reforestation projects in Africa, the region is currently at a disadvantage in developing its own CDM projects. UNCTAD seeks to attract new investments for African countries in the area of energy generation, transportation, carbon sequestration and adaptation through capacity-building activities for CDM project formulation. For example, UNCTAD undertook a pilot project in the United Republic of Tanzania, funded by Norway, that has enabled the Tanzanian Government to develop and publish a National CDM Implementation Guide. The Guide established the framework for promoting and implementing CDM projects and has contributed to improving the country's capacity to attract CDM investments. Overall, the positive experience in the United Republic of Tanzania could easily be replicated in other African and least developing countries.

5. *Competition and consumer policies*

25. A training course on the implementation of competition law for high-level officials and competition experts was held by UNCTAD in cooperation with the Ministry of Finance of Angola from 26 to 30 January 2004 in Luanda. A national workshop on competition policy for competition experts was held by UNCTAD and the Ministry of Commerce and Industry of Botswana on 5 and 6 February 2004 in Gaborone. A national competition workshop aimed at finalizing with government officials the country's economic mapping and legal inventory, as well as formulating a competition policy framework, was co-organized by UNCTAD and the Ministry of Trade and Industry of Lesotho on 11 August 2004 in Maseru. An intensive training course on the implementation of competition law was held in Pretoria from 1 to 7 December 2004 by UNCTAD in cooperation with the Government of South Africa and with German financial support. A training course on competition law and policy was co-organized by UNCTAD and the Ministry of Trade and Private Sector Development of Malawi from 9 to 11 December 2004 in Blantyre.

26. In the area of regional cooperation, assistance was provided in the drafting of competition legislation for member States of COMESA and for the implementation of the recently adopted legislation of the West African Economic and Monetary Union. UNCTAD also prepared a draft agreement for regional competition policy for member States of the South African Customs Union (SACU).

27. A regional workshop on competition law and policy for Arab countries members of the Organization of the Islamic Conference was co-organized with the Islamic Development Bank on 27 and 28 April 2004 in Khartoum, Sudan. A competition policy, competitiveness and investment conference was held from 10 to 12 May 2004 in Dar es Salaam, United Republic of Tanzania, for participants from countries of Southern and Eastern Africa. The conference was co-organized with the World Bank, and co-financed by the European Commission. A review meeting on a possible framework for cooperation among SACU member States on anti-competitive practices was organized in Maseru on 9 and 10 August 2004 by UNCTAD and the Ministry of Trade and Industry of Lesotho for representatives of five South African countries. At the request of seven African countries (Kenya, Malawi, Namibia, South Africa, United Republic of Tanzania, Zambia and Zimbabwe), UNCTAD organized in October 2004, in cooperation with the Government of Zambia, a seminar for judges and public prosecutors on the enforcement of competition as well as a training course on investigation and evidence-gathering in competition cases.

6. Commodities

28. Since Africa is where most commodity-dependent countries are located, work in this area is of primary importance for the continent. The ninth session of the Commission on Trade in Goods and Services, and Commodities (March 2005) discussed the role of trade and investment in facilitating market entry for commodities. Both documents prepared for this meeting⁵ and for the Expert Meeting on Financing Commodity-Based Trade and Development: Innovative Financing Mechanisms⁶ referred to, and drew lessons from, African experiences. On commodity finance, UNCTAD gave several training courses in Egypt and Tunisia during 2004. It is also assisting in the development of South-South banking sector links as a means to facilitate South-South commodity trade.

29. As part of a project on improving the sustainability of the cotton sector in West and Central Africa, a draft report was prepared and discussed at a subregional meeting held in Bamako on 28 February and 1 March, and attended by about 80 governmental and non-governmental participants, including from the private sector, from the region and elsewhere in the world. This meeting was organized by UNCTAD in cooperation with the International Cotton Advisory Committee and the Common Fund for Commodities, and generously hosted by the Government of Mali. Its conclusions, which reflect the priorities and concerns of the participating countries,⁷ are expected to assist Governments in policy formulation and serve as guidelines for related technical assistance projects. UNCTAD has also been active in the discussions on the implementation of the Marrakesh Decision on Measures Concerning the Possible Negative Effects of the Reform Programme on Least-Developed and Net Food-Importing Developing Countries.

⁵ TD/B/COM.1/72.

⁶ TD/B/COM.1/EM.24/3.

⁷ Benin, Burkina Faso, Cameroon, Chad, Côte d'Ivoire, Mali and Togo.

30. UNCTAD is assisting African countries in the development of a pan-African commodity exchange, one of the pillars of African integration as identified in Article 46, Chapter VIII, of the Abuja Treaty of 1991 establishing the African Economic Community. The creation of such an exchange will greatly improve conditions for commodity marketing and finance in Africa, including for national and intra-African trade. A business plan for such an exchange has been developed, and discussions are now ongoing towards implementation, hopefully in the course of 2005.

31. The ninth African Oil and Gas Trade and Finance Conference will be held in Maputo, Mozambique, from 31 May to 3 June 2005. With an average of more than 600 participants from over 50 countries, this has become Africa's largest annual energy event. A related event is the Marginal Field Financing Workshop, held in Abuja, Nigeria, on 20 and 21 April 2005, and aimed at exploring potential solutions to problems associated with attempts to increase the share of local companies in the oil and gas sector. UNCTAD is also actively working on issues related to the impact of oil price volatility on African oil-importing and oil-exporting countries.

32. A global electronic platform, the INFOCOMM portal⁸ with up-to-date information on 20 commodity sectors, most of them of direct interest to African countries, is now available on-line. Activities are planned under the INFOCOMM technical cooperation programme to develop interactive tool kits to be distributed directly to LDCs requiring such tools. This component is intended to respond directly to requests sent to UNCTAD by African LDCs such as Liberia and Guinea.

33. Other activities undertaken by UNCTAD include the following:

- The “Costs of Agrifood Safety and SPS Compliance” project aimed at identifying and quantifying the compliance costs for tropical fruits faced by a representative group of African LDCs, and proposing ways of dealing with them. A draft report has been prepared, which will be the basis of discussions at two workshops to take place in the United Republic of Tanzania and Mozambique.
- A workshop was held on “Capacity Building Regarding Market Transparency and Trading in Cameroonian Cocoa Sector”,⁹ followed by a seminar on “Market Information in the Commodities Area”.
- A conceptual and operational guide to commodity-based export diversification and competitiveness strategies for African countries beneficiaries of the JITAP programme was prepared and submitted to experts from the 16 JITAP countries at two regional workshops (English-speaking countries and French-speaking countries) in 2004. Field-testing will take place in three West African LDCs on a selected commodity sector with potential for regional trade along the West African Central Corridor.
- In Senegal in February 2005, UNCTAD participated in and contributed to the "Dakar Agricultural Forum", aimed at examining how to develop and expand African agriculture.
- In cooperation with ECA, training materials on the "Management of Mineral Wealth and the Role of Mineral Wealth in Socio-economic Development" were prepared in 2004.

⁸ www.unctad.org/infocomm.

⁹ Kribi, Cameroon, September 2004.

- A project on a policy dialogue on mining in the United Republic of Tanzania aims to integrate consideration of the mining sector into poverty reduction programmes and to make policies vis-à-vis the mining sector more responsive to poverty reduction concerns.
- UNCTAD has been included as one of the four participating institutions for the implementation of the European Union's Action Plan for commodities, aimed principally at developing and diversifying Africa's commodity sector, which is expected to become operational in 2005.

7. Training activities

(a) *Building capacity through human resources development*

34. The Training Course on Key Issues on the International Economic Agenda, TRAINFORTRADE and the Virtual Institute on Trade and Development are the three UNCTAD complementary programmes that, by developing human resources, aim to build national and regional capacities to formulate, negotiate and implement policies and strengthen trade-related skills, particularly for the LDCs.

Training Course on Key Issues on the International Economic Agenda

35. The First Regional Course on Key Issues on the International Economic Agenda for Africa, part of the series of training courses organized by UNCTAD under paragraph 166 of the UNCTAD X Bangkok Plan of Action, was held with the University of Mauritius from 26 January to 11 February 2004. Six months after the end of this course, the UNCTAD secretariat requested the 25 participants from various countries in Africa (selected from over 50 applicants) and their respective supervisors in the ministries to respond to an evaluation to gauge the impact of this course on their professional development and value added to their tasks in the ministries. Fifty per cent of participants and supervisors responded to this questionnaire, the results of which were analysed in early 2005.

36. In gauging the impact of the course on their professional development, all responding participants confirmed the improved understanding of the complex issues on the international economic agenda and their interdependence. Two professors from the University of Mauritius indicated that they apply the UNCTAD training materials in their graduate programmes on International Trade and International Business. All participants and supervisors referred to the direct relevance which the course has had to the work being done in capitals, and supervisors indicated that they would welcome the possibility of selecting other colleagues for future courses.

TRAINFORTRADE

37. The Capacity Building Programme on Training in Selected International Economic Issues, which includes development of distance learning in key areas on the international economic agenda, was evaluated in 2004. Specifically, this project developed and implemented distance-learning programmes on International Investment Agreements and Trade Negotiations and Commercial Diplomacy in Benin, Cameroon, Guinea, Mali and Togo, and included training of tutors. The evaluation praised the project for its innovative use of ICTs and the success in the use of distance learning to reduce the cost of training and to reach more participants.

38. The TRAINFORTRADE Programme attaches importance to a regional approach to training. Developing country regional organizations met from 15 to 19 March 2004 in Las Palmas de Gran Canaria, Spain, to examine this approach to training in the areas of trade, investment and ICT development. The meeting was organized by TRAINFORTRADE with the support of the Las Palmas Chamber of Commerce, the Cabildo de Gran Canaria, and the Fundación Puertos de Gran Canaria. As a result, a number of regional integration groupings from Africa, including CEMAC, ECOWAS, IGAD, WAEMU, COMESA, SADC and AMU, have requested UNCTAD's assistance in developing joint training and capacity-building programmes in key areas of trade and investment.

39. Other activities by TRAINFORTRADE included participation in and contribution to the "Consultative meeting on trade, investment and capacity building interventions in Sub-Saharan Africa", organized by the African Capacity Building Foundation (ACBF) in Zimbabwe.

40. Subsequent to the pre-UNCTAD XI International High-Level Meeting of Experts on Sustainable Tourism for Development in Lisbon in March 2004, TRAINFORTRADE has been involved in the definition of integrated technical assistance programmes, particularly for the Governments of Angola, Madagascar, Mali and Zambia, as well as for COMESA, AMU and WAEMU. In 2004, TRAINFORTRADE participated in a fact-finding mission to Benin, which led to the preparation of an integrated UNCTAD technical assistance project for the development of sustainable tourism, including human resources development.

41. In September 2004, representatives of port communities from Angola, Benin, Cameroon, Cape Verde, Guinea, Senegal, Togo and Tunisia met in Geneva to assess TRAINFORTRADE port activities and define priorities for 2005. This year, a training cycle on "Modern Port Management for Port Managers" started in Cameroon, Cape Verde, Guinea, Senegal, Togo and Tunisia. Cycles for Angola and Benin will start during the second half of 2005.

The Virtual Institute on Trade and Development

42. In June 2004, UNCTAD XI launched the UNCTAD Virtual Institute on Trade and Development, a new multi-stakeholder partnership that aims to strengthen teaching of, and research into international trade and development issues in member country academic institutions. Two universities from Africa, namely the University of Mauritius and the University of Dar-es-Salaam, United Republic of Tanzania, were among the founding members of the Institute. Both universities have benefited from access to UNCTAD's expertise and research work, as well as the personalized support of the Virtual Institute team, in the development of their courses. A case in point is the new MSc. course on Trade Policy Management that will shortly be launched by the University of Dar-es-Salaam. UNCTAD has provided both substantive and pedagogical inputs to the design of the course and contributed to the training of university trainers involved in the delivery of the programme. The University of Mauritius was given advice and feedback on teaching materials relating to globalization and negotiations. Discussions are currently under way with several other African universities with regard to their possible participation in the Virtual Institute.

(b) *Building capacity through e-applications*

The E-Tourism initiative

43. In 2004, at UNCTAD XI, the secretariat launched the E-Tourism Initiative, a technical assistance package aimed at promoting the application of ICTs in the sector of

tourism so as to enable developing countries to exploit their tourism resources themselves and benefit from greater autonomy in creating and promoting their own brand. This initiative responds to a strong demand from developing countries. Since June 2004, Angola, Benin and Mauritania, as well as the UMA, have formulated technical assistance requests. The Governments of Madagascar, Mali, Mauritius, Senegal, Sudan and Zambia, as well as COMESA and WAEMU, have expressed interest in the initiative.

B. Services development

1. Trade Point Programme

44. NEPAD officially recognizes the Trade Point Programme as an important tool for development. There are currently 21 Trade Points operating in Africa. Discussions with respect to future cooperation with NEPAD have been undertaken jointly with the Trade Point in Pretoria.

45. UNCTAD provides assistance to the Trade Points in the form of advice on the implementation of the Trade Point concept as well as advisory services that were developed either by the World Trade Point Federation or its partners (ITC, UNECE, WTO, World Bank, CBI and some multinationals) for the benefit of small and medium-sized enterprises.

2. Automated System for Customs Data (ASYCUDA)

46. ASYCUDA is installed in more than 30 countries in Africa. Many of the countries using it were users of the former release of the system (ASYCUDA version 2) and are completing their migration to ASYCUDA++. This system is implemented and operational in Benin, Botswana, Burkina Faso, Cape Verde, Congo, Ethiopia, Gabon, Malawi, Namibia, Rwanda, Sudan, Uganda, Zambia and Zimbabwe, while technical assistance projects for the migration to ASYCUDA++ continue in Burundi, Madagascar, Mali, Mauritania, Niger and Togo. Feasibility study missions were undertaken in Guinea and in Guinea-Bissau in order to start the migration process from version 2 to ASYCUDA ++. Most of these projects are directly financed by Governments from their own budget, a fact that demonstrates their commitment and the real benefits to be gained from the system.

47. ASYCUDAworld, which represents the first step in the application of the most advanced Web-based technology in African Customs, is being implemented in Côte d'Ivoire.

3. ICT and e-business

48. UNCTAD participated in the first African Conference on the Digital Commons, University of the Western Cape, Cape Town (South Africa, January 2004), in the context of its work on free and open source software (FOSS). It assisted the African Free and Open Source Foundation (FOSSFA) in establishing an action plan and constitution.

49. A needs analysis mission was undertaken in November 2004 to identify potential cooperation opportunities between UNCTAD and the SADC region, in the use of ICT for economic development. Similarly, UNCTAD was also invited by the UMA in November 2004 to discuss strategies aimed at strengthening the capacities of member States in e-commerce, e-tourism, investment and statistics. A project document will shortly be submitted by UMA and UNCTAD to donors for financing.

4. Transport and transit

50. In November 2004, UNCTAD held an Expert Meeting on Design and Implementation of Transit Transport Arrangements, at which the positive experience of Southern African corridors were presented and found to be good examples for other subregions. In June 2004, UNCTAD initiated a project, funded by the UN Development Account, to provide landlocked and transit developing countries with sustainable capacity to design and implement regional trade and transport facilitation initiatives. The TransCaprivi corridor, linking, among others, the port of Walvis Bay in Namibia and Lusaka in Zambia, has been selected for the pilot project activities in Africa.

5. Advance Cargo Information System (ACIS)

51. UNCTAD prepared the terms of reference for a feasibility study to implement the Road Tracker system in transit road corridors of West Africa at the request of the UEMOA Secretariat. This proposal was endorsed at a meeting in Accra (Ghana), at which ECOWAS representatives requested that ACIS be extended to all its member countries.

52. UNCTAD missions, funded by the African Development Bank, were undertaken in Burkina Faso, Ghana, Niger, Mali and Togo in October/November 2004 and its reports submitted to the Secretariat of UEMOA. Implementation of the system would allow tracking and control of cargo and trucks along the main roads using satellite technology and thus improve truckers' performance and costs. The system would be managed and maintained regionally and become self-sustainable, involving bodies from the public and private sectors.

C. Debt, finance and development

1. Paris Club

53. UNCTAD has continued to provide support to African and other debtor countries in preparing their negotiations on the rescheduling or restructuring of bilateral official debt in the framework of the Paris Club. Since the last report, six African countries have rescheduled their debt with Paris Club creditors. In April 2004, Ethiopia reached the completion point under the enhanced HIPC Initiative, and in May 2004 it benefited from a 90 per cent reduction in the net present value of its debt stock, thus reducing the country's debt owed to Paris Club creditors from US\$ 1,087 million to US\$ 153 million in net present value terms. Senegal also reached the completion point in April 2004, and in June 2004 during a meeting of the Paris Club, creditors agreed to cancel US\$ 94 million of Senegal's debt in net present value terms. A number of official bilateral creditors have expressed their intention to go beyond the agreed cancellation, and to grant additional relief on a bilateral basis, estimated to be worth approximately US\$ 336 million in net present value terms. In June 2004, the Evian approach was applied to examine the debt of Gabon, and the Debt Sustainability Analysis concluded that Gabon's debt is sustainable in the short term. Therefore, only current maturities and arrears were treated, and an agreement was reached that the consolidated amounts would be reimbursed over a period of 14 years, including a grace period of three years. However, a goodwill clause was included in the final agreement, stipulating that creditors were ready to review Gabon's debt situation in 2005. In July 2004, Ghana reached the completion point, and during the same month a Paris club meeting was held. Paris Club creditors cancelled US\$ 823 million of debt, and US\$ 737 million was rescheduled. Madagascar reached the completion point in October 2004 and attended a Paris Club meeting in November. Creditors cancelled US\$ 752 million of Madagascar's debt and rescheduled another US\$ 305 million. In December 2004, Congo reached an agreement with Paris Club creditors to treat the maturities falling due between 2004 and 2007 under the Naples Terms.

Creditors have agreed to grant Congo a cancellation rate of 90 per cent (Cologne terms), as soon as the country reaches the decision point.

2. Technical support to the Intergovernmental Group of 24 on International Monetary Affairs and Development (G-24)

54. The G-24 held a Workshop on Constraints to Growth in Sub-Saharan Africa in Pretoria, South Africa, on 29 and 30 November 2004. UNCTAD presented a paper on Africa's trade performance and commodity dependence at the workshop. Questions related to the financing of Africa's development and debt were also discussed.

3. Debt Management and Financial Analysis System

55. In Africa, the Debt Management and Financial Analysis System (DMFAS) has been installed in Angola, Burkina Faso, Burundi, the Central African Republic, Congo, Chad, Côte d'Ivoire, Djibouti, Egypt, Ethiopia, Gabon, Guinea-Bissau, Madagascar, Mauritania, Rwanda, Sao Tome and Principe, Senegal, Sudan, Togo, Uganda, Zambia and Zimbabwe. Installation of the DMFAS software in the Democratic Republic of the Congo is scheduled for 2005. New projects are being prepared for Algeria, the Central African Republic, Ethiopia, Sao Tome and Principe, and Sudan.

56. During 2004, the DMFAS Programme undertook 13 missions (central staff) to seven different African countries (Angola, Burkina Faso (3), Chad (1), Congo (3), Sudan, Togo and Zimbabwe (3)), mainly to participate in workshops on debt management and to install and train the new DMFAS version 5.3. Furthermore, DMFAS consultants spent a total of 27 weeks in seven different African countries, mainly to provide training in debt management.

57. In March 2004 a delegation from the Ministry of Finance and the Central Bank of Madagascar participated in a workshop in Geneva. The workshop provided advanced training in DMFAS 5.3.

58. UNCTAD continues to seek an arrangement for decentralizing its DMFAS-related activities in Africa. The DMFAS Programme continued its close cooperation with MEFMI¹⁰ and Pôle Dette through joint activities. Pôle Dette¹¹ and UNCTAD extended and formalized their cooperation and in 2005 will sign a technical cooperation agreement. The project will include the creation of a Regional DMFAS Unit in Yaoundé, the launching of a training programme for debt managers, the organization of further joint UNCTAD-Pôle Dette workshops and seminars and the strengthening of Pôle Dette's capacities to deal with issues related to debt recording and management systems.

59. DMFAS pays for itself by making debt-servicing procedures more efficient and by checking inconsistencies in the claims of creditor agencies. Also, substantial savings can be made by avoiding unnecessary costs such as overpayments to creditors or penalty interests due to poor bookkeeping. Besides these cost savings, the active use of DMFAS in debt offices ensures that countries have an up-to-date database on debt, allowing more effective debt management and better preparation for loan and rescheduling negotiations.

¹⁰ MEFMI is a regionally owned institute with 12 member countries: Angola, Botswana, Kenya, Lesotho, Malawi, Mozambique, Namibia, Swaziland, Uganda, United Republic of Tanzania, Zambia and Zimbabwe. Its mission is to build human and institutional capacities in the areas of macroeconomic and financial management. Four of the countries belonging to MEFMI are DMFAS user countries (Angola, Uganda, Zambia and Zimbabwe).

¹¹ Joint initiative of BCEAO and BEAC. Member countries: Benin, Burkina Faso, Cameroon, Congo, Côte d'Ivoire, Central African Republic, Chad, Gabon, Equatorial Guinea, Guinea-Bissau, Mali, Niger, Senegal and Togo. Associated member countries: Guinea and Mauritania. Eight members are DMFAS users.

D. International investment and enterprise development

60. Throughout the whole of 2004, 46 African countries benefited from UNCTAD's technical assistance in this area and over 100 days of training and workshops were organized in and for Africa. UNCTAD has been working closely with NEPAD Secretariat, particularly with respect to investment promotion, peer reviews and science and technology.

61. UNCTAD and the Japan Bank for International Cooperation (JBIC) launched in March 2005 a Joint African Investment Initiative to encourage greater investment by Japanese companies in Africa. The aim is to encourage poverty reduction through economic growth, which is one of the three pillars of NEPAD. Under this initiative, three blue books on Best Practice in Investment Promotion and Facilitation will be prepared with the three member countries of the East African Community ? Kenya, Uganda and the United Republic of Tanzania.

1. Investment issues analysis

62. The *World Investment Report 2004*, in its analysis of investment trends in Africa, reported that Africa's outlook for FDI is promising, given the region's natural-resource potential, buoyant global commodity markets, improving investor perception of the region and continuing improvements in regulatory framework. Report-launching events, including press briefings, were held in 20 African countries.

63. Two new studies on "New developments in African FDI" and the *World Investment Directory: Africa* are in preparation. In order to enhance FDI data and statistics, a workshop was held from 22 to 24 November 2004 in Addis Ababa for central banks, national statistical institutes, investment promotion agencies and policy makers to address problems faced by 11 African countries. It resulted in a unanimous consensus to establish a Task Force on Collection and Reporting of Foreign Direct Investment Statistics in Africa among participants.

64. Four "Investment guides: Opportunities and conditions" for Ethiopia, Mali, Mauritania (both in English and French) and Uganda were published in cooperation with the International Chamber of Commerce. Three investment guides for Kenya, the United Republic of Tanzania and East Africa are currently in preparation.

65. The project "Needs Assessment to Attract Asian FDI to Africa" provides assistance to African countries in formulating policies favourable to attracting FDI from Asia, including SMEs. As an outcome of the project, a publication entitled *Asian Investment in Africa: Towards a New Cooperation among Developing Countries* is being prepared. This study includes chapters on Asian FDI in Botswana, Ghana, Madagascar, Mozambique and the United Republic of Tanzania. Some of the findings of this study were presented at the High-Level TICAD Asia-Africa Trade and Investment Conference, held in Tokyo on 1 and 2 November 2004.

2. Policies and capacity building

66. The Kenya-UNDP-UNDAF project formulated an integrated technical assistance programme for Kenya, which included an Investment Policy Review (IPR), an investment promotion strategy based on the recommendations contained in the IPR, and capacity-building interventions, including training for investment promotion centres, as well as a technology policy review (see para. 77 below). This integrated approach to policy advice was an example of cooperation between UNCTAD, the UN country team and the Government of Kenya, conducive to integrating trade-related technical assistance into

national development strategies. The IPR on Kenya was presented at a national stakeholders' workshop in Nairobi on 22 March 2005, as well as to a group of members of Parliament on 18 March 2005, and is nearing completion.

(a) *Investment Policy Reviews*

67. Two IPRs were prepared for Algeria and Benin, which were presented respectively during the eighth session of the Commission on Investment, Technology and Related Financial Issues, and the Expert Meeting on Good Governance and Investment Promotion held in Geneva (1–3 November 2004). A further IPR is being prepared for Zambia. There were 11 outstanding requests for IPRs in Africa at the end of March 2005, and an IPR for Rwanda is to be initiated shortly, with IPRs for Morocco and Nigeria in the preparatory phase.

68. Follow-up technical assistance programmes aimed at implementing the recommendations of the IPRs are ongoing in eight African countries and follow-up will start in two other African countries.

(b) *Investment promotion: The Advisory Service on Investment and Training (ASIT)*

69. Throughout 2004, ASIT carried out the following: elaboration of draft FDI legislation for Lesotho and Botswana; preparation of a diagnostic report on the positioning of Morocco with a view to increasing the national capacities for attracting FDI; and development of an investment promotion strategy and capacity-building programme in Kenya. Furthermore, a diagnostic study of the investment climate was prepared for the CEMAC countries and an investor targeting strategy for the garments sector was initiated in Botswana.

70. In Djibouti, the installation of the Investment Gateway, which is an Internet-based interactive platform for investment promotion, is under way.

71. Support has continued to the World Association of Investment Promotion Agencies (WAIPA), which includes 46 investment promotion agencies from Africa as members. In cooperation with WAIPA, three regional training workshops were organized, in which a number of African countries actively participated, on cluster creation and development in Botswana, investor servicing and aftercare in Algeria, and strategic marketing in Marseille.

(c) *International investment agreements (IIAs)*

72. Two intensive training sessions for IIA negotiators (the third one for English-speaking African countries (Pretoria, March 2004), the fourth one for French-speaking African countries (Alexandria, May 2004)) were organized. Each of the training sessions was preceded by a distance-learning course. The programme also facilitated a round of negotiations of BITs for French-speaking countries (Brussels, February 2004), which involved 13 countries, including nine African countries, and resulted in the signing of 17 agreements. In addition, a signing ceremony was organized on the occasion of the Eleventh Conference of UNCTAD (São Paulo, June 2004), at which six BITs were signed by seven countries, including five African countries.

73. The programme also conducted several ad hoc seminars and provided advisory services at the request of African regional organizations. Three missions were carried out to assist the Common Market for Eastern and Southern Africa (COMESA) with the drafting and negotiation of the COMESA Common Investment Area (CCIA). Discussions on investment issues with representatives of the Southern African Development Community (SADC) were held on two occasions in Brussels and Gaborone. A mission to the Southern African Customs

Union (SACU) was also organized to discuss investment chapters of free trade agreements. Finally, technical assistance was provided to the UMA to elaborate a comprehensive technical assistance project jointly with other UNCTAD programmes.

(d) Technology

74. In response to ECOSOC resolution 2004/68, UNCTAD has initiated a project to promote the integration of science and technology into NEPAD's sectoral programmes and national strategies (or frameworks) for achieving the MDGs. The project will be implemented jointly by the CSTD and the Secretariat of the NEPAD/African Ministerial Council for Science and Technology.

75. Research work in the area of technology with respect to Africa included the publication of *Africa's Technology Gap*, which examines the technology framework in Ghana, Kenya, Uganda and the United Republic of Tanzania, with a focus on the transfer of technology, as well as its absorption and use, in the manufacturing industry. *The Digital Divide: ICT Development Indices 2004* reviews trends in the digital divide and focuses on ICT developments in Africa, with a case study on the ICT sector in Egypt.

76. In the area of technical assistance, UNCTAD and the Commission on Science and Technology for Development have jointly developed a programme with the Centre des Technologies de l'Information of the State of Geneva to provide customized training in ICTs to developing country engineers. During the pilot phase of this programme, a project submitted by Lesotho was selected. It is envisaged that this project will lead to the development of a national Science and Technology Databank for the country.

77. In the context of the Kenya–UNDP–UNDAF project, UNCTAD has conducted a review of the science and technology policy regimes of Kenya, with an emphasis on technology transfer and diffusion, and has put forward recommendations for building political leadership for science and technology, strengthening the capability of public officials to effectively engage in technology transfer negotiations, and reforming technical and vocational training institutions to make them more relevant to meeting the MDGs.

3. Investment and enterprise competitiveness

78. The EMPRETEC programme aims at promoting entrepreneurship in developing countries. With the addition of Angola, the programme is now operational in 20 African countries. A training methodology for women entrepreneurs was developed and successfully implemented in Ethiopia and Uganda.

79. In the area of corporate governance and transparency, assistance has been provided to Angola, Ethiopia, Nigeria, Rwanda, Senegal, South Africa, Sudan, the United Republic of Tanzania and Zimbabwe. During the reporting period, the secretariat worked closely with the Eastern, Central and Southern African Federation of Accountants (ECSAFA), the African Institute of Corporate Citizenship and various national accountancy bodies in Africa.

80. In the area of enterprise competitiveness policy, UNCTAD completed the project carried out for the UNDP/TICAD Special Unit for Africa, entitled "Support to Regional Policies for Private Sector Development in Africa", within the framework of the TICAD III preparatory process. As a result of a consultative process started in April 2003 in Casablanca, Morocco, the creation of the Asia–Africa Business Council (AABC) was recommended. UNCTAD provided technical assistance to the AABC Consultative Committee for the finalization and concretization of the AABC strategy and action plan, in preparation for its official launch in March 2005. It also developed the strategy paper entitled *Enhancing the*

Contribution to Development of the Indigenous Private Sector in Africa: Challenges and Opportunities for Africa–Asia Cooperation.

4. Insurance

81. UNCTAD continued its assistance to the insurance sector in close cooperation with Africa's regional insurance organization, the African Insurance Organization (AIO):

- The 2004 UNCTAD/African Insurance Organization (AIO) Seminar on Insurance, Reinsurance and Catastrophe Risks, held in Casablanca, attracted more 400 participants, and resulted in the creation of the Centre for African Catastrophe Risks (CARC/ACCR) in Casablanca.
- In May 2004, UNCTAD was instrumental in the creation of the African Export Credit Insurers' Association, and the adherence to this association of the membership of the Dakar Union.
- The Computerized Insurance Management System developed by UNCTAD and AIO is now at a stage where a permanent service centre and technical support team will have to be established to service the demand for this facility throughout the African continent. Additional funding will need to be raised and donors are being sought.
- UNCTAD also contributed to the 18th Meeting of the Council of Bureaux on the COMESA Yellow Card Scheme in Siavonga, Zambia, which manages the UN treaty-based International Motor Insurance Agreement for the COMESA countries of Eastern Africa. To further facilitate interregional trade and movement of goods within the African continent a proposal is being considered for a scheme to join the International Motor Insurance Agreements of the COMESA countries and the SADC countries.
- UNCTAD is providing assistance to Burundi to establish its strategies for legislation and the prudential regulation of its insurance sector.