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Item 3 of the provisional agenda

**REVIEW OF THE TECHNICAL COOPERATION ACTIVITIES OF UNCTAD**

*Report by the Secretary-General of UNCTAD*

**Annex I: REVIEW OF ACTIVITIES UNDERTAKEN IN 2003**

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*Note*

All references to dollars (\$) are to United States dollars.

*Tables*

Amounts in brackets indicate a negative value.

IALA means "Inter-Agency Letter of Agreement".

OPC means "operationally but not financially completed".

Because of rounding, details and percentages do not necessarily add up to totals.

The financial data in the tables on projects reflect the situation as at 31 December 2003. Occasionally, total expenditures exceed total budget. Early in 2004, budget figures were corrected to reflect exact income. The negative amounts in the 2003 expenditures column pertain to the adjustments of prior year accounts and/or savings on the liquidation of prior years' obligations.

*Abbreviations*

<b>AAISA</b>	Association of African Insurance Supervisory Authorities
<b>ACIS</b>	Advance Cargo Information System
<b>ACP</b>	African, Caribbean and Pacific (group of States)
<b>AIO</b>	African Insurance Organization
<b>ALADI</b>	Latin American Integration Association
<b>AMAD</b>	Agricultural Market Access Database
<b>ANIH</b>	Albanian investment promotion agency
<b>ASEAN</b>	Association of South-East Asian Nations
<b>ASYCUDA</b>	Automated System for Customs Data
<b>ATPSM</b>	Agriculture Trade Policy Simulation Measures
<b>AU</b>	African Union
<b>BCCI</b>	Bhutan Chamber of Commerce and Industry
<b>BDS</b>	Business Development Services
<b>BIT</b>	bilateral investment treaty
<b>BNDES</b>	Brazilian National Bank for Economic and Social Development
<b>BTFP</b>	BioTrade Facilitation Programme
<b>CAF</b>	Andean Development Corporation
<b>CAN</b>	Andean Community
<b>CARICOM</b>	Caribbean Community
<b>CBD</b>	Convention on Biodiversity
<b>CBI</b>	Dutch Center for the Promotion of Imports from Developing Countries
<b>CBTF</b>	Capacity Building Task Force on Trade, Environment and Development
<b>CDB</b>	Caribbean Development Bank
<b>CDM</b>	clean development mechanism
<b>CEMAC</b>	Central African Economic and Monetary Community
<b>CEPROBOL</b>	Bolivian Promotion Centre
<b>CI-ROAP</b>	Consumers International Regional Office for Asia and the Pacific
<b>CIS</b>	Commonwealth of Independent States
<b>CITES</b>	Convention on International Trade in Endangered Species
<b>COMESA</b>	Common Market for Eastern and Southern Africa
<b>CONCO</b>	Swiss Competition Agency
<b>COP</b>	Conference of the Parties
<b>COPROCOM</b>	Costa Rican Competition Agency
<b>CORPEI</b>	Corporación de Promoción de Exportaciones e Inversiones
<b>CUTS</b>	Consumer Unity and Trust Society of India
<b>DFID</b>	Department for International Development
<b>DMFAS</b>	Debt Management and Financial Analysis System
<b>DTI</b>	direct trader input
<b>Dtis</b>	Diagnostic Trade Integration Studies
<b>DTT</b>	double taxation treaty
<b>ECA</b>	Economic Commission for Africa
<b>ECDR</b>	Electronic Commerce and Development Report
<b>ECE</b>	Economic Commission for Europe
<b>ECLAC</b>	Economic Commission for Latin America and the Caribbean
<b>ECO</b>	Economic Cooperation Organization

*Abbreviations (continued)*

<b>ECOSOC</b>	United Nations Economic and Social Council
<b>ECOWAS</b>	Economic Community of West African States
<b>EDIFACT</b>	electronic data interchange for administration, commerce and transport
<b>EGS</b>	environmental goods and services
<b>EIC</b>	Ethiopian Investment Commission
<b>EMPRETEC</b>	Entrepreneurship Development Programme
<b>EPA</b>	economic partnership agreement
<b>ESCAP</b>	Economic and Social Commission for Asia and the Pacific
<b>ESCWA</b>	Economic and Social Commission for Western Asia
<b>ETO</b>	electronic trade opportunities
<b>EU</b>	European Union
<b>FAO</b>	Food and Agriculture Organization of the United Nations
<b>FDI</b>	foreign direct investment
<b>FIAS</b>	Foreign Investment Advisory Service
<b>FICCI</b>	Federation of Indian Chambers of Commerce and Industry
<b>FIELD</b>	Foundation for International Environmental Law and Development
<b>FITS</b>	International Forum on Sustainable Tourism
<b>FMM</b>	Federation of Malaysian Manufacturers
<b>FTAA</b>	Free Trade Area of the Americas
<b>FTA</b>	free trade agreements
<b>G-24</b>	Group of Twenty-Four on International Monetary Affairs
<b>GATS</b>	General Agreement on Trade in Services
<b>GCPs</b>	good conservation practices
<b>GHG</b>	greenhouse gas
<b>GMO</b>	genetically modified organism
<b>GMP</b>	good manufacturing practices
<b>GSP</b>	Generalized System of Preferences
<b>GSTP</b>	Global System of Trade Preferences among Developing Countries
<b>HMG</b>	His/Her Majesty's Government
<b>HRD</b>	human resources development
<b>IAAER</b>	International Association on Accounting Education and Research
<b>IAC</b>	Interagency Committee on Accounting
<b>IAIS</b>	International Association of Insurance Supervisors
<b>IAS</b>	International Accounting Standards
<b>IASB</b>	International Accounting Standards Board
<b>ICC</b>	International Chamber of Commerce
<b>ICD</b>	Inland Clearance Depot
<b>ICM</b>	International Council on Mining and Metals
<b>ICT</b>	information and communication technologies
<b>ICTSD</b>	International Centre for Trade and Sustainable Development
<b>IDAL</b>	Investment Development Authority of Lebanon
<b>IDB</b>	Inter-American Development Bank
<b>IF</b>	Integrated Framework
<b>IFAC</b>	International Federation of Accountants
<b>IFOAM</b>	International Federation of Organic Agriculture Movements
<b>IIA</b>	international investment agreement

*Abbreviations (continued)*

<b>IICs</b>	inter-institutional committees
<b>IIFT</b>	Indian Institute for Foreign Trade
<b>IIRM</b>	Institute of Insurance and Risk Management
<b>ILO</b>	International Labour Organization
<b>IMF</b>	International Monetary Fund
<b>INTAL</b>	Institute for the Integration of Latin America and the Caribbean
<b>IPA</b>	investment promotion agency
<b>IPR</b>	Investment Policy Review
<b>ISAR</b>	International Standards of Accounting and Reporting
<b>IsDB</b>	Islamic Development Bank
<b>ISO</b>	International Organization for Standardization
<b>ITC</b>	International Trade Centre (UNCTAD/WTO)
<b>JBIC</b>	Japan Bank of International Cooperation
<b>JITAP</b>	UNCTAD/WTO/ITC Joint Integrated Technical Assistance Programme for Selected Least Developed and Other African Countries
<b>KCM</b>	Kathmandu College of Management
<b>LDA</b>	Latvian Development Agency
<b>LDC</b>	least developed country
<b>LLDC</b>	landlocked developing country
<b>LNDC</b>	Lesotho National Development Corporation
<b>MEA</b>	multilateral environmental agreement
<b>MIGA</b>	Multilateral Investment Guarantee Agency
<b>MIS</b>	management information system
<b>MOC</b>	Ministry of Commerce
<b>MoU</b>	Memorandum of Understanding
<b>NEPAD</b>	New Partnership for Africa's Development
<b>NGO</b>	non-governmental organization
<b>NIE</b>	newly industrializing economy
<b>NRA</b>	Jordan Natural Resources Authority
<b>OECD</b>	Organisation for Economic Co-operation and Development
<b>OECS</b>	Organization of Eastern Caribbean States
<b>OPEC</b>	Organization of the Petroleum Exporting Countries
<b>PA</b>	Palestinian Authority
<b>RAPSODIE</b>	Renforcement de l'aide à la conception et à la mise en oeuvre d'un plan stratégique d'orientation et de développement de l'investissement économique
<b>RCC</b>	Regional Commonwealth in the field of Communications
<b>RNM</b>	Caribbean Regional Negotiating Machinery
<b>RDBMS</b>	relational database management system
<b>RTA</b>	regional trade agreement
<b>S&amp;DT</b>	special and differential treatment
<b>SAARC</b>	South Asian Association for Regional Cooperation
<b>SAC</b>	Standards Advisory Council
<b>SADC</b>	Southern African Development Community
<b>SAGIA</b>	Saudi Arabian General Investment Authority
<b>SECO</b>	Swiss State Secretariat for Economic Affairs
<b>SIDS</b>	small island developing State

*Abbreviations (continued)*

<b>SIECA</b>	Permanent Secretariat of the General Treaty on Central American Economic Integration
<b>SIPPO</b>	Swiss Import Promotion Programme
<b>SME</b>	small and medium-sized enterprise
<b>SNCC</b>	National Railways of Congo
<b>SQL</b>	Standard Query Language
<b>SPOORNET</b>	South African Railways
<b>STI</b>	science, technology and innovation
<b>STRATSHIP</b>	strategic planning for senior shipping managers
<b>TC/CB</b>	Technical Cooperation/Capacity Building
<b>TERI</b>	TATA Energy Resources Institute
<b>TIC</b>	Tanzania Investment Centre
<b>TISA</b>	Transitional Islamic State of Afghanistan
<b>TMC</b>	terminal management company
<b>TNC</b>	transnational corporation
<b>TPC</b>	trade promotion centre
<b>TRAINS</b>	Trade Analysis and Information System
<b>TrainForTrade</b>	Training Development in the Field of Foreign Trade
<b>TRIPS</b>	Agreement on Trade-Related Aspects of Intellectual Property Rights
<b>TSI</b>	trade support institution
<b>TTFP</b>	Trade and Transport Facilitation Project
<b>UEMOA</b>	West African Economic and Monetary Union
<b>UIA</b>	Uganda Investment Authority
<b>UNCSTD</b>	United Nations Commission on Science and Technology for Development
<b>UNDP</b>	United Nations Development Programme
<b>UNEP</b>	United Nations Environment Programme
<b>UNFCCC</b>	United Nations Framework Convention on Climate Change
<b>UNIDO</b>	United Nations Industrial Development Organization
<b>UNOPS</b>	United Nations Office for Project Services
<b>UNSFIR</b>	United Nations Support Facility for Indonesian Recovery
<b>VMM</b>	Virtual Microfinance Market
<b>VSAT</b>	communication via satellite
<b>WAIPA</b>	World Association of Investment Promotion Agencies
<b>WCO</b>	World Customs Organization
<b>WGFDIS</b>	Working Group on Foreign Direct Investment Statistics
<b>WIPO</b>	World Intellectual Property Organization
<b>WMU</b>	World Maritime University
<b>WRI</b>	World Resources Institute
<b>WSIS</b>	World Summit on the Information Society
<b>WSSD</b>	World Summit for Sustainable Development
<b>WTO</b>	World Trade Organization
<b>WTPF</b>	World Trade Point Federation

**Country/territory/region codes**

AFG	Afghanistan	DJI	Djibouti
ALB	Albania	DMI	Dominica
ALG	Algeria	DOM	Dominican Republic
ANG	Angola	DRK	Democratic People's Republic of Korea
ANL	Anguilla		
ANT	Antigua and Barbuda	ECU	Ecuador
ARG	Argentina	EGY	Egypt
ARM	Armenia	ELS	El Salvador
ARU	Aruba	EQG	Equatorial Guinea
AZE	Azerbaijan	ERI	Eritrea
		EST	Estonia
BAH	Bahrain	ETH	Ethiopia
BAL	Baltic States		
BAR	Barbados	FIJ	Fiji
BDI	Burundi		
BEN	Benin	GAB	Gabon
BER	Bermuda	GAM	Gambia
BGD	Bangladesh	GBS	Guinea-Bissau
BHA	Bahamas	GEO	Georgia
BHU	Bhutan	GHA	Ghana
BIH	Bosnia and Herzegovina	GRN	Grenada
BKF	Burkina Faso	GUA	Guatemala
BOL	Bolivia	GUI	Guinea
BOT	Botswana	GUY	Guyana
BRA	Brazil		
BRU	Brunei Darussalam	HAI	Haiti
BUL	Bulgaria	HON	Honduras
BVI	British Virgin Islands	HUN	Hungary
BYE	Belarus		
BZE	Belize	IND	India
		INS	Indonesia
CAF	Central African Republic	IRA	Iran (Islamic Republic of)
CAM	Central America (regional)	IRQ	Iraq
CAR	Caribbean (regional)	IVC	Côte d'Ivoire
CAY	Cayman Islands		
CHD	Chad	JAM	Jamaica
CHI	Chile	JOR	Jordan
CIS	Commonwealth of Independent States		
CKI	Cook Islands	KAZ	Kazakhstan
CMB	Cambodia	KEN	Kenya
CMR	Cameroon	KIR	Kiribati
COI	Comoros	KUW	Kuwait
COL	Colombia	KYR	Kyrgyzstan
COS	Costa Rica		
CPR	China	LAO	Lao People's Democratic Republic
CRO	Croatia	LAT	Latvia
CUB	Cuba	LEB	Lebanon
CVI	Cape Verde	LES	Lesotho
CYP	Cyprus	LIB	Libyan Arab Jamahiriya
CZE	Czech Republic	LIR	Liberia
		LIT	Lithuania

MAG	Madagascar	SAF	South Africa
MAL	Malaysia	SAM	Samoa
MAR	Mauritius	SAU	Saudi Arabia
MAT	Malta	SEN	Senegal
MAU	Mauritania	SEY	Seychelles
MCD	The former Yugoslav Republic of Macedonia	SIL	Sierra Leone
MDV	Maldives	SIN	Singapore
MEX	Mexico	SLO	Slovakia
MOL	Republic of Moldova	SOI	Solomon Islands
MON	Mongolia	SOM	Somalia
MOR	Morocco	SRL	Sri Lanka
MOT	Montserrat	STH	Saint Helena
MOZ	Mozambique	STK	Saint Kitts and Nevis
MYA	Myanmar	STL	Saint Lucia
MLI	Mali	STV	Saint Vincent and the Grenadines
MLW	Malawi	STP	Sao Tome and Principe
		SUD	Sudan
NAM	Namibia	SUR	Suriname
NAN	Netherlands Antilles	SVN	Slovenia
NEP	Nepal	SYR	Syrian Arab Republic
NER	Niger	SWA	Swaziland
NIC	Nicaragua		
NIR	Nigeria	TAI	Taiwan Province of China
NIU	Niue	TAJ	Tajikistan
		TCI	Turks and Caicos Islands
OMA	Oman	THA	Thailand
		TOG	Togo
PAK	Pakistan	TOK	Tokelau
PAL	Palestinian Authority	TON	Tonga
PAN	Panama	TRI	Trinidad and Tobago
PAR	Paraguay	TUK	Turkmenistan
PER	Peru	TUN	Tunisia
PHI	Philippines	TUR	Turkey
PNG	Papua New Guinea	TUV	Tuvalu
POL	Poland		
PRC	Congo	UAE	United Arab Emirates
PUE	Puerto Rico	UGA	Uganda
		UKR	Ukraine
QAT	Qatar	URT	United Republic of Tanzania
		URU	Uruguay
RAF	Africa	UZB	Uzbekistan
RAS	Asia and the Pacific		
RER	Europe	VAN	Vanuatu
RLA	Latin America and the Caribbean	VEN	Venezuela
ROK	Republic of Korea	VIE	Viet Nam
ROM	Romania		
RUS	Russian Federation	YEM	Yemen
RWA	Rwanda	YUG	Yugoslavia
		ZAI	Democratic Republic of the Congo
		ZAM	Zambia
		ZIM	Zimbabwe

## Introduction

1. This annex provides a description of the main technical cooperation projects and programmes undertaken by UNCTAD in 2003. It is presented, as far as possible, in accordance with the structure of the divisions/branches of the secretariat responsible for backstopping the projects or programmes concerned. A list of individual projects implemented by each organizational unit follows the corresponding narrative.

### A. Division on Globalization and Development Strategies

#### 1. Macroeconomic and development policies

##### (a) Technical support to the Intergovernmental Group of Twenty-Four on International Monetary Affairs and Development (G-24)

2. **Development context:** The Final Outcome of the International Conference on Financing for Development (Monterrey, March 2002) underlined the need to enhance coherence, governance, and consistency of the international monetary, financial and trading systems in order to complement national development efforts and to meet the Millennium Development Goals. The G-24 plays an important role in achieving policy coherence and enhancing governance, through its influence on the decision-making process in the international financial institutions and on policy formulation in individual countries. The activities of the G-24, as the only formal grouping of development countries in the forums of the international financial institutions, have an outreach far beyond its own membership.

3. **Objectives/features:** The project aims at strengthening the G-24 in its effort to build the necessary capacity in developing countries to make meaningful contributions to the debate of the reform of the international monetary and financial system, to enhance their ability to cope with the consequences of increasing global interdependence, and to improve their capacity to deal with international financial instability.

4. **Output/description of activities:** The G-24 was provided with technical studies by internationally renowned experts, for the preparation of discussions and negotiations in the IMF's International Monetary and Financial Committee, the Joint IMF/World Bank Development Committee, and other bodies. Thirteen studies were presented and discussed among authors and delegations at the two meetings of the Technical Group of the G-24, in Port of Spain (February 2003) and in Geneva (September 2003). The results of those meetings were discussed further at the meetings of G-24 Ministers and their Deputies. The topics covered were: capital management techniques and the experience with capital controls in developing countries; the implementation of standards and codes; principles for corporate governance; the role of workers remittances for developing countries; achieving long-term debt sustainability in low- and middle-income countries; burden-sharing at the IMF; an analysis of IMF conditionality; the World Bank's approach to poverty reduction strategies; problems for exporters of primary commodities after liberal reforms; the role of government in building industrial competitiveness; and risks in the private provision of essential services.

5. The Technical Group meetings benefited considerably also from presentations by, and discussions with, independent experts and senior staff of other international organizations, including the World Bank and the member countries themselves. In 2003, five earlier studies were co-published with the Center for International Development at Harvard University in the *G-24 Discussion Paper Series*.

6. **Results:** The research and policy recommendations provided were central for the activities of the G-24. The project has contributed significantly to strengthening the policy-making capacity of its members and other developing countries. The project has continued to improve the basis for understanding the development dimension of current financial and monetary issues. It has enabled policy

makers to consider alternative options for macroeconomic, financial and development policies, and to enhance their understanding of emerging new issues in the international financial system. The Technical Group meetings, in addition to creating new knowledge among the participants, were an important forum for the exchange of experience among policy-makers from developing countries and an instrument of South-South cooperation. The project has been influential on policy on various levels of decision-making as well as on the policy debate among policy-makers, staff of international institutions and the academia, not only through the debates within the Technical Group but also through the publication of research papers. The synergies between the project activities and the analytical work in UNCTAD's Division on Globalization and Development Strategies have been beneficial for both the quality of the policy advice provided under the project and ongoing research in the Division on international monetary and financial issues.

**(b) Economic development and regional dynamics in Africa:  
Lessons from the East Asian experience**

7. **Development context:** Before the financial crisis of 1997/98, several economies in East Asia were considered success stories of development, offering lessons for other developing countries, especially in Africa. The crisis then induced a debate on the appropriateness of the development strategy of the region's newly industrializing economies (NIEs), particularly with regard to financial policies (including liberalizing capital account regime) and structural adjustment after the crisis. A thorough analysis of the East Asian experience before, during and the after the crisis can contribute to the design of appropriate policies in African and other developing countries.

8. **Objectives/features:** The project is aiming at enhancing the understanding of policy makers in developing countries of the factors that have contributed to successful development in East and South-East Asia, but also of the remaining weaknesses and newly emerging problems in the NIEs. Given the increasing importance of capital inflows in Africa, and the particular needs in the region for building and institutional and administrative capacity to cope with such inflows, lessons from experience with capital-account regimes in East Asia and other regions are of particular value for African policy makers.

9. **Outcome/description of activities:** The papers that were presented at the Cairo workshop in 2001 and revised in light of the discussions with policy makers from low- and middle-income African countries in the course of 2002, were edited and prepared for publication in a compendium, which was published in June 2003 and disseminated in the second half of the year. The volume contains seven papers, which address issues related to corporate governance, competition, the new international financial architecture and large corporations in emerging markets; lessons that can be drawn for African countries from the experiences of financial management in Asian economies and some OECD countries; macroeconomic management in its relationship to public debt; and the management of the financial sector and the balance-of-payments the situation in countries of Sub-Saharan Africa.

10. **Results:** The technical cooperation activities under this project have contributed to capacity building in African countries for the formulation and implementation of coherent development strategies, taking into account the complex relationships between external financing, capital-account regimes, macroeconomic policies, trade and development. They have also promoted a dialogue between researchers from both developed and developing countries, and have contributed to the orientation of the analytical work in the Division on Globalization and Development Strategies on African development. The publication of the compendium has given these findings wider circulation among policy-makers, the academia and civil society, complementing the results achieved through the earlier provision of direct policy advice to African policy-makers, and broadening the awareness in the international community of specific problems in the design of appropriate development policies in Africa.

**2. The DMFAS Programme**

11. **Development context:** The scant attention paid by many developing countries to the basic functions of debt management was one of the factors contributing to the debt crisis of the 1980s. These basic

functions include: (a) the compilation of accurate and up-to-date records on all external loans; (b) full awareness of the timing and amounts of debt-servicing obligations; and (c) the possibility of projecting the impact of foreign borrowing decisions of various entities on the overall debt profile and balance of payments.

12. As indicated in the Monterrey Consensus (para. 47): “Sustainable debt financing is an important element for mobilizing resources for public and private investment. National comprehensive strategies to monitor and manage external liabilities, embedded in the domestic preconditions for debt sustainability, including sound macroeconomic policies and public resource management, are a key element in reducing national vulnerabilities. Debtors and creditors must share the responsibility for preventing and resolving unsustainable debt situations. Technical assistance for external debt management and debt tracking can play an important role and should be strengthened”. General Assembly Resolution A/C.2/58/L.18, like previous resolutions on debt, again “stresses the need to strengthen the institutional capacity of developing countries in debt management, calls upon the international community to support the efforts made towards this end, and in this regard stresses the importance of such initiatives as the Debt Management and Financial Analysis System of the United Nations Conference on Trade and Development” (para.16).

13. **Objectives/features:** The objectives of the Debt Management and Financial Analysis System (DMFAS) Programme are: to help developing countries and countries in transition to develop appropriate administrative, institutional and legal structures for effective debt management; to establish an adequate information system, with detailed and aggregated data on loan contracts and bonds, past and future disbursements, and past and future debt service payments; to improve national capacity to define and select appropriate debt strategies.

14. The core of the DMFAS technical cooperation package is the provision of a computer-based debt management system. This system is usually installed in Central Banks or Ministries of Finance within the framework of a technical cooperation country project, funded by UNDP, other multilateral or bilateral donors, or sometimes Governments themselves.

15. The Programme has three main features: (i) advisory services, including needs assessments and advice on technical, administrative, legal and institutional debt management issues, and assistance in software installation and maintenance; (ii) software designed to meet the operational, statistical and analytical needs of debt managers and bodies involved in elaborating external debt strategies; and (iii) training in the use of the software and in debt management issues in general.

16. The Programme, which encompasses more than 20 years of experience in the area of debt management, is a state-of-the-art debt management system, and is currently the most widely used standard system in the world, with around 50 active country projects and total yearly extra budgetary expenditure of about \$2.5 million per year.

17. **Output/description of activities:** The year 2003 was particularly successful for the DMFAS Programme. In November, it organized an international debt management conference with the participation of almost 300 debt managers and experts from more than 90 countries, as well as representatives from a large number of international and regional organizations, including the IMF, Paris Club and the World Bank. The main themes discussed were domestic debt; the promotion of regional capital markets; recent developments in Paris Club debt restructuring; collective action clauses and sovereign debt restructuring mechanisms; statistics reporting; and institutional arrangements for public debt management. The papers submitted to the conference, along with the summaries of the panel discussion will be published as proceedings of the conference.

18. Moreover, the Programme finalized the development of a significantly improved edition of its software (DMFAS 5.3). The new version of the software was successfully beta-tested in the Ministry of Finance of Argentina in December 2003. This version will progressively be installed in all other DMFAS user countries. One of the major enhancements of the new version is the addition of a new module for handling bonds, new functionalities for handling revolving credit and local government loans, and new

facilities for statistics and reporting. The Programme's longer-term plan is to develop a major new version of the DMFAS (version 6), which will be the first web version of the system and will involve a complete redesign. A feasibility study and a prototype of version 6 are planned for late 2004.

19. The Programme has continued its capacity building efforts to strengthen the analytical capabilities of debt management in the countries. Most importantly, it has enhanced its technical assistance programme to support the activities of debt managers, mainly in the preparation of debt sustainability analysis in the context of the countries' debt strategies, in order to improve the national decision-making process.

20. The DMFAS Advisory Group held its fourth meeting in Geneva on 13 and 14 November 2003. Participants included delegations from country debt offices from all regions of the world, regional and international organizations and bilateral donors. The purpose of this meeting was to review the Debt Management - DMFAS Programme's past activities, to discuss its future directions and its financial sustainability. In many countries the system is installed in both the Ministry of Finance and the Central Bank, with a trend to establishing electronic links between the two institutions through DMFAS. The Programme has consolidated its financial situation thanks to the generous contributions of bilateral donors to the multi-year multi-donor trust fund, as well through cost-sharing contributions from its user institutions.

21. **Results:** During 2003 five additional institutions adopted the DMFAS software. Two of these are located in new client countries – Chile (Central Bank) and the Republic of Congo (Ministry of Finance), the three others in current client countries – the Dominican Republic (Ministry of Finance), Indonesia (Central Bank) and Trinidad and Tobago (Ministry of Finance).

22. At the end of 2003, the DMFAS software was or would be installed soon in 91 institutions in 62 countries, of which 31 low-income countries, 22 lower-middle income countries and 9 upper-middle income countries. In 21 countries the system is set up in both the Ministry of Finance and the Central Bank, and the number of countries where these two institutions are electronically linked through the DMFAS (on a wide area network) is increasing.

23. The gains obtained from the Debt Management - DMFAS Programme by user countries from better information, analysis, negotiations and policy-making cannot easily be measured. However, it is generally accepted that these gains far exceed the cost of DMFAS country projects. The cost of these projects ranges from \$60,000 to \$1 million, depending on the activities to be undertaken, the size of the debt database to be computerized, and the equipment and staff included in each project. At the very least, DMFAS pays for itself by making debt-servicing procedures more efficient and by checking inconsistencies in the claims of creditor agencies. Substantial savings can also be made by avoiding unnecessary costs such as overpayments to creditors or penalty interests due to poor bookkeeping. In Argentina, for example, where the DMFAS project cost around \$1 million, the direct savings made during the three-year implementation phase of the project amounted to around \$25 million.

### **3. Special programmes**

#### **(a) UNCTAD's assistance to the Palestinian people**

24. **Development context:** UNCTAD's assistance to the Palestinian people continued to respond to selected developmental goals of the Palestinian Authority (PA) and civil society. With the support of the international community and specific UNCTAD interventions in its areas of competence, the PA strived to remain focused on the goal of building the institutional capacity and the infrastructure required for a viable economy capable of generating sustained growth. However, the reality of protracted crisis, and the severe economic difficulties endured by the Palestinian people since 2000, has necessitated a framework to link relief, rehabilitation, reconstruction and development efforts. This is the framework that guided UNCTAD's technical assistance programme in 2003.

25. **Objectives/features:** Since 1995, UNCTAD in close coordination with other international agencies, supports the Palestinian people efforts to develop capacities for effective economic policy-making and management, in accordance with its mandate in the areas of international trade, finance and related services, and in line with the provisions of the United Nations Medium-term Plan for 2002–2005, paragraph 167 of the Bangkok Plan of Action, and General Assembly resolutions 56/111 (paragraphs 6 and 7) and 43/178 (paragraph 9). The secretariat's programme of technical cooperation seeks to strengthen the public institution capacities with the aim of creating the favourable environment for the development of the private sector within a strategic development framework.

26. **Output:** The protracted conflict and the tight Israeli closure policy made the provision of technical assistance activities more difficult in 2003. Mobility of trainees and project staff was restricted. As a result, the provision of technical assistance was less than the desired. To evade the prevailing difficult field conditions, UNCTAD maintained a flexible and selective mode of operations. During 2003, Phase I of the Customs Administration capacity building project (ASYCUDA) has been finalized, and funding was secured for Phase II. Finance was also secured for Phase I of the Institutional Support and Capacity Building for Investment Retention project. In addition, two other projects/studies have been completed: "Transit trade and maritime transport facilitation for the rehabilitation and development of the Palestinian economy"; and "Palestinian small and medium-sized enterprises: dynamics and contribution to development". Furthermore, some progress has also been achieved in the implementation of the debt monitoring and financial analysis capacity building project (DMFAS), including on-site training of local staff.

27. UNCTAD provided to the Palestinian Authority (PA), at their request, advisory services in the form of recommendations, observations, missions and reports, on the following issues: (a) PA Road Map for Compliance with Multilateral Trading System within a Framework for National Economic Development; (b) ILO "Palestinian Fund for Employment and Social Protection" feasibility study; (c) Aix-en-Provence Paper on the Economic Road Map; (d) the private sector in the PA Economic Stabilization and Recovery Strategy (ESRS); (e) PA participation in ESCWA Forum on Arab-International Palestine Rehabilitation and Development; and (f) PA draft competition law. Furthermore, the secretariat held two workshops in Ramallah in October 2003 on (a) Palestinian small and medium-sized enterprises and (b) Transit Trade and Maritime Transport Facilitation.

28. Owing to resource shortfalls, training activities of the project on *Support for small and medium-sized enterprise (SME) development (EMPRETEC)* were suspended in the last quarter of 2003 and the project as a whole faced possible termination in 2004. Meanwhile, the funding for an Associate Expert to support UNCTAD's assistance to the Palestinian people, which was provided by the Government of the Netherlands since December 2000 has completed its normal three-year cycle. The loss of this temporary professional post will constrain the secretariat's capacity to fulfill the Bangkok mandate (para. 167) of intensifying assistance to the Palestinian people.

29. Funding for a number of proposed project activities, requested by the PA, is still unmet, mainly due to lack of resources and switching priority attention to urgent economic needs arising from the ongoing crisis. These proposed activities include:

- developing an integrated framework for macroeconomic, trade and labour policy analysis;
- strengthening capacities of the domestic insurance sector;
- building national capacity for e-commerce in Palestine; and
- strengthening Palestinian food security through international commodity trade.

30. **Results:** Despite the difficult conditions in the field, UNCTAD continues to successfully implement a diverse programme of technical cooperation with the Palestinian Authority (PA)/civil society, assisting it to develop its capacity and reform programme in several areas. The two secretariat's Reports on UNCTAD Assistance to Palestinian people were deliberated widely and noted with satisfaction by the

Trade and Development Board. The majority of the Board members echoed the Reports' key themes and stressed the need to increase support for assistance to the Palestinian people in UNCTAD. The impact of advisory services provided by UNCTAD, in response to the PA requests, is manifested in the fact that eight of the PA's policy papers/draft laws are being reformulated in response to, or drawing on, these services. The secretariat's activities in the areas of technical cooperation, research and analysis, and training continue to have a positive impact on PA policy making and capacity in the area of customs, debt management, trade facilitation, private-sector development and economic analysis and management. The selective and flexible mode of operations adopted by the secretariat in the past three years has effectively produced tangible results. This is reflected in the integration of UNCTAD's ideas and adoption of its recommendations at various levels, building of institutional, technical and human capacities, and the enrichment of public debate on related policy issues. The secretariat activities have helped the PA to maintain the focus on work in key institution-building projects, while addressing the urgent relief needs generated by the ongoing crisis.

### (b) Trust Fund on Iron Ore

31. **Development context:** Following the cessation of the activities of the Association of Iron Ore Exporting Countries as from 1 June 1989, the Governments of certain countries decided to establish a trust fund on iron ore information to be administered by UNCTAD.

32. **Output/results:** The *Market Report on Iron Ore* is an annual publication (usually issued in May) containing updated data on iron ore production, trade and prices, and the short-term outlook, as well as a market analysis. *Iron Ore Statistics*, a statistical report published annually around August, continues a series that started in 1989. It contains tables with worldwide and country-specific data for iron ore production, exports, imports and prices, as well as pellet production, exports and production capacity and other data relevant to the world iron ore market. The sales income from these reports as a proportion of the total income of the Fund has increased from around 25 per cent in the early 1990s to around 70 per cent in 2003.

**Table 1.**  
**DIVISION ON GLOBALIZATION AND DEVELOPMENT STRATEGIES**  
(in dollars)

<i>Project number</i>	<i>Short title</i>	<i>Duration</i>	<i>Source of fund</i>	<i>Total budget</i>	<i>Cumulative expenditures</i>	<i>Expenditure 2003</i>
<b>Macro-economic and Development Policies</b>						
INT/89/A15	Studies for the G-24 .....	1990–	Multidonors	578 068	584 900	13 691
INT/0T/OAL	G-24 Technical Support Service, Phase IV (IDRC) .....	2001–	Canada	430 612	312 450	88 849
RAF/97/A28	International Conference on Economic Development and Regional Dynamics in Africa: Lessons from the East Asian experience .....	1997–	Japan	346 760	328 813	12 807
	<b>Total Macro-economic and Development Policies .....</b>			<b>1 355 440</b>	<b>1 226 163</b>	<b>115 347</b>
<b>DMFAS Programme</b>						
ANG/99/A55	Implementation of DMFAS 5.2 .....	1999–	Angola	477 312	447 068	86 122
ARG/00/002	Fortalecimiento de la capacidad de gestión de la deuda pública .....	2001–	UNDP	159 906	122 559	-37 347
BDI/0T//0AN	Renforcement des capacités de gestion de la dette .....	2000–	Burundi	68 000	44 641	6 990
BGD/00/A26	Elaboration of a Debt Management Project for the Finance Ministry .....	2001–	Norway	26 461	21 424	21 424
BGD/0T/0BP	Capacity building for management of foreign aid in Bangladesh .....	2001–	Norway	206 112	158 121	28 632
CAF/95/A42	Information de la gestion de la dette extérieure .....	1995–	Central African Republic	60 000	58 653	7 040
CHD/0T/0AB	Renforcement des capacités de gestion de la dette .....	2000–	Chad	99 700	81 086	15 149
CHD/0T/2CI	Fortalecimiento de la capacidad técnica e institucional del Banco Central de Chile .....	2002–	Bank of Chile	59 700	12 243	12 243

(for note see end of table)

**Table 1. (concluded)**  
**DIVISION ON GLOBALIZATION AND DEVELOPMENT STRATEGIES**  
*(in dollars)*

<i>Project number</i>	<i>Short title</i>	<i>Duration</i>	<i>Source of fund</i>	<i>Total budget</i>	<i>Cumulative expenditure</i>	<i>Expenditure 2003</i>
COL/01/014	Implantación del Sistema de Gestión de la Deuda (SIGADE) .....	2001–	UNDP	462 758	303 165	58 997
DJI/0T/2AY	Renforcement de la capacité de gestion de la dette publique.....	2003–	Djibouti	78 716	46 950	46 950
DOM/0T/2BJ	Implantación del SIGADE en la Secretaria de Estoea de Finanzas .....	2002–	Inter-American Development Bank	199 500	16 725	16 725
GAB/0T/1AZ	Renforcement des capacités de gestion de la dette .....	2001–	Gabon	265 000	158 236	11 452
GEO/98/008	Strengthening the external debt management capacity ...	1998–	UNDP	191 318	184 564	8 906
INS/98/A38	Implementation of DMFAS 5.1 .....	2000–	Australia	239 210	196 662	10 463
LIT/99/A15	Capacity Building in Debt and Financial Management ...	1999–	Lithuania	64 410	52 841	2 391
MON/0T/1BI	Supply, installation and support of a Debt Recording System (DRMS) .....	2001–	Mongolia	434 937	379 092	18 720
PAL/0T/0AH	Capacity building in debt and financial management .....	2000–	Norway	262 618	192 643	47 011
PAN/98/002	Cooperación Técnica Para Apoyar El Programa Sectorial Financiero .....	2003–	UNDP	132 998	138 359	138 359
SYR/00/002	Improvement of debt management in Syria .....	2000–	UNDP	259 173	251 240	7 757
TOG/98/005 <sup>a</sup>	Renforcement des capacités de gestion de la dette publique .....	1999–2003	UNDP	191 124	183 806	31 761
TOG/03/001	Renforcement des capacités de gestion de la dette publique .....	2003–	UNDP	58 402	8 000	8 000
TRI/0T/2AB	Installation of DMFAS 5.2 – Capacity building in debt and financial management .....	2003–	Trinidad and Tobago	125 091	5 463	5 463
TUK/00/003	Assistance to the Central Bank of Turkmenistan .....	2001–	UNDP	105 175	62 821	22 394
UGA/0T/2BK	Implementation of DMFAS in the Treasury Office of Accounts of the Ministry of Finance .....	2003–	Uganda	92 243	44 453	44 453
VIE/01/010	Capacity Development for Effective and Sustainable External Debt .....	2002–	UNDP, Australia, Switzerland	134 699	106 701	67 721
INT/95/A11	Strengthening the debt management capacity of developing countries .....	1995–	Switzerland	2 964 327	2 532 824	18 308
INT/95/A66	Strengthening the debt management capacity of developing countries .....	1995–	Netherlands	2 545 061	2 344 188	123 511
INT/95/A89	Strengthening the debt management capacity of developing countries .....	1995–	Norway	2 186 109	2 043 989	286 012
INT/99/A30	Strengthening the debt management capacity of developing countries .....	1999–	Sweden	623 794	554 785	34 425
INT/0T/2AO	Strengthening the debt management capacity of developing countries .....	2002–	Multidonors	2 250 716	1 689 710	1 678 006
ROA-2064(O)	Debt sustainability analysis .....	2000–	Development Account	500 000	453 781	93 164
	<b>Total DMFAS Programme .....</b>			<b>15 524 570</b>	<b>12 896 793</b>	<b>2 921 202</b>
<b>Special Programmes</b>						
INT/94/A37	Collection and dissemination of iron ore statistics .....	1994–	Multidonors	674 366	598 088	62 885
INT/00/X60	Palestinian Authority .....	2002–	Netherlands	86 010 <sup>b</sup>	86 010	86 010
	<b>Total Special Programmes .....</b>			<b>674 366</b>	<b>598 088</b>	<b>148 895</b>
	<b>DIVISION TOTAL.....</b>			<b>17 554 346</b>	<b>14 807 054</b>	<b>3 185 444</b>

<sup>a</sup> Project which had been “operationally but not financially completed” or “completed” in 2003.

<sup>b</sup> Annual budget.

## **B. Division on International Trade in Goods and Services, and Commodities**

### **1. Trade analysis**

#### **(a) Agricultural Trade Policy Simulation Model (ATPSM)**

33. *Development context:* The Agricultural Trade Policy Simulation Model (ATPSM) was initially developed in response to the need for developing countries to be able to undertake analysis of agricultural impacts of any negotiated outcomes from the Uruguay Round. Given the emphasis placed on developing countries in the Doha Work Programme, the importance of such analysis has increased. In 2003 the UK DFID Trust Fund has provided further funding of model development and dissemination.

34. *Objectives:* ATPSM is a comprehensive database and simulation-modelling software intended for use by agricultural trade policymakers who may not have knowledge of economics, modelling or programming. The model is available on CD-ROM and can be downloaded from UNCTAD's website. It is self-installing, easy to use and largely self-explanatory. The objective in developing and disseminating this software is to increase the capacity of developing countries to effectively negotiate in the ongoing multilateral trade talks.

35. *Features:* The model has the following features:

- Distributed free to developing countries and others;
- Detailed country coverage, including 161 countries plus the European Union as a region;
- Detailed commodity coverage, with 36 commodities including many tropical items; and
- Detailed policy coverage, including tariff rate quotas, export subsidies, domestic support, applied and bound tariffs and quotas rents.

36. *Outputs/results/impact:* ATPSM is now available from UNCTAD's website. In the year 2003 there were 331 downloads. There is evidence of increasing use in developing countries. UNCTAD has been invited to demonstrate the model and model results at various regional meetings in places as diverse as Addis Ababa, Jakarta, Nairobi, Santiago, Lima and Bogotá in addition to Geneva. UNCTAD has also used the model for analysis. Several papers illustrating applications of the model have been distributed to developing countries. WTO agricultural negotiations have recently focused on a blended formula that is much more difficult to model than the previous linear approaches. UNCTAD is undertaking improvements to the interface to enable these complex scenarios to be analysed.

#### **(b) Trade Analysis and Information System (TRAINS)**

37. *Development context:* Following a decision by the Trade and Development Board calling on the UNCTAD secretariat to provide, on request, information from its Database on Trade Control Measures under its own responsibility (decision 354, taken at the thirty-fourth session of the Board), UNCTAD developed the Trade Analysis and Information System (TRAINS) and is disseminating it through Internet and CD-ROM.

38. *Objectives:* TRAINS is an information system intended to increase transparency in international trading conditions. It is intended more specifically to provide a comprehensive information system for use by policy makers and economic operators engaged in exporting. It is also a powerful tool that can be used in trade negotiations (e.g. to monitor an integration process) and for general research on international trade. One component of the system relates to the Generalized System of Preferences (GSP) in that it includes information on tariffs, preferential margins, rules of origin and other regulations affecting the export interests of developing countries vis-à-vis the preference-giving countries.

39. **Features:** The data elements contained in the CD-ROM version of TRAINS (to be issued in 2004, taking the latest available data from the database) can be compared to a specialized library containing books on trade-related topics. It currently contains:

- 153 volumes of tariff schedules, 60 of which are for 2003 and 56 for 2002;
- 52 volumes with para-tariff measures;
- 95 publications on non-tariff measures, produced by UNCTAD; and
- 70 volumes on detailed import statistics at tariff line level by origin.

40. In addition, with the new software jointly developed with the World Bank (World Integrated Trade Solution – WITS), users can access the entire time series of the Database through the Internet.

41. A subsystem (TRAINS for the Americas) has been developed in collaboration with the Inter-American Development Bank for extension of the database with information on bilateral preferential trade agreements, as well as extended coverage of the non-tariff measures.

42. For dissemination purposes, UNCTAD has invited member States and subregional institutions to designate TRAINS focal points which, in addition to being supplied with updated information on trade control measures, serve as a channel through which UNCTAD obtains recent information on countries or regions, particularly computerized information on tariffs and trade, as well as documentation on para-tariff and non-tariff measures. Among the regional secretariats actively collaborating with UNCTAD are those of the Latin American Integration Association (ALADI), the South Asian Association for Regional Cooperation (SAARC), the Permanent Secretariat of the General Treaty on Central American Economic Integration (SIECA), the Central African Economic and Monetary Community (CEMAC) and the South African Development Committee (SADC). The TRAINS is available to other parties that make a minimum contribution to the UNCTAD trust fund created for this purpose.

43. **Outputs/results/impact:** The widespread use of TRAINS, particularly in the publications of such organizations as the OECD, the World Bank and the IMF, as well as UNCTAD itself, attests to the recognition of its usefulness. In addition, the Database serves as the primary source of data for other databases such as the Agricultural Market Access Database (AMAD), which in turn is often referenced as an information source in many publications on trade in agricultures. That a number of universities and private organizations have made voluntary contributions to the TRAINS trust fund is a good indication of the value of the system. Requests for the TRAINS have also come from government ministries and international organizations engaged in trade negotiations under WTO as well as the Free Trade Area of the Americas (FTAA).

## 2. Trade negotiations and commercial diplomacy

### (a) Development of trade capacities

#### (i) *Joint ITC/UNCTAD/WTO Integrated Technical Assistance Programme to Selected Least Developed and Other African Countries (JITAP) Phase 2*

44. **Development context:** The Joint Integrated Technical Assistance Programme to Selected Least Developed and Other African Countries (JITAP) is an integrated trade capacity building response of ITC, UNCTAD and WTO, in collaboration with interested donor countries, to assist in the effective and beneficial integration of African countries into the international trading system. The first phase of JITAP was successfully completed in December 2002 and positively evaluated. A new phase was approved in December 2002 and launched in February 2003. The 16 African countries benefiting from the second phase of the programme are: Benin, Botswana, Burkina Faso, Cameroon, Côte d'Ivoire, Ghana, Kenya, Malawi, Mali, Mauritania, Mozambique, Senegal, United Republic of Tanzania, Tunisia, Uganda and Zambia.

45. **Objectives:** JITAP II aims at building human, institutional, policy and entrepreneurial capacities in African countries to participate in multilateral trade negotiations under the WTO, to implement the multilateral trade agreements, and to formulate policies and strategies for export-oriented growth. The capacity building activities are concentrated in five main areas. These are, *firstly*, trade negotiations, implementation of WTO agreements, and related trade policy formulation through the Inter-institutional Committees (IICs) that serve as the official frameworks to organize national stakeholder discussion and decision making on the multilateral trading system (MTS) and other trade agreements; *secondly*, MTS reference centres and national enquiry points for the provision of reliable technical information on MTS, with attention to standards and quality requirements; *thirdly*, development of the national knowledge base on MTS through training of trainers and formation of trainers networks; *fourthly*, goods, commodities and services policy framework and sectoral strategies including market knowledge of exporting and export-ready enterprises to develop production and exports; and *fifthly*, networking of the institutional and human capacities built in each country to encourage synergy and exchange of expertise and experiences including at the sub-regional level as a means to ensure sustainability of capacities.

46. **Outputs:** In 2003 JITAP II activities focused on: sensitizing JITAP countries to set up national structures to support their participation in the programme; the preparation of 16 country programme documents (to set the basis of country interventions); the preparation of five toolkits for the above-mentioned five capacity-building areas to guide, as much as possible, national self-execution of capacity building activities; and the implementation of priority activities on trade negotiations. Between May and July 2003, field missions were undertaken in most JITAP countries to launch the programme and help kick-start preparations at the national level. The agencies maintain regular follow-up contacts with the countries to finalize these preparations.

47. The JITAP countries themselves are preparing the country documents, with guidance on the methodology and substance provided by the three agencies. This, in itself, is an exercise in capacity development for project formulation involving national stakeholders. The toolkits are being prepared by the agencies. UNCTAD, which has lead responsibility for the institutional capacity building activities, is preparing the relevant toolkit. It also contributes to activities under the other areas led by the two agencies, contributing to the preparation of the toolkit on product and services sector strategies with inputs on policy and organizational issues pertaining to the supply side in commodity sub-sectors and in services.

48. Regarding priority activities, assistance was provided to JITAP countries in their preparations for the 5<sup>th</sup> WTO Ministerial Conference and participation in the Doha work programme. In July 2003, a High Level Workshop of the Inter-Institutional Committees (IICs) in Preparation of the 5<sup>th</sup> WTO Ministerial Conference was held in Geneva for capital-based senior trade officials, trade negotiators and other stakeholders, primarily members of the IICs, from the 16 JITAP countries. Some countries organized follow-up national meetings, using the conclusions reached at the high-level workshop, to enhance their preparations for the Cancún Conference. Two videoconferences were held on respectively 27<sup>th</sup> and 28<sup>th</sup> of August 2003 for the English speaking and French speaking countries to provide IIC members with additional briefing on the latest development in the Doha agenda negotiations immediately before the Cancun Conference. Upon request from JITAP countries, technical advisory services were provided to assist the Inter-Institutional Committees in Kenya, Malawi, United Republic of Tanzania, Tunisia, Uganda and Zambia on issues on the agriculture, non-agricultural market access and services which also contributed to strengthening national preparations for the Cancun Conference.

49. **Results:** Assistance to JITAP countries in preparations for multilateral trade negotiations, particularly for the 5<sup>th</sup> WTO Ministerial Conference resulted in the stakeholders being fully aware of the issues in the lead up to and at the Cancun Ministerial Conference. All JITAP countries prepared their negotiating positions at the 5<sup>th</sup> WTO Ministerial Conference in Cancun and elaborated compendium of key negotiating issues of interest to their countries for their delegations. A joint strategic position paper was adopted by the JITAP countries at the IIC high-level workshop in Geneva that guided national preparations and negotiation teams. JITAP countries were highly active in the Cancun Ministerial Conference including in various group meetings. The preparation of country documents has contributed to national consultations, developed awareness of trade-related requirements and capacity to formulate

project documents. The development of self-implementation toolkits for trade-related capacity building by the agencies has resulted in further innovation of instruments for the delivery of capacity building. The implementation of JITAP II deepens the tripartite cooperation between ITC, UNCTAD and WTO, and between them and beneficiary countries.

**(ii) Support to developing countries on multilateral trade negotiations**

50. **Development context:** During the Uruguay Round of Multilateral Trade Negotiations, developing countries felt at a disadvantage, in that they did not have an agenda of their own, but were merely reacting to the proposals of their trading partners. Having recognized this weakness, they approached UNCTAD to assist them in the preparatory work relevant to their formulating their negotiation objectives for future trade negotiations, based on their specific trade and development interests, and taking into account ongoing work in WTO, including negotiations.

51. **Objectives:** Assist developing countries in assessing and identifying their strategic trade and development interests within trade negotiation issues in multilateral forums, in particular in the context of the WTO, as well as at the subregional and interregional levels.

52. **Outputs:**

- (a) *Support to Africa:* With financial support from the UNDP Regional Bureau for Africa/UNOPS, and in collaboration with UNECA, the African Union, the African Economic Research Consortium, the Southern African Trade Research Network and the Third World Network (Africa), UNCTAD provided analytical and advisory support to African countries in assessing negotiation objectives and policy responses to the Doha agenda. Advisory missions, upon request, were conducted in several African countries. UNCTAD was instrumental in assisting individual countries and sub-regional groupings, including SADC, ECOWAS and COMESA, as well as the New Partnership for Africa's Development (NEPAD) secretariat, in their participation in the Doha negotiations in general and for the Fifth WTO Ministerial Conference in particular. UNCTAD cooperated with and assisted the African Union (AU) and the UN Economic Commission for Africa (UNECA) in supporting the preparations for Cancún by participating in the High-Level Brainstorming Meeting of African Trade negotiators preparatory to the Fifth WTO Ministerial Conference and the AU Trade Ministers' Meeting in Mauritius (June 2003), which adopted a common position on Cancún. UNCTAD also contributed to subsequent preparations by the African Group to the WTO and the AU on Africa's key issues for Cancún, building on the common position adopted by Ministers in Mauritius. In December, a meeting of stakeholders was convened in Geneva to discuss the launching of a follow-up programme for Trade and Investment Capacity Building for sub-Saharan Africa.

Technical advice was provided to the Common Market for Eastern and Southern Africa (COMESA) High-Level Brainstorming and Ministerial Meeting (Nairobi, May 2003) on their preparation for Cancún and the trade negotiations between the African, Caribbean and Pacific Group of States (ACP) and the European Union. Advisory services were provided also to a COMESA workshop (Uganda, July) on the elaboration of services agreement based on GATS. Assistance was provided to a workshop organized by UNECA for African countries to review agricultural negotiations (Addis Ababa, April). Inputs were provided to the NEPAD experts' meeting on market access (Cairo, March–April). Technical advice was provided to a Zimbabwe national pre-Cancún preparatory workshop.

- (b) *Support to African, Caribbean and Pacific (ACP) States:* Advisory services and technical papers were provided, upon request, to the ACP Group of States in Geneva and in Brussels in addressing development issues arising from their consideration of approaches to the negotiations with the EU on economic partnership agreements, and the multilateral dimension of such partnerships under the Doha agenda. Advisory services and technical papers were provided, on request, to the ACP Group of States in Geneva and in Brussels for addressing development issues arising from negotiations with the EU on economic partnership agreements

and the multilateral dimension of such partnerships. A technical report was provided for the ACP Senior Officials and Trade Ministers Meetings (Brussels, July–August 2003), where UNCTAD’s Secretary-General interacted with Ministers on issues of interest to them for the Cancún conference and the ACP–EU negotiations. UNCTAD provided support to sensitize ACP delegations regarding (a) possible strategies and approaches for preparations for WTO and ACP–EU negotiations on agriculture, services and rules of origin (Brussels, February 2003), and (b) the critical path towards regional integration and liberalization, regional integration and economic partnership agreements, and support to regional integration in ACP (Brussels, July 2003). UNCTAD continued to provide advisory support to Caribbean States in their preparation in WTO and ACP-EU trade negotiations. It participated in a Commonwealth Secretariat and Caribbean Regional Negotiating Machinery workshop (Bridgeton, April–May) to prepare a draft protocol to be presented to Trade Ministers of CARIFORUM on the negotiating strategy of CARIFORUM countries to the second phase of the ACP-EU negotiations on economic partnership agreements (EPAs).

(c) *Strengthening Capacities for Promoting Arab Economic Growth under Globalization:* UNCTAD has been conducting intergovernmental, analytical and technical cooperation work on the interlinkages between trade, energy and development since the late 1990s. While several intergovernmental organizations – both within and outside the UN system – are working on energy, UNCTAD has developed a unique expertise on a specific facet of the overall energy issue, namely the interface between the multilateral/regional trade rules, trade in energy goods and services and the policy space that developing countries, especially energy-rich developing countries, need to develop and implement development policies and strategies. More specifically, UNCTAD has been conducting activities under the project “Strengthening Capacities for Promoting Arab Economic Growth under Globalization” (RAB/02/005). UNOPS – Arab Bureau, UNCTAD and OPEC are collaborating in this initiative. Two studies were finalized in July 2003. One study is on Oil and Gas Services: International Trade and Development Implications; while the other addresses the issue of the Implications, Including for Development, of the Interface Between Environment and Trade Policies for Oil Exporting Countries. Both studies were presented at a join UNCTAD-OPEC workshop held on 4 July 2003 at the OPEC headquarters in Vienna. The workshop provided an opportunity for a technical and policy-oriented discussion between the UNCTAD and OPEC secretariats and the OPEC delegates. The study on energy services was also presented to the ESCWA Ministerial Conference in preparation for the Fifth WTO Ministerial Conference (Cancún, Mexico, September 2003). The two studies will be published soon as UNCTAD official (non-sessional) publications. Within the work carried out by UNCTAD aimed at enhancing developing country capacity to effectively participate in multilateral and regional trade negotiations, assistance was provided to developing country institutions on specific energy-related trade issues, such as energy services, domestic taxation of energy products, the Kyoto Protocol.

(d) *Country- or group-specific support:*

- Advisory services on multilateral trade negotiations and trade policy formulation were provided, upon request, to several developing countries or groups of developing countries, including the NEPAD secretariat in preparing an action plan on market access priorities; the Caribbean Regional Negotiating Machinery; and ESCWA member States and business community. UNCTAD, in collaboration with the Forum Secretariat, is contributing to the preparation of a new trade policy framework for Papua New Guinea that would respond to the changing international trade policy environment and serve national development objectives.
- With financial support from the UNDP, UNCTAD is assisting the Government of the Democratic Republic of the Congo in reviewing the trade policies and legislation that would need to be adapted to respond to the WTO system of rights and obligations. A workshop was

held in October 2003 preceded by a fact-finding mission in July 2002 to validate the conclusions and recommendations of the report prepared by UNCTAD.

- UNCTAD continued to provide technical assistance to India under a five-year project “Strategies and preparedness for trade and globalization in India”, funded by the UK Department for International Development (DFID), with two main objectives. First, it will assist Indian trade negotiators, policy makers and other stakeholders in understanding the development dimension of key trade issues, particularly as they related to the current WTO agenda (component I). Second, it will strengthen India’s human and institutional capacities for analysis of globalization-related issues and facilitate a policy environment that will support and sustain a more equitable process of globalization (component II). Several national and regional activities were carried out in 2003 in India as well as in Geneva, on various subjects of trade negotiations. The project is implemented with the cooperation of three institutions: the Ministry of Industry and Commerce of India, DFID and UNCTAD. Considerable progress was made during 2003 in preparing the Component II, Creating Human and Institutional Capacities for Trade and Globalization in India, which was formally launched on 12 April 2004.
- With the financial support of the EC, UNCTAD is implementing a national project for Bangladesh aimed at assisting trade negotiators, policy makers, the business community, and the civil society, through training and institutional building capacity, to participate effectively in the international trading system and, especially, in the trade negotiations at the WTO. Together with the successful organization of the Dhaka LDCs Ministerial Meeting in preparation for Cancun (see previous Technical cooperation Report for 2002 Report), which formed the first component of the project, UNCTAD assisted local research institutions and think tanks in the preparation of 14 studies on various trade issues. The research areas cover almost the subject under negotiations or consideration in the WTO. The research programme is meant to significantly increase the institutional capacity building of these institutions in the long run. In addition, UNCTAD is assisting the National Committee on WTO, recently established at the Ministry of Commerce. This Committee is meant to become an important source of expertise for the Ministry in preparing sound negotiating position in the years to come. The activities under this important component entailed the organization of two training courses in both Dhaka and Geneva for the trade officials composing the WTO cell as well as the provision of the necessary IT equipment to the National Committee on WTO which should greatly facilitate the building of their expertise on trade issues, particularly through an easy access to updated information which is now available to them; and
- Support was provided to Viet Nam under the UNCTAD/UNDP Trade-related capacity building project. This assistance aimed at enhancing long-term capacity-building goals (through the training of trainers and the strengthening of the local training institutions) as compared to the short-term targets of the current trade-related assistance implemented in Viet Nam. Assistance provided focused on the post-WTO accession needs and on the specific needs of the training institutions of the country.

53. **Results:** Contribution to enhanced understanding and preparations by developing country trade negotiators for the Doha agenda negotiations and work, based on identification of country-specific trade and development interests. Strengthening of efforts to review and revise trade policies to promote development by exploiting beneficial aspects of the changing trading environment at the bilateral, regional, multilateral and international levels.

**(b) Accession**

54. Pursuant to the intergovernmental mandate at UNCTAD IX and UNCTAD X, the UNCTAD secretariat continued in 2003 to assist member States of the United Nations who are in the process of accession to the WTO.

55. The provision of such assistance was tailored to meet the commitment of the member States to further integrate into the international trading system, including through shifting into more market-oriented economies. Several activities were undertaken by UNCTAD. UNCTAD maintained close cooperation with the WTO Secretariat in providing such assistance.

56. **Objectives:** Technical assistance is provided to the governments of the acceding countries to meet the following general objectives:

- (a) To assist national officials in elaborating optimal policy approaches in the WTO accession process, particularly in identifying the issues that need to be addressed, both of an internal and external nature, including those related to the adaptation of domestic trade-related legislation and/or the formulation of new legislations to adhere to WTO provisions;
- (b) To provide advice on trade policy formulation to benefit more fully from the rights provided for in WTO provisions whilst adhering to its obligations;
- (c) To strengthen and deepen the knowledge of national officials of multilateral trade negotiation techniques and tactics to improve their negotiating capacity; and
- (d) To strengthen the capacities of trade- supporting national institutions (which includes the private sector and the academic community) through training and joint analysis of the relevant problem areas.

57. **Features:** Technical assistance is delivered by UNCTAD through:

- (a) Advisory missions and working directly with the national negotiating team;
- (b) Assistance in preparing documentation required by the WTO accession negotiations;
- (c) Preparation of analytical papers and briefings for national policy makers;
- (d) Training of national trade negotiators on specific issues in the accession process;
- (e) Brainstorming meetings and workshops; and
- (f) Sensitizing civil society and the private sector in acceding countries on the challenges and benefits of WTO membership.

58. **Output:** In 2003, assistance was provided to Algeria, Bhutan (LDC), Cambodia (LDC), Cape Verde (LDC), Ethiopia (LDC), Kazakhstan, the Lao People's Democratic Republic (LDC), Nepal (LDC), the Russian Federation, Samoa (LDC), Serbia and Montenegro, Sudan (LDC), and Yemen (LDC). Activities centred on (a) supporting the preparations of national negotiating teams for the meetings of the WTO Working Parties on Accessions, including identifying negotiating strategy and tactics, preparation of the Memorandum on the Foreign Trade Regime and written questions from WTO members; (b) workshops to sensitise government officials, civil society and the private sector on the benefits and challenges of WTO membership, including on the developmental provisions in WTO Agreements and the process of accession (c) assisting governments in the preparation of offers on market access in goods and services and commitments on agricultural support measures sectors; (d) providing expertise and advice on strengthening capacity building in the area of trade policy; and (e) training of trade officials in specific trade policy issues.

59. **Results:**

- (a) Three workshops on WTO accession were conducted in 2003 in acceding countries – two in the least developed countries and one in a developing country. About 300 officials, business representatives, parliamentarians, and academia participated in these events, which, while

highly interactive and enriching for the participants, bore out the need for more intensive training on the WTO Agreements.

- (b) Four UNCTAD advisory and technical missions were undertaken, all to least developed countries.
- (c) Twenty-one trade negotiators from acceding countries (including developing and least developed countries) benefited from intensive training by members of the UNCTAD secretariat on preparing the Initial Offer in Goods and Services as well as on specific accession-related issues.
- (d) Several Legislative Action Plans and other accession related documents, including one Memorandum on Foreign Trade Regime prepared with assistance from the UNCTAD secretariat.

60. **Impact:** The technical assistance provided by the UNCTAD secretariat has increased the awareness of the acceding country's negotiating team, in particular, and civil society, in general, of the multifarious issues – substance and process that arises in the accession process, as a result of their better understanding of the WTO rules and disciplines including the special and differential treatment and other developmental provisions and their implications for national policy options. This has enabled them to participate more effectively in the accession negotiations. Cambodia and Nepal became the first two least developed countries to be accepted as WTO Members since the establishment of the WTO in 1995.

**(c) Services Trade-Related Development Strategies for Poverty Reduction**

61. **Development context:** Dynamic factors are shaping policies on services in developing countries, some of them external (increasing international competition for finances; regional integration; multilateral negotiations on services) or internal (efficiency considerations; economic reform). Trade has also become an important vehicle for growth and development. Governments in developing and least developed countries are facing the challenge of realigning these multidimensional objectives, when seeking to reduce poverty and maximize development dividends accruing to them from progressive liberalization of services economy. In this regard, limited experience in developing countries makes it extremely difficult for policy makers to assess options available to them for creating coherent policy environment for trade in services supportive of development and poverty alleviation. In 2003, Federal Ministry for Economic Cooperation and Development, Federal Republic of Germany has provided funding to help make progress in this area.

62. **Objectives:** The project has the following broad goals:

- Advance debate on the impact of the liberalization of trade in services in developing countries in overall terms and on a sector specific basis with emphasis on reduction of poverty and overall development dividends;
- Identify what services trade-related policy options are available to decision makers for creating policy environment supportive of alleviation of poverty and development in general;
- Suggest how lessons learned could be reflected in the ongoing negotiating processes and for the positive agenda of developing countries in services;
- Further elaborate methodology and approaches for conducting assessment of trade in services in developing countries taking into account poverty reduction; and
- Facilitate future cooperation on assessment among international organizations, academia and research networks, policy makers, regulators and trade negotiators, and NGOs, and ensure multi-stakeholder approach to assessment.

63. **Outputs:** The initial activities of the project focused on identifying selected countries in all developing regions for the first stage of the project and establishing in consultations with the government officials country-specific services sectors and approaches for conducting studies. Initial number of studies has been limited to five countries and two to three sectors per country in order to maximize the effective management of the funds. The terms of reference for each country/sector have been developed jointly by UNCTAD and the respective government representatives. The discussions at the national level have helped to identify a set of elements that are important in building methodology of the assessment at the national level and have ensured the multi-stakeholder approach in the research. However, in all cases, the analytical research is hampered by the lack of detailed data on services and the need to set resources to this end in order to fill in some of the most urgent gaps. To ensure the maximum impact, the sectoral studies are being prepared by the national researchers or a research team in consultations with the relevant Government authorities and technical support of UNCTAD. The review of the first findings are planned to take place in the informal working discussions, involving relevant government agencies and trade negotiators, academia and private sector operators. The following round of discussions would involve interregional comparison and debate on best practices in the implementation of reforms in services sectors and ways and means to increase investment and employment, upgrade technology and contribute to the eradication of poverty.

**(d) Services and development capacity building**

64. **Development context:** Developing countries now make up the large majority of WTO members, and are increasingly active in the ongoing GATS negotiations. However, the growing complexity of issues arising from international trade in services and the analysis of their implications for domestic policies put strain on the resources and the governmental structures of many developing countries. A number of WTO Members, particularly LDCs and small economies, face a serious challenge in following effectively on the developments in the negotiations on trade in services. Through present UK DFID funding, this project aims at strengthening the role of UNCTAD in building capacity of developing country delegates in Geneva to help them increase their participation in the GATS negotiations.

65. **Objectives:** The main goal of the project is to support developing countries in strengthening their position in the multilateral trade negotiations on services, and specifically to provide ongoing resources to assist developing countries in meeting the challenges and taking advantage of services negotiations as they progress. This will promote international rules on services and liberalization of services markets which maximise the benefits to developing countries and poor people.

66. **Features:** Project is aimed at supporting Geneva-based delegations in enhancing their understanding of the issues involved in the ongoing negotiations on trade in services and in identifying ways for increasing their participation in the negotiations. All activities under the project are Geneva-based.

67. **Outputs:** Technical assistance has been provided on the following issues: (i) assistance to developing country delegations in the process of ongoing GATS negotiations, both in analyzing opportunities arising from the new initial offers and in formulating development needs; (ii) help provided in development of various arrangements to manage the negotiating process, and, (iii) in building overall negotiating capacities on services related issues. Assistance to developing countries in the request/offer process and in rule-making negotiations was an ongoing activity under the project seeking to further increase the number of delegations receiving direct assistance under the project. Five workshops and training activities have been organized either under the project or jointly with other international organizations to exchange views informally on the overall progress of negotiations in meeting the expectations of developing countries or on selected specific issues. Analytical work undertaken in the framework of this project has served as direct input into the capacity building in the area of services negotiations where nine informal notes have been prepared on issues of possible interest to developing and least developed countries in the ongoing GATS negotiations.

**(e) Preferential arrangements****(i) Market access, trade laws and preferences**

68. **Development context:** During 2003, a series of initiatives materialized in the context of the Generalized System of Preferences (GSP) and other trade laws programmes to provide better market access to products from developing countries, in particular the LDCs. In January 2003, the Canadian Government enlarged the product coverage of its GSP scheme to allow textile and clothing as well as other products originating in LDCs to enter its market duty-free subject to rules of origin. For the review of the GSP scheme of Japan, as of 1 April 2003, an additional list of products originating in LDC beneficiaries have been granted duty-/quota-free entry.

69. In spite of all these initiatives a recent analysis carried out by UNCTAD shows that there is a persistent low utilization rate of preferential arrangements. To accompany and support these ongoing developments, there is a need to increase utilization of preferences by beneficiary countries granted either through multilateral (GSP) or bilateral/regional arrangements. The increase of regional trading arrangements have provoked a number of requests from developing countries for technical assistance increasingly addressing customs related issues and trade laws such as rules of origin and customs valuation. There is also a need to enable developing country exporters and officials to negotiate on a more equal footing with their developed country counterparts and among themselves through enhanced knowledge of the laws, administrative and customs procedures relating to products of export interest to them, and thereby to overcome insufficient familiarity with, or misunderstanding of, the operation of such laws and regulations.

70. **Objectives:** UNCTAD provided assistance to developing countries in order to:

- Increase utilization of the trading opportunities and preferences under existing preferential arrangements, such as the GSP, the Cotonou trade regime and other bilateral arrangements, through increased understanding and familiarization of government officials and the business community.
- Enhance the understanding of preferential and non-preferential rules of origin and assist countries and regional trade initiatives to formulate and negotiate rules of origin matching their industrial and development needs.
- Build up the capacity and the understanding in developing countries of the trade laws and regulations governing market access conditions in the international trading system, so as to enable developing country officials and exporters to improve their capacity to respond to the challenges and opportunities arising from trade negotiations at bilateral, regional and multilateral levels, and trade disputes, and in utilizing preferential trade arrangements.

71. **Outputs of the GSP Programme:** In 2003, advisory missions and workshops on GSP, rules of origin and other trade laws were carried out in China (Beijing), Viet Nam (Hanoi), Thailand (Bangkok), Mexico (Mexico City) and Argentina (Buenos Aires).

72. UNCTAD organized and participated in a number of regional workshops such as (i) The Brainstorming on Asian countries' trade interests and capacity building needs in the framework of the Cancún Ministerial and Beyond meeting, Bangkok, Thailand and (ii) the Symposium on Relations between Negotiators in FTAA and WTO, São Paulo, Brazil.

73. Technical cooperation activities were mainly directed at providing government officials with the expertise necessary to resolve difficulties encountered in GSP utilization, rules of origin with special attention to the technicalities related to rules of origin requirements.

74. In the same year, the following publications were prepared or initiated by the programme:

- GSP Scheme of the USA (UNCTAD/ITCD/TSB/Misc.58/Rev.1);
- GSP Scheme of Estonia (TD/B/GSP/ESTONIA/1);
- GSP Scheme of Turkey (TD/B/GSP/TURKEY/1);
- The African Growth and Opportunity Act: A Preliminary Assessment (UNCTAD/ITCD/TSB/2003/1);
- Trade Preferences for LDCs: An Early Assessment of Benefits and Possible Improvements (UNCTAD/ITCD /TSB/2003/8);
- Progressing Towards the Doha Development Agenda: Selected Papers on Trade and Development Research Issues for Asian Countries;
- Handbook on Special Provisions for LDCs.

75. **Results:** A possible benchmark to be utilized in assessing the effectiveness of the programme is an increased utilization of trade preferences and a better understanding on the part of government officials of the implications and operational rules governing rules of origin and other trade laws such as anti-dumping, countervailing duties and other contingency protection measures. However, utilization of trade preferences is also largely guided by the supply capacity of the beneficiary countries and, as such, could not be used as a valid benchmark in isolation. Judging from the number of continuing requests and hits to the GSP website, the programme has been successful in providing information on GSP schemes.

**(ii) Global System of Trade Preferences among Developing Countries (GSTP)**

76. **Development context:** The Global System of Trade Preferences among Developing Countries (GSTP) was established as a framework for the exchange of trade preferences among developing countries with a view to promoting trade among these countries. The GSTP came into being after a long process of negotiations at Ministerial Meetings of the Group of 77, notably at Mexico City in 1976, Arusha in 1979, and Caracas in 1981. The Ministers of Foreign Affairs of the Group of 77 in New York set up the GSTP Negotiating Committee in 1982. The New Delhi Ministerial Meeting, held in 1985 and the Brasilia Ministerial Meeting held in May 1986 gave further impetus to the negotiations. The First Round of GSTP negotiations was concluded in April 1988 in Belgrade together with the finalization of the text of the GSTP Agreement. The Agreement entered into force on 19 April 1989. At present, there are 44 Participants.

77. **Objectives:** The GSTP Project services and administers the technical implementation of the Agreement under the general supervision of the GSTP Committee of Participants, the governing body under the Agreement. It is the responsibility of the Project to ensure that the Agreement operates in a manner that meets the objective of promoting trade among the Participants. The GSTP Project is financed by voluntary contributions of GSTP Participants.

78. **Output:** The output of the Project can be categorized into two: policy and administrative outputs. Policy outputs consists of technical papers and other materials ranging from advisory opinions, rights and obligations of the GSTP Participant, implementation and monitoring of decisions, etc. The administrative inputs cover a range of technical services from meetings, minutes, notes, notifications, etc. Additionally, the Project continually intervenes to facilitate actual trade transactions so that GSTP preferences can be availed of. At the request of GSTP Participants, the GSTP Project made appropriate contributions to laying preparatory concepts for launching a possible new round of negotiations.

79. **Result:** Results are measured by compliance with reporting and notification obligations such as updating of concessions, statistics, updating of certificates of origin, etc. Inputs to expanding concessions through possible negotiations are continuously provided to delegations. A technical working group is deep in technical work currently. The GSTP Project services all the administrative and substantive

requirements of that process. Finally, the GSTP Project responds to requests for information by various parties including technical assistance requirements by Geneva delegations.

**(f) Commercial Diplomacy Programme**

80. **Development context:** The work programme adopted by the 4<sup>th</sup> WTO Ministerial Conference in November 2001 increased the demands of developing countries, LDCs and economies in transition regarding training and capacity building on the Doha mandates, as well as on the broader multilateral and regional trade agendas that are having deep impacts on their development strategies. The requests for technical assistance coming from developing countries highlighted two main needs: first, the immediate support to the negotiating capacity regarding the understanding of the new Doha mandates and the formulation of national or regional positions; secondly, the long-term needs related to the capacity required to insert the various negotiating processes into the overall trade and development policies.

81. During 2003, these short- and long-term needs of developing countries evolved in parallel. The more the negotiating process becomes precise and technically sophisticated, the more the developing countries request ad hoc training agendas.

82. The requests for training increasingly matched the pace of the WTO meetings, with a very strong focus on specific agriculture, services and market access issues. In parallel, several requests for training and capacity building included several topics of the Doha agenda simultaneously, or the articulation of the WTO negotiations with regional and bilateral trade processes.

83. **Objectives/features:** It became increasingly clear that the instruments used for each training activity needed to be customized, sometimes at a sectoral level or depending on the target population (officials, business community, civil society, journalists). Secondly, local trainers of developing countries were trained on selected WTO issues in order for them to be able to disseminate locally UNCTAD analytical work. In terms of topics, the training materials of the Programme concentrated on agriculture, services, market access and some trade rules issues, in the light of the increasing demand for these negotiating areas.

84. **Outputs:** The list of activities implemented in 2003 (shown in the website [www.unctad.org/commdip](http://www.unctad.org/commdip)) reveals a wide variety of formats, countries and regions, topics and levels of training or capacity building, according to the demands and to the various extra budgetary resources available for the technical assistance activities.

- A distance learning project for two countries involved at that time in the WTO accession process, Cambodia and Laos, was developed in partnership with the TrainForTrade programme. The objective was to train trade officials who will become members of their negotiating teams. Trade in services was chosen as the first topic and the course was designed to train the same group of participants in three increasingly technical phases in order to enhance effectively the expertise of the officials involved, and ensure a complete understanding of the issues discussed in the training material. The two distance learning phases (at a beginning and intermediate levels) were complemented by face-to-face seminars deepening the topics developed by the training material in Hanoi (Viet Nam) and Phnom Penh (Cambodia). The impact of the course has been maximized by the use of distance learning techniques that have reduced the cost of a training session, and will help in the dissemination of the training material.
- Several training courses were held in Geneva for capital-based trade officials from developing countries. The whole range of WTO agreements and negotiations were presented to Haitian, Bolivian and Venezuelan officials, and a training course focusing more specifically on WTO accession issues was organized for Sudanese trade officials. Yemen also benefited locally from a joint UNCTAD/WTO training course on accession.
- Seminars were organized in Oran and Annaba (Algeria) to raise the awareness of Algerian civil society and private sector on the accession process of Algeria to WTO, and one seminar was

organized in Alger for Algerian journalists on the various agreements of the ongoing WTO negotiations.

- An innovative and successful simulation exercise took place in Lima (Peru) during a training workshop on agriculture negotiations of WTO, FTAA and intra-regional agreements.
- From the point of view of long-term capacity building, training for trainers was organized for Vietnamese academics in Hanoi on several WTO agreements, in close collaboration with the Foreign Trade University in Hanoi.

85. **Results:** In general, the evaluation of these training events by the participants has been very satisfactory, and UNCTAD is facing increasing demand for such technical assistance activities.

86. From the point of view of the effectiveness of the training, the best results were obtained through the simulation exercise and other practical exercises on negotiating issues. The training of Vietnamese trainers will facilitate the dissemination of UNCTAD work through reduced costs, and represents a successful attempt to consolidate UNCTAD technical assistance on a long-term basis.

87. The activities implemented in 2003 provided valuable support to the negotiating capacity of both Geneva-based missions and capital-based trade policy makers. The increasing quality of the developing countries' negotiators is visible in all the areas of the WTO agenda.

### 3. Commodities

#### (a) *Capacity building for diversification and commodity-based development*

88. **Development context:** World trade in high-value commodities and, in particular, foodstuffs is growing rapidly. These could easily supply many of these commodities, which are currently exported by commodity-dependent developing countries in an unprocessed form, as value-added. However, most developing countries, particularly LDCs and African countries, were not successful in diversifying their commodity economies for exploiting these dynamic and lucrative markets. The enterprise sector has been unable to adapt itself to the liberalized and more demanding trading environment, and its support needs are not effectively prioritized. Government policies need to be reviewed in the current trading framework and government support needs to be more selective and focused. Civil society and institutions also have a crucial facilitating role in the diversification process. There is, therefore, a need in commodity-dependent developing countries for capacity building in enterprises to adapt export diversification strategies and business practices to modern market exigencies; improving effective partnerships between enterprises and finance providers; capacity building for Governments to design and implement focused and sequenced policies and measures that tackle the most important problems; increasing the effectiveness of local institutions and civil society in ensuring that the disadvantaged segments of the population are involved in the diversification process with a view to reducing poverty; and increasing national and regional food security and food self-sufficiency, and regional trade.

89. **Objectives/features:** To promote the horizontal, vertical and geographical diversification of production and trade structures; to improve government's capacities to formulate focused, effective and sequenced policies in this respect; to increase the competence of enterprises in adapting their business strategies and supplies to the Post-Uruguay Round trading framework; and to strengthen positive linkages between the commodity sector and the rest of the economy.

90. **Outputs:** In 2003, preparations have advanced for the final workshops planned for 2004. Several papers have been commissioned on alternative paths to diversification. Editing and translation of the substantive documentation prepared for the previous workshops have continued and alternatives for printing are under discussion, with the purpose of finding the most effective arrangement. Alternatives with respect to follow-up to the project are being explored in the context of plans for partnerships between intergovernmental organizations, governments and civil society.

91. **Results:** Although it is still early to identify the specific impacts of the project, several concrete outputs have already been generated. These are in addition to requests for further specific capacity building activities requested by the beneficiary countries. Several project proposals that have been prompted by the workshops are under preparation for submission to donors. Evaluations by participants after the workshops show a very high degree of satisfaction. The website <http://www.unctad.org/infocomm/Diversification/index.htm>, where all relevant information is posted, facilitates access to workshop materials.

**(b) Commodity risk management, finance and energy**

92. **Development context:** Governments that liberalize their commodity sectors risk leaving a vacuum behind. In agriculture, if they no longer set prices, how will prices be determined? How will farmers, processors, traders and consumers cope with the price fluctuations to which they become exposed – and will farmers, who tend to be highly risk-averse, have to give up a large share of their income in order to reduce their risk exposure if they have no access to proper tools to manage these risks. How can banks lend into the commodity sector in a liberalized environment? All these issues are becoming even more relevant in the face of the globalization of the commodity economy: in order to be competitive, developing countries need highly efficient commodity sectors in which the above issues have been resolved. UNCTAD's work in the area of commodity risk management, finance and energy aims to assist in finding such solutions, using modern financial tools such as commodity exchanges and structured commodity finance to fill the vacuum left by liberalization and build commodity sector competitiveness.

93. **Objective/features:** In an environment of continuing liberalization and international exposure, poor access by developing countries to modern financial instruments makes it difficult for them to become competitive. Thus, the main objective of work in this area is to improve the use of modern risk management and financing techniques in the commodity sector of developing countries. This not only makes important cost savings possible, but also allows Governments, parastatals and private sector entities to plan and manage more efficiently. The programme has focused on raising awareness and understanding of modern financial techniques through the publication of technical reports and training materials, as well as through seminars and workshops. Financial support to this programme has come entirely from private sector donors, and a lack of official aid funding continue to make it impossible to meet many demands from developing countries, particularly LDCs.

94. **Outputs:** In 2003, the largest activity in this area was the Seventh African Oil and Gas Trade and Finance Conference, held in Luanda, Angola, from 20 to 23 May 2003. This conference (organized with the Government of Angola and a private sector conference organizer, ITE Ltd.) attracted some 600 participants from over 40 countries, mostly high-level decision makers from the African oil and finance sectors (including 21 Ministers and presidential advisers, and some 70 company presidents, CEOs and the like). The conference was fully funded by private sector sponsoring, including from African companies. It was deemed very successful by participants, and demand for UNCTAD's follow-up work in this area is strong. Several countries offered to host the eighth and ninth African Oil Trade Conferences; it was decided to organize the 2004 Conference, again to be entirely funded by private sector sponsorship, in Morocco, and the 2004 conference in Mozambique. As one of the spin-offs of this work, support and advice was given to the African Energy Commission, a new entity set up by the African Union to boost the continent's energy cooperation.

95. Support to the development of new commodity exchanges continued – this is a very important issue in many countries, as Governments are withdrawing from their agricultural marketing and price-setting roles, and there is a need for new marketing and price discovery mechanisms. UNCTAD again co-organized an emerging markets workshop back to back with one of the world's major future industries conferences (in Burgenstock, Switzerland, September 2003), which attracted several dozen participants. Policy advice and training, paid for by the beneficiaries as well as the World Bank, was provided in India and Russia.

96. In the area of structured finance, UNCTAD provided training to African bankers on the occasion of a workshop organized by the African Export-Import Bank in Cairo, Egypt; to bankers in Georgia, with a

workshop; to Cuban trading companies and banks through a one-week workshop in Cuba; as well as to a larger group of bankers through workshops organized at conferences in South Africa and the USA (Miami, targeting Central American bankers); and through a large countertrade and structured finance conference co-organized by UNCTAD and the Asia Pacific Countertrade Association in Malaysia in October 2003. Together, these events attracted more than 400 participants.

97. **Results:** These activities led to a better understanding of modern financial techniques relevant for the commodity sector among, in particular, private sector decision makers. Given limited funding, no effort could be made to further evaluate impact, but it should be noted that as most of this work is funded by the private sector, a lack of impact would rapidly lead to a drying up of this funding – which so far has not happened. In India, UNCTAD's work over the past decade culminated in the approval, by the Government of India, of four major new commodity exchange initiatives, which will bring, for the first time, major corporate players into the sector; the two largest of these reached a 30 billion US\$ turnover in 2003. The resulting strengthening of India's commodity market infrastructure will help the country to compete in global trade.

### **(c) Commodity Information and Knowledge Management – INFOCOMM**

98. **Development context:** At its tenth session, it was recognized that UNCTAD's work should focus on increasing market transparency and information flows through collection and dissemination of relevant commodity information, particularly in electronic form (para. 68 and 144). In September 2003, recommendations adopted during a high level meeting of "Eminent Persons on Commodity Issues" established that developing countries suffer from a lack of access to timely, comprehensive, accurate and user-friendly information and analysis, as well as from the capacity to utilize it in decision making at the government, firm and farm level. It then call for strengthening the capacity of UNCTAD to regularly disseminate specialized information and analysis, covering a broad range of commodity issues and establish networks so as to contribute to market transparency and to develop collaborative tools to facilitate the use of this information (para.11). Thus, as asymmetrical information strongly impacts rural development, there is a real need for broad-based and equitable access to relevant commodity-related information.

99. **Objectives/features:** The main objective of this project is to improve transparency in commodity markets, in order to offer greater market intelligence and understanding to actors within the sector. The core aims of the project are:

- To consult, to adapt and to disseminate, in a new way, series of products that proves useful for the different strategic, informational, organizational and economic aspects of the commodity sectors;
- To develop a knowledge management approach in which different stakeholders will share strategic information, pulling together quantitative and qualitative information for selected sectors and countries.

100. As a whole, the INFOCOMM project seeks to promote market transparency, to reduce the asymmetry in accessing strategic commodity-related information, to improve the understanding of commodity structures and to provide access to the analysis vital to the formulation of pertinent policies for commodity production, marketing, processing and financing.

101. **Outputs:** The development of an international knowledge management tool (extranet electronic platform - [www.unctad.org/infocomm](http://www.unctad.org/infocomm) - the most visited UNCTAD joint site for nearly three years). The main goal of this scheme is to monitor and analyse the evolution of the world market for major commodities as well as to manage, organize and develop, in a practical and original manner, a knowledge management and sharing instrument for assisting the decision-making process in both the public and private sectors. Following are some examples of recent outputs (within the e-platform):

- At the beginning of 2004, detailed information, analysis and clever links were available for the following 20 commodity sectors: citrus fruit, cashew nut, banana, timber, cocoa, iron ore and steel, natural gas, olive oil, jute, shea nut, nickel, palladium, oil, platinum, pepper, rice, sugar, tobacco, tea and zinc.
- As the United Nations General Assembly declared 2004 the International Year of Rice, this commodity was selected as a pilot product to issue, through INFOCOMM, a monthly report (available in French, English and Spanish) on the world rice market.
- An online database of specialized materials on commodity-related issues (containing more than 600 documents) was developed.
- A window of collaboration was opened with UNEP (using their metadatabases) to disseminate statistical data and indicators on agriculture, energy, population and natural disasters.
- In addition to the INFOCOMM portal, one of the main outputs was the publication, in September 2003, of the *World Commodity Survey 2003–2004*, an authoritative book discussing over 80 commodities and key commodity industry sectors. This edition also examined global factors that have had an impact on raw material markets and analysed the principal trends in commodities, the evolution of the oil market, the role of the State in the present international context and the impact of market instability. It also addressed company governance through a detailed study of the Enron case.

102. **Results:** The above-mentioned activities result in a significant improvement in the basic market information available at no cost to developing countries, thus improving their possibilities to position themselves on world commodity markets. The INFOCOMM portal is the most visited of all UNCTAD sub-sites (with an average of 2 million hits per month, these last 6 months), a fact which illustrates the demand for this type of information and also demonstrates the number of ad hoc requests for publications such as the *World Commodity Survey* that are regularly addressed to the secretariat.

103. Such a need can for instance be illustrated by the conclusions and recommendations adopted by the ECOWAS which stipulated “that accessing strategic information on commodities, and improving communications flows, was of extreme importance. In this regard, UNCTAD presented its portal INFOCOMM which is considered as a useful instrument for decision makers in developing countries”.

#### **(d) Capacity building and policy networking for sustainable resource-based development**

104. **Development context:** Relatively few developing countries have successfully used their tradable natural resource sector (timber, oil and gas, and minerals) to achieve diversified growth and sustainable development. Indeed, a growing number of “resource-rich” countries are lagging behind resource-deficient countries in the economic and social sphere, and have accumulated a substantial human capacity deficit. Work undertaken in UNCTAD has shown that the development path for “resource-rich” countries can be equally difficult and possibly more complex than for “resource-poor” countries. The situation is particularly complex – and urgent – for countries dependent on the exploitation of non-renewable resources. In the long-term context of sustainable development, the major policy challenge for natural resource economies is to exploit their natural capital and associated resource rents in a sustainable manner in order to enhance human and institutional capacities. In this way, these countries will achieve the transition from rent-based to knowledge-based development, engage more effectively in the process of globalization and be better placed to address the development of other sectors of their economies.

105. **Objective/features:** To enhance the capacity of developing countries, especially those dependent on non-renewable natural resources, to devise and sustain a balanced and viable development path over the longer term, with an emphasis on the application of integrated economic, environmental and social policies to the natural resource sector. This will be achieved by building and strengthening a broad-based, policy oriented network of academic and development expertise.

106. **Outputs:** A Web-based system for promoting best practice and related policies was initiated with the cooperation, inter alia, of the International Council on Mining and Metals (ICMM). This is due to go public in 2004 and will be linked to the UNCTAD-UNEP website Mineral Resources Forum ([www.natural-resources.org/minerals](http://www.natural-resources.org/minerals)). A workshop was organized in Lima, Peru, during April 2003 in order to establish a network for the Latin America and Caribbean region with a focus on mineral resources and related sustainable development issues. This new network is operated by the Universidad Nacional Mayor de San Marcos (see <http://biblioteca.unmsm.edu.pe/redlieds/>) from Lima, with the assistance of UNCTAD and ECLAC. A similar regional workshop was organized in Addis Ababa in cooperation with ECA in February 2003 to consider the establishment of an Africa Mining Network. Training materials on sustainable development aimed at the local authorities of mining areas were prepared in cooperation with ECLAC and a national seminar for local authorities was organized in Ecuador in July 2003. A second set of training materials, to be published and distributed by ECA in early 2004, comprises five training modules, in English and French, aimed at central government officials in Africa and concerns the macro-economic management of mineral-dependent economies.

107. **Results:** The objective is to strengthen the capacity of natural resource dependent developing country governments, at the national and local level, to formulate sound policies for sustainable resource-based development and to optimize the use of input and expertise from a variety of resource practitioners and other stakeholders. The networks established are still in their early stages of implementation, but it is already evident that they have improved the access to knowledge by stakeholders, researchers and policy makers. For instance, the seminar in Ecuador mentioned above led to an agreement between the central government and local authorities in mining areas under which the local authorities will get much improved access to information about planned mining projects. The website established in cooperation with the University of San Marcos in Peru is attracting ever greater interest and is expanding into new areas of interest, such as small scale mining, as a result of demands from network partners. The project has attracted considerable in-kind support as well as some supplementary funding from various institutions including UNEP, UNECA, the UK Department for International Development and the International Council for Metals and Mining.

#### **4. Trade, environment and development**

108. **Development context:** UNCTAD X stressed the need to identify policies to address major constraints faced by many developing countries in responding to environmental challenges, such as lack of technical, financial, institutional and supply capacities, taking into account the environmental and developmental conditions of each country. It called upon UNCTAD to identify specific capacity-building needs of developing countries and to promote a broad programme of capacity building on trade, environment and development (paragraph 146), as well as to identify issues that could yield potential benefits for developing countries, including with regard to the link between public health and development (paragraph 147). In recent years, the programme was adjusted and strengthened to support developing countries in their participation in the WTO Doha work programme as well as to take into account recommendations in the area of technical cooperation and capacity building adopted at the World Summit on Sustainable Development and by the Commission on Trade in Goods and Services and Commodities. Various steps taken to enhance the efficient delivery of TC/CB activities are described in TD/B/WP(XLI)/CRP.1 of September 2003. Two sections have been created within the Trade, Environment and Development Branch, for Trade and Sustainable Development and for BIOTRADE and Climate Change.

##### **(a) Trade and sustainable development**

109. **Development context:** The overarching long-term objective of the Trade, Environment and Development (TED) Technical Cooperation (TC) and Capacity Building (CB) programme is to enhance the capacities of developing countries to analyse issues at the interface of trade and environment and address them at the national, regional and international levels in a manner consistent with their development priorities.

110. **Objectives/features:** To achieve this overarching objective, the more immediate objectives of the TED TC/CB programme are to assist interested developing countries in:

- Improving policy coordination at the national level between ministries of trade and environment and between Governments and other relevant stakeholders.
- Designing national policies to address specific trade and environment issues.
- Participating effectively in negotiations and discussions on trade and environment in the WTO (notably in the Doha Work Programme) and other international forums.
- Addressing the relationship between environmental/health requirements in international markets, export competitiveness and market access, including taking advantage of new trading opportunities.

111. The programme also promotes practical mechanisms for addressing specific problems identified in UNCTAD's TC/CB or intergovernmental work.

112. The programme's activities are designed to meet the following conditions as fully as possible:

- They are demand driven, particularly regarding selection of issues and desired outcomes.
- They are implemented in a manner that promotes ownership of TC/CB results by the beneficiaries.
- They channel a high proportion of funds to in-country and in-region activities.
- They employ national consultants to strengthen local research capacity.
- They give special attention to the sustainability of projects and impacts.
- They are designed in close consultation with beneficiaries and donors.
- They are characterized by cooperation with international and regional agencies providing trade- and environment-related technical cooperation.
- They involve partnerships with civil society, including in the delivery of TC.
- They involve linkages with other initiatives at the national, regional and international levels.

113. **Outputs/results:**

**(i) *Building Capacity for Improved Policy Making and Negotiation on Key Trade and Environment Issues***

114. Following a planning phase carried out in 2002, the secretariat started the implementation phase of the project "Building Capacity for Improved Policy Making and Negotiation on Key Trade and Environment Issues", funded by the UK Department for International Development (DFID). Under this project, UNCTAD, in cooperation with the Foundation for International Environmental Law and Development (FIELD), is assisting selected developing countries in Asia and Latin America to build national and regional capacities to deal with TED issues. The project assists beneficiary countries in (a) participating effectively in the WTO negotiations and discussions on trade and environment; and (b) developing long-term policies aimed at promoting sustainable development through trade. The project explicitly aims to develop and implement practical and meaningful policy initiatives in at least one

specific trade and environment area in each region. The following priority issues have been identified for in-depth activities:

- For Central America and Spanish-speaking Caribbean countries (Costa Rica, Cuba, the Dominican Republic, El Salvador, Guatemala, Honduras, Nicaragua and Panama):
  - Trade liberalization in environmental goods and services (EGS);
  - Environmental requirements in key export markets and market access for agricultural products, including the promotion of trading opportunities for organic products.
- For South and South-East Asia (Bangladesh, Cambodia, China, the Philippines, Thailand and Viet Nam):
  - Environmental requirements, market access and export competitiveness in three sectors: leather and footwear, horticulture, and electrical and electronic products.

115. The secretariats of UNCTAD and ECLAC jointly organized a regional workshop (in Havana in March 2003). National workshops were held in cooperation with the Governments of Nicaragua and Panama in June 2003. The meetings in Cuba and Nicaragua also allowed interaction between capital-based policy makers and some Geneva-based trade negotiators. National studies on environmental services were completed in Cuba, the Dominican Republic, Honduras, Nicaragua and Panama. A summary of these studies was published in the UNCTAD Trade and Environment Review.<sup>1</sup> The UNCTAD and ECLAC secretariats are preparing a joint publication. A preliminary version will be launched at UNCTAD XI in June 2004.

116. In Asia, a regional brainstorming workshop on trade and environment issues in the Doha work programme was held in Bangkok from 30 July to 1 August 2003. This workshop involved Geneva-based WTO negotiators of some of the beneficiary countries. A national training workshop on market access/penetration in leather and footwear was held in Dhaka in August 2003. Nine sector-specific country case studies on environmental requirements, market access/entry and export competitiveness have already been completed by local researchers. They paved the way for a sub-regional workshop to review the findings of country case studies in Bangladesh, Cambodia, China, the Philippines, Thailand and Viet Nam on leather and footwear exports (held in Bangkok in November 2003). A national training workshop for Cambodia was held in Phnom Penh on 11–13 November 2003 for government officials and representatives of the private sector, academia and NGOs.

***(ii) International Task Force on Harmonization and Equivalence in Organic Agriculture***

117. The International Task Force on Harmonization and Equivalence in Organic Agriculture was jointly launched in February 2003 by UNCTAD, the Food and Agriculture Organization of the United Nations (FAO) and the International Federation of Organic Agriculture Movements (IFOAM) in response to recommendations by the Commission on Trade in Goods and Services. At the task force's second meeting (in Geneva in October 2003), experts reviewed a number of draft discussion/background papers.

***(iii) Consultative Task Force (CFT) on Environmental Requirements and Market Access***

118. A technical cooperation project, funded by the Government of the Netherlands, is enabling the UNCTAD secretariat, in cooperation with other institutions, to carry out a range of activities to explore the creation of a Consultative Task Force (CFT) on Environmental Requirements and Market Access for Developing Countries. The UNCTAD Commission on Trade in Goods and Services, at its 7th session in

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<sup>1</sup> Luis Barria, Catherin Cattafesta, Raúl Garrido, Maria Pia Hernandez and René Vossenaar, "Environmental Goods and Services: Challenges and Opportunities for Central American and Caribbean Countries". In UNCTAD, *Trade and Environment Review 2003*.

February 2003, had recommended that the secretariat should “explore the possibility of creating a consultative group on environmental requirements and international trade, which should closely coordinate and collaborate with relevant work and initiatives in other bodies and involve the private sector, as a project-based activity”. The secretariat commissioned a number of studies. The UNCTAD secretariat and the National Institute of Metrology, Standardization and Industrial Quality (Inmetro), Ministry of Development, Industry and International Trade in Brazil jointly organized a pre-UNCTAD XI workshop on Environmental Requirements and Market Access for Developing Countries (Rio de Janeiro, 7-8 June 2004).

**(iv) UNEP-UNCTAD Capacity Building Task Force (CBTF)**

119. The UNCTAD and UNEP secretariats started implementation of the second phase of the UNEP-UNCTAD Capacity Building Task Force on Trade, Environment and Development (CBTF) announced at the World Summit on Sustainable Development (WSSD).

120. As part of a CBTF project for Caribbean countries, funded by the Ministry of Spatial Planning, Housing and the Environment of the Netherlands, a CBTF Capacity Building Workshop was held in Kingston, Jamaica, on 27–28 November 2003, back to back with a WTO Regional Seminar on Trade and Environment (25–26 November). It was organized in cooperation with the secretariat of the WTO, the Institute for the Integration of Latin America and the Caribbean (INTAL) of the Inter-American Development Bank (IDB), the CARICOM secretariat and the Government of Jamaica. Participants included experts from Antigua and Barbuda, Barbados, Belize, Dominica, Grenada, Guyana, Haiti, Jamaica, St. Kitts and Nevis, St. Lucia, St. Vincent and the Grenadines, Suriname and Trinidad and Tobago, as well as representatives from the Caribbean Regional Negotiating Machinery (RNM), the Organization of Eastern Caribbean States (OECS), the Caribbean Development Bank (CDB), the Economic Commission for Latin America and the Caribbean and some regional NGOs. The workshop focused on (a) integrated assessments of trade policies; (b) trading opportunities for environmentally preferable products (EPPs); and (c) fisheries subsidies. In addition, participants prepared basic elements for a three-year capacity building programme for Caribbean countries. The draft work programme has been circulated among participating countries and institutions and has been endorsed by a number of Caribbean countries. As stated in UNCTAD and UNEP secretariat statements at the Inter-regional Preparatory Meeting for the 10-year Review of the Barbados Plan of Action (BPOA+10) for the Sustainable Development of the Small Island Developing States (SIDS) in the Bahamas (26–30 January 2004), CBTF will give special attention to the needs of the SIDS, including in the context of the Mauritius meeting in August 2004.

121. A national workshop on Trade, Environment and Development was held in Luanda, Angola, from 21 to 23 May 2003. Apart from the UNCTAD secretariat, the WTO mission of Brazil in Geneva provided a resource person. This workshop will be followed up in 2004 with a workshop for Portuguese-speaking countries, also scheduled to take place in Luanda, as part of a CBTF programme for Portuguese-speaking countries in Africa.

122. There will be a substantial increase in funding for CBTF activities in the period 2004–2006 as a result of a major contribution by the European Commission to the CBTF trust fund announced at the WSSD. These future activities will pay special attention to Africa. In addition, CBTF funding will be used to leverage programmes in other regions, in particular SIDS and Andean countries.

**(v) Training**

123. Training activities are being implemented in several least developed countries (LDCs) in West Africa (Benin, Burkina Faso and Mali) and South-East Asia (Cambodia and the Lao People’s Democratic Republic) as a first phase (focusing on awareness raising) within broader multi-year programmes (allowing for follow-up actions).

124. A Training workshop was organized for officials from the Ministry of Environment and Forests of India (New Delhi, 13 May 2003), as part of the project on *Strategies and preparedness for trade and*

*globalization in India.* The UNCTAD secretariat, the TATA Energy Resources Institute (TERI) and the Centre for WTO Studies of the Indian Institute for Foreign Trade (IIFT) provided resource persons.

**(vi) Cooperation with other institutions**

125. The UNCTAD secretariat continued to cooperate with other intergovernmental organizations, UNCTAD member States and civil society providing resource persons for a number of meetings. For example, the secretariat provided resource persons for WTO regional seminars in Santa Cruz, Bolivia 25-27 February 2003, Cape Town, South Africa 19-21 May 2003 and Kingston, Jamaica 25-26 November 2003 and ECLAC–World Bank training workshop on Multilateral Negotiations, International Trade and Sustainable Development: Current Challenges for Latin America and the Caribbean in Brasilia, Brazil, from 1-5 December 2003. A national seminar on “Environmental Goods and Services” was held in New Delhi, India, on 16 May 2003 as part of the project “Strategies and preparedness for trade and globalization in India”.

126. **Results:** In recent years, the UNCTAD Technical Cooperation/Capacity Building (TC/CB) programme has grown considerably. Almost all TC/CB activities (in terms of expenditures) in 2003 were carried out in the framework of longer-term projects with clearly defined objectives and performance indicators. These activities were the result of comprehensive needs assessments carried out by, or in close cooperation with, beneficiary countries, and these are periodically reviewed in cooperation with focal points. A very portion of project funds is channelled to in-country activities. TED TC/CB activities include exchanges of national experiences, studies, sub-regional seminars, national workshops and training which, as far as possible, are offered as an integrated package.

127. Feedback from participants in TC/CB meetings in 2003 has been very positive. Through over 150 questionnaires returned during evaluation sessions in meetings held in 2003, over 90 per cent of participants found that the activity had been relevant for their work, that objectives had been clearly stated and that the activity had met their expectations. The overall usefulness of the activities was considered very high.

128. The programme has allowed UNCTAD to take various pragmatic and result-oriented initiatives to assist developing countries in seizing opportunities to promote sustainable development through trade. Some of these initiatives have been taken as a follow-up to discussions in expert meetings and intergovernmental deliberations in the Commission on Trade in Goods and Services and Commodities, demonstrating the strong synergies between UNCTAD’s intergovernmental work, policy analysis, and capacity building programmes.

129. Throughout the year, information on UNCTAD TC and CB activities has been made available on the UNCTAD and TED websites. This includes detailed information on forthcoming events, outcomes of activities and publications.

**(b) Climate Change Programme**

**(i) Engaging the Private Sector in Clean Development Activities: Project activities under the UNFCCC/Kyoto Protocol**

130. **Development context:** This inter-agency UNF/UNFIP-funded project was developed in response to the capacity building needs identified under the UNFCCC/Kyoto Protocol. UNCTAD’s contribution focuses on activities related to investment in Clean Development Mechanism (CDM) projects, such as improvement of the enabling framework for CDM investments, reinforcement of the institutional framework for CDM investment promotion and strengthening relevant investment promotion activities.

131. **Objectives:** The UNCTAD component aims to promote CDM in Brazil by engaging the private sector in initially developing a pipeline of CDM projects and learning by doing CDM. It also aims to strengthen the capacity of investment promotion agencies and private sector institutions for the implementation of CDM.

132. **Outputs:** In cooperation with the Inter-Ministerial Commission on Climate Change and the Brazilian Forum on Climate Change the following main outputs were achieved: (a) *The Clean Development Mechanism: A Brazilian Implementation Guide* was published (in English and Portuguese), reflecting the agreed COP7 rules for CDM. This guide was published in partnership with the Brazilian National Bank for Economic and Social Development (BNDES) and in close cooperation with the Inter-Ministerial Commission on Climate Change. (b) Support was provided to the Brazilian Forum on Climate Change, which is comprised of private-sector groups, academia, NGOs and press, among others, in organizing a multi-stakeholder seminar on CDM opportunities in Brazil. (c) A technical workshop was organized with relevant regulatory agencies in the country (National Petroleum Agency, Electricity Agency, Export Promotion Agency and the Central Bank) to discuss the reduction of CDM transaction costs and the engagement of agencies in a favourable environment towards attracting foreign direct investment through CDM.

133. With the support of UNCTAD and technical support from Fundação Getulio Vargas, the BNDES has developed a proposal for a domestic Brazilian market for certified and potential emission reductions which aims to create the necessary institutional and operational market structure to facilitate transactions of domestic Certified Emissions Reductions (CERs) and, hence, prompt further investments in CDM projects.

134. **Results:** The project, which was successfully concluded in July 2003, has supported the preparation of a basic documentation on the rules adopted for the CDM under the Kyoto Protocol to the UNFCCC. It included the appropriate adaptation of such CDM rules to the legal circumstances and current practices related to foreign direct investment in Brazil as well as its wide dissemination through a practical guide for CDM implementation in the country. Due to the success of the project, a proposal for a Preparatory Assistance for a second phase was approved by the UNF Executive Board. The planning grant of US\$ 150,000 will be used to prepare an inter-agency CDM initiative involving partnerships with the private sector and other multilateral agencies. Full project activities are expected to focus on learning by doing CDM capacity development and working with entrepreneurs through the CDM process cycle. The project will be implemented in Brazil, India, Morocco, Philippines and South Africa.

**(ii) Getting started with the Clean Development Mechanism (CDM) in Least Developed Countries (LDCs)**

135. **Development context:** The project was developed in the context of the United Nations Framework Convention on Climate Change (UNFCCC), which was signed and ratified by 46 least developed countries (LDCs). The LDCs have actively participated in the climate change negotiations and are committed to this process as, among others, the Convention and the Kyoto Protocol will provide them opportunities for sustainable development through access to cleaner technologies and additional investment opportunities such as the Clean Development Mechanism (CDM).

136. **Objectives:** The project aims to support the efforts of LDCs, in particular the United Republic of Tanzania, to develop their capacity to engage in CDM projects and participate in the emerging global Green House Gas (GHG) market taking into account the unique circumstances, challenges and opportunities of LDCs.

137. **Outputs:** The project developed a national CDM Implementation Guide in close cooperation with the Government and the Environmental Protection Management Service (EPMS). An online training course on CDM rules was also provided to educate and raise the awareness of Tanzanian CDM stakeholders.

138. **Results:** The project assisted the United Republic of Tanzania in taking the first steps in making CDM investments an opportunity to promote sustainable development. The national CDM Guide will allow Tanzania as well as other LDCs to take full advantage of the investment opportunities under the UNFCCC and the Kyoto Protocol.

**(iii) Other activities:**

139. *OPEC Study*: Under the collaboration agreement between OPEC and UNCTAD, the secretariat prepared a study on the *Implications, including for development, of the Interface between Environment and Trade Policies for Oil Exporting Countries*. The study was presented to OPEC member States in Vienna on 4 July 2003 and was highly appreciated. The UNCTAD secretariat has maintained a fruitful collaboration in this area with the OPEC secretariat and further joint activities are foreseen for the future.

**(c) BIOTRADE Initiative**

**(i) BIOTRADE Country Programmes**

140. *Development context*: Many developing countries are endowed with rich and diverse biological resources, which provide a basis for a wide range of products and services. These resources are mainly used by local populations to make a living, while others have served as an important source of innovation for the pharmaceutical, biotechnology or cosmetic industries. Unfortunately, countries are losing their biodiversity at alarming rates and the challenge is to find ways and means to use biodiversity as a basis for sustainable development by fostering long-term livelihoods for local populations and provide alternatives to short-term depletion of natural resources. In this context, and in line with the objectives of the Convention on Biodiversity (CBD) in linking trade, biodiversity conservation and sustainable development in a mutually beneficial way, the BIOTRADE Initiative was launched in November 1996 during the third Conference of the Parties (COP3).

141. *Objectives*: The BIOTRADE Initiative aims at stimulating trade and investment in biological resources to promote sustainable development in line with the three objectives of the CBD: (a) conservation of biological diversity; (b) sustainable use of its components; and (c) fair and equitable sharing of the benefits arising from the utilization of genetic resources.

142. *Features*: UNCTAD assists the development and implementation of *national BIOTRADE programmes* in Bolivia, Colombia, Ecuador, Peru, Venezuela and Uganda. BIOTRADE country programmes develop policies, strategies and pilot projects to promote trade and investment in products and services derived from biodiversity. They help develop a creative public-private partnership environment that reduces transaction costs, promotes trade following sustainable use principles and facilitates improved biotrade market access for individual producers. Country programmes collaborate with a network of local organizations, which allows the development of technical assistance activities along the whole value chain of natural products in a cost-effective way.

143. During the World Summit for Sustainable Development (WSSD) that was held in Johannesburg, South Africa, in 2002, UNCTAD announced three new partnerships that support BIOTRADE partners and national programmes in developing countries. These partnerships are: the BioTrade Facilitation Programme for biodiversity products and services; the Andean Amazonian Investor Forum for biodiversity products and services; and the Andean BIOTRADE programme. These three partnerships were initiated in 2003.

**(ii) BioTrade Facilitation Programme (BTFP)**

144. UNCTAD and the International Trade Centre (ITC) initiated the BioTrade Facilitation Programme (BTFP). This programme assists enterprises in developing countries (for example small, medium, and community-based enterprises) with export promotion. To achieve this, it joins several partners in developing and developed countries. The programme supports products that have market potential and can be produced without harming biodiversity. To develop and trade these products, export plans are formulated and then implemented through a set of practical trade promotion services, including market information collection, products development, quality improvement certification, labelling, trade fairs participation and matchmaking. Selected countries from Latin America (the Andean and Amazonian regions), Africa (the Eastern and Southern regions) and Asia are currently part of the BTFP.

145. A wide number of partners collaborate in the BTFP. In the Andean region and Uganda, the BTFP is complementing efforts of the national BIOTRADE country programmes, which are partnering with national trade promotion organizations to further exports. In Southern Africa the BTFP is collaborating with PhytoTrade Africa, an association of private-sector organizations and NGOs that seek to promote trade of natural products derived from six countries in Southern Africa. In Europe the programme collaborates with the Dutch Centre for the Promotion of Imports from Developing Countries (CBI) and the Swiss Import Promotion Programme (SIPPO). This programme counts with the financial support of the Governments of Switzerland and the Netherlands.

**(iii) Andean Amazonian Investor Forum**

146. The World Resources Institute (WRI), the Andean Development Bank (CAF) and UNCTAD are organizing an Investor Forum that brings together small and medium-sized enterprises (SMEs) and investors interested in 'green' investments. The forum will boost investments (risk capital and loans) in SMEs that build their core business around the sustainable use of biodiversity. The Forum will be held in Lima, Peru on 3 and 4 June 2004, and is co-hosted by Peru's national fund for protected areas (PROFONANPE). The United Nations Foundation and the NGO Avina are among those that provide financial support to the organization of the forum.

**(iv) Andean BIOTRADE Programme**

147. This is a partnership of the Andean Community (CAN), the Andean Development Bank (CAF) and UNCTAD. It seeks to support coordination, exchange of experiences and technical cooperation between Andean countries on biotrade issues, therewith supporting the implementation of the Andean Biodiversity Strategy.

148. **Results:** Major achievements in 2003 in the main four issues of BIOTRADE work mentioned above are:

*(a) Biotrade Country Programmes*

149. On June 2003, a national BIOTRADE programme was launched in *Bolivia*. This was the result of an intensive preparatory process, which involved a pre-assessment, the formulation of the national programme and the identification of counterparts. The Ministry of Sustainable Development and UNCTAD initiated preparatory activities in 2001. The programme seeks to promote 'biotrade' with a particular focus on the development of value chains for domestic and international markets. The programme is embedded in the National Poverty Alleviation Strategy and the National Biodiversity Strategy. Upon request of the Government, "Fundación Bolivia Exporta", a private sector foundation, hosts the programme. The overall strategy of the programme is conceived in cooperation with the Government. The four year programme has a budget of \$4 million donated by the Governments of Netherlands and Switzerland.

150. During 2003, UNCTAD supported BIOTRADE *Colombia* to develop work in the Amazonian region. This included, for example, the strengthening of the programme's regional focal points to provide technical services to local enterprises, as well as an assessment of the main bottlenecks that exist to biotrade in the Amazonian region of Colombia. UNCTAD is also supporting BIOTRADE Colombia in fund raising.

151. In 2003, BIOTRADE *Ecuador* carried out a project that promoted the sustainable use of wetlands. This project, which was financed bilaterally by Wetland International, was the result of the MoU that UNCTAD and the Ramsar Convention signed during the WSSD. UNCTAD also provided technical and fund-raising support to BIOTRADE Ecuador. Additional bi-lateral funding was secured from the Dutch Embassy in Ecuador.

152. During 2003, *Peru* developed work in the value chains of zoo farming and natural ingredients for cosmetics and pharmaceuticals. A technical assistance programme was initiated for the latter chain

focusing on sustainable use plans of local community suppliers and quality enhancement for around six exporters (SMEs) active in the chain. In addition, nine pilot projects were selected which will receive support in 2004. The following sectors are included: Andean grains, ecotourism, natural food, cosmetics and pharmaceutical ingredients, and non-timber forest products. The country programme also launched a website with relevant information of BIOTRADE and databases were created. Implementation of BIOTRADE in *Venezuela* started in 2003 with financial support from UNDP.

153. Upon request of the Government of *Uganda*, UNCTAD is providing assistance in the development of a national BIOTRADE programme in that country. Work is coordinated by the Uganda Export Promotion Board, which receives guidance from a task force consisting of, among others, the Ministries of Trade and Environment and the National Environment Management Authority. As a first step, a pre-assessment was elaborated in 2003, making an inventory of existing activities relevant to biotrade and providing an overview of the existing needs to develop this sector. In 2004, the follow-up activities will be developed: development of a country programme, selection of a focal point, fund raising, and the creation of a network of organizations that are interested in partnering with BIOTRADE Uganda. UNCTAD is receiving support from the Government of Norway to finance the preparatory stages.

*(b) BioTrade Facilitation Programme (BTFP)*

154. The BTFP became fully operational on 1 July 2003. This was preceded by a number of preparatory activities that started in 2002. In the second semester of 2003, the country programmes in Colombia, Ecuador and Peru finalized the formulation of assessments and strategies for the productive chain of natural ingredients for cosmetics and pharmaceuticals. The work was carried out in close consultation with the private sector and relevant Government organizations. The strategies will be implemented in 2004 with funding of the UNCTAD/BTFP and additional funds raised locally. A number of general complementary activities were undertaken to benefit all, or a number of BTFP partners at the same time. These include: 1) the initiation of guidelines for sustainable trade of natural ingredients for food, cosmetics and pharmaceuticals, which seeks to integrate Good Manufacturing Practices (GMPs), Good Agricultural and Collection Practices (GAPs/GCPs) and Good Conservation Practices (GCPs); 2) the publication of a market studies; 3) the co-organization with ITC of LatinPharma, a regional buyers' and sellers' meeting in the Andean region; 4) participation in specialized trade fairs in Europe in collaboration with CBI. In 2003, around 50 SMEs participated in trade fairs.

*(c) Andean Amazonian Investor Forum*

155. In the context of the Andean Amazonian Investor Forum, over 50 enterprises were selected (from more than 200 applicants) to receive technical assistance offered by national BIOTRADE programmes. Technical assistance focused on the upgrading of business plans following both business and biodiversity criteria. Of these, the most promising 10 finalist companies and 10 so-called invited companies were selected towards the end of 2003. The ten finalists will be receiving intensive monitoring from international experts and consultancy firms in 2004. The twenty companies that were selected represent various biodiversity based sectors: sustainable fishery products; natural ingredients for food, cosmetics, and pharmaceutical industries; native fruits; agro-biodiversity; non-timber forest products; ecotourism; and fauna.

*(d) The Andean BIOTRADE Programme*

156. This programme has helped to put the issue of trade and sustainable use of biodiversity high on the political agenda in the Andean region. The Fourteenth Andean Presidential Council that took place in Quirama, Colombia, June 2003, the Presidents of Bolivia, Colombia, Ecuador, Peru and Venezuela emphasized the importance of sustainable development and instructed the Andean Council of Foreign Ministers, in coordination with the environmental authorities, to give due follow-up to the World Summit on Sustainable Development held in Johannesburg in 2002. They stressed that the Andean Plan for the implementation of the WSSD should be carried out in conjunction with the Andean Biodiversity Strategy, in coordination with the CSD, and with the technical and financial support of strategic allies like the Interamerican Development Bank (IDB), the CAF, Conservation International and UNCTAD among

others. However, in 2003 it became apparent that the Andean Programme needs to be reformulated in order to effectively complement the national BIOTRADE country programmes. This process starts in 2004.

*(e) Others*

157. In view of the results achieved to date, multilateral environmental agreements (MEAs) such as the Convention on International Trade in Endangered Species (CITES) and Convention on Wetlands (Ramsar) are seeking to step up their cooperation with the BIOTRADE Initiative of UNCTAD. Furthermore, the United Nations, at its fifty-eighth General Assembly held in New York in January 2003, recognized UNCTAD as one of the key organizations in the area of biodiversity.

## **5. Competition law and policy and consumer protection**

158. **Development context:** Strengthened competition enhances the overall economic efficiency and significantly improves prospects for sustained economic growth and development. The worldwide implementation of fundamental market-oriented economic reforms has unleashed considerable competitive forces, which play a key role in ensuring the success of the reforms and need to be supported by the appropriate rules of the game. However, despite a general widespread trend towards the adoption, reformulation or better implementation of competition laws and policies in developing countries and economies in transition, many of these countries still do not have up-to-date competition legislation and policies or do not apply them with full effectiveness and request technical assistance in this area. In this connection, the UN Set of Multilaterally Agreed Equitable Principles and Rules for the Control of Restrictive Business Practices calls for the provision of technical assistance, advisory and training programmes, particularly to developing countries. Furthermore, at UNCTAD X, UNCTAD was given a mandate to continue and expand its help to interested countries in developing their national regulatory and institutional framework in the area of competition law and policy.

159. **Objectives:** The programme aims at assisting developing countries, including the LDCs as well as economies in transition in formulating or reviewing competition policies and legislations, at contributing to the building of national institutional capacity in this area, at providing government officials and private entrepreneurs with a better understanding of competition laws and policies and at assisting the above-mentioned countries to better evaluate the implications of closer multilateral cooperation.

160. **Features:** Assistance is provided in accordance with requests received, needs of countries concerned and resources available. The main types of technical cooperation activities can be described as follows:

- (a) Provision of information about anticompetitive practices, their existence and possible adverse effects on the economy. This may involve a study on these practices in a specific country;
- (b) Introductory seminars directed at a wide audience including government officials and academics, as well as business and consumer-oriented circles;
- (c) Assistance to countries that are in the process of drafting competition legislation in the form of provision of information on such legislation in other countries or advice on drafting;
- (d) Advisory services for the setting up of a competition authority, which usually includes training of officials responsible for the actual control of anticompetitive practices and may involve training workshops and/or on-the-job training with competition authorities in countries having experience in the field of competition;
- (e) Organization of seminars for countries which have already adopted competition legislation, have experience in the control of anticompetitive practices and wish to consult each other on specific cases and exchange information;

- (f) Assistance to countries which wish to revise their competition legislation and seek expert advice from competition authorities in other States, so as to amend their laws in the most effective manner possible; and
- (g) Assistance to developing countries, including the LDCs as well as economies in transition with a view to helping them better evaluate the implications of closer multilateral cooperation in the competition area for their development.

161. **Output/results:**

**(a) National activities**

162. In 2003, technical assistance related to preparation, adoption, revision or implementation of national competition and consumer protection policies and legislation was provided to Malawi, Iran, Malaysia, Jamaica, Poland, Swaziland, Bangladesh, Cambodia, St. Lucia, Ghana, Zimbabwe, Brazil, Costa Rica, Guatemala, Honduras, Nicaragua, El Salvador, Kenya, Thailand, Zambia, Tunisia, Laos, Viet Nam, Angola, Lesotho, Botswana and Namibia. Furthermore, a number of national seminars organized by UNCTAD contributed to capacity building in the field of competition and consumer protection as well as in the area of consensus building in closer multilateral cooperation on competition policy, including the work mandated to UNCTAD by the WTO Ministerial Doha Declaration.

163. Within the framework of the TRAINFORTRADE project national seminars for high-level officials and competition experts on the implementation of competition law and policy were held by UNCTAD in cooperation with Ministries of Industry and Trade of *Mali* and *Benin* in Bamako on 18–22 March and in Cotonou on 24–28 March 2003. A training for trainers course on competition law and policy for Thai competition experts was organized by UNCTAD and the Australian Competition and Consumer Commission together with the Government of *Thailand* on 4–5 and 8–10 September 2003 in Bangkok. A “National seminar on the role of competition policy and law in oil export dependent economies” aimed at examining the draft competition legislation and its implications for oil export dependent developing countries was jointly organized by UNCTAD and the Ministry of Commerce of *Iran* on 20–22 September 2003 in Tehran. A national training seminar on the implementation of competition legislation was organized by UNCTAD and the Ministry of Tourism and Commerce of *Tunisia* on 1–7 October 2003 in Tunis. Together with the Ministry of Justice and Ministry of Finance of *Brazil*, UNCTAD held an intensive training course on the implementation of competition law for experts from the three main Brazilian law enforcement agencies on 29 October – 4 November 2003 in Brasilia. A joint commercial diplomacy and competition law and policy training programme course for experts from Cambodia and Laos was organized by UNCTAD together with the Ministry of Commerce and Industry of *Cambodia* on 8–10 December 2003 in Phnom Penh.

**(b) Regional and subregional activities**

164. Together with assisting in the drafting and revision of competition legislation by member States of the Common Market for Eastern and Southern Africa (COMESA) and in the implementation of the recently adopted legislation of the West African Economic and Monetary Union (UEMOA), in May 2003 UNCTAD held in Gaborone (Botswana) a preparatory workshop for South African Customs Union (SACU) member countries on the elaboration of a regional competition Annex agreement. UNCTAD also organized a number of other conferences, seminars and workshops that contributed to capacity building and multilateral cooperation in competition and consumer protection area.

165. As part of its capacity-building programmes in the field of competition law and policy and in line with requests made in the WTO Ministerial Doha Declaration, UNCTAD, in cooperation with WTO and other relevant intergovernmental organizations, organized a series of regional post-Doha meetings aimed at helping beneficiary countries, and in particular LDCs, to “better evaluate the implications of closer multilateral cooperation for their development policies and objectives”, as requested in para. 24 of the Doha Declaration. At the UNCTAD post-Doha meetings, which had similar agendas, an attempt was made to bring together not only government officials and competition experts from capitals, but also

independent experts and top Geneva negotiators to the WTO in order to enable a full exchange of views of competition experts with Geneva WTO negotiators. The first of these meetings, the Asian Regional Conference on Post-Doha Competition Issues was held in Kuala Lumpur (*Malaysia*) on 26–27 February 2003. It was followed by the African Regional Conference organized in Nairobi (*Kenya*) on 9–10 April 2003, the Regional Post-Doha Seminar for Latin America and the Caribbean in Sao Paulo (*Brazil*) on 23–25 April 2003 and the Competition Conference for Countries in Transition held in Tashkent (*Uzbekistan*) on 5–6 June 2003. Regional seminars and conferences were also held in other countries.

166. An “Asian Conference on Consumer Protection, Competition Policy and Law” for a wide range of participants from Asia and the Pacific was held on 28 February – 1 March 2003 in Kuala Lumpur, *Malaysia*. It was organized by UNCTAD and the Consumer International Regional Office for Asia and the Pacific (CI ROAP). A “Judicial Training Seminar” on competition law and policy related for judges from Kenya, Zambia and Zimbabwe was held on 30–31 May 2003 in Livingstone, *Zambia* by UNCTAD in cooperation with the Zambia Competition Commission. A regional seminar on strengthening institutional and capacity building in the area of competition and consumer policy for the Central American countries was held on 8–10 December 2003 in San José, *Costa Rica*. It considered the cases of Costa Rica, El Salvador, Guatemala, Honduras and Nicaragua and was organized by UNCTAD together with the Costa Rican Competition Agency (COPROCOM), the Swiss Competition Agency (CONCO) and the Swiss State Secretariat for Economic Affairs (SECO).

### (c) Participation in seminars and conferences

167. In 2003, staff members of UNCTAD took part in a number of seminars, workshops and conferences related to issues of competition law and policy and consumer protection. In particular, the UNCTAD secretariat actively participated in 27 such meetings.

**Table 2.**  
**DIVISION ON INTERNATIONAL TRADE IN GOODS**  
**AND SERVICES, AND COMMODITIES**  
(in dollars)

<i>Project number</i>	<i>Short title</i>	<i>Duration</i>	<i>Source of fund</i>	<i>Total budget</i>	<i>Cumulative expenditures</i>	<i>Expenditure 2003</i>
<b>Trade Analysis</b>						
ALG/98/001	Elaboration d'un programme d'appui à l'adhésion d'Algérie à l'OMC et à son association à l'Union européenne .....	1998–	UNDP	167 464	140 992	44 196
INS/02/005	Medium Term Framework for External Trade Policy in Indonesia .....	2002	UNDP	164 500	133 073	133 073
INS/99/002	Technical assistance for Sustained Economic Recovery .....	2002	UNDP	50 000	4 497	4 497
LAT/02/005	Support to Government on Trade Policy Formulation and International Trade and Investment .....	2003	UNDP	35 000	34 133	34 133
MAG/98/A10	Appui au développement du commerce extérieur .....	1998–	France	84 459	66 270	16 696
INT/90/A07	TRAINS: Development and dissemination of selected computerized trade data .....	1991–	Multidonors	415 358	373 152	71 441
INT/90/A19	Negotiations for a GSTP among developing countries ...	1990–	Multidonors	2 233 494	1 799 666	221 351
INT/98/A60	Agricultural Trade Policy Simulation Model .....	1998–	United Kingdom	208 905	169 496	30 800
INT/0T/1AB	High Level Meeting on Tourism and Development in LDCs .....	2001–	Spain	154 989	93 447	-5 528
INT/0T/1AT	Increasing the developing country representation in the Agricultural Market Access Database (AMAD) .....	2001–	Ireland	57 088	50 271	1 091
<b>Total Trade Analysis .....</b>				<b>3 571 257</b>	<b>2 864 997</b>	<b>551 750</b>

(for note see end of table)

**Table 2. (continued)**  
**DIVISION ON INTERNATIONAL TRADE IN GOODS**  
**AND SERVICES, AND COMMODITIES**  
(in dollars)

<i>Project number</i>	<i>Short title</i>	<i>Duration</i>	<i>Source of fund</i>	<i>Total budget</i>	<i>Cumulative expenditures</i>	<i>Expenditure 2003</i>
<b>Trade Negotiations and Commercial Diplomacy</b>						
BEN/98/A51 <sup>a</sup>	Suivi des accords de l'OMC et amélioration des débouchés internationaux pour les entreprises exportatrices du Bénin .....	1998–2003	ITC	194 030	164 903	16
BGD/0T/3BA	Trade-related technical assistance: Pre-Cancún Package. ....	2003–	EC	769 233	392 321	392 321
BKF/98/A52 <sup>a</sup>	Suivi des accords de l'OMC et évaluation des débouchés internationaux pour les entreprises du Burkina Faso .....	1998–2003	ITC	219 532	189 604	-671
GHA/98/A54 <sup>a</sup>	Follow-up to the WTO Agreements and exploitation of business opportunities by Ghanaian enterprises .....	1998–2003	ITC	225 664	190 159	-1 027
IVC/98/A53 <sup>a</sup>	Suivi des accords de l'OMC et évaluation des débouchés internationaux pour les entreprises exportatrices ivoiriennes. ....	1998–2003	ITC	192 210	155 100	-13 020
KEN/98/A55 <sup>a</sup>	Follow-up to the WTO Agreements and exploitation of business opportunities by the Kenyan enterprises .....	1998–2003	ITC	246 802	213 195	3 126
NEP/96/010	Nepal's Accession to the WTO .....	1997–	UNDP	704 765	692 447	72 070
RUS/00/009	Integration into International Trading System and WTO Accession .....	2001–	UNDP	86 814	53 707	11 755
SAM/01/001	National Conference on WTO Accession .....	2001–	UNDP	29 999	29 999	2 778
TUN/96/007	Mise à niveau des capacités nationales pour gérer le nouveau système commercial multilatéral .....	1997–	UNDP	31 942	25 504	9 495
UGA/98/A58 <sup>a</sup>	Follow-up to the WTO Agreements and exploitation of business opportunities by the Ugandan enterprises .....	1998–2003	ITC	248 075	220 629	-1 268
URT/98/A56	Follow-up to the WTO Agreements and exploitation of business opportunities by the Tanzanian enterprises .....	1998–	ITC	259 762	223 959	-4 984
VEN/0T/0CJ	Assistance to the Venezuelan Government on WTO issues .....	2000–	Venezuela	126 758	86 546	28 551
VIE/03/001	Training and research capacity building for Viet Nam on trade and development policy making and negotiations .....	2003–	UNDP	207 000	187 799	187 799
ZAI/01/004	Appui à la réadaptation des textes légaux sur le commerce .....	2002–	UNDP	60 000	58 112	24 764
GLO/02/G04	Follow-up of Round Table Pilot Phase-Integrated Framework in Uganda .....	2002–	UNDP	28 953	20 986	8 044
GLO/02/G05	Follow-up of Round Table Pilot Phase-Integrated Framework in Tanzania .....	2002–	UNDP	60 208	39 167	17 841
INT/84/A01	GSP - Technical Assistance Programme .....	1984–	Multidonors	3 507 495	3 227 433	5 577
INT/93/A34	Trade relations and economic cooperation in the Mediterranean region .....	1993–	Italy	608 654	530 546	29 842
INT/97/A06	Technical cooperation on market access, trade laws and preferences .....	1997–	Italy, China, EC	1 356 532	1 170 464	173 659
INT/99/A50	UNCTAD trust fund project for WTO accession .....	1999–	United Kingdom	1 071 807	761 454	244 274
INT/0T/0AU	Formation au commerce international et développement des entreprises .....	2000–	Agence Intergouvernementale de la Francophonie	66 724	55 904	-325
INT/0T/1BV	First Round of CBTF Activities: UNCTAD-Led Projects .....	2001–	UNEP	128 100	120 843	39 146
INT/0T/1CQ	Support to Capacity Building for Effective Integration in the International Trading System and Facilitation of Market Access .....	2001–	Finland	452 291	417 390	97 265

(for note see end of table)

**Table 2. (continued)**  
**DIVISION ON INTERNATIONAL TRADE IN GOODS**  
**AND SERVICES, AND COMMODITIES**  
*(in dollars)*

<i>Project number</i>	<i>Short title</i>	<i>Duration</i>	<i>Source of fund</i>	<i>Total budget</i>	<i>Cumulative expenditures</i>	<i>Expenditure 2003</i>
INT/0T/1CS	CBTF: Policy Dialogue on Promoting Production and Trading Opportunities for Organic Agricultural Products ..	2001–	European Commission	40 634	13 613	-23 577
INT/0T/1CY	Services and Development Capacity Building .....	2001–	United Kingdom	350 000	304 323	186 784
INT/0T/2CT	Training in LDCs and developing countries on trade policies formulation .....	2003–	Norway	205 770	142 612	142 612
INT/02/X37	Trade negotiations .....	2002–	France	85 975 <sup>b</sup>	85 975	85 975
RAB/02/005	Strengthening capacities for promoting Arab growth under globalization .....	2002–	UNOPS	129 354	66 409	66 409
RAF/96/001	Capacity building for trade and development in Africa ..	1996–	UNDP	1 413 046	1 392 702	141 594
RAF/0T/2BR	Commercial Diplomacy and WTO Accession of Portuguese-speaking countries .....	2002–	Portugal	40 000	34 166	5 157
RAF/03/001	Trade and investment promotion capacity building for Africa.....	2003–	UNDP	206 000	152 517	152 517
RAF/0T/3AI	Joint Integrated Technical Assistance Programme Phase II ..	2003–	WTO/ITC/ UNCTAD	548 884	267 658	267 658
RAS/97/A18	Assistance to Countries of the Asian Region on MFN and Preferential Tariffs Negotiations .....	1998–	Japan	1 560 000	1 461 585	240 718
RLA/0T/3BF	Strengthening Institutional and Capacity Building in the Area of Competition and Consumer Law and Policy in Latin America Count.....	2003–	Switzerland	370 000	189 444	189 444
ROA-2072(N)	Integration in multilateral trading system .....	2002–	Development Account	900 000	894 012	18 377
<b>Total Trade Negotiations and Commercial Diplomacy</b>				<b>16 647 038</b>	<b>14233 187</b>	<b>2 847 403</b>
<b>Commodities</b>						
URT/03/002	National Dialogue on the Contribution of Mining to Poverty Reduction .....	2003–	UNDP	43 000	20 917	20 917
INT/96/A26	Commodity risk management and finance .....	1996–	Multidonors	261 637	230 088	34 555
INT/99/A27	L'intelligence économique au service des plus démunis	1999–	France	255 900	174 725	63 730
INT/0T/1CN	Book on Organic Fruit and Vegetable production in the tropics and international trade.....	2001–	Switzerland	57 926	50 628	27 807
RAF/99/A19	Improving oil and gas trade and finance in Africa .....	1999–	Multidonors	44 029	30 928	24 026
RAF/0T/3AR	Improvement of the Sustainability of Cotton Production in West Africa .....	2003–	Common Fund for Commodities	66 535	23 000	23 000
ROA-2062(M)	Sustained resource-based development .....	2000–	Development Account	498 000	455 941	21 215
ROA-2076(P)	Diversification and commodity-based development .....	2000–	Development Account	900 000	788 736	28 963
<b>Total Commodities .....</b>				<b>2 127 027</b>	<b>1 774 963</b>	<b>244 213</b>
<b>Trade, Environment and Development</b>						
BOL/0T/2AK	Implementing Biotrade Initiative in Bolivia .....	2002–	SECO	100 000	88 136	9 441
IND/97/955 <sup>a</sup>	Strengthening capacities for trade and environment policy coordination in India .....	1998–2003	UNDP	170 232	170 189	-43
IND/99/965	The role of business partnerships in promoting trade and sustainable development .....	2000–	UNDP	453 170	434 808	262 688
IND/0T/2AA	TRIPS and Access to life saving drugs – implications for India.....	2002–	UNAIDS	100 000	61 607	-414
IND/0T/2CC	Strategies and preparedness for trade and globalization in India .....	2002–	DFID	1 081 198	590 591	590 591
GLO/99/A18 <sup>a</sup>	Launching a plurilateral greenhouse gas emissions trading system .....	1999–2003	UNFIP	376 100	371 391	-305

*(for note see end of table)*

**Table 2. (concluded)**  
**DIVISION ON INTERNATIONAL TRADE IN GOODS**  
**AND SERVICES, AND COMMODITIES**  
(in dollars)

<i>Project number</i>	<i>Short title</i>	<i>Duration</i>	<i>Source of fund</i>	<i>Total budget</i>	<i>Cumulative expenditures</i>	<i>Expenditure 2003</i>
GLO/9X/9DZ	Engaging the Private Sector in Clean Development Mechanism project activities under the UNFCCC/Kyoto Protocol .....	2001–	UNFIP	193 334	190 856	112 788
INT/91/A29	Development of a pilot scheme for trading CO2 emission entitlements (Phase III) .....	1991–	Multidonors	598 998	551 699	305
INT/92/A06	Reconciliation of environmental and trade policies .....	1992–	Netherlands, Norway	841 648	758 609	76 040
INT/93/A48 <sup>a</sup>	Trade and environment .....	1994–2003	UNEP	211 229	222 640	-595
INT/97/A50	Biotrade initiative programme .....	1997–	Multidonors	315 313	287 857	56 588
INT/98/A27	Trade, Environment and Investment.....	1998–	Germany	59 183	48 444	2 179
INT/98/A61	Strengthening research and policy-making capacity on trade and environment in developing countries .....	1999–	United Kingdom	652 569	557 119	5 100
INT/99/A64	Project standards and trade .....	1999–	Canada	139 535	125 200	495
INT/0T/0BO	Building national capacity in management of recoverable material .....	2000–	Multidonors	35 167	14 410	1 544
INT/0T/2AL	Development of new export markets for BIOTRADE products and services .....	2002–	SECO	200 000	187 664	114 362
INT/0T/2AQ	Building capacity for improved policy and negotiations on key trade and environment issues .....	2002–	United Kingdom	384 271	336 109	245 046
INT/0T/2CQ	Getting started with CDM in least developed countries...	2003–	Norway	109 744	86 068	86 068
INT/0T/3AC	Biotrade Facilitation Programme for Biodiversity Products and Services .....	2003–	SECO/ Netherlands	1 000 000	149 965	149 965
INT/0T/3BB	Consultative task force on environmental requirements and international trade.....	2003–	Netherlands	120 000	26 382	26 382
GLO/98/025	Greenhouse gas emission system.....	1999–	UNFIP	1 185 000	823 399	-1 039
RLA/99/050	BIOTRADE Initiative in the Amazon .....	2000–	UNFIP	1 619 030	1 308 585	309 369
	<b>Total Trade, Environment and Development .....</b>			<b>9 945 721</b>	<b>7 391 728</b>	<b>2 046 555</b>
<b>Competition Law and Policy and Consumer Protection</b>						
BOT/01/001 <sup>a</sup>	Institutional and Capacity Building in Competition Law and Policy .....	2001–2003	UNDP	103 300	69 843	-1 569
VIE/01/002	Competition Law and Policy in Viet Nam .....	2001–	UNDP	157 097	123 117	56 020
INT/86/A01	Training programme on RBPs (competition policies) ....	1986–	France, Norway, Sweden/SIDA	1 091 073	1 003 751	58 167
INT/96/A19	Strengthening competition policy and legislation in developing countries and countries in transition .....	1996–	Netherlands	970 027	740 939	501 376
INT/0T/1CO	Institutional and Capacity Building in the area of Competition Law .....	2001–	United Kingdom	740 011	646 521	411 308
RAF/97/A41	Institutional and capacity building in competition law and policy for African countries .....	1997–	Netherlands	617 602	558 380	8 440
ROA-2076(M)	Competition law and policy .....	2002–	Development Account	410 000	387 326	157 768
	<b>Total Competition Law and Policy and Consumer Protection ....</b>			<b>4 897 110</b>	<b>3 529 877</b>	<b>1 191 510</b>
	<b>DIVISION TOTAL.....</b>			<b>36 380 153</b>	<b>29 794 752</b>	<b>6 881 430</b>

Note: EC – European Commission.

<sup>a</sup> Project that was “operationally but not financially completed” or “completed” in 2003.

<sup>b</sup> Annual budget.

### C. Division on Investment, Technology and Enterprise Development

#### 1. Investment Issues Analysis Branch

##### (a) UNCTAD/ICC Joint Project: Investment Guides and Capacity Building for Least Developed Countries (LDCs)

168. *Development context:* The project is a collaborative undertaking between UNCTAD and the International Chamber of Commerce (ICC) and aims to bring together parties with complementary investment interests: firms that seek new locations and countries that seek new investors. This project is a response to the fact that LDCs receive less than 0.5 per cent of global FDI flows even though most of them have removed many obstacles to FDI and are now actively seeking it.

169. *Objectives/features:* To address this imbalance, the guides are designed to serve as (a) objective descriptions of opportunities and conditions for potential investors; and (b) credible and attractive marketing tools for Governments. The project also incorporates a capacity-building element through: (a) training of local consultants engaged to gather information and produce partial drafts; (b) close involvement of the investment agency in the entire process; and (c) project workshops that strengthen dialogue between investors and the Government, and create a greater awareness of the importance of promoting the country as a location for FDI.

170. *Outputs/results:* In 2001, an independent evaluation committee assessed the pilot phase of the project very positively and strongly recommended its extension to other countries. By January 2002, investment guides to Bangladesh, Ethiopia, Mali, Mozambique and Uganda were published. Phase two began with Nepal and Cambodia. An Investment Guide to Nepal was published in March 2003 and launched in Katmandu by the Prime Minister of Nepal. It was also launched in New Delhi in cooperation with the Federation of Indian Chambers of Commerce and Industry (FICCI). An Investment Guide to Cambodia was published in October 2003 and launched in Phnom Penh, as well as in Kuala Lumpur in cooperation with the Federation of Malaysian Manufacturers (FMM). The dissemination of the guides continued in 2003, with the addition of launching events undertaken in cooperation with regional private-sector organizations. The guides are also available on the Internet at the websites of UNCTAD and MIGA. In 2003, UNCTAD started work to revise the guides on Ethiopia and Mali and prepare a new guide on Mauritania. The guide on Uganda was also updated with the assistance of UNIDO and is awaiting finalization.

##### (b) Development of competitive insurance markets

171. *Development context:* Insurance services are a major component of all countries' financial services sectors and enable economic agents to protect themselves against risk and safeguard national assets used in the processes of trade and development. Many developing countries, particularly in Africa, lack affordable and reliable insurance services that meet the needs of a country's economic agents. At the same time the insurance markets generate significant reserve funds that can be committed to a country's enterprises through portfolio investment. The stability of the insurance markets is key to profitable and viable investment and also determines the level of progress in the developing countries.

172. *Objectives/features:* The aims of the project are to (a) help establish competitive and efficient insurance markets and improve access for a large part of the population to insurance services, so as to prepare developing countries for further liberalization of their financial services sectors; (b) provide technical support, advice, guidance and training for insurance supervisory authorities, particularly in the establishment of legal frameworks and supervisory practices geared towards the development of sustainable competitive insurance markets; (c) organize training seminars/workshops to improve the understanding of the role of supervision and enhance the competence and technical abilities of the staff of supervisory authorities, in African and Caribbean countries; (d) organize events on the impact of liberalization; (e) create via UNCTAD/AIO a "rating agency" for African insurers; and (f) develop a software for the operation of African insurers.

173. **Output/results:** UNCTAD provided assistance for the following meetings: (a) Third International Conference for Emerging Insurance Markets, New Delhi, India; (b) UNCTAD/African Insurance Organization (AIO) meeting on software for African insurance enterprises, Douala, Cameroon and c) meetings of the Association of African Insurance Supervisory Authorities, of the UNCTAD/AIO Credit Assessment Committee and of the board of trustees of the African Insurance Software, Libreville, Gabon. It also co-organized the meetings of the Association African Insurance Supervisory Authorities (AAISA), of the UNCTAD/AIO Credit Assessment Committee and of African Credit Insurers in Livingstone, Zambia, and participated in the 4th Insurance China Rendezvous, Beijing, China, and the work of the Emerging Markets Committee and Education Committee of the International Association of Insurance Supervisors (IAIS).

174. As part of the UNCTAD partnership with OECD for their joint ongoing project on trade in services, assistance was provided to the Geneva missions of developing countries in the trade negotiations being conducted under the aegis of the WTO in the area of Insurance. A working document in the form of a negotiating checklist was published in conjunction with OECD.

175. UNCTAD also undertook a mission to assess the competitiveness and international positioning of the Jamaican Insurance Sector, Kingston, Jamaica, and on this basis drafted a report that will serve as a basis for Jamaican authorities to establish their strategies in bilateral, regional and international negotiations that includes the insurance sector. Assistance was also provided to the AIO in developing a software package for African insurance enterprises. Five African insurance companies are now fully using this for most of their operations. Under a rating system set up by UNCTAD and the AIO with the technical assistance of Standard & Poor's, the yearly rating of 30 African insurance companies was put into operation. Finally, UNCTAD and the Institute Insurance and Risk Management (IIRM) launched the IIRM/UNCTAD International Post Graduate Diploma in Insurance, with the first student intake at Jakarta, Indonesia.

176. In 2003, fifty-six developing countries benefited from the events organized in the area of insurance.

### **(c) Project on Needs Assessment to Attract Asian FDI into Africa**

177. **Development context:** An increasing share of FDI from the developing world, which now accounts for about one tenth of world FDI flows, originates in developing Asia. Some of the region's firms have grown to rank among the largest TNCs in the world. Yet, not much of the investments of these TNCs have been directed to Africa. Recently however, there are signs that these companies are beginning to venture into some African countries. This could significantly help boost FDI inflows into the region.

178. **Objectives/features:** The project seeks to strengthen the understanding of how African countries, particularly LDCs, can attract FDI from Asia and effectively utilize it for development. It enhances South-South cooperation and increases the involvement of the private sector in LDCs through sharing the experiences of Asian firms. It identifies the best practices in Africa to enhance the awareness of Asian investors on the investment potentials that African countries offer and the institutional mechanism required to develop the private sector in these countries. It also analyses the underlying factors and makes recommendations with a view to assist African LDCs formulate policies to attract FDI from Asia, including FDI by SMEs.

179. **Outputs/results:** UNCTAD prepared a report on: "Asian Investment in Africa: Towards a New Cooperation among Developing Countries" for publication in 2004. This report includes a five-African country case study – Botswana, Ghana, Madagascar, Mozambique and United Republic of Tanzania, a study on Chinese FDI in Africa and a study on ASEAN FDI in Africa. It is aimed at strengthening the institutional capacity of African countries for attracting Asian FDI, and maximizing its developmental impact. It draws on the experience of successful Asian countries. It also identified industries that have comparative advantages in attracting Asian FDI and could help strengthen growth in African countries.

**(d) Technical cooperation in the area of FDI statistics****(i) Association of South-East Asian Nations (ASEAN)**

180. **Development context:** The FDI data collection systems in the 10 ASEAN member countries are at various stages of development and not harmonized, often leading to data that are not comprehensive and comparable to support policy analysis. Some countries report data at a more disaggregated level; others less so. In addition, all countries do not collect or not report the same type of data. To address this problem, the ASEAN Investment Area Council established a Working Group on Foreign Direct Investment Statistics (WGFDIS) in ASEAN. UNCTAD has been invited to be a resource institute to WGFDIS and attended its meetings to support ASEAN FDI statistical activities on methodology.

181. **Objectives/features:** To advise the WGFDIS and the ASEAN secretariat on a harmonized FDI data methodology and strategies, and organize joint training seminars and workshops as a capacity building support for the region.

182. **Outputs/results:** In 2003, UNCTAD and ASEAN jointly organized, for the staff of ASEAN Central Banks, Investment promotion agencies and central statistics offices a training workshop on cross-border mergers and acquisitions: data collection issues, 30 March – 1 April 2003, Siem Reap, Cambodia. UNCTAD advised WGFDIS and participated in the 8<sup>th</sup> Meeting of the Working Group on FDI Statistics in ASEAN, 27–30 July 2003, Yangon, Myanmar. In addition, UNCTAD and ASEAN also jointly organized, for the members of the ASEAN Coordinating Committee on Investment and WGFDIS: (a) a seminar on key issues of FDI in ASEAN, 10–11 September 2003, Bangkok, Thailand; and (b) a seminar on regional production networks and FDI Strategies, 16–17 December 2003, Yangon, Myanmar.

**(ii) ESCWA: Strengthening Networking and Expertise on Foreign Direct Investment in ESCWA Member Countries**

183. **Development context:** Despite increased liberalization in the region, the countries of West Asia have attracted a relatively small share of FDI – less than 0.5 per cent of world FDI inflows in 2000 and inflows are highly concentrated in a few countries of the region. Scarcity, unreliability and inconsistency in existing data reporting systems cause severe problems in formulating policies and strategies regarding FDI. This results in a shortage of studies on the role of FDI and its impact on sustainable economic development and its contribution to the transfer of technology, human resource development and export performance.

184. **Objectives/features:** The overall objective of the project is to increase FDI inflows to the ESCWA region. The project aims to enhance the capacity of the government agencies in the ESCWA member countries to compile, disseminate and analyze data on FDI and TNC activities through implementing internationally recommended methodological standards and enabling national authorities to maintain high-quality and up-to-date databases. It also intends to strengthen networking among national authorities involved in FDI data compilation and reporting and in FDI policy issues and investment promotion activities, so as to facilitate the exchange of experience. It also includes assistance to ESCWA member countries in formulating and adopting appropriate FDI promotion policies.

185. **Outputs/results:** During the reporting year, two national training workshops on the implementation of internationally recommended methodological standards and database development were undertaken, in cooperation with ESCWA for the staff of the sub-regional Central Banks, investment promotion agencies and central statistics offices. They took place in Manama/Bahrain and Amman/Jordan in 30 September – 2 October and 5–7 October 2003, respectively. Similar workshops are scheduled for the remaining four beneficiary countries (Lebanon, Oman, Saudi Arabia and Syrian Arab Republic) in 2004.

## 2. Investment policies and capacity building

### (a) International investment agreements (IIAs): Capacity building in developing countries on issues in international investment agreements

186. **Development context:** The international policy dimension of countries' efforts to attract FDI and benefiting more from it continues to intensify and proliferate at the bilateral, sub-regional, regional and inter-regional levels. Indeed, the existing network of investment rules is laid out in a large number of bilateral investment treaties (BITs), free trade agreements (FTAs) with investment components, double taxation treaties (DTTs), regional trade agreements (RTAs) and multilateral agreements. This network of investment rules is multi-layered and multi-faceted, and the issues at stake are complex, complicated and not easily prone for consensus, as the events in Cancún have shown. The new momentum to the involvement of developing countries and economies in transition in discussions and/or negotiations concerning IIAs requires that all parties be thoroughly familiar with key issues and concepts concerning IIAs, especially their development dimension.

187. **Objectives:** The prime objective of UNCTAD's work in this area is to build national capacity in developing countries through policy analysis, and human and institutional development, with a view to assisting these countries in participating as effectively as possible in bilateral, regional and international discussions on investment. More specifically, this work focuses on deepening the understanding of national decision makers and negotiators on the issues involved, exploring the range of issues that needs to be considered, identifying and protecting developing country interests and ensuring that the development dimension is understood and adequately addressed, with a view to consensus building.

188. **Features:** Part of the work in 2003 was undertaken in response to the mandate contained in paragraphs 20–22 of the Doha Ministerial Declaration. The subsequent technical assistance programme developed by the UNCTAD secretariat sought to help implement the follow-up to the Doha mandate in the area of investment in close collaboration with the WTO, taking into account UNCTAD's experience with the implementation of its work programme on international investment agreements (IIAs). The programme involved three areas of activities that emerged, in order of priority, out of the three elements identified in paragraph 21 of the Doha Ministerial Declaration: policy analysis and development, human resources capacity building and institutional capacity building.

189. **Output/results: Policy analysis and development.** In 2003, work continued on the UNCTAD Series on issues in IIA. Two new papers (on *Dispute Settlement: State-State* and *Investor-State*) were published and another five were finalized (*State contracts, Competition, Incentives, Transparency* and *A Glossary*), bringing the total number of published IIA papers to 25 (the other papers include: *Transfer of Technology* (November 2001), *Home Country Measures* (August 2001), *Illicit Payments* (August 2001), *Host Country Operational Measures* (June 2001), *Social Responsibility* (April 2001), *Environment* (February 2001), *Transfer of Funds* (December 2000), *Flexibility for Development* (October 2000), *Employment* (May 2000), *Taxation* (May 2000), *Taking of Property* (February 2000), *Lessons from the MAI* (December 1999), *Trends in IIAs – An Overview* (December 1999), *National Treatment* (July 1999), *Fair and Equitable Treatment* (June 1999), *Transfer Pricing* (March 1999), *Scope and Definition* (March 1999), *Most-Favoured-Nation Treatment* (February 1999), *Investment-Related Trade Measures* (January 1999), *FDI and Development* (January 1999), and *Admission and Establishment* (January 1999). A single publication of the first generation of the IIA Series is under preparation and work on the second generation of IIA papers has already started. Over the course of the year, work also progressed on the *Compendium on International Investment Instruments* with the completion of volumes XI and XII. An interactive CD-ROM comprising the IIA Series, the Compendium and the UNCTAD's contributions to the WTO Working Group on the relations between Trade and Investment is available (UNCTAD/ITE/IIA/2003/8/CD). Work has also been undertaken on the compilation of existing bilateral investment treaties (BITs), now available on CD-ROM as an advanced copy.

190. **Human resources capacity building:** Over the course of 2003, *seven regional seminars* (Djibouti, January 2003; Botswana, February 2003; Jamaica, April 2003; Czech Republic, June 2003; Pakistan, June

2003; Mexico, July 2003; and Qatar, July 2003), an international conference on trade, investment and development (India, May 2003) and a national seminar on regional integration (China, September 2003) were organized. *Four intensive training sessions for IIA negotiators* (one for English-speaking African countries (Pretoria, March/April 2003), one for French-speaking countries (Alexandria, May 2003), one for the Caribbean (Port of Spain, September 2003) and one for Latin America (Lima, October 2003)) and two *Geneva-based workshops* (April and June 2003, respectively for English- and French-speaking countries) took place.

191. Work continues on the development of the *distance-learning course* that contains five training modules on key notions relevant to IIAs (scope and definition, admission, treatment, protection and dispute settlement). The modules are available in French and English and are under preparation in Spanish and Portuguese. The material was partially used during the training sessions and its full implementation is scheduled for 2004.

192. At the request of countries, *ad hoc technical assistance* was also provided in the forms of technical advices on prototype investment agreements. In addition, a one-week mission of an expert to train the negotiating team of Botswana was organized in June 2004.

193. In response to the request of the 7<sup>th</sup> Commission on Investment, the Web-based *Network of IIA Experts* was developed and launched on 4 September 2003. This network, designed to allow IIA negotiators and experts worldwide to keep in contact with each other and to exchange information and experience on issues related to IIAs and development, gives access to a discussion forum and database of experts for registered users. To allow for a greater exchange of information and improved interaction, an email-based network was also launched. In the course of 2003, the IIA website was fully renovated and updated ([www.unctad.org/iaa](http://www.unctad.org/iaa)).

194. The UNCTAD secretariat also continued its work on the organization and facilitation of rounds of *negotiation of bilateral investment treaties (BITs)*. A round of BITs negotiations was organized for English-speaking African LDCs, from 30 June to 4 July 2003, in Geneva. It brought together 17 countries, including nine LDCs and five developed countries, and resulted in the conclusion of 19 BITs and the signature of 13 agreed minutes on a text with brackets.

195. *Institutional capacity building*: Strengthening the institutional capacity of developing countries in the area of international investment discussions and/or negotiations has so far taken the form of national seminars for member countries that requested technical assistance. Seven *national seminars* were organized together with the WTO Secretariat for a large number of capital-based officials (Morocco (March 2003), Colombia (April 2003), Argentina (April 2003), Mauritania (May 2003), Malaysia (May 2003), Cuba (July 2003) and Yemen (October 2003)). In addition, as part of the programme's civil society engagement component and as part of the joint UNCTAD-CUTS (Consumer Unity and Trust Society of India) project on "Awareness and capacity-building for civil society on investment regimes and international investment issues", the OECD-CUTS regional roundtable on FDI in transition economies (Istanbul, May 2003) and the joint UNCTAD-CUTS global seminar (Geneva, May 2003) took place.

196. *Ad hoc technical assistance to regional organizations* was also undertaken in the form of technical advices on regional investment frameworks and participation to regional workshops (awareness-building missions to COMESA member States and participation in the regional workshop on the COMESA Common Investment Area in November 2003 in Lusaka). A comprehensive technical assistance project for regional integration economic organizations is being prepared.

197. *Overall assessment and results*: It is estimated that, in 2003, almost 400 officials (and a substantial number of private sector representatives) had participated in one or more technical assistance activities in this field. Over 100 officials had participated in the training courses, over 100 in the regional seminars and 35 in the Geneva-based workshops.

198. The UNCTAD secretariat carries out assessments of each technical assistance activity based on written comments by participants, and adjusts the programme of future events in the light of the

comments made. By and large, the response of participants to the activities carried out to date has been very positive, and the level of satisfaction of participants has improved over the course of the year, as reported in the participants' evaluation forms (100 percent of the participants in the training course in Lima rated the effectiveness and usefulness of the course as excellent).

199. As part of the overall IIA work programme's reporting and evaluation procedures, a mid-term evaluation was launched in September 2002. This evaluation became available in 2003, and emphasizes the overall positive and measurable impact of the project and its success in achieving the objectives set out in almost all areas of activities.

#### **(b) Investment Policy Reviews**

200. **Development context:** Investment Policy Reviews (IPRs) provide developing countries with an external tool to assess how they stand today in attracting FDI of the right kind in consonance with stated national objectives, and incorporating a medium- to long-term perspective on how to respond to emerging regional and global opportunities. IPRs critically examine investment policies and ensure their relevance and effectiveness in terms of attracting FDI and ensuring that economic benefits are maximized.

201. **Objective/features:** IPRs encompass the following: (a) an examination of the country's objectives and competitive position in attracting FDI; (b) an audit of the country's FDI policy framework and administrative structures and procedures; (c) a survey of firms to obtain investor perceptions and experiences; (d) a round-table meeting of stakeholders to discuss preliminary findings, policy options and recommendations; and (e) a presentation in appropriate intergovernmental and international forums whereby other Governments and private sector representatives can familiarize themselves with the country's investment environment and policies.

202. **Outputs/results:** In 2003, IPRs of Botswana, Lesotho and Ghana were published, IPRs of Algeria, Nepal and Sri Lanka were completed, and the IPR of Brazil and Iran was launched. The IPR of Lesotho was discussed at a meeting of the Commission on Investment, Technology and Related Financial Issues that took place in April 2003 and the IPR of Nepal was discussed back to back with an Expert Group Meeting in June 2003, with the active participation of senior decision makers from the countries concerned. In those countries, authorities have initiated concrete actions to implement the recommendations contained in IPRs. Follow-up technical assistance has been requested and the ensuing advice and training are expected to reinforce the policy actions being taken. More detailed results by countries are set out below.

203. **Algeria:** In the early 1990s the Algerian Government implemented a program of macroeconomic stabilization and economic liberalization. The investment code of 1993 – updated in 2001 through the so-called “ordonnance 2001” – and the creation of the National Agency for Investment Promotion improved the national investment environment. As a result, FDI inflows directed to Algeria increased significantly in the last few years. However, structural problems still affect the country, such as land-access-related problems, inefficient judicial procedures and legal and practical obstacles to repatriation of profits. Moreover, a coherent strategy for investment promotion, based upon Algerian competitive advantages, seems not to have been formulated by the national authorities. These problems reduce significantly the country's potential in terms of FDI. Consequently, FDI is mainly concentrated in a few sectors – such as oil, steel, chemicals and pharmaceuticals – and the country has not fully benefited from downstream effects arising out of FDI in terms of economic growth, job creation, technology transfer and international economic integration. Sectors in which Algeria could attract and benefit from more FDI include agrobusiness, information and communication technology (ICT), mining, infrastructure, banking and electronics. This will require further modernization of the investment framework and a coherent national strategy for investment promotion and support of the domestic private sector (SMEs in particular).

204. **Nepal:** The review addressed various measures to improve FDI performance and capitalize on the country's advantages. These include privileged access to a well-disposed neighbouring country with a large market; a low-wage trainable workforce; a flourishing local entrepreneurial culture in both small and large business; and established international recognition thanks to tourist landmarks. The review

highlights attractive sectors for FDI in the short-term as regulatory and administrative reforms are put in place. Also, Nepal has to be proactive to take further advantage of the Trade Treaty with India and its LDC trade preferences with developed countries. In the longer term, FDI can play a role in telecommunications and electricity if appropriate regimes are put in place. There is also a need to improve the human resources base in order to attract high-technology FDI.

205. *Sri Lanka*: The Government of Sri Lanka has launched a vigorous growth agenda titled *Regaining Sri Lanka*. A central role is given to the private sector in driving the nation's economic recovery. The prospect of internal peace provides a springboard to undertake the improvements necessary for Sri Lanka to compete effectively with the best investment and growth performers in Asia. The review assesses the performance of Sri Lanka in encouraging private investment. Economic growth and private investment, including FDI, have been low by the standards of the best performers in Asia. Therefore, in reviewing the investment framework, reforms are outlined that can lead to a more attractive investment climate, including land regulation, balanced labour measures and taxation to provide an accessible and competitive fiscal regime for all investors. Furthermore, easing of FDI entry restrictions should continue, moves to abolish foreign exchange controls are endorsed and current good business immigration practices can be formalized and promoted. All these changes once introduced can facilitate Sri Lanka's goal of becoming an international business hub. The review also assesses the role of the Board of Investment in implementing the investment strategy. It recommends reorienting the institution from being an investment facilitator for large investors to becoming an investment generator targeting all investors who want to invest in the country. The reorientation would lead to a smaller institution but with greater capacity to fulfil key functions, along the lines of leading investment promotion agencies in other countries.

206. *Ongoing activities*: Investment Policy Reviews are being carried out in Benin, Brazil, Colombia, Iran and Zambia. Official written requests for Investment Policy Reviews have been received from a number of countries, including Bangladesh, Belarus, Bolivia, Central African Republic, Congo, Gabon, Guinea-Bissau, Kenya, Kyrgyzstan, Lebanon, Mali, Mauritania, Moldova, Morocco, Nicaragua, Nigeria, Pakistan, Senegal, Swaziland and Viet Nam. Follow-up to completed reviews is continuing through technical assistance and dissemination of findings and recommendations. In 2003, UNCTAD also continued follow-up work on the IPR of Botswana and Ecuador, where activities had started the previous year. Dissemination efforts included the upgrading of the UNCTAD website to present the reviews and information provided by the participating national investment agencies.

### (c) **FORINVEST: Policy Framework for Attracting Foreign Investment**

207. *Development context*: With the globalization of economic activities, more and more developing countries are seeking FDI. This has resulted in a proactive policy designed to maximize FDI inflows, with a view to increasing external capital/foreign exchange, exports, employment and training, technology capacity, and management and marketing skills.

208. *Objectives/features*: To assist developing countries in strengthening their capacity to create and manage the Policy Framework for Attracting Foreign Investment and developing an operating climate in which FDI and international business can thrive. FORINVEST provides advisory services and training packages related to investment policy, investment legislation, investment codes, sector policies governing the participation of TNCs in specific sectors, technology transfer and mechanisms for attracting investment (such as export processing zones, industrial estates and build-operate-transfer arrangements).

209. *Outputs/results*: *Andean Community*: The Andean Community of Nations, comprising Bolivia, Colombia, Ecuador, Peru and Venezuela, faces a significant challenge in competing for foreign direct investment within South America and requested technical assistance to improve its ability to attract and benefit from FDI. During the reporting period, a background paper with a proposal for an Andean Investment Promotion Strategy was elaborated by the Secretariat based on previous research and consultations. It was distributed to stakeholders in the countries, such as investment promotion agencies, Ministries with competency in each country. A regional meeting was organized and hosted by the Andean Community Secretariat in Lima, 4–5 December 2003. A preliminary consensus was achieved on what the priorities and related plan of action should be and presented in an aide-mémoire format. The priority areas

are: Image Building as a region; improvement of investment climate and promotion of joint projects (i.e. border projects). The UNCTAD secretariat, based on this output, is working in close cooperation with capitals, on a project document to raise funds for the implementation of the agreed plan. It is expected to initiate activities during second half 2004.

210. *Botswana*. This project intervention consists of a number of components designed to follow-up on selected recommendations contained in the Investment Policy Review of Botswana (2003). During 2003, draft FDI legislation and overall policy statement/strategy were elaborated. The Ministry of Trade and Industry was satisfied as to the consensus achieved on the draft FDI law and policy statement/strategy at the Reference Group meeting and expanded stakeholders' meeting of, respectively, October and November 2003. The final draft of the FDI law was submitted to the Government in December, and has been forwarded for review by the Attorney General's office in January 2004. The draft policy statement/strategy will be reviewed by the Government in 2004. Work commenced on benchmarking Botswana's business immigration procedures and practices with those of nine comparator countries. This project will continue into 2004, where the business immigration component will be completed, an investor targeting exercise for the garments sector will be elaborated and implemented, a TRIPs workshop will be convened and a rapid assessment of business linkage potential will be conducted.

211. *Jordan*: The current project, which started in September 2002, is the third project in a series of projects implemented since 1999 aimed at enhancing the policy, legal and institutional framework of Jordan's mining/minerals sector, with a view – in particular – to attracting foreign investment into the sector. Under this project, UNCTAD is assisting the Government of Jordan in elaborating investment promotion strategies for this sector; providing training in investor targeting to key officials of the Jordan Natural Resources Authority (NRA) and the Jordanian Investment Board (JIB); and providing advisory support to the efforts of these agencies in the development of promotional materials. The report containing this strategy covering industrial minerals, in particular kaolin, silica sand and zeolitic tuff, were finalized in December 2003, and submitted to the Natural Resources Authority. Recommendations of the promotion strategy are already being put into place. A Minerals Investment Promotion Cell, comprised of staff of NRA and JIB, has been formed to act as a main office where incoming potential investors in the mining sector would be received. A commodity report was prepared for zeolitic tuff, with the commodity reports for kaolin and silica sand to follow shortly. Staff of NRA have been apprised on what investors look for when evaluating a mining proposition, and provided training on how to gauge demand for industrial minerals. These tools will be put into practical application in the generation of leads when staff of NRA will be accompanied by UNCTAD to the Industrial Minerals International Congress in Barcelona in March 2004.

212. *Lesotho*: A project document was elaborated in 2003 to serve as a framework to assist the country in implementing selected recommendations of the Investment Policy Review of Lesotho (2003). Funding was secured in 2003 to support the elaboration of draft FDI legislation in Lesotho, as well as to undertake a benchmarking study on business immigration procedures and practices. UNCTAD is seeking additional funding. Implementation of funded activities will begin in 2004.

213. *Russian Federation/Moscow*: At the request of the Moscow City Government (MCG) UNCTAD has started in 2003 a project aimed at assisting MCG in identifying the potential of electronics industry of Moscow region for attracting FDI, particularly through investor targeting support. Within the project UNCTAD participated in the Seminar on Innovation and National Competitiveness in Moscow in April 2003. On the basis of information collected during two missions and additional desk research, an investor targeting strategy for electronics industry in Moscow was set-up.

**(d) STAMP: Strengthening and Streamlining Agencies Concerned with Maximizing and Promoting FDI**

214. *Development context*: In an environment of increased liberalization, countries have been adopting a very proactive policy of maximizing FDI flows, subject to the terms and conditions that prevail in a given environment.

215. **Objectives:** To provide assistance to developing countries and economies in transition in strengthening their investment institutions, especially investment promotion agencies (IPAs), streamlining their modes of operation and approval processes, monitoring the quantity, quality and impact of inflows, and promoting host countries as attractive locations. Special attention is being given to the institutional strengthening of IPAs in Africa and investment promotion efforts for the African region.

216. **Features:** STAMP provides advisory services and training packages relating to: (a) the setting up of an investment promotion agency from scratch or clarifying the identity, role and powers of existing institutions; (b) establishing effective one-stop agencies; (c) procedures and practices that could be employed in encouraging and evaluating FDI inflows; (d) the development of an information system capability to both effectively register/record inflows and assess the impact on employment, taxation, balance of payments, training and technological development, and backward and forward linkages; and (e) the setting up of information systems, organizing promotional visits and promotional material (including brochures) and arranging investment round tables. UNCTAD is developing a training curriculum on investment promotion and investor targeting, so as to establish the new strategy for capacity building in investment promotion in developing countries and economies in transition.

217. **Outputs/results: Albania:** UNCTAD was providing technical assistance to the newly established Albanian Investment Promotion Agency (ANIH) in best practices investment promotion and investor targeting. UNCTAD/UNDP workshop on Third Generation Investment Promotion and Investor Targeting was held from 30 June to 2 July 2003 in Tirana, which was attended by 14 participants from ANIH. The workshop programme included presentations on global and regional investment trends, investment options available to TNCs considering foreign investment, principles of investment promotion and investment targeting, corporate development support, and other issues.

218. **Bolivia:** In 2003, with UNCTAD's assistance, CEPROBOL consolidated its Investment Gateway tool (<http://Bolivia.investway.org>), the Internet-based information system to facilitate investment, further expanding the information to textile and agroindustry in addition to forestry sector. The objective of the system is threefold: (a) facilitating contacts between Bolivian companies and foreign investors; (b) offering a common platform to all Bolivian entities involved in investment promotion in a given sector; and (c) providing a basis and methodology for CEPROBOL's investment promotion work. The investment opportunities/companies incorporated into the system are 31 Agribusiness companies, 43 Textile companies, 40 Forestry companies. 30 Venture capital funds were also incorporated to the module Investors and information on regulatory framework, investment procedures, infrastructure, tax framework, etc, is permanently updated. During 2003, an aggressive investment promotion program was implemented in the US and neighboring countries: Targeting Investors, that contributed to the program results and generated a pipeline of over US\$40 million in potential investments with more than 40 companies with potential business interest in Bolivia. To achieve this goal the program targeted 2000 textile and forestry companies in the US, and over 1000 companies in neighboring countries. Over 700 companies were contacted directly, 200 individual presentations and over 15 investment itineraries were conducted. The project continued to provide direct assistance to potential investors considering investing in Bolivia. Services ranged from ad hoc provision of information (contacts, statistics, information on legislation) to assistance with complying with local authority investment procedures, including the organization of site visits to local investment opportunities and facilitation of meetings with potential host partners. Having the donor committed \$600,000 for a two-year period (2003–2004) to consolidate investment promotion in Bolivia, during 2003 the UNCTAD team has managed to materialize mostly export-oriented investment for \$2,985,000.00, generating 780 direct and indirect jobs. For the first semester of 2004 they started with a pipeline of projects for \$4 million with a potential to generate 960 direct jobs. A brochure and country presentation material have been developed and distributed accordingly. The transfer of know how to CEPROBOL should be completed by the end 2004.

219. **CEMAC countries:** In 2002 the Agence Intergouvernementale de la Francophonie requested UNCTAD to initiate a project entitled RAPSODIE (*renforcement de l'aide à la conception et à la mise en oeuvre d'un plan stratégique d'orientation et de développement de l'investissement économique*) aimed at improving the investment climate in the Economic and Monetary Community of Central Africa (CEMAC). In 2003 UNCTAD started a diagnostic study of the investment climate in CEMAC countries

with a view to achieving higher levels of FDI into the region. Within this work a strategic plan of actions will be developed, including recommendations on ways of attracting more FDI into the region.

220. *Colombia*: During 2003, the development of an Investment Gateway continued particularly in the what concerns the Investment Conditions module, where the systematization of regulatory and investment procedures information settled a very positive precedent and will serve as a model to other countries. At the moment evaluation and discussions are ongoing to see how can the Investment Gateway serve the technological support of the Colombian Specialized Network on Investment (REI), a major national project to organize investment opportunities and projects in Colombia.

221. *Costa Rica*: During the reporting period CINDE, Costa Rican Investment Board, requested technical cooperation to streamline investor targeting. The project comprised hands-on training on targeting during a Medical Design and Manufacturing fair in Los Angeles, California during February 2003, which was followed up with a report with recommendations from the two consultants engaged in the exercise. CINDE has reported that recommendations taken up have been very useful during their participation in the same event in January 2004. In addition, an Organizational Audit was requested in order to provide inputs to the reorganization and rationalization process already initiated by CINDE. Two consultants were sent to San José who through a consultation and desk research process produced a report that helped UNCTAD to review and agree with CINDE major issues reflected as recommendations in the final report. CINDE has already implemented recommendations, such as, scaling down offices in the USA; training staff on marketing research and client facing (one training organized under the project); modernization of the web page; strengthening cooperation with the Government (i.e., better use of Ministry of Foreign Affairs external network); and seeking additional and innovative income sources.

222. *Djibouti*: Under the project on reforming IPA's information system the first mission was undertaken to Djibouti in June 2003 in order to evaluate the IPA capacities. A second mission has been undertaken in December 2003 to examine the possibilities of the development of Investment Gateway.

223. *Ecuador*: As part of the implementation of the national investment promotion plan (presented at the meeting of the UNCTAD Commission on Investment, Technology and Related Financial Issues in January 2002 and favourably commented upon by delegations), during the reporting period UNCTAD through a technical cooperation project assisted Corporación de Promoción de Exportaciones e Inversiones (CORPEI) in the consolidation of the Ecuador Investment Gateway, focusing in the forestry sector. The project also provides direct assistance to potential investors considering investment in Ecuador: services range from *ad hoc* provision of information (contacts, statistics, information on legislation) to assist with complying with local authority investment procedures, including the organization of site visits to local investment opportunities and facilitation of meetings with potential host partners. During 2003, the following was achieved: (a) support for the creation of an Inter-ministerial Committee; (b) proposal for the creation of a Forestry Trust fund to be promoted to the USA Timber funds; (c) Investment Guide to Ecuador (legal aspects); (d) study of the opportunities of the Ecuador Teca wood sector in cooperation with local NGO CORMADERA; (e) seminars and permanent meetings with forestry sector representatives, in particular AIMA y COMAFOROS, FUNDAGRO and Agriculture Chamber, aiming at developing a reforestation map for Ecuador and discussing other relevant issues; (f) support for the creation of the Reforesters Chamber; (g) visit of Raimond Keogh, international expert on Teca wood; (h) direct assistance to established investors such as ARAUCO (Chilean), Ecuapacific (Japanese); (i) organization of one inward investment mission to Brazil and the United States and one outward investment mission to Canada in cooperation with the Canadian-Ecuadorian Chamber.

224. *Latvia*: Responding to a request from the Latvian Development Agency (LDA), an UNCTAD/UNDP workshop on Third Generation Investment Promotion and Investor Targeting was held from 14 to 16 July 2003 in Riga, which was attended by about 30 participants from LDA and other government officials. The workshop was delivered entirely by UNCTAD staff. Presentations included discussion on global and regional FDI trends, best practices in investment promotion and investor targeting, an overview of the investor decision-making process, evaluation of Latvia's potentials for attracting new FDI in the light of its accession to the European Union. The training received is to

contribute to the ability of LDA staff to effectively promote Latvia to foreign investors, particularly from EU.

225. *Lebanon*: This project intervention consisted of undertaking an investors' perception survey of Lebanon as a destination for foreign direct investment, to underpin the efforts by Investment Development Authority of Lebanon (IDAL) to develop strategies to attract overseas investors. The output of the project is the survey, finalized in September 2003, which provides IDAL with vital data on the perceptions of their existing and would-be constituents on the strengths and weaknesses of Lebanon as an investment destination vis-à-vis other destinations in the Middle East/North Africa region.

226. *Morocco*: Further to the request from the Direction des Investissements Extérieurs for a technical assistance in reforming the investments promotion practices and strengthening the national capacities, a diagnostic report on the positioning of Morocco with a view to increasing the national capacities for attracting FDI is being prepared. Within the project a strategic plan of action including recommendations for the organization of the IPA will be elaborated.

227. *Thailand*: In cooperation with the Institute for international Development of Thailand, a training on investment promotion issues for Thai Ambassadors posted in Europe was organized and took place in Geneva 22–24 July 2004. The meeting counted with the participation of 22 Ambassadors and as per evaluations form it was very successful and well received by participants. A follow up activity (survey) to measure impact and/or more specific results will take place second half 2004.

228. *Saudi Arabia*: Agreement was reached to review the activities to be undertaken within the framework of assistance being provided to the Saudi Arabia General Investment Authority (SAGIA). Within this context, UNCTAD hosted a delegation from SAGIA in December 2003, to discuss possible areas of future cooperation.

#### **(e) Capacity Building Project on Good Governance in Investment Promotion and Facilitation**

229. **Development context**: With increased competition for FDI, the quality of investment promotion and facilitation is a critical aspect in attracting foreign investors. Important factors in improving that quality are the efficiency of applied investment promotion practices, the effectiveness of customer services and the level of transparency and predictability of the public administration. By improving governance, the project aims to reduce costs and risks for foreign investors and improve the competitive position of project countries.

230. **Objectives/features**: The objective of the project is to assist LDCs in improving their enabling environment for FDI. This will be achieved by focusing on good governance, including better customer service for investors and assistance in creating more stable, predictable and transparent regulatory frameworks and procedures for investments.

231. **Outputs/results**: In 2003, the programme prepared and presented advisory reports on Good Governance in Investment Promotion for Lesotho and Tanzania. The reports were based on investor surveys among international investors in the two countries, interviews with government officials and representatives of private sector groups, local NGOs, donor agencies and the press, as well as country reports carried out by UNCTAD, the World Bank and other organizations. Recommendations in the reports focus on practical ways in which accountability, predictability and transparency can be improved in government departments that deal with investors.

232. A training manual on IPA Client Charter Design & Training was developed. This manual aims to assist IPAs in the training of government officials in the use of Client Charters as a tool to improve customer services.

233. Follow-up to recommendations in the programme advisory reports included: (1) The organization and implementation of IPA Service Excellence training for government officials in Ethiopia, Lesotho and Tanzania. This training included awareness creation on the importance of good governance. In total 85

people were trained, mostly staff of the Ethiopian Investment Commission (EIC), the Lesotho National Development Corporation (LNDC) and the Tanzania Investment Centre (TIC). Other officials who were trained were civil servants from line ministries, who are directly involved in the provision of investor services. (2) The design of Client Charters for EIC (Addis Ababa, March 2003), TIC (Dar es Salaam, November 2003) and LNDC (Maseru, December 2003). IPA staff of all levels participated in the Client Charter development process in order to promote ownership of this benchmarking tool. (3) Development of a follow-up technical assistance project proposals on investment facilitation for EIC and fund raising.

234. UNCTAD presented the first project findings at the OECD Global Forum Meeting on “Encouraging Modern Governance and Transparency for Investment: Why and How?” (Johannesburg, South Africa, November 2003). Early project findings were also included in a new printed programme brochure.

**(f) Support to WAIPA**

235. In 2003, UNCTAD continued to support the World Association of Investment Promotion Agencies (WAIPA) through an UNCTAD project that organizes and coordinates networking and training activities for investment promotion professionals in developing countries. This includes the organization of the annual WAIPA conference, the world’s largest annual gatherings of senior investment promotion professionals.

236. The Eighth Annual WAIPA Conference (WAIPA VIII) was held in Geneva from 22 to 24 January 2003. The themes of the Conference included “*Export Processing Zones at Risk? The Effects of the WTO Agreement on Subsidies and Countervailing Measures*”, “*Strengthening the Investment Promotion Effort at the National, Provincial and City Level*”, “*Best Practices in Investment Promotion*” and “*FDI Trends and Policy Implications for investment promotion agencies (IPAs)*”. More than 260 delegates from 88 countries attended the three-day event. Almost one third of the participants were heads of IPAs. Numerous officials of international and multilateral organizations, as well as representatives of the private sector and academia, participated in WAIPA VIII.

237. In 2003, UNCTAD organized jointly with WAIPA and private sector sponsors, five regional training workshops on “*Investor Servicing and Aftercare*”, “*Cluster Creation and Development*”, “*Strategic Marketing*” and “*Event Management for the Tourism Sector*”. The total number of investment professionals trained by WAIPA in 2003 was 118 from 63 IPAs.

- (i) Two Regional Workshops on Investor Aftercare were held from 24 to 25 June 2003 in Mexico D.F., Mexico, and from 13 to 14 October 2003 in Dakar, Senegal. The workshops programme included presentations on the importance of aftercare in inward investment promotion and economic development, steps in designing an effective aftercare programme and best practices in building lasting relationships with TNCs.
- (ii) A Regional Workshop on Cluster Creation and Development was held in Riga, Latvia, from 17 to 18 July 2003. The two-day workshop included presentations on the principles of strategic economic development and cluster creation, understanding TNCs’ decision making, tools for attracting FDI into clusters, strategies for encouraging indigenous business start-ups, and a discussion of best practices in strategic embedding, expansion and retention of investment in clusters. The workshop included a number of group exercises and case studies.
- (iii) A Workshop on Strategic Marketing was held from 8 to 9 October 2003, in Dubai, United Arab Emirates. The workshop included a discussion on the importance of understanding investors demand in formulating an IPA investment promotion strategy, ways of designing and implementing a marketing strategy for a country, and best practices in country promotion.
- (iv) A Regional Workshop on Event Management for the Tourism Sector for African IPAs was held on 11–13 June 2003, Durban (South Africa). This three-day workshop included a discussion of FDI trends, best practices in event conceptualization and implementation.

238. In 2003, WAIPA has launched a new website.

**(g) Facilitating Foreign Direct Investment in Least Developed Countries:  
A Multi-Agency Technical Assistance Programme**

239. *Development context:* The importance of private investment in stimulating and supporting economic growth has increased significantly, relative to official development assistance, over the past decade. However, the flow of FDI to developing countries has been uneven, concentrated in a handful of countries in Asia and Latin America, but failing to reach significant segments of the African and poorer Asian populations. This programme aims at designing and implementing a coordinated effort to increase the level of foreign direct investment (FDI) flows into LDCs and to maximize the benefits generated by FDI by strengthening the policy, legal and institutional framework for investment and improving investment promotion capabilities in the pilot LDCs.

240. *Objectives/features:* Multilateral development organizations have placed strong emphasis on working with public and private sector leaders to address inadequacies in the policy framework and operating environment for FDI, and some success has been achieved in stimulating policy reform with some resulting investment. However, up to this time, the work of these organizations has taken place largely independently. This programme notes that a significant impact may be achieved with a coordinated approach by the key providers of advisory services and technical assistance. In this, it aims to build on the relative competencies of participating agencies in providing effective capacity building to programme countries. The main actors are UNCTAD, UNIDO, MIGA and the Foreign Investment Advisory Service (FIAS) of the World Bank Group. The agencies involved have agreed on a collaborative approach in their areas of expertise:

- UNCTAD deals primarily with global investment and helps countries increase FDI flows and benefit from them through its technical assistance programme on investment, including policy advice, capacity building and networking.
- UNIDO addresses FDI within the context of capacity building for industrial development, with a focus on promoting manufacturing partnership opportunities through its international network of Investment and Technology Promotion Offices.
- MIGA focuses on increasing FDI flows through its advisory and capacity-building technical assistance, information dissemination activities and political risk insurance activities.
- FIAS focuses on the policy, legal, regulatory and institutional environment for FDI, and is broadening the scope of its work to include competition policy, corporate responsibility and the diffusion of best practices, all within the context of FDI.

241. In order to help LDCs become effective players in the market for foreign investment, participating agencies envisage a programme of advisory services and capacity-building activities, targeted to a selected group of LDCs. The programme was launched as a pilot project, initially focusing on four LDCs, and was announced at the Third United Nations Conference on the Least Developed Countries, held in Brussels in May 2001. The selected countries are those in which one or more of the collaborating agencies have an existing or recent body of work. In implementing the programme, participating agencies will provide advice and services to cover the full range of policies and activities needed to create an attractive environment and promote inward FDI, including:

- Advising and assisting Governments with regard to establishing a policy environment generally supportive of FDI inflows, not just financial capital, but also technology, intellectual property and know-how;
- Supporting the development of a competitive legal and regulatory framework for FDI;

- Making recommendations on the establishment of appropriate administrative vehicles to regulate the entry and operation of FDI;
- Building the capacity of the management and staff of institutions promoting FDI inflows to provide information and facilitation services to investors, and to serve as effective policy advocates to government, on the basis of their experience with investors;
- Helping FDI promotion agencies develop effective general and sector-specific targeting strategies and implement successful image-building initiatives, when appropriate; and
- Supporting initiatives that promote the exchange and dissemination of best practices in attracting and retaining FDI.

242. To ensure that technical assistance and advisory services delivered to the target countries are demand-driven and responsive to client country needs, assistance and advice to be provided will be tailored to the specific situation and needs of the country. To facilitate this approach, one or more of the collaborating agencies will conduct a needs assessment along with the supporting diagnostics, which will serve as the underpinning of the specific elements of the work programme to be agreed with the client country. From this assessment, a tailored set of objectives, scope of work, implementation plan and anticipated outcomes will be established, and a detailed cost estimate and programme schedule will be prepared.

243. Particular attention will be directed to the monitoring and evaluation of the work effort and the results generated, since it is hoped that this programme will influence and assist the participating agencies as they provide technical assistance and advisory services in the future. As currently planned, an outside evaluator will be contracted for this purpose.

244. **Outputs/results:** In 2003, the participating agencies continued to undertake an inventory of all their activities in the target countries – Cambodia, Mali, Mozambique, Uganda and the United Republic of Tanzania. The four agencies agreed that it would be worthwhile expanding the multi-agency technical assistance programme to other countries, in particular Ethiopia and Kenya, although the latter is not a least developed country.

245. So far, coordinated activities have advanced most in *Uganda*. MIGA made available to all partners the results of its needs assessment of the Uganda Investment Authority (UIA). On that basis, activities are coordinated with the UIA, which is actively supporting the initiative and utilizes the services proposed by the four agencies in a coordinated manner. UNCTAD continued work on the implementation of the recommendations of the IPR, in particular by assisting UIA in preparing a study on attracting FDI into the software sector. Furthermore, UNCTAD assisted in the development of a business linkages promotion programme.

246. In *Cambodia* there is a need to strengthen the investment promotion agency, which is being undertaken with the support of MIGA and FIAS. The country has benefited also from participating in the UNCTAD/ICC IAC meeting in Tokyo November 2003. In 2003, UNCTAD published an investment guide.

247. In *Ethiopia*, UNCTAD is preparing an investment guide and assisted in the development of a business linkages promotion programme.

#### (h) UNCTAD/ICC Investment Advisory Council

248. **Development context:** The importance of private investment in stimulating and supporting economic growth has increased significantly, relative to official development assistance, over the past decade. However, the flow of FDI to developing countries has been uneven, concentrated in a handful of countries in Asia and Latin America, but failing to reach significant segments of the African and poorer

Asian populations. This programme aims to establish a continued dialogue among senior business leaders and Governments from the least developed countries.

249. **Objectives/features:** The UNCTAD/ICC Investment Advisory Council provides an informal and flexible framework within which senior business executives and senior government officials responsible for investment matters can interact on questions related to attracting FDI and benefiting from it. More specifically, the purposes of the Council are to (i) facilitate the interaction between government and corporate representatives; (ii) provide Governments of LDCs with advice and recommendations that can help to increase the level and quality of foreign direct investment in their countries, (iii) speed up development; (iv) facilitate the integration of their economies into the world economy; and (v) increase the awareness of international business with regard to investment opportunities in LDCs.

250. **Outputs/results:** The UNCTAD/ICC Investment Advisory Council for Least Developed Countries (IAC) was established during the Third United Nations Conference on the Least Developed Countries in Brussels in May 2001. It held its third meeting in 2003.

251. At its meeting in Tokyo, Japan, in November 2003, the Investment Advisory Council discussed the role of FDI high level government and business representatives discussed ways and mechanisms on how to overcome impediments and bottlenecks to FDI in Asian LDCs. The meeting was co-organized by the Japan Bank of International Cooperation (JBIC). The meeting was followed by an Investment Forum for the new member countries on 14 November 2003, in which about 250 business representatives participated. UNCTAD, ICC and JBIC signed a memorandum of understanding to assist the new member States of ASEAN in facilitating investment in their countries.

252. During the meeting a number of issues emerged with regard to strengthening the investment climate in least developed countries in the region, in particular how best practices in other countries and regions could be more efficiently applied. The discussion focused on identifying success stories and best practices in improving the investment climate, in particular policy and capacity-building measures, as well as how foreign investors have played a broader development role in it. A "Blue Book" containing items, which are showing concrete and measurable activities for governments in achieving best-practice level, shall summarize these best practices and guide countries in the process of further improving their investment climate. The "Blue Book" is intended to guide and monitor progress in dealing with a range of investment-impediment-related issues and public-business sector dialogue, including peer review. It is hoped to complete the work on the "Blue Book" by December 2004.

**(i) UNCTAD-ICTSD Capacity Building Project on Intellectual Property Rights and Sustainable Development**

253. **Development context:** The incorporation of the TRIPS Agreement into the multilateral trading system and its relationship with health, food supply, industrial development and cultural values have given rise to great concern about its pervasive role in the life of people and in society in general. Intellectual property rights (IPRs) issues are permeating national, bilateral, regional and multilateral agendas. At present, developing countries' main concerns in relation to TRIPS are: the options, costs, opportunities and challenges arising from the Agreement; preparing them for the various types of implementation, including the provision of training and financial assistance for enforcing IPRs; maintaining the appropriate flexibility in the implementation of the various provisions of the Agreement; and implementing IPRs in a way that promotes dynamic competition through the acquisition and local development of technology in an environment that is conducive to sustainable growth and development.

254. The Capacity Building Project on Intellectual Property Rights and Sustainable Development is intended to address these concerns. It is being implemented by UNCTAD and the International Centre for Trade and Sustainable Development (ICTSD).

255. **Features:** The project produces a series of documents through a participatory process involving trade negotiators and national policy makers, as well as eminent experts in the field, the media, NGOs, international organizations, and institutions in the North and the South dealing with IPRs and

development. The published outputs are not intended to be academic exercises, but instruments that, in their final forms, will be the result of a thorough process of consultation. This is achieved by rapid development of working drafts and circulation of these to experts and to the intended audiences for their comments. These documents include:

- *A Policy Discussion Paper* intended to be a clear synthesis of the main issues to help policy makers, stakeholders and the public in developing and developed countries to understand the varying perspectives surrounding different IPRs, their known or possible impact on sustainable livelihoods and development, and different policy positions regarding TRIPS;
- *A Resource Book on TRIPS and Development* conceived as a guide that will provide background and technical information on the main issues under discussion in TRIPS, including, *inter alia*, an analysis for each TRIPS provision of the Uruguay Round negotiating history, possible interpretations, WTO jurisprudence, IPRs-related developments in non-WTO fora, and social and economic implications of domestic implementation;
- *Studies* on various IPR issues to supplement the Resource Book and the Discussion Paper. This will allow concrete evidence to emerge and shed light on the impact and relevance of IPRs in specific sectors;
- *Research Tools* for further study of IPRs and development.

256. **Objectives:** The main goals of the project are as follows:

- To improve the understanding of the development implications not only of the TRIPS Agreement, but of IPRs in general; and
- To facilitate informed participation by developing countries in the ongoing negotiations on IPRs issues, including in the WTO, and to assist national authorities in general in the implementation and adoption of IPRs policies in the broad context of growth and development.

257. **Outputs/results:** Launched in August 2001, the UNCTAD-ICTSD Project has so far produced and disseminated the following documents: the final printed version of the Policy Discussion Paper (“Intellectual Property Rights: Implications for Development”, Geneva, August 2003); a first draft of the entire Resource Book (available on the Project website at <http://www.iprsonline.org/unctadictsd/description.htm>, printed version forthcoming); Studies on the following issues: Non-voluntary licensing (Historical perspective, printed version June 2003; The Canadian experience, November 2002; The United States’ experience, forthcoming); Geographical indications (a review of discussions in the TRIPS Council, printed version June 2003; the socio-economics of geographical indications in the European experience, October 2003; printed version forthcoming); Traditional knowledge (printed version June 2003); Technology transfer in the Korean experience (printed version June 2003); Nutrition and technology transfer policies (August 2003; printed version forthcoming); Indicators of the relative importance of IPRs in developing countries (printed version June 2003); Development in the information age: issues in the regulation of intellectual property rights, computer software and electronic commerce (December 2003; printed version forthcoming); Encouraging international technology transfer (December 2003; printed version forthcoming); and Intellectual property and computer software: A battle of competing use and ownership – Visions for countries of the South (forthcoming). In addition, the Project produces research tools on issues such as a Review of Activities being carried out by other organizations and institutions on IPR-related questions (2002), a Review of Literature (revised periodically), and a case study on small-scale agriculture and nutrition in Kenya and Peru (November 2003). In the context of DITE’s Science and Technology for Development Diplomacy Initiative, the Project organized in April 2003 a Policy Dialogue on a Proposal for an International Science and Technology Treaty. Also, informal meetings are organized in the context of ICTSD’s activities to brief and receive feedback from interested delegations. Finally, the Project has launched the Bellagio Series on Development and Intellectual Property Policy. The Series has gathered a diverse group of specialists, government experts and members

of international and non-governmental organizations that meet in their personal capacity to assess current international trends on intellectual property and development. The second Bellagio dialogue was organized in October 2003.

258. For details on the activities of the project and reports, see <http://www.iprsonline.org/unctadictsd/description.htm>.

### **3. Investment, enterprise competitiveness and technology**

#### **(a) Enterprise competitiveness policy: Enhancing Public-Private Sector Dialogue in LDCs**

259. *Development context:* Effective interaction and dialogue between the Government and the private sector can play a key role in creating a coherent policy framework and effective support measures and structures for the development of SMEs. Since the private sector operates in a dynamic context and the Government's role itself may evolve in response to changing circumstances and requirements, such a dialogue provides a forum for addressing the changes in a flexible and concerted manner and formulating jointly proper measures and policies that meet Government objectives and at the same time enjoy the support of the private sector.

260. *Objective/features:* The objective of the project is to enhance the development prospects of LDCs through the involvement of the business sector in the national decision-making process. The promotion of enhanced and structured private sector/public sector dialogue at the national level will assist in the design and implementation of more broad-based development policies, in particular regarding enterprise development, investment, innovation and technology. It could also enhance the participation of marginalized groups in the dialogue, such as women entrepreneurs and young entrepreneurs.

261. *Output/results:* National consultants in Cambodia, Madagascar and the United Republic of Tanzania have prepared reports on the strengths and weaknesses in the national public-private sector dialogue mechanisms and to contribute to identifying policy options for improving public-private sector dialogue in these countries.

#### **(b) Corporate transparency**

262. *Development context:* Member States recognize the importance of transparency and disclosure in the corporate sector as critical elements in efforts aimed at creating an enabling business environment for promoting growth and stability in their economies. Member States, particularly developing countries and countries with economies in transition, face a highly competitive market in attracting foreign investment. In making their investment decisions, domestic as well as foreign investors require reliable and comparable financial and non-financial information. A comprehensive economic development strategy would consist of programmes aimed at promoting best transparency and disclosure practices.

263. *Objectives/features:* The programme promotes exchange of views among experts from member States, on technical issues on accounting, auditing, corporate governance and corporate social responsibility through the annual sessions of the Intergovernmental Working Group of Experts on International Standards of Accounting and Reporting (ISAR), workshops and roundtables. It disseminates best practices through technical guidance on various aspects of corporate transparency and disclosure.

264. *Output/results:* During 2003, UNCTAD has initiated work on reporting and transparency in relation to CSR. Research and a background paper on CSR reporting facilitated discussions at the 20<sup>th</sup> session of ISAR. CSR reporting issues will be discussed at the 21<sup>st</sup> ISAR session. UNCTAD also conducted a workshop on CSR reporting, which was attended by about 130 experts and which discussed CSR from a developed and a developing country perspective. Views from academia, private sector, standard setters, civil society, as well as of international organizations and national bodies were presented.

265. In the area of environmental accounting, UNCTAD published a manual on eco-efficiency indicators. These tools could assist financial analysts, bankers, and other stakeholders in establishing

closer links between environmental and financial performance, and in benchmarking environmental performance of different industrial sectors. UNCTAD continued its cooperation with the University of Geneva on a distance-learning course for environmental accounting. The purpose of this project is to promote sustainable development by strengthening skills to identify and report on environmental costs and liabilities for the benefit of managers and employees as well as external users of the annual reports such as investors, creditors and the local community.

266. In March 2003, UNCTAD convened a meeting of the major organizations on accounting education and professional qualifications to discuss the challenges facing the accounting profession in light of current corporate scandals, globalization and increasingly sophisticated financial markets. It also finalized a review of the UNCTAD/ISAR model accounting curriculum published in 1999 to respond to recent developments, especially in the area of business ethics, corporate governance and information technologies. According to an UNCTAD survey, about 20 countries either use or consider using the UNCTAD/ISAR model curriculum. The revised version of the curriculum was approved by ISAR's 20<sup>th</sup> session and finalized in coordination with the International Federation of Accountants (IFAC).

267. As part of its work on professional qualifications, UNCTAD continued to participate on the Executive Committee of the International Association on Accounting Education and Research (IAAER), which is an international association of accounting academics, and the Education Committee of the International Federation of Accountants (IFAC), which sets international standards on accounting education. Due to its work on SME accounting, UNCTAD has been invited by the International Accounting Standards Board (IASB) to become a member of its Working Party on Accounting by SMEs; UNCTAD has also been invited by the IASB to join its Standards Advisory Council (SAC), which advises the IASB on issues of implementation of international accounting standards (IAS), as a well-positioned body to bring the views of developing and transitional economy countries into deliberations of SAC and IASB. UNCTAD has been asked to lead a group of experts to develop an official Russian translation of IAS, for use in Russia and other CIS countries as a basis for new regulations on financial reporting. In recognition of its contribution to accounting reform in Russia, UNCTAD has been invited to join the National Board on Financial Reporting, a recent private sector institution bringing together the best available expertise in Russia to facilitate the transition to IAS, which are considered crucial for improving the investment climate in Russia.

**(c) Entrepreneurship and SME development: The EMPRETEC Programme**

268. **Development context:** Small and medium-sized enterprises (SMEs) cannot grow or compete in the global economy because they lack access to markets, finance, technology and managerial skills. In developing countries, many SMEs use traditional, low-productivity technologies. They serve local markets with low-priced and often low-quality products. Often owing to lack of capital and initiative they have no access to foreign technologies that would enable them to compete internationally. Enterprises without access to timely and accurate information on new market opportunities are simply unable to compete in modern economies. But an even more widespread handicap facing SMEs is poor access to long-term financing both credit and equity.

269. Business linkages between large enterprises, such as foreign affiliates of transnational corporations (TNCs), and local SMEs can be an effective channel for the transfer of technology, knowledge and skills to host economies. To this purpose, targeted linkage promotion initiatives have to be put in place. In particular, **local capacity building and skill development** programmes are crucial for domestic SMEs to become "partnership ready", and therefore to maximize the positive impact of foreign investment.

270. **Objectives/features:** EMPRETEC is a capacity-building programme, and its main aim is to help the SME sector in least developed, developing and transition economy countries. With the assistance of established EMPRETEC Centres, mainly in Africa and Latin America, the programme is expanding to new countries in these and other regions (e.g. Maghreb, Middle East, Central/Eastern Europe). UNCTAD is taking advantage of the specialized know-how of these Centres and through them the unique EMPRETEC training methodologies and advisory services are being transferred. Additionally UNCTAD is developing a new "business linkages" tool kit, to be put at disposal of all new and established country

**Table 3.**  
**EMPRETEC country programme activities**

<i>Country</i>	<i>Starting year</i>	<i>Training workshops</i>	<i>Total training workshop participants</i>	<i>Total trainers</i>
<b><i>EMPRETEC/UNCTAD programmes</i></b>				
Argentina .....	1989	49	1 057	6
Brazil .....	1992	2 244	56 380	200
Chile .....	1990	63	1 560	3
Colombia .....	1996	25	730	3
El Salvador* .....	2000	50	1 128	4
Ghana .....	1990	44	938	10
Guatemala* .....	2001	28	528	3
Guyana* .....	2003	5	150	4**
Jordan * .....	2002	5	106	6
Morocco .....	1998	8	126	5
Palestinian Territory .....	2001	1	29	4
Panama * .....	2001	39	748	11
Romania .....	2002	4	120	6
South Africa (EA) .....	2000	10	202	7
Uruguay .....	1989	73	1 603	9
Venezuela .....	1993	37	960	5
Zimbabwe .....	1992	68	1 477	24
<b><i>Partnership EMPRETEC/UNCTAD and Enterprise Africa</i></b>				
Ethiopia .....	1999	20	477	15
Mozambique * .....	2000	19	357	4
Nigeria .....	2000	n.a.	n.a.	n.a.
Senegal .....	2001	2	60	2
Uganda* .....	2001	11	295	17
<b>Total .....</b>		<b>2 800</b>	<b>68 881</b>	<b>347</b>

The figures were updated in March 2004. For the centers without an (\*), the data collection exercise will be completed by middle of April 2004; \*\* trainer candidates.

programmes. This is based on three main components: identifying the potential demand of TNCs, upgrading potential domestic business partners, matching and monitoring operations.

271. **Outputs/results:** 51 National Empretec Centers (including 26 SEBRAE/EMPRETEC Centers located in Brazil), are now operating in 27 different counties. Since the inception of the EMPRETEC programme in 1988, approximately 75,000 entrepreneurs have received training and follow-up support services. Table 3 reflects cumulative data on existing Country Programmes-Activities/Participants. Furthermore, in 2003 formal requests from Paraguay and Angola for new programme installation were received, related project documents prepared, and funding and national counterparts identified.

272. **South-South cooperation:** During 2003 the country programmes in Guyana, Romania and Uganda were fully operationalized. In order to achieve this goal, South-South cooperation took extensively place through more mature programmes providing assistance to less mature/new programmes. As an example, SEBRAE (Empretec Brazil) cooperated in the installation of Empretec Guyana, and in the training and certification of new trainers Jordan and Romania. Empretec Uruguay cooperated in the training and certification of new trainers in Argentina. Empretec Colombia contributed to the training of new Chilean trainers in the Agrotech methodology. Empretec Zimbabwe and Empretec Ethiopia assisted in the full establishment of Enterprise Uganda.

273. ***Completion of the recommendations of the external evaluation.*** In 2003, the principal activities of the Empretec coordination unit in Geneva focused on the completion of the implementation of the recommendations made by external evaluators, commissioned by the Working Party on Medium-term Plan and the Programme Budget in September 2000. The evaluation report recommended to focus on two issues of overwhelming strategic importance: operational (financial) sustainability and international networking. Therefore, the Empretec team undertook the following actions: updating of the training methodology; organization of international meetings (of Empretec Directors and of Empretec Trainers in Latin America and Africa); diffusion of an international Empretec newsletter; diversification of the portfolio of services (i.e. training on women entrepreneurship, business linkages, intrapreneurship, agrotech); development of the Empretec Management Information System (MIS), a Web-based software programme for benchmarking the performance of national Empretec programmes, companies and participants ([www.empretec.net](http://www.empretec.net)).

274. In particular, thanks to the MIS, the Empretec programme can now rely on a verified and solid international database of Empretec companies and participants, on a continuously updated roster of national trainers, and on initial data for: (a) assessing the performance of the Empretec Centers and (b) monitoring the impact on the beneficiaries (both qualitatively and quantitatively).

275. In 2003, the MIS has required, and will still require, constant and continuous efforts by the team in Geneva in order to: keep the system updated; verify data on a daily basis; solve technical problems and provide continuous troubleshooting assistance to the national counterparts; provide installation packages and train local operators whenever a new national programme is installed; encourage accurate and continuous data collection and the commitment of all the country-programme directors.

276. Additional core activities undertaken in 2003, as recommended by the external evaluation, include:

- circulation of two newsletters to all the Empretec/Empretec Centre directors and to bilateral and multilateral donors highlighting the developments and different aspects of the programme (also available on [www.empretec.net](http://www.empretec.net));
- preparation of different reports on outreach, performance and impact assessment to be presented to donors and representatives of other international organizations (especially in the framework of the Donors Committee for SME Development), and to be circulated among programme directors to identify success stories and diffuse best practices;
- organization of a briefing of the EMPRETEC programme as a side event of the Commission on Enterprise, Business Facilitation and Development, Seventh Session, held in Geneva in February 2003 (this proved to be a useful session and delegates insisted that a slot for EMPRETEC be reserved in the agenda of the 8th Session of the Commission);
- organization of two Annual Directors Meeting in November 2003 (Buenos Aires, Argentina and Accra, Ghana) to formulate new strategies for entrepreneurial development and to motivate the directors of Empretec National Centres to attend UNCTAD XI;
- development of new products and services related to the business linkage model and to the training of women entrepreneurs (respective training programmes were completed and tested in Ethiopia and Uganda,<sup>2</sup> and fact-finding mission for assessing the modalities of their transfer were undertaken to Romania, Brazil, Morocco, Jordan);

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<sup>2</sup> In particular, Enterprise Ethiopia and Enterprise Uganda conducted sensitization training for their staff, trainers and business counsellors so as to be more aware and sensitive to the specific issues effecting women entrepreneurs. Measures were implemented to reduce the barriers of accessing BDS and subsequently, the number of women entrepreneurs participating in business development training and services was significantly increased. A number of specific business development courses were developed and training was provided to a total of 250 beneficiaries. Of

- initiation of a study of the Business Development Services (BDS) market in Morocco, in cooperation with the French Ministry of Foreign Affairs, the Austrian Ministry of Foreign Affairs and the Swiss Ministry of Foreign Affairs; and
- preparation of a script in English and Spanish for the realization of an Empretec international video to be launched at UNCTAD XI; identification of a film director for the final editing; sensitization of programme directors worldwide; provision of technical guidelines to homogenize their image contributions.

277. Finally, table 4 summarises the status and evolution of all existing national Empretec country programmes since their inception. It also includes the group of countries where the Empretec programme has not been installed yet, but formal requests have been received at UNCTAD headquarters, or where negotiations are being undertaken to finalise the project documents and identify potential donors.

#### **(d) Science and Technology Diplomacy Initiative**

278. *Development context:* Advances in science and technology have become drivers in international relations, and knowledge of trends in key fields is a prerequisite for effective international negotiations. New forms of international diplomacy are emerging to deal with a number of issues where science and technology play a central role. These issues include infectious diseases, environmental degradation, electronic crimes, weapons of mass destruction, and the impacts and applications of new and emerging technologies, most notably biotechnology. The influence and effectiveness of diplomats and international civil servants increasingly depend on the extent to which they can mobilize scientific and technical expertise in their work.

279. New and emerging technologies, especially biotechnology and information and communication technologies, offer an excellent opportunity for developing countries to narrow the development gap with the industrialized countries. However, there is a considerable concentration of technology and technological know-how in a limited number of countries and large transnational corporations. This makes many developing countries dependent on technology transfer.

280. The fourth WTO Ministerial Conference recognized this challenge and set up a Working Group on Trade and Transfer of Technology. The aim of the Working Group is to provide the General Council with recommendations on ways to improve the flow of technologies to developing countries. Successful participation in the Working Group, as well as in other international forums, demands a greater understanding by trade diplomats and policy makers of the scientific and technological underpinnings of trade, investment and environmental issues.

281. To help decision makers acquire the knowledge needed to participate effectively in international negotiations, UNCTAD, in collaboration with the Science, Technology and Innovation Program (STI) at Harvard University's School of Government, established a Science and Technology Diplomacy Initiative. The Initiative was developed in accordance with Resolution 2001/31 of the United Nations Economic and Social Council (ECOSOC), adopted in July 2001, following recommendations of the United Nations Commission on Science and Technology for Development (UNCSTD) adopted at its fifth regular session and in consultations with the Secretary-General of UNCTAD.

282. *Objectives/features:* The main objective of the Science and Technology Diplomacy Initiative is to help trade diplomats, especially Geneva-based ones, deepen their knowledge and understanding of the scientific and technological underpinnings of trade, investment and environmental issues in order to participate more effectively in international negotiations that have a science and technology component.

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these, some 95 women entrepreneurs received business counselling and follow-up services. It also assisted 22 women entrepreneurs through a tailor made business linkage training workshop.

**Table 4.**  
**EMPRETEC status and evolution**

	<b>Empretec Project Phase</b>	<b>Countries</b>
<b>UNDER IMPLEMENTATION</b>	<b>Phase I:</b> Request for an Empretec project and initial discussions	Algeria, Azerbaijan, Cambodia, Cape Verde, China, Cuba, Dominican Republic, Estonia, Guinea Bissau, Haiti, Islamic Republic of Iran, Latvia, Lithuania, Malta, Mauritania,* Rwanda, Sao Tome and Principe, Sudan, United Republic of Tanzania,* Thailand, Togo,* Viet Nam
	<b>Phase II:</b> Programming mission, consensus with Government, identification of counterpart, drafting of project document	Angola, Bolivia, Burkina Faso,* Costa Rica, Ecuador, Honduras, Lebanon, Malawi,* Mexico, Nicaragua, Peru, Russian Federation, Tunisia
<b>OPERATIONAL</b>	<b>Phase III:</b> Recruitment of staff, including the director, establishment of Advisory Board, installation of project, initial Entrepreneurship Training Workshop (ETW)	Benin,* Cameroon,* Democratic Republic of the Congo, Mauritius,* Morocco, Paraguay.
	<b>Phase IV:</b> Operationalization of full project, putting in place basic training and services, certification of local trainers, setting up a national association	Guyana, Jordan, Palestinian Territory, Mozambique,** Namibia,* Nigeria,** Senegal,* South Africa,* Uganda*
	<b>Phase V:</b> Maturity of project, offering customized training and other services, progress toward financial self-sustainability, establishing of legal entity (e.g. foundation, trust)	Argentina, Botswana,* Brazil, Chile, Colombia, El Salvador, Ethiopia,** Ghana, Guatemala, Panama, Romania, Uruguay, Venezuela, Zimbabwe
* Through the Enterprise Africa Programme (UNDP) ** Through joint UNCTAD, Enterprise Africa Programme (UNDP) effort		

283. **Outputs/results:** DITE continued to develop its Science and technology Diplomacy Initiative, which was launched in 2002. The following policy dialogues were held in 2003:

(i) *Policy Dialogue on Biotechnology Applications and Trade*

284. Dialogue addressed opportunities and challenges biotechnology presents to developing countries. The policy dialogue highlighted the key issues in the application of biotechnology to the main areas of agriculture and health in developing countries. It also examined the trade-related issues and the legal and regulatory regimes in biotechnology and their implications in meeting the priority needs of developing countries.

*(ii) Policy Dialogue on Proposal for an International Science and Technology Treaty*

285. Dialogue identified ways and means to stimulate and accelerate existing bilateral flows of scientific and technological knowledge within the developing countries, and between the developed and developing countries. The policy dialogue discussed the proposal for an international treaty, which could expand the existing bilateral process into a global process, and strengthen commitments to science and technology through science education and knowledge sharing, particularly among developing countries.

*(iii) Policy Dialogue on GMOs adoption and trade: Policy options for developing countries*

286. This Policy Dialogue focused on the safety and ethical implications for altering genetic structure and characteristics of living organisms, including plants and animals. It discussed the policy options available to developing countries, as well as the different opinions on the suitability of adopting and trading in GMOs.

**Table 5.**  
**DIVISION ON INVESTMENT, TECHNOLOGY AND ENTERPRISE DEVELOPMENT**  
*(in dollars)*

<i>Project number</i>	<i>Short title</i>	<i>Duration</i>	<i>Source of fund</i>	<i>Total budget</i>	<i>Cumulative expenditures</i>	<i>Expenditure 2003</i>
<b>Investment Issues Analysis</b>						
INT/96/A20	Policy-oriented case studies on interlinkages between foreign direct investment, trade and technology .....	1996–	Netherlands, Hong Kong (China)	421 063	378 002	15 187
INT/97/A12	Feasibility studies on the creation of private risk capital funds for LDCs .....	1997–	Norway	135 600	118 276	5 133
INT/97/A26	Multilateral framework on investment .....	1997–	Multidonors	2 355 255	2 028 178	-136
INT/98/A36	World Investment Report.....	1998–	Norway	476 759	424 578	8 078
INT/98/A37	Building capacity in the least developed countries to attract foreign investment through venture capital funds	1998–	Norway	133 000	93 092	14 409
INT/98/A40	Investment Guides and capacity building for least developed countries (LDCs) .....	1998–	Multidonors	1 700 757	1 019 146	269 278
INT/99/921	Needs assessment to attract Asian FDI investment to Africa (Phase I) .....	1999–	UNDP	324 608	251 214	24 806
INT/99/A71	World Investment Report.....	1999–	Sweden	200 233	177 019	5 999
INT/00/942	Strengthening of South-South Investment Cooperation ..	2000–	UNDP	307 639	306 770	-869
INT/0T/2BA	Investment policy reviews in five LDCs .....	2002–	Germany	245 500	214 546	133 191
INT/0T/2BC	World Investment Report 2003 .....	2002–	United Kingdom	266 121	150 931	150 931
INT/0T/2CW	Development and Dissemination of Selected Data on FDI and the Operations of Transnational Corporations ...	2003–	Multidonors	202 372	66 706	66 706
RER/95/A02	Raising awareness of foreign direct investment issues in Poland.....	1995–	Poland	13 000	8 000	-228
INT/03/X44	Trade and Globalization.....	2003–	Italy	16 371	16 371	16 371
	<b>Total Investment Issues Analysis .....</b>			<b>6 798 278</b>	<b>5 252 829</b>	<b>708 856</b>
<b>Investment Policies and Capacity-Building</b>						
ALG/02/007	Examen des politiques de l'investissement d'Algérie.....	2002–	UNDP	258 123	185 828	161 430
BEN/02/001	Examen des politiques d'investissement du Bénin .....	2002–	UNDP	67 500	48 688	48 688
BOL/99/A72	Strengthening investment promotion – Implementation of the National Investment Promotion Strategy .....	2000–	Switzerland	953 773	545 271	242 619
BOT/01/003	Investment Policy Review of Botswana .....	2001–	UNDP	65 001	63 687	6 439
BOT/02/001 <sup>a</sup>	Advisory services and capacity building in investment promotion .....	2002–2003	UNDP	220 000	69 022	69 022
BOT/02/001	Advisory services and capacity building in investment promotion .....	2003–	UNDP	137 252	361	361

*(for note see end of table)*

**Table 5. (continued)**  
**DIVISION ON INVESTMENT, TECHNOLOGY AND ENTERPRISE DEVELOPMENT**  
*(in dollars)*

<i>Project number</i>	<i>Short title</i>	<i>Duration</i>	<i>Source of fund</i>	<i>Total budget</i>	<i>Cumulative expenditures</i>	<i>Expenditure 2003</i>
CMB/02/012	Investment Guidelines and Capacity Development .....	2002-	UNDP	71 650	63 739	54 417
COL/02/014	Investment Policy Review of Colombia.....	2002-	UNDP	43 000	34 240	34 240
DJI/00/001	Etude pour l'implantation de zones franches commerciales, industrielles et de services à Djibouti .....	2000-	UNDP	70 800	68 097	27 072
ECU/0T/1BU	Improving Ecuador's Investment Framework and designing an investment promotion plan .....	2001-	Switzerland	211 000	166 748	43 453
GHA/00/004	Investment Policy Review of Ghana .....	2001-	UNDP	95 000	94 366	2 565
JOR/98/008	Competitiveness study and action plan on investment promotion for Jordan's minerals sector .....	1999-	UNDP	120 001	109 001	20 966
LEB/02/014	Strategy development and institution building of the investment development authority, Lebanon .....	2002-	UNDP	70 000	52 418	40 298
LES/02/002	Investment Policy Review of Lesotho.....	2002-	UNDP	40 000	31 400	16 400
NEP/01/014	Investment Policy Review of Nepal .....	2002-	UNDP	153 921	123 384	54 614
ROM/0T/1CZ	EMPRETEC Phase I - Romania .....	2002-	Romania	263 673	180 276	8 322
SAU/00/009	Modernization of the legal and fiscal framework for foreign investment and capacity building for Saudi Arabia General Investment .....	2000-	UNDP	54 194	53 926	-268
SRL/02/008	Investment policy review of Sri Lanka .....	2002-	UNDP	178 000	177 628	177 628
INT/93/A44	United Nations Trust Fund on Transnational Corporations ..	1993-	Multidonors	2 524 347	2 307 028	6 490
INT/97/A44	Quick response window for ASIT .....	1997-	Switzerland	1 643 989	693 056	171 867
INT/99/A11	Support to the World Association of Investment Promotion Agencies (WAIPA) .....	1999-	WAIPA	278 395	234 104	50 984
INT/99/A33	Micro-Bank .....	1999-	Luxembourg	709 709	678 182	80 789
INT/99/A34	Cross-border Environmental Management in TNCs ...	1999-	Denmark	100 000	99 522	19 657
INT/99/A37	Support to WAIPA in providing a forum for exchange of experiences among investment promotion agencies ...	1999-	Ireland	183 398	147 987	-426
INT/03/X08	Investment Promotion.....	2002-	Germany	107 472	46 797	46 797
INT/0T/0BG	Capacity building on international investment agreements ..	2000-	Multidonors	3 560 589	2 343 727	796 730
INT/0T/1BH	Trips and Development Capacity Building .....	2001-	United Kingdom	497 200	446 089	83 507
INT/0T/1BM	Accountancy Development in Developing Countries and countries with Economies in Transition .....	2002-	Multidonors	208 817	174 775	109 705
INT/0T/1BN	Capacity Building in Investment Promotion .....	2001-	France	343 502	91 855	55 735
INT/0T/1CH	Capacity Building on Good Governance in Investment Promotion .....	2001-	Sweden	700 474	508 940	189 375
INT/0T/1CK	Globalization, Liberalization and Sustainable Development PHASE II .....	2002-	Belgium	715 374	595 997	443 461
INT/0T/2CO	Promoting and Facilitating Foreign Direct Investment in Least Developed Countries.....	2002-	Italy	494 966	38 246	38 246
INT/0T/3AO	Support to the UNCTAD/ICC Investment Advisory Council.....	2003-	Norway, Germany	99 037	64 036	64 036
INT/0T/3BH	Integrating IPR Policies in Sustainable Development Strategies.....	2003-	DFID	248 600	41 311	41 311
RAF/94/A38	Développement de marchés des assurances compétitifs .	1994-	Luxembourg	1 309 858	1 183 357	30 466
RAF/02/013	TICAD support to regional policies for private sector development in Africa .....	2003-	UNDP	27 000	25 086	25 086
INT/03/X08	Investment Promotion.....	2003-	Netherlands	82 477	82 477	82 477
INT/00/X38	Investment Promotion.....	2003-	Germany	59 837	59 837	59 837
ROA-2106(K)	Developing countries to attract and benefit from international investment .....	2002-	Development Account	950 000	830 482	547 259
<b>Total Investment Policies and Capacity-Building .....</b>				<b>17 917 929</b>	<b>12 760 971</b>	<b>3 951 655</b>

(for note see end of table)

**Table 5. (concluded)**  
**DIVISION ON INVESTMENT, TECHNOLOGY AND ENTERPRISE DEVELOPMENT**  
*(in dollars)*

<i>Project number</i>	<i>Short title</i>	<i>Duration</i>	<i>Source of fund</i>	<i>Total budget</i>	<i>Cumulative expenditures</i>	<i>Expenditure 2003</i>
<b>Technology and Enterprise</b>						
GUY/01/002	EMPRETEC Guyana .....	2003–	UNDP	55 447	35 117	35 117
IRA/03/007	The Science, Technology and Innovation Policy Review...	2003–	UNDP	101 628	101 628	101 628
INT/96/A31 <sup>a</sup>	Promoting an integrated approach to SMEs development and joint ventures in developing countries	1996–2003	Italy	358 721	317 452	-998
INT/96/A59 <sup>a</sup>	Commission on science and technology for development ....	1997–2003	Netherlands	409 298	392 169	-3 744
INT/98/A33	Mediterranean 2000 .....	1998–	Italy	3 471 686	3 017 784	421 616
INT/0T/2AU	Special trust fund for activities of sciences and technology for development .....	2002–	Multidonors	45 168	16 036	4 328
INT/0T/2BB	Strengthening women entrepreneurs in selected LDCs in Africa .....	2002–	Germany	245 500	220 669	106 517
INT/0T/2BU	Expert Meeting on Improving the Competitiveness of SMEs through Enhancing Productive Capacity: Financing Technology .....	2002–	Norway	26 932	19 004	114
RLA/96/A37	Empresa y tecnología para el siglo XXI (EMPRETEC) .	1996–	Spain	773 658	758 898	12 222
RLA/96/A43	Expert for EMPRETEC .....	1996–	Spain	130 000	121 806	1 632
<b>Total Technology and Enterprise .....</b>				<b>5 618 038</b>	<b>5 000 563</b>	<b>678 432</b>
<b>DIVISION TOTAL .....</b>				<b>30 334 245</b>	<b>23 014 363</b>	<b>5 338 943</b>

<sup>a</sup> Project which had been “operationally but not financially completed” or “completed” in 2003.

<sup>b</sup> Annual budget.

## **D. Division for Services Infrastructure for Development and Trade Efficiency**

### **1. Trade logistics**

#### **(a) Advance Cargo Information System (ACIS)**

287. ACIS addressed its main challenge namely to search funding for converting the current DOS-based environment of the RailTracker module into a Windows-based and Web-based application. This conversion would allow easy access to operational data for managers using reporting tools and beneficiary organizations in-house IT departments to develop additional functionalities with any development platform. The conversion is seen as vital to align the RailTracker module with the other two, PortTracker and RoadTracker, which are already developed on a Windows platform that is in line with current global software development practice.

288. Further ACIS capabilities to serve tactical and strategic managerial needs would result of the upgrading of all modules to the Standard Query Language (SQL) feature. The use of commercial relational databases and free open source systems is also envisaged in the development process.

289. **Development context:** Inefficient transport systems have a major negative impact on economic development; this results in exorbitant transport costs, delays, pilferage and eventually loss of markets for export goods or increased prices of import goods. ACIS is designed to make transport systems more efficient by providing the required information on goods and transport equipment.

290. **Objectives/Features:** ACIS provides operational and financial information so as to increase the transparency of the transport sector and enable management to identify problems with a view to finding solutions. The information provided to the shipper “live” gives the whereabouts of cargo, and the information provided to the operational management increases the efficiency of the network. Medium- and long-term investment planning is enhanced through the aggregate statistics and performance indicators automatically produced by ACIS.

291. The ACIS modules respectively track cargo on rail, at ports and on roads and can be installed on any relevant transport network and in different languages.

292. **Outputs:** The first phase of the implementation of PortTracker in the port of Bandar Abbas in the Islamic Republic of Iran was successfully completed and a second phase was agreed at the last tripartite Review Meeting in February 2003, namely to introduce SQL into the Windows-Web based module. After a one month training and development session held in Paris in September 2003, all activities were suspended due to financial problems encountered by the Port and Shipping Organization.

293. The RailTracker system of the National Railways of Zimbabwe has been upgraded to the latest version and the network installed up to Bait Bridge Railways to prepare for a connection with South African Railways (SPOORNET).

294. The RailTracker system of the National Railways of Congo (SNCC) has also been upgraded, operational staff trained and the network installed to connect SNCC with Zambian Railways. Configuration of the Communication via Satellite (VSAT) to link remote stations is still pending due to contractual problems between SNCC and the telecommunication service provider.

295. At the request of the United Nations Economic Commission for Africa (UNECA) in Kigali and on behalf of the Rwandese Trading Community, two feasibility studies were jointly undertaken by UNCTAD experts in May 2003: (1) to install a messenger service in Rwanda to allow Rwandese operators to access information provided by RailTracker along the Northern and Central Corridors, and (2) to install the RoadTracker system on international roads trading with Rwanda from Mombassa (Kenya) and Dar-es-Salaam (Tanzania). The respective reports with draft proposals for technical assistance activities and corresponding budgets were submitted to UNECA in Kigali. UNCTAD is awaiting further action/decision on these studies.

296. **Results:** Following the Stakeholders' Consultative Forum convened by COMESA in Lusaka, the fifteenth Meeting of the Council of Ministers (Khartoum, 13–15 March 2003) endorsed the recommendations made and requested an immediate second phase of the ACIS project that would benefit all member countries of COMESA.

297. The RoadTracker module is gaining importance. The ECA Centre for Land-Locked Countries in Kigali has received the final report of the two feasibility studies undertaken by UNCTAD experts. The secretariat of UEMOA requested a preparatory mission to install the system in its member countries; this proposal was validated at a meeting in Accra (Ghana) in November 2003 and endorsed by ECOWAS for further extension to all their member countries. Discussions for installation of the ACIS system in Pakistan are being pursued.

**(b) Transport and trade facilitation**

**(i) Trade and transport sectors**

298. **Development context:** In the areas of transport and trade facilitation, UNCTAD's technical cooperation activities aim at establishing a favourable domestic environment for international trade transactions, based on effectively implemented international instruments, recognized best commercial practices and common standards. These activities recognize the critical importance of border crossing points, which are key locations where discrepancies between buyers' and sellers' domestic trade environments are being exacerbated.

299. A vital aspect of development is the ability to trade competitively in the world economy. Efficient transport services are a prerequisite for reaching overseas markets, as the incidence of freight and insurance costs is particularly high for developing countries' exports and a decisive factor in determining the marketability of those countries' goods.

300. UNCTAD's technical cooperation not only identifies the required improvements to the physical features of existing transport networks, but also proposes specific actions to make the best use of available trade- and transport-related assets, eliminating wherever possible any barrier that might increase the transaction costs and create unnecessary delays. This includes improving the performance of transport operators and auxiliary services, changing the commercial behavior of traders, harmonizing administrative and commercial procedures and documents, reviewing the legal framework and introducing innovative relations between public institutions and transport providers and users of international trade and transport.

**Output/results/impact:**

301. **Nepal: Promotion of trade and transport sectors.** In early 1998, His Majesty's Government (HMG) of Nepal initiated the implementation of a \$28.5 million infrastructure development project. To complement this development project and secure the best use of the future installed capacity, HMG requested UNCTAD to execute a technical assistance project aimed at the promotion of the trade and transport sector of Nepal. The foreseen duration of the project was 36 months. In fact, the project terminated at the end of September 2003.

302. The principal development objective of HMG's Multimodal Transit and Trade Facilitation Project is to reduce transport costs associated with Nepal's imports and exports. A second set of project objectives aim at streamlining trade and transit procedures and at improving the efficiency and organization of transit trade documentation and data exchange. This includes the modernization of the customs clearance process at the three border points with India. The project has been structured into three components: the Multimodal Transport and Trade Facilitation component, the ACIS component and the ASYCUDA component.

303. By early 2001, the construction of three Inland Clearance Depots (ICDs), located at Birgunj, Biratnagar and Bhairahawa was completed. To initiate operations, two closely linked issues had to be tackled: one related to the selection of a Terminal Management Company (TMC) to operate the Birgunj

ICD; the other was the settling of transit agreements between HMG and the Government of India, covering railway operations/services between Indian ports and the ICD and border-crossing procedures. HMG entered into an international tender for a TMC, but this tender was delayed because negotiations on transit agreements could not be concluded.

304. This situation continued up to the end of September 2003, date of closing of the World Bank credit. As a result, UNCTAD's activities related to the marketing of ICD services and the final installation of ACIS in the Birgunj ICD premises could not be performed. The implementation of ASYCUDA continued as programmed at the two other ICDs but its installation and operation in the Birgunj ICD, as well as the interconnection of the three ICDs with Customs Headquarters in Katmandu could not be achieved.

305. **Pakistan: Promotion of trade and transport sectors.** The World Bank-funded Trade and Transport Facilitation Project (TTFP) of Pakistan was designed as a follow-up to an earlier UNCTAD-executed project (1994), which resulted in identification of an outline work programme for facilitation in Pakistan. Although the TTFP project document was originally signed between the Ministry of Commerce of Pakistan and UNCTAD in 1999, the World Bank loan was granted only in the spring of 2001.

306. The implementation of the project activities started in late August 2001. However, the events of 11 September and subsequent related security incidents delayed the Project Mobilization Workshop and the first TPR meeting up to February 2002. Furthermore, in view of the October 2002 legislative elections, the project activities were refocused and reprioritized, and the project implementation time frame was accelerated, at the request of the Government.

307. Despite these adverse circumstances and difficulties, TTFP was able to achieve encouraging results in a number of important areas. The most successful project achievements are summarized below:

- Development and successful implementation of Goods Declaration Form and Ship Clearance Documents – a step towards simplification of documents in Pakistan;
- Draft transport legislation prepared and discussed with stakeholders to facilitate its enactment;
- Development of minimum standards of professional qualifications and standard trading conditions for the freight forwarders;
- Project Mobilization Workshop (February 2002) and Final Trade Facilitation Project Conference (December 2003) successfully held;
- Introduction of modern documentary credit procedures in the banking sector was carried out successfully;
- Substantial support provided to the NTTFC's Secretariat to improve its capacity to deal with trade and transport facilitation matters in Pakistan;
- Training of more than 1500 persons in various workshops, seminars and training sessions, as well as a number of awareness activities leading to creating awareness of trade facilitation issues among the trade; and
- Various analytical studies and reports containing concrete recommendations in line with the project objectives submitted to the Government, including the study on Trade Facilitation and Competitiveness in Pakistan, and on Trade Security in Pakistan (strategy and work plan).

308. The TTFP project intends to continue its activities through 2004.

309. **Afghanistan: Customs Modernization and Trade Facilitation project:** Since June 2003 UNCTAD has been closely involved in the preparatory phase and design of the Customs Modernization and Trade

Facilitation project in Afghanistan, in close cooperation with Transitional Islamic State of Afghanistan (TISA), the World Bank, UNOPS and other development partners.

310. To this end, UNCTAD carried out the two fact finding missions in Kabul (June and October 2003) and participated in the first Project Planning Workshop in Kabul (January 2004) to prepare and finalize a project work plan for the first 18 months with the national counterpart, co-financing donors and implementation partners.

311. This World Bank funded project will be implemented by the Afghanistan Customs Department of the Ministry of Finance, in close cooperation with the Ministry of Commerce, over a period of 3,5 years.

312. The key objective of this project is to increase Government revenues from Customs through: (a) better administration and collection of existing customs revenues; and (b) facilitating trade and transit to increase the customs revenue base.

313. In the framework of this project, UNCTAD will provide technical assistance to TISA, covering the following two areas:

- Installation of the UNCTAD ASYCUDA system within the Afghan Customs Department; and
- Implementation of trade and transport facilitation measures covering in particular: transit agreements, transit transport corridor arrangements between Afghanistan and its neighbours; trade and transport documents and related legislation; accession to the TIR convention.

314. The project implementation is expected to start in the first Semester 2004.

315. ***Economic Cooperation Organization (ECO): Introduction of international multimodal transport operations in the ECO region:*** UNCTAD initiated, jointly with ESCAP, a project covering both Multimodal Transport and Trade Facilitation issues for the Economic Cooperation Organization (ECO) member countries. This project is being implemented within the framework of an initiative to strengthen cooperation between the ECO and UNCTAD in building capacity in the area of trade efficiency and cooperation. The Islamic Development Bank is financing the Trade Facilitation component. The joint ECO/IsDB/ESCAP/UNCTAD execution continued in 2003 with the review of two additional national country studies of the ECO region prepared by local ECO-recruited consultants. These reports and its recommendations have been reviewed by involved institutions and have been reflected in the consolidated report by international consultant. The ECO secretariat circulated these reports, for revision and comments, in their original language to concerned institutions and stakeholders.

316. On the basis of the 8 studies made available (out of 10 ECO Member Countries), a region-wide consolidated report was prepared, in 2003, by an UNCTAD-recruited international consultant. This report addresses a number of relevant issues and put forward recommendations for discussions at a project workshop to be convened in the first semester 2004. It is expected that this workshop will identify possible cooperative action among the ECO Members to further strengthen cooperation in the area of trade facilitation, and that it will also provide orientations regarding the coverage of multimodal transport and logistics issues within this cooperation.

317. ***Developing practical tools to assess Trade Facilitation needs and priorities in LDCs:*** With funding from the Government of Norway, UNCTAD initiated an 18-months project aimed at providing stakeholders in Least Developed Countries with guidelines and analytical tools to assess their needs and priorities; to identify the actions to be taken towards the satisfaction of these needs and priorities; and to formulate their requirements in terms of technical assistance and capacity building in the area of trade and transport facilitation.

318. ***Support to trade facilitation platforms in developing countries:*** With funding from the Government of Sweden, UNCTAD initiated a 12-months project aimed at assisting developing countries in implementing specific trade facilitation institutional development mechanisms. At the end of the

project, it is expected that developing countries will have access to a road map for carrying out a feasibility analysis and defining the specifications of a trade facilitation platform supported, as required, by ICT tools, taking due account of their respective development dimension.

319. **Capacity building in trade and transport facilitation for landlocked and transit developing countries:** UNCTAD prepared a project proposal aimed at providing landlocked and transit developing countries with sustainable capacity to plan and implement regional trade and transport facilitation initiatives through local trade and transport facilitation clusters and partnerships in maritime, inland and border trading communities. This project will be financed from the Development Account (Fourth Tranche) and is expected to start during the first quarter 2004. As part of the project formulation, a preliminary assessment of the feasibility of trade and transport clusters development was undertaken and a draft proposal for the set-up of Trade and Transport Facilitation cluster was prepared.

**(ii) Training: Capacity building for officials in modern transport management techniques through cooperation with the World Maritime University**

320. **Development context:** The overall objective of the cooperation with the World Maritime University (WMU) is to contribute to the training of officials from developing countries to allow them to make planning and policy decisions that will improve the efficiency of their country's transport sector.

321. **Objectives:** The specific objectives focus on transfer of knowledge in the fields of container terminal development, equipment management, port tariffs, multimodal transport and legal aspects of transport.

322. **Features/outputs/results:** The activity, through the financial support of WMU, allowed secretariat staff to deliver training seminars over a period of about five workweeks over 2003 at the University in Malmö, Sweden. A total of about 60 officials from the transport ministries, shipping lines and port authorities of developing countries participate in the training each year. The officials have university degrees and in general have been working for at least five years in the transport industry. They have found the material very useful and a number of them have maintained contact with the secretariat after their graduation. This cooperation has been ongoing since the early 1990's and over 600 officials have been trained in these subjects. These activities are part of UNCTAD's work to make transport more efficient and facilitate trade of developing countries.

**(iii) Training: Strategic planning for senior shipping managers (Stratship)**

323. **Development context:** A vital aspect of development is the ability to competitively trade in the world economy. Efficient maritime transport services are a prerequisite for reaching overseas markets, as the incidence of freight and insurance costs is particularly high for developing 'countries' exports and a decisive factor in determining the marketability of developing countries' goods.

324. **Objectives:** The global shipping industry is characterized by rapid technology change, consolidation of companies, large capital investments, high risk and a critical demand for well-trained management. The goals of Stratship are to improve the performance of shipping management through human resource development. The mastery of Strategic planning techniques allows them to be more effective in the management of their shipping lines.

325. **Features:** Stratship workshops generally last three working days and are based on a mixture of presentations, case studies and a computer-based management game. The main purpose of the computer simulation is to reinforce the concepts developed in the workshop, create actual decision-making experiences and upgrade management skills in a competitive environment.

326. **Outputs/results:** To date 47 Stratship workshops have been delivered and about 930 participant national counterparts trained. Evaluations by participants continue to be very positive. Specific comments emphasize the usefulness of the training in strategic planning activities, increasing competitiveness and improving communication and staff motivation. Two of the shipping companies that have participated

have subsequently implemented strategies to modernize their fleet and focus on those areas of their activities offering the most potential for profitable growth.

## 2. The ASYCUDA Programme

327. **Development context:** The efficiency of the Customs administration is an essential part of a country's good governance policy. Customs departments have a wide range of responsibility, including assistance to the Government for dealing with national, regional and international policies associated with revenue collection and the combating of fraud. They have also to control the import of prohibited and restricted goods and to provide external trade data for Government analysis and planning. For a variety of reasons many administrations are unable to comply with their responsibilities and many areas are often neglected or poorly dealt with.

328. **Objectives:** The main objective of the Automated System for Customs Data (ASYCUDA) programme is the modernization of Customs, including the automation of the process for the clearance of goods. One of the ways in which it aims to achieve trade facilitation is by speeding up this clearance process through the use of information technology and the reduction and simplification of Customs documentation and procedures. It has also the objective of increasing State budget revenue through the computerization of the Customs tariff, thereby automatically calculating duties and taxes. As a complementary, but nevertheless important, by-product of processing Customs data, a further aim is to provide reliable and timely trade and fiscal statistics data to assist Governments in their economic planning and publication of trade results.

329. ASYCUDA technical assistance projects are established for implementation in the shortest possible time and within the institutional and environmental context of each administration. Project implementation activities include a comprehensive training package that allows for the transfer of ASYCUDA know-how and skills to national staff, thus ensuring that the programme can be sustained by the national administration.

330. **Features:** ASYCUDA++ is a computerized Customs management system covering the whole clearance process, from (and prior to) the arrival of the goods until their ultimate release after payment of duties and taxes. The system manages all types of procedures, such as import and export, as well as all other Customs regimes, including transit and warehousing. It has been designed to take into account international codes and standards established by ISO, WCO and the United Nations. It is EDIFACT-compliant, thus allowing for the electronic exchange of data. The system has the features expected from a modern Customs information system, based on risk management and including manifest control, transit, declaration processing, accounting and selectivity. It provides traders with a module that allows for the direct input of declarations, as well as an interface to permit the electronic data exchange between Customs and approved third parties, such as banks, the trader community or other government agencies.

331. **Implementation strategy:** The ASYCUDA Implementation Strategy has been developed and refined on the basis of more than 20 years' experience. Many current projects target the upgrading to ASYCUDA++ rather than new installations; these are named "migration projects". Most initial implementation projects are structured in three phases to ensure a low risk, cost-effective approach that provides for national long-term sustainability. The first, pre-installation phase requires an assessment of the current state of Customs, including procedures, legal aspects and organization. If necessary, the update of the legal environment is recommended. In the second phase, the system is configured in accordance with national regulations. This phase, known as the prototyping of the system, is followed by installation in one or two selected pilot sites, where the prototype is tested, together with the training of staff and the trading community. In the third phase the system is extended to the other Customs offices country-wide. The first two phases take approximately 18 months and the final phase between 6 and 12 months, depending on resources and the number of sites to be installed.

**(a) ASYCUDA++ migration projects**

332. As part of the programme initiative, it was decided to continue helping ASYCUDA users to upgrade to the latest release of the system, ASYCUDA++. This system offers enhanced functionality and modern architecture, improving the efficiency of Customs and preparing the trade community for a modern environment open to e-commerce. The programme is still facing a continuing number of requests for migration.

333. Migration projects include the same phases as those described above for the initial implementation of the system, but the process can be shortened as the recipient administrations are already used to computerization and fewer efforts are needed to achieve the installation of the new system.

334. *Impact, output and results:* The impact of ASYCUDA projects can be assessed by various institutional and trade facilitation benchmarks, including increased revenue, improved trade facilitation and shorter clearance times, and the availability of reliable trade statistical data. Some projects are more successful than others. An important factor is the willingness to change and the commitment and full support of the Government. Certain projects do not realize the full benefits of automation mainly because of resistance to the institutional and procedural reforms that the programme requires.

335. In 2003, there were more than 50 operational ASYCUDA projects with expenditures over \$7million. The ASYCUDA programme remains the largest technical cooperation programme within UNCTAD, encompassing over 80 countries and four regional projects. In 2003, projects were signed for the implementation of the system in Cameroon, New Caledonia, Barbados and Netherlands Antilles meanwhile several migration projects started in Burundi, Ethiopia, Haiti and Sudan.

336. Technical cooperation agreements were renewed with the COMESA and ECOWAS secretariats, allowing to the organization of various activities (e.g. training, documentation) and the provision of support at regional level.

337. Other countries that have recently implemented ASYCUDA ++ on a pilot site or that are using the system for several years started support projects with UNCTAD. Such technical assistance projects were signed or extended in Botswana, Lebanon, Namibia, Palestine and Yemen to provide the user countries with ongoing support or to assist them during the nationwide roll out of the system. Some of these countries, a number of which were candidates for accession to the European Union – Estonia, Latvia and Lithuania – directly financed these activities for the maintenance of their national system and the development of specific required functionalities.

338. *Project evaluation:* Post-implementation reviews and audits are part of normal ASYCUDA project activities. Independent evaluations including representatives from UNCTAD, WCO and other Customs Administrations are commonly undertaken. The latest external evaluation of an ASYCUDA project was done in November 2003 in Cape Verde by experts from the French Customs (DGDDI). The report indicated that the Customs automation project had been very successful, complete and that it increased considerably the efficiency of the National Customs Administration. The objectives of the project are fully met particularly regarding the connection of external users (implementation of DTI – Direct Trader Input) and the implementation of modern procedures such as an automated selectivity module. The evaluation team considered the project suitable as a model for replication elsewhere, assuming the necessary dedication of senior Customs officials and the Government.

**(b) ASYCUDAWorld**

339. In March 2002, UNCTAD officially launched ASYCUDAWorld, the new Web-based ASYCUDA system. This system is the latest result of a process that began when UNCTAD identified the first signs of the potential of the Internet in international trade, looking at how to reduce transaction costs by applying information technologies to every link of the trade transaction chain.

340. ASYCUDAWorld is likely to have a major impact on e-business and e-government transactions. These developments, combined with the fact that 85 countries around the world are already using the same Customs IT system, ASYCUDA, represent a formidable opportunity for using the Internet to make international trade simpler and cheaper whilst also making international markets more accessible to enterprises from developing countries.

341. ASYCUDAWorld builds upon the successful experiences of ASYCUDA++, which was designed to function in difficult telecommunications environments. Being Web-based, the ASYCUDAWorld system will allow Customs Administrations and traders to handle most of their transactions via the Internet.

342. The development of ASYCUDAWorld is in line with the traditional strategic objectives of UNCTAD as presented above and with the principles described below.

343. The investments previously made in Customs computerization using ASYCUDA must be preserved and in accordance with this principle, ASYCUDAWorld is being developed to co-exist with and operate in the environment of ASYCUDA++. New components will be fully compatible with modules developed in accordance with national requirements by the Customs Administration complementary to the ASYCUDA++ system. This approach allows the beneficiary countries to implement ASYCUDAWorld at their own pace and according to each individual country's technical decisions and resources.

344. The Customs Administrations in the beneficiary countries should have ownership of the system. UNCTAD considers the transfer of technical know-how to national Project Teams to be a priority. Combined with the facilities offered by new IT technologies this will allow national teams to adapt the system according to specific requirements while complying with international codes and standards.

345. ASYCUDAWorld takes full advantage of new IT technologies to ensure the implementation of new components in the Customs operational environment without any disruption of the current system.

346. ASYCUDAWorld continues to promote and to support the application of modern operational principles that all Customs Administrations target, such as effective management of the Customs clearance process, selective examination practice, trader compliance, secured payment schemes and control of trade routing to approved Customs clearance offices.

347. The ASYCUDAWorld platform is Internet-based, independent of the Relational Data Base Management System (RDBMS), independent of hardware platforms, scalable and resilient with regard to telecom breakdowns. It implements the concept of e-documents that reflect in the IT world the paper documents used currently and implement the required business processes. The selected technology will be particularly useful to countries where poor fixed-line telecommunications are a major problem for e-government applications. It is, however, powerful enough to accommodate the operational and managerial needs of Customs operations in any industrialized country as well.

348. At the end of the year 2003, a first project has been signed for the implementation of the ASYCUDAWorld system in the Republic of Moldova. The project activities will start during the first quarter of 2004, and the Customs Authorities of Moldova are already planning a Countries user meeting at the end of the year 2004 to present their national achievements, thus demonstrating complete support and commitment for the successful implementation of the system.

**(c) ASYCUDA website**

349. ASYCUDA homepage, [www.asycuda.org](http://www.asycuda.org), provides an overview of the system, and a presentation of its functionality and of the benefits to be expected by the Governments concerned. The public website provides the latest news in terms of Customs computerization and country-related information, editorial and pictorial, of the ASYCUDA projects worldwide. It also has links to the organizations working in the Customs domain such as the WCO and WTO. A secure area, the ASYCUDA Community, access to which is restricted to the user countries, contains technical and functional information relating to the system as well as discussion groups.

350. A website was created to provide information on ASYCUDAWorld. The homepage can be accessed through [www.asycuda.org/asyworld/](http://www.asycuda.org/asyworld/) and provides a comprehensive overview of the system, a presentation of its functionality and of the benefits to be expected by the Governments.

### **3. Information and training**

#### **(a) Capacity building on key issues on the international economic agenda**

351. *Development context:* The ability of developing countries, including least developed countries and countries with economies in transition to meet global economic and trade challenges depends on their enhanced capacity and improved understanding of key trade and development issues.

352. *Objective/features:* The objective of the project, pursuant to paragraph 166 of the Bangkok Plan of Action, is to strengthen the human resource and institutional capacity in developing countries, including least developed countries and countries with economies in transition so as to enable these countries to (a) gain a better understanding of the interrelated issues in the areas of trade, investment, finance and technology; (b) participate as effectively as possible in discussions and negotiations on these issues; (c) enhance local and regional training capacity in these areas; (d) establish the basis for a continuous and systematic form of training and capacity building at the international, regional and national levels and a network of expertise in developing countries and countries with economies in transition on these issues.

353. *Output/results:* In 2003, the secretariat organized the first of a three courses focused on Investment and Trade Facilitation with UNESCWA, Beirut 17–28 June 2003. About 18 candidates were selected from ESCWA member States. The second course was organized with the University of Mauritius from 26 January to 11 February 2004 for 25 trade officials and academicians from African member States, with the third course scheduled for Prague at the Economic University in July 2004. In the first two courses, regional perspectives were addressed with the participation of both ESCWA and ECA in the delivery of particular presentations and discussion groups. In both these courses, the simulation exercise “Competing for Foreign Direct Investment” was designed to ensure that the entire syllabus and particularly that on Investment and Development will allow participants a better understanding of what it takes to attract different types of FDI in a competitive environment for FDI while at the same time ensuring that FDI will influence economic and social developments in a desired direction. All trade officials and academicians expressed satisfaction that the two and half week course had provided them with useful tools to better analyze the current international economic agenda in mostly all the areas that the course covered. The third course in 2004 will be designed and delivered in Asia and the Pacific region.

#### **(b) Capacity building for trade support institutions (TSIs)**

354. Public and private trade support institutions (TSIs) in developing countries are the main source of trade related/business information and providers of international trade related consultation services and guidance for local small and medium-sized enterprises (SMEs). However, in many developing countries, in particular the least developed ones (LDCs), TSIs lack the necessary capacity to provide such services. As a result, local SMEs do not have adequate possibilities to receive appropriate information/guidance from the local TSIs, and, therefore, cannot take full advantage of opportunities available in international markets.

355. *Development context:* UNCTAD technical cooperation activities aim to strengthen the TSIs in developing countries, in particular their capacity to provide services to the local SMEs that would improve the readiness of SMEs to trade internationally and make their export/import operations more efficient.

356. *Objective:* The specific focus of the projects is to build or enhance capacities in developing countries to provide trade support and e-business services. This is being done through the transfer of knowledge on e-business, application of information and communication technologies (ICT) to trade, and other trade information services and tools.

357. **Output:** Through the projects “Narrowing the digital divide for SMEs in international trade and electronic commerce” financed by United Nations Office for Project Services (UNOPS) and “Strengthening the Capacity of the Trade Support Institutions” financed by the Government of Japan, UNCTAD organized six high-level capacity building events and other activities on e-business and trade information and the use of ICT as follows:

358. In Thimphu, Bhutan:

- Training Workshop on Trade Information Service and Tools at Bhutan Chamber of Commerce and Industry (BCCI) Bhutan) from 10 to 12 June 2003;
- E-Business Awareness Raising Seminar for Senior Decision Makers Tools at BCCI on 25 July 2003;
- E-Business Training Workshop for Managers Tools from 25 July to 1 August 2003; and
- Follow-up consultancy services for the Bhutan Chamber of Commerce and Industry aiming to assist the Chamber in the development of e-business services.

359. In Phnom Penh, Cambodia:

- Advisory mission from 3 to 14 April 2003;
- E-Business Training Workshop for Managers from 9 to 12 June 2003;
- E-Business Awareness Raising Seminar for Senior Decision Makers on 13 June 2003; and
- Training Workshop on Trade Information Services and Tools from 17 to 20 June 2003.

360. UNCTAD developed training manuals on e-business to be used in the above capacity building events and prepared a publication “Use of the Internet for efficient international trade – Guide for SME managers”, which will be published in March 2004.

361. Under the activities of “Nepal’s Accession to the WTO” project, financed by UNDP, UNCTAD organized capacity building activities to strengthen local TSIs, namely, the Trade Promotion Centre (TPC), the Federation of Nepal Cottage and Small Industries (FNCSI), the Kathmandu College of Management (KCM) and the Federation of Nepalese Chambers of Commerce and Industry (FNCCI):

- Seminar on export promotion and the role of trade points in Kathmandu on 18 June 2003; and
- Follow-up consultancy services for the above four TSIs.

**(i) Enhanced capacity of the TSIs**

362. Through the implementation of the above projects, the capacity of TSIs in respective countries was enhanced and the beneficiary TSIs started to offer new services:

- The Bhutan Chamber of Commerce and Industry (BCCI) significantly upgraded their website utilizing the trade information tools which we had provided through our project (see: <http://www.bcci.com.bt/links.htm>);
- BCCI also started to provide its first e-business services and consultancy for their SME members (See <http://www.bcci.com.bt/payservices.htm>.);
- With the contribution of UNCTAD’s consultancy services, the Ministry of Commerce (MOC), the Royal Government of Cambodia, upgraded their website using trade information tools

provided by the project (see: <http://www.moc.gov.kh/>). Both websites (BCCI, MOC) offer detailed information on the trade regulatory framework and other business information about the countries. They are functioning as one of the very few enquiry points for overseas/domestic professional users; and

- The Trade Promotion Centre (TPC, Kathmandu, Nepal) and the Kathmandu College of Management (KCM, Kathmandu, Nepal) successfully developed Trade Point services with the support of UNCTAD consultancy services.

**(ii) *Successful transfer of knowledge on on e-business, application of information and communication technologies (ICT) to trade, and other trade information services and tools***

363. Through the activities above, the project strengthened the capacity of Trade Information Officers (both from the government and the private sector) and SME managers in Bhutan, Cambodia and Nepal. More than 380 senior decision makers from the governments and trade support institutions, as well as managers of local SMEs benefited from the project capacity-building events.

**(iii) *Multiplier effects on the local business community***

364. Participants were carefully selected to retain only those who had regular contacts with local businesses. The skills and knowledge we had provided to them would be further transferred to the local SMEs through regular consultancy work.

**(iv) *Successful integration of the project research work and operational activities***

365. The projects also have a research component. UNCTAD conducted an extensive survey with more than 300 SMEs in the world to develop case studies on e-business success/failure. The outcome of this desk and field research was training manuals, which were used during the above six workshops and seminars held in Bhutan and Cambodia. These manuals were highly appreciated by all stakeholders. After having incorporated feedback from users, UNCTAD prepared a publication, "Use of Internet for Efficient International Trade – Guide for SME Managers" to be issued in March 2004 for wider circulation and follow-up activities. The publication will also be translated into Khmer in 2004.

**(c) *Human resources development***

366. ***Development context:*** The terms of foreign trade and its growth potential depend on well-run trade-supporting services, relying in turn on competent staff and officials to run them and coordinate performance at community level. Human resources development (HRD) is essential for improving these services and enabling opportunities provided by globalization to be seized. HRD in trade-supporting services is a key to growth.

367. ***Objectives/features:*** UNCTAD seeks the application of HRD policies for trade-supporting services and the establishment of local training capacity to provide the training and organizational change that such policies require. This is achieved through programmes for the creation or strengthening of local training institutions that will conduct their own capacity building to rigorous standards using modern technology and South-South cooperation for the most effective development of training capacity and programmes. Assistance to local training institutions to become more professional and to collaborate through networks is cultivated in three main areas: foreign trade and investment promotion within the TrainForTrade Programme, and port management within the Port Training Programme.

368. ***Output/Results:*** On the basis of the recommendations of the Advisory Group on the strengthening of UNCTAD training capacities and human resources development, the HRD section has worked towards an increased interaction between the HRD Section and other divisions and programmes; the establishment of a set of overall training indicators; and the reinforcement of the implementation of a distance learning strategy focusing on the least developed countries. Results will be presented at the second Advisory Group meeting in the form of statistics, a revised distance learning strategy and new training services.

(i) *TrainForTrade*

369. **Development context:** The capacity-building programme of TrainForTrade seeks to strengthen training capacities in developing countries in the fields of international trade, trade-related services, investment, and port management. The TrainForTrade strategy is based on the design of training materials through a rigorous methodology; a train-the-trainers approach; the use of modern distance learning tools and the establishment of networks among training institutions.

370. **Output/results:** A sub-regional project for strengthening training capacities in Benin, Burkina Faso and Mali has been implemented with two main aims: to develop local training capacities and to help recipient countries apply the capacities and knowledge acquired by facilitating institutional change.

371. During the period under consideration, five face-to-face workshops and two regional distance-learning seminars were organized in Benin, Burkina Faso and Mali. More than a hundred trainees increased their skills in the areas competition law and policy, trade and environment and practice of e-commerce. In addition, two TrainForTrade national instructors workshops were organized in Benin and Mali, to give pedagogical skills to future local trainers selected in previous workshops. At the request of the donor, the project was evaluated on the basis of established criteria verifying the relevance, coherence, effectiveness and efficiency of the project as its impact and sustainability. The project strategy was considered fully relevant and coherent with the needs of the beneficiary. The achievements were found to be qualitatively and quantitatively satisfactory. The impact and sustainability of the project was considered good since pedagogical, institutional and financial support was partially provided at national level. It was however judged that the extension of the project to a larger regional organization such as UEMOA or ECOWAS long-term regional would provide more stability.

372. TrainForTrade activities have also started in Asia with the launching of a new sub-regional project for building training capacities in Laos and Cambodia. Pedagogical steering committees are operational in both countries. They provide orientations on pedagogical issues and ensure implementation of annual plans of action. Two introductory distance-learning seminars were organized in Vientiane, the Lao People's Democratic Republic; Phnom Penh, Cambodia; Hanoi, Viet Nam; and Geneva in the field of trade negotiations. A generic CD-ROM to provide a common background for all countries was designed and issued. In close cooperation with the Commercial Diplomacy Programme (DITC Division), chat sessions were organized between trainers in Geneva and trainees in the field. Further training in the form of face-to-face seminars was delivered in both countries to share experiences and discuss specific issues.

373. Special focus has been given on developing pedagogical material for distance learning. A TrainForTrade module on the scope and definition of the international investment agreements was designed in French and in English. Two validation sessions were organized, in close cooperation with the International Investment Agreement Programme, DITE Division, in Alexandria, Egypt, and Pretoria, South Africa, respectively for French- and English-speaking African countries. Distance-learning activities aim at preparing the participants to face-to-face workshops, so as to ensure that participants had acquired the required level of background knowledge. The combination of distance-learning activities and face-to-face seminars was reported in order to shorten the duration of the workshops and give additional time for interaction and discussion among participants. It is planned that four additional distance learning modules will be developed in the coming months.

374. In the field of sustainable tourism, TRAINFORTRADE, through the Task Force on Sustainable Tourism for Development, has started activities for the design and development of a sensitization course on the potential of sustainable tourism as a tool for development for developing and least developed countries. The course will address various issues pertaining to sustainable tourism, from competition law to environment, to investment promotion, multilateral negotiations and the e-tourism. A special chapter will encompass the role of NGO's in promoting ownership at the national level. To this end, the Task Force attended the Second FITS (International Forum on Sustainable Tourism) organized in September 2003 in Marseille.

**(ii) Port Training Programme**

375. **Development context:** UNCTAD has developed a new training strategy with a view to increasing efficiency in port communities and to facilitating the exchange of goods in a continuous evolving environment. The approach is based on the available pedagogical material, on complementary specialized training, and on a virtual networking process between operators from different countries, UNCTAD experts and partners. The initiative was launched in May 2002 at the international Conference of Leixões, Porto, Portugal, where representatives from 27 countries endorsed the new training cycle on port management.

376. **Objectives:** The port training programme aims at enabling middle managers to acquire an overall understanding of port management and deepen their knowledge in specific areas. It allows them to appreciate the current and potential role of a modern port, to fully understand the customer's requirements, to master the essential day-to-day tasks and to acquire skills to perform the different functions effectively.

377. **Features:** The port training programme encompasses a major course on port management that are divided into two phases of four modules each. The first phase deals with the context and the framework of port activities, while the second one is focussed on the management and development of a port. Previously trained trainers ensure the delivery of this 310 hours course; international experts are only invited for specific themes.

378. **Output/results:** During the period under consideration, pedagogical committees were established in Angola, Cameroon, Cape Verde, Guinea, Togo and Tunisia. The course on "Modern Port Management for middle managers" was completed in Cape Verde (ports of Praia and Midelo), Togo (port of Lomé) and Tunisia (port of Tunis). Activities commenced in Guinea (port of Conakry), Cameroon (port of Douala) and Angola (port of Luanda). Participants evaluated the training at the end of each module. They reported that the course was very useful; it gave middle managers an overall view of the functioning of ports and could help them to take new responsibilities within port activities. This 310 hours training course was delivered in all countries by previously trained local trainers with the support of the ports of Dunkirk and Marseille, France, and Leixões, Portugal. Additional support to the trainers was also provided via Internet in thirteen chat sessions.

379. A train-the-trainers course on Modern Port Management (phase I) was organized during three weeks in Ghent (Belgium) for several English-speaking countries. The course addressed future trainers from Cambodia, Ghana, Kenya, Mauritius, Nigeria, South Africa and Tanzania. After the delivery of phase II, scheduled next year, the implementation of the port training programme in English speaking countries will commence.

**(d) The Trade Point Programme/World Trade Point Federation**

380. **Development context:** The World Trade Point Federation (WTPF) finds its origins in the former UNCTAD Trade Point Programme that was the operational component of UNCTAD's Trade Efficiency Initiative. It aims to increase the competitiveness of the disadvantaged players in international trade by helping them reduce their transaction costs. As such, it both draws on and provides useful feedback/empirical evidence to the analytical and intergovernmental work conducted by the Division. The initiative, in addition to the simplification and harmonization of trade procedures, puts special emphasis on the use of ICT in international trade.

381. **Objectives:** The main objective of the World Trade Point Federation is to facilitate the participation of small- and medium-sized enterprises (SMEs), in particular those located in developing and least developed countries, in international trade, by applying the most advanced Information and Communication Technologies. Using the services of the WTPF's members (the Trade Points), companies get access to trade-related information and a global information network, as well as advice on how to trade internationally, and hands-on experience with electronic commerce. The network of Trade Points, a

worldwide Internet-based network interconnecting all Trade Points, provides companies with enhanced international visibility on the web, as well as access to the WTPF's global system of trade leads called the Electronic Trade Opportunities (ETO) system.

382. **Outputs/results:** Following the signature of the formal contract between UNCTAD and the WTPF regarding the transfer of the ownership of the entire Trade Point Programme, including all the related rights and obligations on 4 November 2002, the secretariat focused in 2003 on the implementation of its new mandate, namely the strengthening of the WTPF and its over 120 member Trade Points located in more than 80 countries.

383. In this regard, the secretariat, with little or no financial and human resources, worked in close cooperation with the Steering Committee of the WTPF to execute the operational plan 2003 that was adopted at the WTPF's annual General Assembly meeting in Beirut in November 2002. The President of the WTPF remained in Geneva in order to provide daily guidance to the implementation of the operational plan and, in its function as official representative of the Federation, finalize many issues initiated by the secretariat.

384. The main *outputs/results* during the year were as follows:

**(i) Strengthening the World Trade Point Federation**

385. The Steering Committee of the WTPF and its Bureau have been working closely together through an effective system of decision making set up in the first year of the Federation's existence in 2001. Topics of discussion were strategic decisions on future directions of the WTPF, the selection of partners for the services that the WTPF intended to develop for Trade Points and their clients, issues related to membership and modification of documents further to the transfer of the ownership of the UNCTAD Trade Point Programme to the WTPF. In addition to electronic communication, the Steering Committee met twice in the course of 2003, namely in April in Geneva, and in December in Jamaica at the occasion of the annual General Assembly meeting.

386. The WTPF also started with preparations on a marketing and branding campaign in order to enhance its image and external relations network. In this context, branding guidelines were prepared and disseminated to more than 120 Trade Points and close follow-up was done with the latter to ensure proper implementation. Digital newsletters were prepared and disseminated to the WTPF's partners, goodwill Ambassadors and Trade Points, and permanent missions in Geneva were briefed regularly on the progress made. The 2003 edition of the *Trade Point Review* was prepared by four Trade Point Managers, who were responsible for content and design, and was disseminated in hard copy and CD-ROM formats at the WTPF General Assembly meeting in December 2003. Furthermore, steps were taken towards the creation of a promotional film on the WTPF.

387. In February 2003, the official launching of the website of the WTPF took place at UNCTAD. Over one hundred ambassadors, commercial attachés and representatives of permanent missions in Geneva, as well as, high-level representatives of partners of the Federation attended the event. Guests of honour such as UNCTAD's Secretary General, WTO and UN/ECE representatives at the level of Deputy Director General and Deputy Executive Secretary and Director Generals of private sector partners expressed their full support to the Federation's objectives. Intellectual property protection was obtained in Switzerland for the Federation's trademarks and logos in December 2003.

**(ii) Enhancement/development of services designed for Trade Points**

388. One of the main objectives of the WTPF was to facilitate the work of Trade Points and provide them with the tools they require to operate in a successful manner. In this context, rules and procedures were adapted to the new working environment for the creation of new Trade Points. For instance, modifications were brought to the terms and conditions document for Trade Points and models for legal statutes of Trade Points. In addition and further to the request of Trade Points, a guide to a Trade Point business plan was prepared and disseminated to about 20 Trade Points in the development phase.

389. One of the most important tools that was developed in 2003 are the 'Management Modules'. In a user-friendly manner, Trade Points are at present able to post, modify or delete information on their own Trade Point profile such as their address and the services they offer, as well as information on their country regarding 'world trade events', 'trade related sites' and 'trade library'. This tool is available online through a password protected area on the Federation's website. User guides and manuals were prepared and disseminated to Trade Points on the use of the 'Management Modules' as well as the Electronic Trade Opportunities Service (ETOs). All Trade Points at operational and development level were requested to make use of the 'Management Modules' and by the end of 2003, a lot of information was available online from Trade Points all over the world.

390. Furthermore, the WTPF, through its WTPF Web Task Force, developed the 'Integrated Trade Point website' whereby the Federation's website is integrated at local Trade Point websites. The concept consists of hosting Trade Points websites at the server of the Federation and integrating the services offered by the WTPF into the websites of Trade Points. This not only greatly reduces the operational costs of Trade Points and enables them to become fully operational in a faster and more efficient manner, but it also facilitates having up-to-date services at one single and unique place for enterprises. About 20 Trade Points from developed and developing countries were implementing this tool at the end of 2003 and received assistance as appropriate. The tool is available in English and Spanish.

391. Another important issue is the sustainability of Trade Points. In this context, the WTPF entered into partnerships with private firms that assisted throughout the year 2003 in the development of revenue generating services. Examples are the WTPF's Global Trade Directory Service (GTDS), under development by Siemens in Turkey and the credit rating services of the Coface Group, both to be launched during the first semester of 2004. These services will provide Trade Points, as well as the Federation, with a commission per registered client.

***(iii) Services for SMEs, clients of Trade Points***

392. Through the creation of the 'Integrated Trade Point website' tool as well as the implementation of branding guidelines, the level of homogeneity among Trade Points was increased in the year 2003. A strategy was developed to restrict access to a part of the information present online through the websites of Trade Points in order to allow the latter to strengthen their relationship with their member companies. This strategy is to be implemented in the first half of 2004.

393. Besides the revenue generating services mentioned earlier on, the Federation enlarged the number of services available on its website. It identified additional resources on commercial and trade-related information from its partners – UNCTAD, ITC, WTO, the World Bank and UNECE as well as the Centre for Promotion of Imports from Developing Countries (CBI), WorldInformation.com, Ernst & Young and the Coface Group.

394. Main services available online at the end of 2003 were (a) trade information (basic and enhanced profile of each country participating in the WTPF pertaining to the country's economy, economic sectors covering both goods and services, and useful contacts to providers of trade support services worldwide); and (b) the ETO system including a number of new features, such as the classification of opportunities by Harmonized System sectors, Trade Alert Service allowing clients to be advised of specific opportunities of the company's interest, advanced search engine, automatic translation tool (French, Spanish, Italian, Portuguese and Russian) and proposals for commercial, financial and technical cooperation. Moreover, information on events and exhibitions, interesting sites related to trade and a library containing electronic publications are available.

***(iv) Consolidation and expansion of the WTPF and its membership***

395. The WTPF developed a large number of tools and services for Trade Points and their clients over the last two years. In order to be able to assist Trade Points properly in their implementation and marketing, the Federation undertook fund raising activities in 2003. The Corporation of Andean Development (CAF) as well as the Government of France responded positively.

396. Over the year 2003, the WTPF saw an increase in its membership. New Government requests came from Africa for the creation of an antenna office in Bobo-Dioulasso in Burkina Faso and for Trade Points in the Americas, similar letters were received for the establishment of a Trade Point in Guatemala City and for one in Tlaxcala in Mexico. In the Asia/Pacific region requests came from Melbourne in Australia and Hanoi in Viet Nam where the Government wishes to establish a total of five Trade Point offices. From Europe, requests came for a new hosting institution for the Trade Point in Brussels, Belgium, and for a Trade Point in Avellino, Italy, as well as Belgrade in Serbia and Montenegro, Santiago de Compostela in Spain and Istanbul in Turkey. In addition, many inactive Trade Points reiterated their wish to become active members again. A marketing campaign was launched to involve new countries where no Trade Point was located. Positive feedback was received from countries in Central America, Europe and South East Asia. Official requests for the establishment of new Trade Points are to be expected in 2004.

397. In 2003, Trade Points from the same region were stimulated to work more closely together in the framework of a regional forum under the umbrella of the Federation. In this context, eleven Trade Points in Africa met in Pretoria, South Africa where an action plan was set up for the African Trade Point Forum. Chat groups were set up for the Inter-American Trade Point Forum. In addition, on a more individual level, Trade Points visited Geneva, and if funds allowed, missions were undertaken to a number of Trade Points in the Asia/Pacific region (Nepal and Thailand), the Americas (Argentina and Jamaica) and Europe (i.e. Belgium, France, Luxemburg, Slovenia, Turkey and Uzbekistan).

#### 4. Electronic commerce

398. Pursuant to United Nations General Assembly resolution 53/220, UNCTAD's activities concerning electronic commerce have been funded from the Development Account.

399. **Development context:** Developing countries continue to lag behind other countries in participating in electronic commerce. E-commerce and information and communication technologies (ICT) in general are recognized as powerful enablers of development and are expected to offer substantial benefits to developing countries. Hence, a growing number of developing countries are taking up the challenge of formulating and implementing national ICT/e-strategies to ensure that the new opportunities for creating, transforming, applying and exchanging information and value are used to improve the productivity of developing economies and their enterprises. The role of ICT in national development strategies and their implications for the competitiveness of the enterprises, has received growing attention in international forums such as the World Summit of Information Society (WSIS). In this light, international organizations, including UNCTAD, have continued to play a decisive role in assisting developing countries to enhance their participation in global trade.

400. **Objectives:** The objective is to strengthen the capacity of developing countries, including least developed ones and also countries with economies in transition, to promote e-commerce as a means of lowering transaction costs in production and in the exchange of goods and services.

401. **Output:** In 2003 the following activities were delivered:

##### (a) Development and maintenance of information exchange and policy analysis frameworks

402. The fourth annual report entitled "Electronic Commerce and Development Report 2003" (ECDR) was published in November 2003. It proposes policy-oriented analysis and various studies on the implications for developing countries of the adoption of e-commerce and ICT in order to assist them in their efforts to make greater use of ICT. The ECDR 2003 analyzes the effects of ICT on productivity, the key building block of national e-strategies, the development implications of open-source and free software and the use of online dispute resolution systems to solve commercial conflicts. It also focuses on the impact of ICT applications on selected economic sectors, such as business process outsourcing and the marketing of agricultural products, and showcases concrete examples of successful e-business developments in the developing world.

403. Since 2002, UNCTAD has been engaged in a series of regional meetings on e-commerce and ICT for development that aimed to inform developing countries on policy options available and foster regional cooperation. In 2003, UNCTAD organized three High-Level Regional Conferences: for Africa (Tunis, 19–21 June 2003) in cooperation with the Government of Tunisia; for Economies in Transition (Geneva, 20–21 October 2003) in cooperation with UNECE; and for Latin America (Rio de Janeiro, 25–27 November 2003) jointly with the Government of Brazil. The political Declarations adopted by beneficiary countries at these conferences proposed specific and concrete policy recommendations on ICT for development. They constituted a valuable outcome that was submitted to the first phase of the WSIS held in Geneva (10–12 December 2003). They also constitute useful elements for future action in this area in particular in the context of the preparation of the second phase of the WSIS (Tunis in November 2005). These conferences brought together policy makers and practitioners who had an opportunity to examine the different policy options for the development of e-commerce in their regions and, based on best practices, to identify key elements of national and regional e-strategies.

404. UNCTAD continued to actively contribute to the work of the UN ICT Task Force within several working groups established by the Task Force.

**(b) Expert assistance and advice provided to Governments on policy issues relating to e-commerce**

405. The following studies were undertaken by consultants as inputs into an annual publication, *E-Commerce and Development Report 2003*:

- ICT, the Internet and economic performance: Implications for developing countries
- online dispute resolution systems
- open-source and free software
- business process outsourcing.

406. A consultant contributed to a report addressing the issue of the measurement of e-commerce. The report was part of an issues paper for the Expert Meeting on Measuring Electronic Commerce as an Instrument for the Development of the Digital Economy (Geneva, 8–10 September 2003).

407. Resource persons participated in that Expert Meeting. The Meeting addressed the issues of collection of information on e-commerce in developing countries, in particular the development of core statistical indicators to benchmark performance and to monitor progress in the area of ICT and its application to economic activities in developing countries. It attracted around 100 participants from 40 countries, international organizations and the civil society. A key outcome of the meeting was a proposal to develop a set of key ICT indicators that should be collected by as many countries as possible. UNCTAD, in its work on providing policy guidance and advice to countries in the development of national ICT policies, was encouraged to promote the integration of e-measurement activities with national ICT strategies. As a follow-up to the meeting, experts asked the UNCTAD secretariat to establish an online forum that would allow them to continue their discussion and work towards an agreement on a list of priority indicators for ICT and e-business. This website was launched by UNCTAD in November 2003 and is available at the following address: *measuring-ict.unctad.org*.

408. In addition, and as part of UNCTAD's contribution to the first phase of the WSIS, a side event on "Monitoring the Information Society" was organized jointly by UNECE, UNCTAD, UNESCO Institute for Statistics, OECD, Eurostat and ITU (Geneva, December 2003). The event addressed the urgent need for data that reflect the deployment of ICT at the national and global levels, as a tool for monitoring, evaluation and benchmarking of the information society. It brought together representatives from national statistical offices, policy makers and analysts in the ICT area, discussing the following issues: (i) the role of ICT in economic and societal transformations, (ii) individual and household use of ICT, (iii) business use of ICT, and (iv) measuring social implications of ICT. As an outcome of the meeting, a number of recommendations were made on how to proceed the work until the next phase of WSIS.

409. Given the growing importance that developing countries pay to questions of ICT for development, a number of national requests dealing with the preparation and implementation of e-strategies were received by UNCTAD in 2003. At the request of Government of Lebanon, a draft action plan with recommendations related to the required legislative action and a technical assistance proposal to accommodate a secure banking and information network for Lebanon was prepared in February 2003.

410. As a follow-up to the request from the Government of Mauritania, UNCTAD participated to an international seminar on e-strategies in January 2003 and presented a project on e-tourism to the Mauritanian authorities and to donors. The Initiative on e-tourism was also presented, together with the support of the representatives from the Mauritanian Authorities, at the occasion of the High Level conference on South-South Cooperation, organized by the Group of 77 (Marrakech, December 2003). The Conference expressed support for the e-tourism initiative and invited member countries to participate.

411. Advice to Governments in the form of presentations and substantive participation was offered by UNCTAD staff members at the following e-commerce seminars, workshops and conferences:

- Armenia 2020 (Athens, May 2003)
- The role of international cooperation in the Information Society Development in CIS countries, organized by Regional Commonwealth in the field of Communications (RCC), (Saint Petersburg, July 2003)

**(c) Organization of training-of-trainers course**

412. A training course on legal aspects of e-commerce was developed in cooperation with TrainForTrade and delivered in Cambodia (Phnom Penh, April 2003). Sixteen government officials and representatives of professional federations were trained to better prepare themselves to take advantage of e-commerce with a view to preparing an enabling and supportive legal and regulatory environment for electronic commerce.

413. **Results/impact:** A great deal of UNCTAD's work on e-commerce relies on extra-budgetary funds, and in that regard the Development Account allowed UNCTAD to broaden the range of activities of its e-commerce program, in particular with reference to activities to be undertaken for capacity building. Consequently, the project that ended in 2003 enabled UNCTAD to better fulfil its mandate to promote the developmental aspects of electronic commerce. It has substantially contributed to the achievement of its general objective resulting in the recognition by Governments and the private sector in developing countries and economies in transition of the importance of e-commerce and ICT more generally and, consequently, of preparing themselves to adopt and use e-commerce as a tool to increase their participation in international trade. This is a fundamental aspect of international efforts to narrow the digital divide and to use ICT as an instrument to achieve the Millennium Development Goals established by the General Assembly.

414. The various activities undertaken in 2003 contributed to substantially enhance government officials' and decision makers' understanding in developing countries and countries with economies in transition of the issues related to ICT and e-commerce, allowing them to integrate more effectively such tools in their development policy making process based on their individual interests and concerns.

415. UNCTAD's publication *E-Commerce and Development Report 2003* continued to receive considerable attention from the press around the world. The number of downloads of the publication on the Internet has still been impressive with over 90,000 downloads during November–December 2003. Through the years, the ECDR have reached an extensive readership, particularly through a wide dissemination from UNCTAD's website, demonstrating the high demand that exists for analysis and studies on e-commerce and ICT issues from a development perspective.

416. The cycle of high-level regional conferences was completed in 2003. During these events, Governments and the private sector were able to exchange experiences and share best practices in the

field of e-strategies for development with other developing or developed countries. They were provided with substantial information on new ICT and e-commerce developments including market prospects to allow them to better define policy options and strategies and to identify immediate and potential trading opportunities of relevance to their economies. They also benefited from the expertise of international, regional or national experts on adequate policies and business options, contributing to the definition of successful criteria to strengthen an enabling e-commerce environment. Consequently, a growing number of Governments were able to develop national strategies and policies to create an enabling environment for the development of e-commerce. Typical aspects of such strategies include issues such as awareness and training, investment in infrastructure and legal and regulatory reforms.

417. However, the raising of awareness on the issues related to e-commerce, in particular regarding the preparation of national e-strategies, remains a priority for the future, in particular in the light of the rapid evolution of technologies and derived opportunities. The importance of awareness raising has also been underlined in the Plan of Action of the UN ICT Task Force of which UNCTAD is a member.

418. Additional areas of work were identified and include the collection of information on e-commerce in developing countries, in particular the development of core statistical indicators to benchmark performance and to monitor progress in the area of ICT and its application to economic activities in developing countries.

419. With the support of the Development Account, UNCTAD has participated in programmes and events on e-commerce organized by other agencies and institutions such as WTO, ITU, WIPO and OECD and also by the private sector. This has not only been a useful learning process for UNCTAD staff but also given UNCTAD the opportunity to share its views, opinions and knowledge about e-commerce with others. This inter-agency collaboration was in particular fostered at the occasion of various meetings organized by UNCTAD, UN regional commissions and other international organizations, including the World Summit of Information Society. As a result, joint activities have been initiated and developed. UNCTAD participated to a side event organized during the WSIS on National Strategies for the Information Society and the Role of Regional and Global Organizations, organized by the UNECE. Cooperation was also enhanced with relevant institutions, including OECD and ITU, while considering the importance of internationally harmonized definitions and indicators on ICT and e-commerce, an issue of growing importance for policy making and progress monitoring in the ICT-for-development field.

**Table 6.**  
**DIVISION FOR SERVICES INFRASTRUCTURE FOR DEVELOPMENT**  
**AND TRADE EFFICIENCY**  
*(in dollars)*

<i>Project number</i>	<i>Short title</i>	<i>Duration</i>	<i>Source of fund</i>	<i>Total budget</i>	<i>Cumulative expenditures</i>	<i>Expenditure 2003</i>
<i>Trade logistics</i>						
BGD/94/A57	Railway wagon information and control system .....	1995–	Germany	977 904	892 642	2 378
BUL/99/A08	Design and implementation of an integrated management information system and upgrading of the data transmission network (SEMA Group) .....	1999–	Bulgaria	329 640	292 498	7 521
IRA/99/008	ACIS in Islamic Republic of Iran (PortTracker) .....	1999–	UNDP	621 982	458 945	178 455
LEB/01/0BZ	Preparatory Phase I for implementation of PortTracker .	2000–	Lebanon	96 530	87 226	2 594
NEP/97/A53	Promotion of the trade and transport sectors of Nepal ....	1998–	Nepal	3 573 353	3 039 058	323 809
PAK/99/A01	Promotion of the trade and transport sectors .....	2001–	Pakistan	2 060 000	1 564 571	517 335
PRC/01/2BQ	ACIS RailTracker Upgrade for SNCC .....	2002–	COMESA	64 128	45 560	40 911
SOM/98/001	Ports and trade efficiency for economic recovery of Somalia .....	1998–	UNDP	2 814 850	2 803 845	-11 005
SOM/00/003 <sup>a</sup>	Support to cross-border initiatives – transport and trade	2000–2003	UNDP	427 520	424 722	-2 798

*(for note see end of table)*

**Table 6. (continued)**  
**DIVISION FOR SERVICES INFRASTRUCTURE FOR DEVELOPMENT**  
**AND TRADE EFFICIENCY**  
*(in dollars)*

<i>Project number</i>	<i>Short title</i>	<i>Duration</i>	<i>Source of fund</i>	<i>Total budget</i>	<i>Cumulative expenditures</i>	<i>Expenditure 2003</i>
SUD/93/A10	Technical assistance to Sudan Railways Corporation .....	1993–	Sudan/World Bank	141 433	128 804	3 822
THA/0T/2AR	Preparatory, Installation of ACIS RailTracker on State Railway .....	2002–	Thailand	13 278	11 938	8 667
INT/83/A04	Course on Improving Port Performance (IPP) .....	1983–	Multidonors	548 089	497 103	6 108
INT/93/A22	Introduction of multimodal transport and microcomputer software programmes .....	1993–	Multidonors	55 990	40 266	4 970
INT/0T/0BB	Support for ACIS promotional activities .....	2001–	Multidonors	712 444	644 183	192 674
INT/0T/1AJ	ACIS RailTracker maintenance .....	2001–	Kenya, UR of Tanzania, Uganda	50 108	40 664	4 442
INT/0T/2AX	Online trade efficiency support services .....	2002–	Belgium	129 056	115 909	104 440
INT/0T/3BJ	Trade Facilitation in the Context of the Doha Development Agenda: Support to Trade Facilitation Platforms in Developing Countries .....	2003–	Sweden	216 000	2 312	2 312
RAF/94/A70	Development and installation of ACIS in COMESA .....	1995–	EC	7 199 533	6 372 337	12 495
RAF/99/A07	ACIS RailTracker in Southern Africa (Rolling Stock Information System) .....	1999–	USAID	1 255 171	1 088 490	22 877
RAS/0T/1BR	International Multimodal Transport Operations in the ECO Region: Trade Facilitation Component .....	2001–	IDB-ECO	50 104	14 431	12 609
	<b>Total Trade logistics .....</b>			<b>21 337 113</b>	<b>18 565 504</b>	<b>1 434 616</b>
<b>ASYCUDA</b>						
ALB/0T/1BZ	Computerization of Customs Procedures and Data Processing Using ASYCUDA++ .....	2002–	EC	836 340	529 309	330 234
BAR/0T/1BY	Simplification of Customs Procedures and Data Using ASYCUDA++ .....	2003–	Barbados	286 110	8 017	8 017
BDI/0T/2CH	Migration to ASYCUDA++ .....	2003–	Burundi	460 000	6 615	6 615
BEN/0T/1AR	Migration to ASYCUDA++ .....	2001–	Benin	163 090	153 490	46 297
BGD/0T/0BK	CAM-1, Implementation of ASYCUDA .....	2001–	Bangladesh	872 535	639 241	254 435
BIH/0T/0BH	Computerization of Customs procedures and data in the Federation of Bosnia and Herzegovina and Republika Srpska Customs Administration .....	2000–	EC/PHARE	758 111	709 177	-5 884
BIH/0T/2AJ	Roll-out of the ASYCUDA++ .....	2002–	EC	375 020	289 902	1 807
BIH/0T/3AN	Technical Assistance on ASYCUDA Aspects of the Merger of the Customs Administration of Bosnia and Herzegovina .....	2003–	EC	279 318	237 749	237 749
BKF/0T/1BS	Migration to ASYCUDA++ .....	2001–	Burkina Faso	314 981	219 733	84 115
BOL/00/002	Apoyo a la implementación del sistema aduanero automatizado SIDUNEA .....	2000–	UNDP	748 669	743 768	92 921
BOT/0T/1AL	Implementation of ASYCUDA in Botswana .....	2001–	Botswana	1 366 930	974 525	373 719
CHD/99/003 <sup>a</sup>	SYDONIA ++ .....	1999–2003	UNDP	736 547	737 100	-5 533
CMR/0T/2BX	SYDONIA ++ .....	2002–	Cameroon	779 300	360 070	360 070
CMR/0T/2CR	ASYCUDA++ Implementation .....	2002–	Cameroon	597 692	11 580	11 580
CVI/0T/0BA	Migration au système SYDONIA ++ .....	2000–	Cape Verde	399 997	292 731	82 999
ELS/99/002	Modernización del sistema de aduanas – migración a SIDUNEA++ .....	1999–	UNDP	468 561	467 582	5 000
EST/97/A45 <sup>a</sup>	ASYCUDA .....	1998–2003	EC	603 954	551 129	-64
EST/0T/2BZ	ASYCUDA++ Estonia – Technical Assistance and Support .....	2002–	Estonia	159 454	105 500	105 500
ETH/97/013 <sup>a</sup>	Implementation of the ASYCUDA System .....	1998–	UNDP	718 329	716 690	-1 369

*(for note see end of table)*

**Table 6. (continued)**  
**DIVISION FOR SERVICES INFRASTRUCTURE FOR DEVELOPMENT**  
**AND TRADE EFFICIENCY**  
*(in dollars)*

<i>Project number</i>	<i>Short title</i>	<i>Duration</i>	<i>Source of fund</i>	<i>Total budget</i>	<i>Cumulative expenditures</i>	<i>Expenditure 2003</i>
ETH/02/019	Upgrading customs automation (migration to Asycuda++), under the framework of public sector reform programme .....	2003-	UNDP	159 000	33 515	33 515
GAB/0T/1CU	Implementation of ASYCUDA++ System .....	2002-	Gabon	584 195	465 029	218 521
GAM/98/002	Economic Management Capacity Building Programme II ...	1999-	UNDP	66 225	65 392	-833
HAI/0T/2AM	Migration au système SYDONIA++ .....	2003-	Haiti	99 980	58 234	58 234
HON/99/022 <sup>a</sup>	Modernización de l'administración aduanera – migración a SIDUNEA++ .....	1999-2003	UNDP	411 453	409 235	-2 218
IRA/99/009	ASYCUDA (Phase II) .....	1999-	UNDP	134 545	61 793	61 793
JOR/96/004	Computerization of Customs procedures and data for improved revenue collection – Phase I .....	1997-	UNDP	1 531 089	1 310 011	-4 631
LAT/0T/2CA	Financing Agreement for ASYCUDA++ .....	2003-	Latvia	25 000	22 664	22 664
LEB/92/017	Fiscal reform and administration .....	1993-	UNDP	776 948	767 915	1 947
LEB/0T/2BI	Completion of the implementation of ASYCUDA++ .....	2002-	EC	105 242	7 200	7 200
LIT/0T/0CB <sup>a</sup>	ASYCUDA implementation project, Lithuania .....	2001-2003	EC	45 732	44 351	32 259
LIT/0T/2CB	Agreement for ASYCUDA++ service, technical assistance and support.....	2002-	Lithuania	188 721	96 908	96 908
MAG/0T/1AA	ASYCUDA – Assistance to the Customs Board of Madagascar .....	2001-	EC	133 148	55 125	-2 955
MAT/91/A10 <sup>a</sup>	ASYCUDA training course .....	1991-2003	Multidonors	149 184	135 541	1 126
MAU/0T/1CJ	Migration to ASYCUDA++ System .....	2001-	Mauritania	285 000	142 430	61 933
MCD/96/A03 <sup>a</sup>	ASYCUDA Support Activities .....	1996-2003	EC	908 302	845 569	-4
MDV/97/002	Migration to ASYCUDA++ .....	1998-	UNDP	89 796	89 154	-642
MLI/0T/2AT	Migration to ASYCUDA++ .....	2002-	Mali	146 380	111 314	106 655
MLW/98/A34	ASYCUDA .....	1999-	United Kingdom	1 243 384	832 861	154 444
NAM/0T/2AI	Migration to ASYCUDA++ .....	2002-	Namibia	426 180	163 825	126 056
NAN/0T/1BX	Simplification of Customs Procedures and Data Using ASYCUDA++.....	2003-	Netherlands	428 021	353 343	353 343
NCA/0T/3AU	Implementation of ASYCUDA++.....	2003-	New Caledonia	960 000	111 455	111 455
NER/0T/1BT	Migration au Système SYDONIA++ .....	2001-	Niger	282 131	190 372	76 029
NIC/99/A52	Migración a SIDUNEA++ .....	1999-	Nicaragua	220 000	213 174	46 474
PAL/0T/1AX	ASYCUDA++ Preparatory Technical Assistance Project .....	2001-	Palestinian Authority	332 000	294 540	9 619
PHI/94/A36	ASYCUDA .....	1994-	Philippines	2 565 000	2 443 848	18 742
PRC/0T/2BW	Installation du système du SYDONIA++.....	2002-	Congo	550 000	198 477	198 477
SRL/97/A51	Customs modernization programme – Migration to ASYCUDA++ .....	1997-	Sri Lanka	345 748	322 554	51 412
SUD/0T/3AS	Migration to ASYCUDA++ .....	2003-	Sudan	350 300	6 000	6 000
TIM/02/015	ASYCUDA .....	2002-	UNDP	269 117	232 064	202 419
TOG/0T/2AN	Migration to ASYCUDA++ .....	2002-	Togo	199 977	56 370	56 370
UGA/0T/1AP	Migration to ASYCUDA ++ .....	2001-	Uganda	262 346	151 029	37 769
VEN/01/013	Apoyo a la Modernización del Sistema Aduanero .....	2002-	UNDP	1 008 576	834 137	571 143
VEN/0T/0BE	Piloto SIDUNEA++ .....	2000-	Venezuela	790 000	704 608	44 582
YEM/97/002	Strengthening economic and financial management (Phase II) ASYCUDA ++ and DMFAS .....	1998-	UNDP	3 014 017	2 841 646	364 032

(for note see end of table)

**Table 6. (continued)**  
**DIVISION FOR SERVICES INFRASTRUCTURE FOR DEVELOPMENT**  
**AND TRADE EFFICIENCY**  
*(in dollars)*

<i>Project number</i>	<i>Short title</i>	<i>Duration</i>	<i>Source of fund</i>	<i>Total budget</i>	<i>Cumulative expenditures</i>	<i>Expenditure 2003</i>
YEM/03/009	Implementation of ASYCUDA in Yemen – Phase II .....	2003–	UNDP	114 545	24 379	24 379
ZAM/0T/1AW	Migration to ASYCUDA++ .....	2001–	United Kingdom	288 538	220 418	67 967
ZIM/99/A40	Institutional strengthening of Customs data processing system .....	1999–	World Bank	735 530	677 013	40 527
INT/94/A49	ASYCUDA marketing activities .....	1994–	Multidonors	181 858	164 111	36 008
INT/98/A26	Support to the enhancement of ASYCUDA – Development of a transit module .....	1998–	Switzerland	1 200 000	1 048 324	-3 527
INT/98/A42	Support for ASYCUDA implementation activities .....	1998–	Multidonors	729 939	588 378	64 716
INT/99/A57	ASYCUDA: passage à l'an 2000 .....	2000–	France	129 082	86 871	7 616
INT/99/A65	Soutien aux administrations des douanes des pays utilisateurs du système SYDONIA – Bogue de l'an 2000 .....	1999–	France	459 621	357 301	34 906
INT/0T/0BT	Realization of an ASYCUDA – SAFETIR interface .....	2000–	International Road Transport Union	89 270	84 350	15 912
INT/0T/2CS	Developing practical tools to assess trade facilitation needs and priorities in LDCs.....	2003–	Norway	300 000	58 212	58 212
RAF/92/A37	Computerization of customs and foreign trade statistics for the Eastern and Southern Africa COMESA (EUROTRACE regional project) .....	1992–	EC	3 964 041	3 653 499	-120
RAF/99/A14	SYDONIA version 2.7 (pays de la CEDEAO, et Centre Informatique Communautaire de la CEDEAO (CIC)) ....	1999–	ECOWAS	219 180	202 372	1 299
RAF/0T/2AG	Migration to ASYCUDA system from version 2.7 to ASYCUDA++ in ECOWAS.....	2002–	ECOWAS	29 940	15 784	15 784
RAF/0T/2AW	Technical assistance on ASYCUDA version 2.7 .....	2002–	COMESA	57 178	47 845	21 093
RAS/00/A05	ASYCUDA implementation and support in the Asia/Pacific region .....	2000–	Multidonors	150 458	136 007	32 170
RAS/98/A07	Computerization of Customs Data and External Trade Statistics .....	1998–	Australia	4 266 600	3 892 381	197 384
RAS/0T/IDA	ASYCUDA Support Mechanism for the Pacific .....	2002–	Japan	571 391	407 641	233 285
	<b>Total ASYCUDA .....</b>			<b>43 148 546</b>	<b>34 090 577</b>	<b>5 955 487</b>
<b>Information and Training</b>						
INT/99/A48	Training in international trade for least developed countries (TRAINFORTRADE) .....	1999–	Multidonors	59 493	32 285	17 299
INT/0T/1AS	Training course on international economic issues (paragraph 166 of the UNCTAD X Plan of Action) .....	2001–	Italy	105 221	58 195	1 548
RLA/01/001	Strengthening Economic and Financial Management .....	2002–	UNDP	133 015	68 784	-26 870
ROA-2074(J)	Key issues on the international economic agenda .....	2002–	Development Account	960 000	629 226	417 934
	<b>Total Information and Training .....</b>			<b>1 257 729</b>	<b>788 490</b>	<b>409 911</b>
<b>Human Resources Development</b>						
ROM/94/A25 <sup>a</sup>	TRAINMAR: Maritime School of Costanza .....	1994–2003	EC	82 680	77 369	2 093
ROM/95/A06 <sup>a</sup>	Plan of action for TRAINMAR .....	1995–2003	EC	138 255	133 679	4 446
INT/91/A15	TrainForTrade Trust Fund .....	1991–	Multidonors	739 886	638 689	57 501
INT/93/A26	On-the-job training in shipping and ports (JOBMAR) ....	1993–	Multidonors	22 482	19 309	318
INT/94/A54 <sup>a</sup>	Centre TRAINMAR Belgique .....	1994–2003	Belgium	533 032	531 669	24 358
INT/96/A55 <sup>a</sup>	TRAINMAR .....	1996–2003	Multidonors	156 312	138 836	1 309
INT/99/A51 <sup>a</sup>	TRAINMAR .....	1999–2003	Netherlands	116 279	100 541	47
INT/99/A61	Promotion of the international TRAINMAR Programme .....	1999–	Germany	34 000	32 277	2 887
RAF/96/A49	TRAINMAR in Western/Central Africa (Certificat portuaire CNUCED) .....	1997–2003	Multidonors	399 935	371 240	8 490

(for note see end of table)

**Table 6. (concluded)**  
**DIVISION FOR SERVICES INFRASTRUCTURE FOR DEVELOPMENT**  
**AND TRADE EFFICIENCY**  
(in dollars)

<i>Project number</i>	<i>Short title</i>	<i>Duration</i>	<i>Source of fund</i>	<i>Total budget</i>	<i>Cumulative expenditures</i>	<i>Expenditure 2003</i>
RAF/98/A04	Appui TRAINMAR aux Pays Africains de Langue Officielle Portugaise (PALOP).....	1998–	Portugal	73 549	40 748	13 437
RAF/0T/2AC	Programme de renforcement des capacités de formation portuaire .....	2002–	Multidonors	79 890	33 408	24 193
RAS/0T/2BL	Strengthening capacity of the trade support institutions in Asian LDCs .....	2002–	Japan	265 132	56 774	56 722
RER/94/A08 <sup>a</sup>	TRAINMAR - EUROPE: Conception du séminaire stratégique sur le short sea en Europe .....	1994–2003	EC, Multidonors	148 741	136 205	478
RLA/87/A07 <sup>a</sup>	TRAINMAR .....	1987–2003	EC	541 317	496 716	909
<b>Total Human Resources Development .....</b>				<b>3 331 490</b>	<b>2 807 460</b>	<b>197 188</b>
<b>TRAINFORTRADE</b>						
ROM/97/A15 <sup>a</sup>	TRAINFORTRADE .....	1997–2003	Switzerland	362 580	351 661	-14 348
TUN/0T/2CF	Programme de formation portuaire pour la Tunisie (TRAINFORTRADE) .....	2003–	Office de la Marine Marchande et des Ports de Tunisie	34 971	16 738	16 738
CAR/93/A15	TRAINFORTRADE: ECSEDA .....	1993–	EC	325 934	291 473	-11 211
INT/90/A18	Training in the field of foreign trade .....	1990–	France	1 624 295	1 355 706	184 670
INT/01/X18	TRAINFORTRADE .....	2002–	France	54 159	54 159	54 159
INT/0T/2AH	Appui aux programmes de formation TrainForTrade et programme de formation portuaire.....	2002–	Le Cabildo de Gran Canaria	182 006	24 881	24 881
INT/0T/2CJ	Capacity building programme on training in selected economic issues: distance learning techniques.....	2002–	Belgium	785 346	150 379	150 379
RAF/99/A09	Mise en place de capacités de formation du commerce international (TRAINFORTRADE) .....	2000–	France	386 084	330 187	84 230
RAF/0T/2BT	Formation portuaire pour les pays africains de langue officielle portugaise .....	2003–	PALOP	49 923	19 266	19 266
RAS/0T/2CK	Capacity Building in the Field of Training for International Trade (TRAINFORTRADE) .....	2002–	France	1 856 485	50 427	50 427
<b>Total TRAINFORTRADE .....</b>				<b>3 805 298</b>	<b>2 644 877</b>	<b>559 191</b>
<b>Trade Points</b>						
BUL/98/A02 <sup>a</sup>	Increasing the participation of Bulgarian SMEs in international trade through the establishment of a Trade Point in Sofia .....	1998–2003	Switzerland	153 466	135 810	-3 743
MOZ/99/A45	Launching an operational trade point in Mozambique ....	1999–	World Bank	40 680	31 646	3 627
MOZ/99/A47	Training activities at the Maputo trade point .....	1999–	World Bank	33 900	29 340	17 528
INT/95/A67 <sup>a</sup>	Setting up the Global Trade Point Network .....	1995–2003	Switzerland	1 600 000	1 396 093	-18 702
RAS/99/064	Strengthening Trade Points in Asia/Pacific for Regional Cooperation .....	2001–	UNDP	328 047	179 501	70 991
<b>Total Trade Points .....</b>				<b>2 156 093</b>	<b>1 772 390</b>	<b>69 701</b>
<b>Electronic commerce</b>						
PAK/01/001	Policy support on e-commerce and development .....	2002–	UNDP	148 999	141 271	31 270
ROA-2180(A)	Promotion of electronic commerce .....	1999–	Development Account	1 980 000	1 936 407	409 139
<b>Total electronic commerce .....</b>				<b>2 128 999</b>	<b>2 077 678</b>	<b>440 409</b>
<b>DIVISION TOTAL.....</b>				<b>81 938 168</b>	<b>67 519 143</b>	<b>9 065 770</b>

Note: EC – European Commission.

<sup>a</sup> Project which had been “operationally but not financially completed” or “completed” in 2003.

<sup>b</sup> Annual budget.

### **E. Office of the Special Programme for Least Developed, Landlocked and Island Developing Countries**

420. Technical assistance includes activities carried out in accordance with the implementation of the Programme of Action for the LDCs for the Decade 2001–2010, as well as contributions to the implementation of the Integrated Framework for Trade-Related Technical Assistance to LDCs, the Global Framework for Transit Cooperation between Landlocked Developing Countries (LLDCs) and Transit Developing Countries and the Donor Community, and the Programme of Action for the Sustainable Development of SIDS.

421. The objective of technical cooperation of the Special Programme is to facilitate the development efforts of LDCs, LLDCs and SIDS and to contribute to enhancing their beneficial integration into the world economy in the areas within UNCTAD's mandate. The technical cooperation activities are consistent with the UNCTAD X Plan of Action (paragraph 164 (iii) and (v), GA Resolution A/56/569 (paragraph 3)). In these activities, the Special Programme took into account the Doha Work Programme, the recommendations of the Mid-term review of UNCTAD's Plan of Action and the transfer of resources to OHRLLS.

422. The activities of the Special Programme have been organized around the following two main pillars:

- Interdivisional coordination of UNCTAD's technical cooperation for LDCs, LLDCs and SIDS, in order to enhance the efficiency of technical cooperation provided by UNCTAD Divisions and Programmes; and
- Specific projects implemented by the Special Programme for these three groups of countries focusing on improving their institutional capacities and human resources in areas within UNCTAD competence.

#### **1. Interdivisional coordination**

423. These activities are treated as cross-cutting and mainstreamed in the sectoral work undertaken in different Divisions and Programmes in UNCTAD and implemented through LDC Focal Points. The overall coordination provided by the Special Programme has served the objective of securing consolidated and coordinated UNCTAD responses to the technical assistance needs of LDCs, LLDCs and SIDS. It also serves to synchronize implementation, inside and outside UNCTAD, in a manner that maximizes synergy and effectiveness.

424. The Special Programme has been the main instrument of UNCTAD in the implementation of the Integrated Framework for Trade-Related Technical Assistance (IF). In this connection, the Special Programme, through its capacity building cluster, is acting as UNCTAD's focal point for the implementation of IF.

425. During 2003, Diagnostic Trade Integration Studies (DTIS) were completed for the following countries: Burundi, Djibouti, Ethiopia, Guinea, Madagascar, Nepal and Yemen. In addition, implementation meetings with the donor community were held in Madagascar and Senegal. The DTIS in Mali is near to completion. Implementation of follow-up activities to the IF Round Table Meetings held under the old IF scheme is ongoing in Bangladesh, the Gambia, Haiti, the United Republic of Tanzania and Uganda. These countries are incorporating into the revamped IF process. Following the completion of the second IF evaluation in August 2003, the IF has been extended to six more LDCs: Benin, Chad, Lao PR, Sao Tomé and Príncipe, Zambia and Mozambique.

426. UNCTAD's contribution to the IF implementation process included the following:

- Preparation of a concept paper entitled “Implementation of Pre-Diagnostic Trade Integration Study Activities” (Pre-DTIS Activities). The paper focused on how to enhance individual LDCs’ capacity for IF ownership through the implementation of pre-DTIS activities in those countries that have applied to join the IF;
- Implementation of activities identified as priority areas in three of the “old” IF countries: Haiti, Uganda and the United Republic of Tanzania;
- Participation in the preparation of a regional meeting aimed at bringing together new IF countries and those, which have advanced in the IF, process to exchange experiences and help new countries draw implementation lessons (the meeting is expected to take place in 2004);
- Contribution to the analysis for the Djibouti DTIS in the areas of trade policy, trade facilitation and investment; and
- Participation in all the DTIS workshops and implementation meetings with the donor community.

## **2. Projects implemented by the Special Programme**

### **(a) Activities related to LDCs**

427. The Trust Fund for Least Developed Countries (INT/97/A09) was used, *inter alia*, for financing UNCTAD’s substantive and technical support to the second LDC Trade Ministers’ Meeting, which took place in Dhaka (Bangladesh) from 31 May to 2 June 2003. Thirty-nine LDCs were represented at the meeting, 24 of them by ministers. The meeting had three major objectives: (1) to take stock of progress in the post-Doha work programme and make a realistic assessment of where they stand now in terms of articulating their development concerns and interests; (2) to formulate and harmonize common negotiating positions, which would help the countries take collective decisions in Cancún and beyond on issues of interest to them and (3) to provide political guidance for LDCs’ trade negotiators in their day-to-day negotiations. The meeting resulted in a common position in the form of Dhaka Declaration which contains: (a) the political statement highlighting the LDC governments’ concerns and (b) 76 negotiating proposals covering all the issues on the Doha Development Agenda essentially addressing these concerns.

### **(b) Activities related to LLDCs**

428. Substantive support to the preparation of the International Ministerial Conference on Landlocked and Transit Developing Countries and Donor Countries and International Financial and Development Institutions on Transit Cooperation, Almaty, Kazakhstan, 2003 (INT/0T/2CM). The activities under this project have enabled LLDCs, their neighbours and donors to convene in Almaty 25 – 29 August 2003 the Conference which adopted “The Almaty Programme of Action: Addressing the Special Needs of Landlocked Developing Countries within a New Global Framework for Transit Transport Cooperation with Landlocked and Transit Developing Countries”. The Programme of Action is largely based on findings of the following UNCTAD studies prepared under the above-mentioned project:

- Improvement of Transit Transport in West Africa, UNCTAD/LDC/2003/2;
- Improvement of Transit Systems in Southern and Eastern Africa, UNCTAD/LDC/2003/3;
- Improvement of Transit Systems in the Horn of Africa, UNCTAD/LDC/2003/4;
- Improvement of Transit Systems in Central Asia, UNCTAD/LDC/2003/5;
- Improvement of Transit Systems in Latin America, UNCTAD/LDC/2003/6;

- Improvement of Transit Systems in Central Africa, UNCTAD/LDC/2003/7; and
- Challenges and opportunities for further improving the transit systems and economic development of landlocked and transit developing countries. A report by the Secretary-General of UNCTAD, UNCTAD/LDC/2003/8.

**(c) Activities related to SIDS**

Research and advisory services relevant to issues regarding the measurement of economic vulnerability were provided to Atlantic and Indian Ocean SIDS, and continued country-specific technical assistance was delivered to two least developed SIDS which are near the graduation borders (Cape Verde and Maldives) on the formulation of an “exit strategy”. Direct assistance was extended to the Government of Papua New Guinea for the formulation of trade-related policy framework. Finally, UNCTAD’s publication entitled “*Small island developing States in the global economy*” was prepared in anticipation of the Mauritius Conference on the Sustainable Development of Small Island Developing States (August–September 2004) (MAG9X8AQ).

**Table 7.**  
**OFFICE OF THE SPECIAL COORDINATOR FOR LEAST DEVELOPED,**  
**LANDLOCKED AND ISLAND DEVELOPING COUNTRIES**  
(in dollars)

<i>Project number</i>	<i>Short title</i>	<i>Duration</i>	<i>Source of fund</i>	<i>Total budget</i>	<i>Cumulative expenditures</i>	<i>Expenditure 2003</i>
<b>Least Developed Countries</b>						
LAO/00/004	General transit transport system in the Lao PDR .....	2000–	UNDP	126 500	123 502	51 301
MON/02/002	Transit Traffic Framework Agreement Between China, Mongolia and Russia .....	2002–	UNDP	30 000	29 572	7 542
NEP/00/004 <sup>a</sup>	Assessment/preparation of National Programme of Action for UNLDCIII .....	2001–2003	UNDP	19 804	17 678	-2 126
STL/99/A56	Support to the sustainable development of St. Lucia’s trade in goods and services .....	1999–	Ireland	68 400	58 572	-612
YEM/00/002 <sup>a</sup>	Country Level Preparations for the 3rd UN Conference on LDCS .....	2000–2003	UNDP	34 266	34 266	-6 209
GLO/01/316	Third UN Conference on the LDCs: Pre-Conference Event: Workshop on LDCs .....	2001–	UNDP	81 099	80 407	-692
GLO/02/G03	Suivi à la table ronde sur commerce phase pilote du cadre intégré .....	2002–	UNDP	59 064	39 521	33 309
INT/92/A17 <sup>a</sup>	LDC participation in Trade and Development Board sessions.....	1993–2003	Multidonors	32 421	41 515	-5 354
INT/97/902	TCDC – Operational support to sustainable human development (SHD) (Phase I) .....	1998–	UNDP	73 238	73 168	-70
INT/97/A09	Trust Fund for Least Developed Countries: core project ...	1997–	Multidonors	5 189 480	4 372 884	240 791
INT/0T/1CF	Study on Differentiation .....	2001–	Spain	66 424	24 699	21 699
INT/01/X52	Least developed countries .....	2002–	Italy	80 733 <sup>b</sup>	80 733	80 733
INT/0T/2AD	LDCs participation in mid-term review/TDB .....	2002–	Multidonors	82 717	65 938	-2 530
INT/0T/2CM	Development Institutions on Transit Transport Cooperation, Kazakhstan .....	2002–	Italy	154 140	126 416	126 416
INT/02/X10	Least developed countries .....	2002–	Germany	67 384 <sup>b</sup>	67 384	67 384
INT/0T/3AM	LDCs Trade Ministers Preparatory Meeting for the Fifth WTO Conference.....	2002–	Multidonors	206 076	188 250	188 250
RAS/00/A02	Support to the Forum Secretariat .....	2000–	Ireland	80 000	45 205	6 382
<b>DIVISION TOTAL .....</b>				<b>6 451 746</b>	<b>5 469 710</b>	<b>806 214</b>

<sup>a</sup> Project which had been “operationally but not financially completed” or “completed” in 2003.

<sup>b</sup> Annual budget.

## F. Executive Direction and Management and Support Services

429. Certain technical cooperation activities are undertaken centrally in view of their interdivisional nature.

### 1. UNCTAD/UNDP Global Programme on Globalization, Liberalization and Sustainable Development

430. *Development context:* The Programme promotes the convergence of national and international policies, to better integrate low-income countries into the global economy, in pursuit of sustainable human development (SHD). The Programme is a unique “flagship partnership” between UNCTAD and UNDP. It draws on the mutually reinforcing knowledge and experience of UNDP (sustainable human development) and UNCTAD (trade and development) expertise in the developing countries’ challenges. The Programme adds value by promoting greater interaction between economic and social policies across a range of strategic national areas, thereby assisting low-income countries to optimise their competitiveness and social efficiency, opening opportunities for the poor. It also advises on policy strategies within international and regional negotiations. Its work is centred on the axes of the economy of knowledge, energy and water, as these are key vectors in attaining the Millennium Development Goals (MDGs). With extensive regional and international knowledge networks, the Programme provides policy advice to the highest executive and legislative authorities in partner countries, while maintaining permanent contact with civil society, the private sector and the grassroots.

431. In implementing its activities the Programme is promoting four kinds of partnership alliances:

- Nurture a long-lasting alliance between UNCTAD and UNDP and progressively open this partnership to other actors, and in particular the ILO, on “social efficiency” and “decent employment”;
- Improve alliances with NGOs and Universities at the global and regional levels, to set up an “Implementation Network” in the field of competitiveness for Sustainable Human Development;
- Develop alliances with regional development banks, aimed at assisting them in strengthening their capacities in competitiveness-related programmes and securing a permanent source of financial support for initiatives promoted by the programme and by its implementation network; and
- Create alliances with donors in developing countries, by fostering synergies between the Programme’s activities and donors’ bilateral projects.

432. The Global Programme is active both at global and country level, with country level activities representing in 2003 approximately 80 per cent of its total activities.

#### (a) At the global level

433. *Outputs/results:* As in 2002, three lines are being examined in 2003: “Special and differential treatment”, “Competitiveness and Social Efficiency” and “Transfer of Technology”.

#### (i) *Special and differential treatment*

434. A high-level dialogue on *Special and Differential Treatment Provisions*, convened in May jointly with the International Centre for Trade and Sustainable Development (ICTSD), was designed to provide space for capital-based government officials, Geneva-based negotiators, intergovernmental and non-governmental organizations, as well as academics and experts to explore and discuss the issues surrounding Special and Differential Treatment (S&DT) outside the confines of the negotiating

environment. The aim was to define options for a new and effective approach to S&DT, one that is responsive to the development needs of developing countries in the WTO.<sup>3</sup>

435. During the event participants agreed that S&DT was a tool for development, compensating to some extent for the difficulties faced by poorer countries in the multilateral trading system. The link was also made between Special and Differential Treatment and preserving domestic policy space; a crucial issue since it was agreed that furthering trade liberalization needed to be complemented by appropriate policies if development were to occur successfully. An important point to emerge from the discussion was the need for S&DT to be tied to supply-side reforms of developing countries, a departure from the usual focus on market access.

**(ii) Competitiveness and social efficiency**

436. In 2003, the Programme tackled the relationship between governance and competitiveness in a globalized economy, the importance of Innovation and Technology in the competitiveness process, and the definition of social efficiency.

437. The Asia region high-level seminar on governance, “Aligning the agendas of government, business and civil society for competitiveness and social creativity”, was held in October 2003 in Bangkok, Thailand. Participants were leaders and decision makers in their fields: Ministers, CEOs and influential people in civil society and the media. Professor David Bloom from Harvard University authored and presented a policy paper, “Governance matters – The role of governance in Asian development”. The seminar highlighted areas where better coordination among different actors could lead to a better integration of countries into the global economy. The participants agreed public-private partnerships were only successful in very specific circumstances where the private sector could bring efficiency gains. It was also agreed that, in promoting foreign direct investment and competitiveness, governments need to focus on specific sectors to enhance forward and backward linkages to the rest of the economy. Participants also noted that poor communities’ access to relevant economic information is a way to backstop the formation of disparities during the trade liberalization process.

438. A new approach being explored with the academic sector as well as with some agencies of the UN system revolves around the concept of “Social efficiency”. Social efficiency can be defined as: “*The success with which the governments can monitor and act, business can reallocate and retain and communities can care and include their sustainable and human development goals. It should also stimulate the informal sector to better interact with the formal sector on the way back to integration*”. This new approach requires some constructive discussion as well as research. In response, in 2003, the Programme asked Francois-Xavier Merrien, a social scientist from the University of Lausanne, to spend several months on developing the concept of “Competitiveness and Social Efficiency” and testing its operationalization in a developing country (i.e. Senegal).

439. The Programme has been instrumental in integrating the linkages between globalization and sustainable human development into the aims of the Chair “Managing for Sustainable Human Development”, which will be set up in 2004 in the Université Libre de Bruxelles in Belgium (ULB). Established with the intent to become a centre of reference and of excellence, the Chair has the objective

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<sup>3</sup> The papers presented were: “Elements For a New Paradigm On Special and Differential treatment: Special and Differential treatment, the Multilateral Trading System and Economic Development in the 21st century” prepared by Ajit Singh, professor of economics at Queen’s college, Cambridge university, devoted to general needs, problems and solutions of S&DT. “Recognizing reality: Balancing precision and flexibility in WTO Rules” prepared by Dr. Chris Stevens at the Institute of Development Studies, University of Sussex dealing with first dimension of S&DT i.e. those aspects related to market access constraints (or demand-side constraints) and discussing some of the most pertinent issues of market access concerning developing countries “Spaces for Development Policy: Revisiting Special and Differential Treatment” prepared in-house at the ICTSD by Werner Corrales with Mahesh Sugathan and David Primack and dealing with second dimension of S&DT i.e. those required to tackle-supply side constraints and enhance competitiveness.

to educate future decision makers in the business world on the global environment they will engage with and sensitise them to different economic and business cultures. The Programme will be the main partner of the Chair in 2004.

**(iii) Transfer of technology**

440. With the importance that the Programme is putting on the enhancement of the economy of knowledge, the Programme continued supporting the work of UNCTAD's Division on Investment, Technology and Enterprise Development on the transfer of technology, including on the project "Home Country Measures Facilitating access to Technology by Developing Countries".

**(b) Enhancing the integration of countries into the global economy**

**(i) Energy**

441. As part of its overall support to those developing and economies in transition, UNCTAD is assisting energy-endowed countries in their quest to join the WTO. The Programme has been supportive of, together with the UNDP Regional Arab State Programme, the operationalization of the Memorandum of Understanding between UNCTAD and OPEC. The Global Programme was instrumental in facilitating the signing of this important agreement. It has therefore opened the avenue for South/South cooperation not only among OAPEC members but particularly with LDCs within their region and within their scope of action.

**(ii) At the country level**

442. *Bolivia:* The Programme assists the special envoy of the UN Secretary General to Bolivia. In 2003, it has initiated the promotion of national consensus building on international integration, energy and SHD through workshops involving Government, parliament, and civil society, and through the creation of an economic and social council. The Programme is also advising Bolivia on topics of importance at the regional level (the Andean Region).

443. *Indonesia:* The Programme is assisting the Government and Indonesia's SMEs to improve SMEs competitiveness in the context of further liberalization and recent moves towards regional autonomy. Poignant studies have been undertaken and will form the basis of a national seminar. The results from this seminar, together with input from the ILO and UNSFIR will form a policy paper that will be presented to Cabinet. The implications of this paper will then be integrated into a white paper for review and endorsement by Parliament during the first half of 2004. The Programme will maintain contact with parliamentarians and stakeholders to ensure a consensus on the policy proposals contained within.

444. *Romania:* A study on the energy and energy services sector was completed in August 2003. The report noted that Romania is quite similar to the other countries in transition: overcapacity in electricity production, import dependence in gas and oil industries, slow and cumbersome process of privatization, slow and hesitant process of adjusting the sector to the market realities (e.g. socially driven structures of regulated prices). This study led to a few proposals, which can constitute a new approach for the Programme in Romania, i.e. a regional approach.

445. *Senegal:* The Programme has developed pilot projects dealing with "Competitiveness and Social Efficiency" and "Creative Industries and the Music Sector", two issues which were felt to be complementary to those tackled by the IF. "Competitiveness and Social Efficiency" focused on studying three main sectors: fashion design and clothing, ecotourism and higher education, while "Creative Industries and the Music Sector" focused on a project co-financed along with the ILO, and in cooperation with UNCTAD's Special Programme for least developed, landlocked and Island developing countries. The Programme is also exploring a wider cooperation with a bilateral donor in Casamance.

446. *Viet Nam:* In 2003, activities undertaken in this country were geared towards connecting the competitiveness that Viet Nam is developing with its social efficiency, so that the benefits of market

liberalization are spread widely. This has been articulated around the following axes: (i) Capacity development activities related to linking trade in services to human development; (ii) Using information and communication networks in rural and mountainous areas to provide appropriate market information, educational and training information in partnership with ILO rural development modules and carrying health information from the Ministry of Health; (iii) Study on the impact of trade liberalization on social inequality and poverty.

447. *Ecuador, Morocco, and Kenya*: In 2003, preparatory work went on in those countries: collection of data, UN internal contacts, and formal contacts with governments, civil society and Geneva-based missions.

448. *Botswana and Nepal*: A formal request emanated from the government of those countries on the need for improving the policy framework to attract FDI in the country, as an outcome of the national seminar organized by the Programme. Following these requests, Investment Policy Reviews on Botswana and Nepal have been published.

### **3. Advisory services**

449. As reported in previous years, UNCTAD's technical cooperation is supported not only from project-specific funds but also from another source, namely section 21 of the United Nations programme budget.

450. Under section 21 of the United Nations programme budget, UNCTAD received for 2003 an allotment equivalent to 70 work months, together with travel, consultants, fees and individual fellowship funds, for the purpose of participating in interregional advisory services, together with funds for participants in seminars. These resources were devoted to five main areas: (a) globalization and development; (b) international trade in goods and services and commodities issues; (c) investment, enterprise development and technology; (d) services infrastructure for development and trade efficiency; and (e) least developed countries. Advisers undertook 13 missions in 2003.

**Table 8.**  
**EXECUTIVE DIRECTION AND MANAGEMENT AND SUPPORT SERVICES**  
(in dollars)

<i>Project number</i>	<i>Short title</i>	<i>Duration</i>	<i>Source of fund</i>	<i>Total budget</i>	<i>Cumulative expenditures</i>	<i>Expenditure 2003</i>
<b>Executive Direction and Management</b>						
GLO/01/615	Globalization liberalization and Sustainable Development PHASE II .....	2001–	UNDP	1 102 006	1 066 843	735 796
INT/98/901	Globalization, liberalization and sustainable human development .....	1999–	UNDP	230 120	230 165	31 863
INT/00/A27	Building capacity through training in the settlement of disputes in international trade, investment and intellectual property .....	2001–	Multidonors	208 378	137 517	60 518
INT/0T/1AK	Financing of participation of experts from developing countries and countries with economies in transition in UNCTAD Expert Group .....	2001–	Finland, Iceland, Mauritius	244 434	209 517	127 705
INT/02/X21	UNCTAD/UNDP Global Project .....	2002–	Belgium	83 517 <sup>b</sup>	83 517	83 517
INT/0T/2BG	In-depth evaluation of technical cooperation activities....	2002–	Multidonors	70 000	42 582	42 582
ROA-2166(L)	Dispute settlement in international trade, investment and intellectual property .....	2002–	Development Account	420 000	356 512	110 197
<b>Total Executive Direction and Management .....</b>				<b>2358 455</b>	<b>2 126 653</b>	<b>1 192 178</b>
<b>Resource Management Service</b>						
INT/90/A10	Liaison and assistance with technical cooperation donors .....	1990–	Italy	601 749	532 367	34 135
INT/0T/0BU	Support to UNCTAD's technical cooperation .....	2000–	Belgium	970 634	481 886	105 858
<b>Total Resource Management Service .....</b>				<b>1 572 383</b>	<b>1 014 253</b>	<b>139 993</b>
<b>Cross-divisional Advisory Services</b>						
MTD12-340	Interregional advisory services (Saving) .....	1998–	Development Account	1 170 000	1 186 766	8 377
UND12-340	Interregional advisory services .....	2000–	Development Account	1 132 600 <sup>c</sup>	3 909 080	1 169 405
<b>Total Cross-divisional Advisory Services .....</b>				<b>2 302 600</b>	<b>5 095 846</b>	<b>1 177 782</b>
<b>DIVISION TOTAL .....</b>				<b>6 233 438</b>	<b>8 236 752</b>	<b>2 509 953</b>

<sup>a</sup> Project that had been “operationally but not financially completed” or “completed” in 2003.

<sup>b</sup> Annual budget.

<sup>c</sup> Biennial budget.