



**United Nations
Conference
on Trade and
Development**

Distr.
GENERAL

TD/B/WP/174
10 August 2004

Original: ENGLISH

TRADE AND DEVELOPMENT BOARD
Working Party on the Medium-term Plan and
the Programme Budget
Forty-third session
Geneva, 13-17 September 2004
Item 3 of the provisional agenda

**IMPLICATIONS OF THE OUTCOMES OF UNCTAD XI
FOR THE WORK PROGRAMME FOR 2004–2005**

Note by the UNCTAD secretariat¹

Summary

This document has been prepared for the Working Party's review of the work programme implications of the outcomes of the eleventh session of UNCTAD. It provides, subprogramme by subprogramme, how the outcomes will be implemented and, whenever appropriate, proposes specific changes to the work programme as contained in the programme budget document. It aims to assist the Working Party to ensure that Conference outcomes will be integrated promptly into the work of the organization.

¹ This document was submitted late because it had to be prepared after the conclusion of UNCTAD XI.

INTRODUCTION

1. The Working Party on the Medium-term Plan and the Programme Budget decided, at its forty-first session in September 2003, to review the work programme implications of the outcomes of the eleventh session of the Conference (UNCTAD XI), as it has done on previous occasions after Conferences.

2. The São Paulo Conference reaffirmed that the Bangkok Plan of Action should continue to guide UNCTAD's work in the years to come. UNCTAD XI constituted an opportunity to identify new developments and issues in the area of trade and development since Bangkok, and to generate greater understanding of the interface and coherence between international processes and negotiations on the one hand and the development strategies and policies that developing countries need to pursue on the other. UNCTAD can play an important role in helping to ensure that coherence for development. Advancing this objective was the overarching goal of the São Paulo Conference. Further, paragraph 15 of the Spirit of São Paulo stresses that decisions adopted at UNCTAD XI, in addition to the Bangkok Plan of Action, form a solid basis to build upon and are essential instruments in member States' continued commitment to support UNCTAD in fulfilling its mandate as the focal point within the United Nations for the integrated treatment of trade and development, on the road to its twelfth session in 2008.

3. In terms of the work programme as contained in the UNCTAD section of the programme budget for 2004-2005 (A/58/6, Section 12), however, in many cases the effects of the Conference may not appear explicitly as changes in outputs or activities as such. For example, outcomes implemented as an agenda item of an intergovernmental meeting or a section of a publication already programmed under a generic title in the existing work programme will not require any specific change to the text of the work programme. In order to assist the Working Party to ensure that the outcomes of UNCTAD XI will be integrated promptly into the work of the organization, the present document provides for each subprogramme an elaboration of how the Conference outcomes will be implemented and, whenever appropriate, proposes specific changes to the work programme for 2004-2005. In this way, the Working Party has a full picture of how the outcomes will be implemented.

4. Most activities can be initiated over the next 16 months within the existing work programme elements. To ensure full-fledged implementation, however, certain activities will be reflected in the work programme proposed for the next biennium 2006-2007.

5. The work programme implications of the Conference outcomes mainly relate to the mandates set out in the São Paulo Consensus, which is contained in document TD/410. The Spirit of São Paulo is contained in document TD/L.382.

EXECUTIVE DIRECTION AND MANAGEMENT

6. The UNCTAD annual report, as programmed, will focus more on results achieved, assessed against the organization's established strategic framework, with a clear set of indicators of achievement. This result-oriented annual report should form the basis for an annual review of programme performance by the Trade and Development Board (paragraph 9 of the São Paulo Consensus).

SUBPROGRAMME 1A: GLOBALIZATION, INTERDEPENDENCE AND DEVELOPMENT

7. Issues that appear in paragraphs 26 to 30 of the São Paulo Consensus will be addressed in the analytical work of the subprogramme and related advisory services. Central to this work will be the *Trade and Development Report* (TDR). The special theme of TDR 2004 will be "Enhancing coherence in the international trading, monetary and financial systems". In 2005, the TDR could pick up a special theme from topics highlighted in paragraphs 28-29 of the São Paulo Consensus. The TDR will serve as a background document for the deliberations of the Trade and Development Board and as a basis for advisory services, seminars and lectures at the national and regional level. Further, analytical work and advisory services will address issues relating to policy space (paragraph 8 of the São Paulo Consensus and paragraph 11 of the Spirit of São Paulo), as well as South-South cooperation (paragraph 13 of the Spirit of São Paulo).

8. In order to provide support to policy-oriented research and assist policy makers in their decision making regarding development strategies (paragraphs 28-29 of the São Paulo Consensus), the subprogramme will continue to publish relevant statistical information: *Development and Globalization: Facts and figures* will be published; the *GlobStat* database will be updated; and the annual *Handbook of Statistics* and the monthly *Commodity Price Bulletin* will continue to be issued in their present format. The *UNCTAD Discussion Paper Series*, involving about eight research papers per year, will be a means to facilitate research by UNCTAD staff or outside experts on topics of relevance for the issues referred to in paragraphs 26 to 30 of the São Paulo Consensus. Lectures, seminars and workshops for policy makers, senior administrators and economic research institutions at the national and regional level will be delivered on the basis of the analytical work of the subprogramme.

9. UNCTAD's contribution to increasing coherence in global economic policy-making (paragraph 28 of the São Paulo Consensus) includes the project on Technical Support to the Intergovernmental Group of Twenty-four on International Monetary and Financial Affairs and Development (G-24), with the publication of research papers in the *G-24 Discussion Paper Series*. Under this project, six to eight research papers per year will be issued to support the biannual technical meetings of the G-24, organized in collaboration with the G-24 Secretariat, for the Group's preparation of the spring and autumn meetings of the Washington-based international financial institutions and other relevant fora. The research papers will also serve as inputs to a regional seminar planned for 2005.

10. To address the question of debt sustainability, the problems of developing countries arising from international financial instability, and the role of private and official flows in financing development (paragraph 28 of the São Paulo Consensus), reports to the General Assembly on external debt and development (the report in 2005 being subject to the usual request by the GA) will be prepared to serve as background material to the annual deliberations on macroeconomic policy questions.

11. Technical assistance and support to developing countries in debt management and their participation in multilateral negotiating processes and international decision-making (paragraph 31 of the São Paulo Consensus) will be provided in the context of: technical cooperation activities carried out under the Debt Management and Financial Analysis System (DMFAS) programme; advisory services provided to developing countries and countries with economies in transition in the preparations for negotiations on debt restructuring with the Paris Club; technical support to the G-24 project; and the project on "capacity-building for debt sustainability in developing countries", currently under review for financing under the United Nations Development Account from 2004 to 2006. Under this latter project, the problems of selected developing countries in achieving debt sustainability will be analysed, and training will be provided to senior officials of these countries to strengthen their capacity to formulate and implement strategies for maintaining long-term debt sustainability in their countries.

12. The programme of assistance to the Palestinian people will address issues referred to in paragraph 35 of the São Paulo Consensus through analysis of economic developments in the Palestinian economy, the provision of policy recommendations, and coordination of various technical cooperation activities located in other parts of the secretariat. With a view to strengthening the programme, resource mobilization efforts will be intensified.

13. For this subprogramme, the outcomes of UNCTAD XI and mandates emanating therefrom will be implemented within the existing work programme as contained in the programme budget (A/58/6) for the current biennium.

SUBPROGRAMME 1B: DEVELOPMENT OF AFRICA

14. The subprogramme will undertake research related to African development arising from the outcome of UNCTAD XI as contained in the São Paulo Consensus. The analytical work of the subprogramme and its policy recommendations at the national and international level will be published in the annual reports on *Economic Development in Africa* and, as required, in occasional papers. The subprogramme's work will be guided by paragraph 32 of the São Paulo Consensus, as well as other paragraphs that are relevant to the "Programme of Action: The Strategy for Achieving Sustainable Development in the 21st Century" of the NEPAD, in particular sections B and C related to sectoral priorities and resources. In the context of its coordination functions, the subprogramme will continue to prepare an annual report on UNCTAD's activities in favour of Africa.

15. In 2004, the report on *Economic Development in Africa* will focus on the question of debt sustainability arising from paragraphs 16 and 28 of the São Paulo Consensus and corresponding to NEPAD's Capital Flows Initiative, section C1(ii).

16. For this subprogramme, the outcomes of UNCTAD XI and mandates emanating therefrom will be implemented within the existing work programme as contained in the programme budget (A/58/6) for the current biennium.

SUBPROGRAMME 2: INVESTMENT, TECHNOLOGY AND ENTERPRISE DEVELOPMENT

17. Programme implementation will reflect added emphasis on corporate responsibility (paragraph 58 of the São Paulo Consensus), home country measures (paragraph 57) and intellectual property rights (paragraph 54).

18. Specifically, the subprogramme will maintain its lead role in policy analysis on the impact of foreign direct investment (FDI) on development (paragraph 51 of the São Paulo Consensus), especially as regards ways and means to maximize benefits and minimize costs associated with FDI through appropriate host and home country policies. The *World Investment Report*, as well as various monographs and discussion papers, are key instruments in disseminating results from this policy analysis. The subprogramme will continue to collect data related to FDI, transnational corporations and related policies.

19. In the programme for investment issues analysis, a number of expert meetings, regional seminars and other activities will be organized with a view both to keeping abreast of new developments and to disseminating results from the research. Also, technical assistance to help developing countries build and strengthen their FDI statistical capacity will continue to be provided. Reflecting the UNCTAD XI outcomes, added emphasis on home country measures (paragraphs 51 and 57 of the São Paulo Consensus) and a positive corporate contribution to the social and economic development of host countries (paragraph 58) will be reflected in the analytical work.

20. With regard to policy and capacity-building work, paragraph 53 of the São Paulo Consensus reiterates the importance of technical assistance to support efforts of developing countries and economies in transition to attract and benefit more from FDI, including assistance in formulation and implementation of investment policies and relevant legislation and regulations in line with their development strategies. Follow-ups to Investment Policy Reviews and assistance to national investment promotion agencies will be the primary means to address this mandate. Paragraph 54 of the São Paulo Consensus reiterates the continued need to examine the special problems that LDCs and African countries face in building productive capacities and points to the importance of investment guides and advisory services in this regard. Future work in this area will also take into account the added emphasis on technical assistance to help developing countries to take advantage of home country measures to encourage investment flows (paragraph 57 of the São Paulo Consensus) and the development of partnerships, particularly between UNCTAD and the World Association of Investment Promotion Agencies (WAIPA) (São Paulo Consensus, annex, section C).

21. In the area of international investment and technology agreements, paragraph 56 of the São Paulo Consensus calls for continued policy analysis, technical assistance and consensus building. In this work, the consensus on the importance of national policy space (paragraph 8 of the São Paulo Consensus and paragraph 11 of the Sprit of São Paulo) and the emphasis on South-South cooperation (the Sprit of São Paulo, paragraph 13) and regionalism (the Sprit of São Paulo, paragraph 14) will be reflected in: (i) a continued elaboration of the development dimension of international investment agreements, including through the second generation series of UNCTAD's analysis on key issues in international investment agreements; and (ii) a strengthened focus of technical assistance activities on assistance to regional integration efforts involving developing countries. Related assistance work will continue to be provided to investment and technology transfer arrangements that are under consideration so as to maximize their contribution to development. Further efforts will be made to strengthen the cooperation with organizations specifically mentioned in the annex to the São Paulo Consensus, building on existing cooperative arrangements with partner institutions, as well as others. Within the context of UNCTAD's work on international arrangements, contributions will also be made to the analytical examination and elaboration of positive corporate contributions to the economic and social development of host countries (paragraph 58 of the São Paulo Consensus), including through a review of existing international initiatives in this area.

22. In the area of technology transfer, paragraph 52 of the São Paulo Consensus calls for continued policy analysis and technical assistance work. Issues related to the role of intellectual property rights in building domestic innovative capacity will be elaborated through the continued joint UNCTAD/ICTSD² project on intellectual property rights and sustainable development. Work on international arrangements will also continue to pursue the identification of ways and means to operationalize technology transfer clauses in international agreements. Work on technology will also continue to be carried out within the context of servicing the Commission on Science and Technology for Development.

23. With regard to the work on investment and enterprise competitiveness, paragraph 55 of the São Paulo Consensus calls for continued policy analysis and technical assistance work in the area of enterprise development with an increased focus on the international dimension, and the identification of ways and means for enterprises to meet international standards, including accounting standards. While no specific deviation from the existing work programme is required in this area, added emphasis on business linkages (paragraph 51 of the São Paulo Consensus) and corporate responsibility (paragraph 58) will be reflected in its implementation. Further efforts will be made to strengthen the cooperation with organizations specifically mentioned in the annex to the São Paulo Consensus, in particular with regard to the OECD to join efforts on facilitating SME export competitiveness through their integration into international value chains, and with regard to the International Federation of Accountants to join efforts in building accounting infrastructure and strengthening the accounting profession in developing countries and in countries with economies in transition.

² International Centre for Trade and Sustainable Development.

24. **For this subprogramme, the outcomes of UNCTAD XI and mandates emanating therefrom will be implemented within the existing work programme as contained in the programme budget (A/58/6) for the current biennium.**

SUBPROGRAMME 3: INTERNATIONAL TRADE

Trade negotiations and commercial diplomacy

25. The outcomes of regular monitoring and assessment of the evolution of the international trading system (paragraph 95 of the São Paulo Consensus), monitoring and analysis of the impact on developing countries of trade-related policies of their trading partners (paragraph 95), and monitoring and examination of the interface between the multilateral trading system and regional trade agreements (paragraph 96) will be presented through annual reports, as required, to the Commission on Trade in Goods and Services, and Commodities, the Trade and Development Board, and the General Assembly, with a view to helping consensus and confidence-building (paragraph 95). The outcomes of these monitoring activities and analyses could also be disseminated through other publications and technical materials as appropriate.

26. Studies to respond to mandates in paragraphs 96-99 and 101-102 of the São Paulo Consensus will be issued under regular publication series such as *Systemic Issues of International Trade*, *GSP Handbooks and market access studies*, and *Selected Issues in International Trade Negotiations*. Topics of these studies would include: the interface between the multilateral trading system and regional trade agreements (paragraph 96); the utilization and predictability of trade preferences; rules of origin; erosion of preferences (paragraph 97); assessment of trade in services; Mode 4 - temporary movement of natural persons; GATS rules and domestic regulation; modal linkages in services supply (paragraph 99); the information and communication technology (ICT) sector and trade (paragraph 102); and the development dimension and trade-related aspects of intellectual property rights (paragraph 101). In undertaking these studies, care will be taken to ensure that insights gained through analytical work will be applied to technical cooperation and advisory support.

27. Capacity building support on trade negotiations, national trade policies, human, institutional and regulatory frameworks, the integration of trade in development plans (paragraphs 95-99, 101 and 108 of the São Paulo Consensus) will be provided within the context of such technical cooperation programmes as Commercial Diplomacy, the Joint Integrated Technical Assistance Programme (JITAP), WTO accession and dispute settlement programmes. Emphasis will be placed on capacity building at the national level on trade and trade-related policies and negotiations, including the linkage between trade, poverty and gender (paragraph 105 of the São Paulo Consensus) and regional integration efforts (paragraph 96). On the latter, support will be extended to secretariats of regional integration groupings to strengthen their trade policy capacity and to facilitate networking among them. Support will also be provided to facilitate and expand South-South trade, including through the GSTP (paragraphs 96-97). On trade in services, member States will be supported in their

participation in the ongoing multilateral and regional trade negotiations in services, particularly in the assessment of trade-in-services capacity, the new and emerging fields of information and communication technology, infrastructure and tourism services (paragraph 99). Assistance will be provided in connection with preparations for and participation in the WTO accession process (paragraph 98) and on the development dimension of intellectual property and TRIPS (paragraph 101). JITAP will intensify national human and institutional capacity building, including through the support provided to Inter-Institutional Committees of the JITAP beneficiary countries (paragraph 108).

Trade Analysis

28. Quantitative and normative research and analysis will be conducted on relevant aspects of international trade from a development perspective on such issues as: trade trends; national trade policies and strategies, including integrating trade and development concerns in national development policies; regional, interregional and multilateral trade and trade-related processes; impact of trade-related policies, particularly by their major trading partners, on developing countries; trade and economic integration; trade and related issues of concern to developing countries in improving trading opportunities (export competitiveness; domestic supply capacity; export value-added, etc.); and crosscutting issues (trade and poverty; trade, finance and debt; trade and technology) (paragraphs 30, 95-97, 99, 105 and 106 of the São Paulo Consensus). Trade and development benchmarks (paragraph 95), new and emerging trade geography of the South (the Spirit of São Paulo, paragraph 13) and policy space in the context of trade policy (paragraph 8 of the São Paulo Consensus and paragraph 11 of the Spirit of São Paulo) will be further elaborated. Outcomes of this research and analysis will be disseminated, as appropriate, through publication series such as *International Trade Issues – A Development Perspective*, relevant reports to intergovernmental bodies, the *Trade and Development Report* and the *World Economic Situation and Prospects*. Analytical contributions will also be made to UN system-wide monitoring and follow-up of the Millennium Declaration and the Monterrey Consensus, including poverty and systemic aspects (paragraph 2 of the São Paulo Consensus).

29. Further, in supporting sectoral reviews on dynamic sectors (paragraph 95 of the São Paulo Consensus), analysis will be undertaken on policy options for developing country participation in dynamic and new sectors in goods, commodities and services, and substantive support will be provided to the review process.

30. The Trade Analysis Information System, the World Integrated Trade Solution and the Agricultural Trade Policy Simulation Model will continue to provide tools for monitoring and assessing trends in international trade, and to support countries in formulating, implementing and reviewing national trade policies and in establishing their own negotiating priorities and negotiating trade agreements (paragraph 95 of the São Paulo Consensus). Support for developing countries will also be provided through analytical capacity building in trade and trade-related areas (paragraphs 108-109 of the São Paulo Consensus).

Commodities

31. In the area of commodities, covering agricultural, forestry and fishery products, metals and minerals, and oil and oil products, analytical work will be undertaken to identify factors, policy issues and responses influencing the competitiveness of the commodity sector so as to: contribute to diversification, adding value, and more effective participation in the supply chain; identify appropriate and effective mechanisms to respond to commodity price fluctuations and to mitigate earnings shortfalls; respond to the challenges of commodity markets, including over-supply; and address links between international commodity trade and national development, particularly poverty reduction (paragraph 100 of the São Paulo Consensus). Linkages between trade and gender and between trade and financial flows and debt sustainability (paragraphs 105-106) and regional perspectives will be addressed. The outcomes will be delivered through: the publication series *Commodity Development and Trade* and *Selected Commodity Issues and Collections of Papers from Expert Meetings on Commodities*; reports to the General Assembly as required; contributions to the *Trade and Development Report*, the *Least Developed Countries Report* and *World Economic Situation and Prospects* as required; and expert meetings if so decided by the Commission on Trade in Goods and Services, and Commodities. These activities will also be relevant to paragraphs 26, 49 and 58 of the São Paulo Consensus.

32. Assistance, including capacity and institution building, to formulate strategies and policies in the above areas will be provided to developing countries, primarily the commodity-dependent ones, through advisory missions, training courses and national and regional workshops (paragraphs 29 and 100 of the São Paulo Consensus). Improving the capacity to apply modern commodity price risk management and financial instruments will be another major area of assistance (paragraph 100).

33. Developments in commodity markets will be monitored and information disseminated through the INFOCOMM website, the *World Commodity Survey*, the *Commodity Yearbook* and the *Handbook of World Mineral Trade Statistics*. Exchange of experiences, particularly on factors, policy issues and responses affecting the performance of the commodity sector, will be addressed in expert meetings and, subject to extrabudgetary funding, workshops and seminars. (paragraph 100)

34. The subprogramme will help building effective partnerships among relevant stakeholders, aiming at viable solutions and sustainable approaches to commodity problems. Contributions to the negotiation/renegotiation of international commodity agreements will continue, and cooperation with the Common Fund for Commodities will be enhanced (paragraph 100). A major initiative resulting from UNCTAD XI in this context was the establishment of the International Task Force on Commodities (paragraph 114 and annex). This will help public-private cooperation in commodity chains to ensure, through market-based principles, a more equitable distribution of revenues and benefits along the supply chain and support diversification. While subject to the availability of extrabudgetary funding, support for this task force could be provided through: up to three meetings in 2004-2005; substantive inputs; and a website.

35. The recommendations of the Eminent Persons will be taken into account as appropriate in the planning and execution of all activities.

Competition law and policy

36. Account will be taken of the broader linkages of competition policy with development issues throughout the work, as indicated in the São Paulo Consensus (paragraphs 13, 37, 43, 72, 89, 95 and 104). UNCTAD XI also recognized that: deriving full economic and social benefits from FDI and trade liberalization depend on well-designed competition law and policy as an integral part of national development strategies; and that efforts should be made to prevent and dismantle anti-competitive structures and practices and promote responsibility and accountability of corporate actors at both national and international levels, thereby enabling developing countries' producers, enterprises and consumers to take advantage of trade liberalization. This should be supplemented by the promotion of a competition culture and improved cooperation between competition authorities. Developing countries are encouraged to consider, as a matter of importance, establishing competition laws and frameworks best suited to their development needs (paragraph 89 of the São Paulo Consensus).

37. To address these development needs, paragraph 104 of the São Paulo Consensus calls upon UNCTAD to further strengthen its analytical work and capacity-building activities to assist developing countries on issues related to competition law and policy. Its ongoing analytical, consensus-making and capacity-building work will continue in responding to these paragraphs by supporting efforts of developing countries to safeguard against anti-competitive behaviour in their domestic markets, and respond effectively to a range of anti-competitive practices in international markets that impair or nullify the benefits expected from developing countries' participation in dynamic sectors and multilateral trade liberalization (paragraphs 72 and 95 of the São Paulo Consensus).

38. In addition, the subprogramme will undertake research and analytical work on the adoption of competition laws and policies best suited to the needs of developing countries. Particular attention will be given to development benchmarks and to the synergy with technical cooperation and capacity building work so that insights gained through analytical work will be applied to technical cooperation and advisory support. Given the impetus for regional integration, research and capacity-building activities will place more emphasis on competition law and policy in the context of regional integration. Discussions in expert meetings, including the Intergovernmental Group of Experts on Competition Law and Policy, could reflect this dimension.

Trade, environment and development

39. The interface of trade, environment and development will continue to be addressed through consensus building, policy analysis, technical assistance and capacity building. This will include monitoring relevant developments in the international trading system, work on relevant dynamic and new sectors of international trade, and contributions to the elaboration of trade and development benchmarks (paragraph 95 of the São Paulo Consensus).

40. Policy analysis will be undertaken on a range of issues such as market access, agriculture, traditional knowledge, environmentally sound technology, environmentally preferable products, eco-labeling and certification; and trade-related issues contained in the Johannesburg Plan of Implementation (paragraph 103 of the São Paulo Consensus) and related issues of climate change and biosafety. Special attention will be given to: identifying and promoting environmental goods and services of actual and potential export interest to developing countries (paragraphs 87, 95 and 103 of the São Paulo Consensus); monitoring environmental measures affecting developing-country exports (paragraphs 87 and 103); and the protection, preservation and promotion of traditional knowledge, innovation and practices and biological resources of developing countries (paragraphs 88, 101 and 103). These research outcomes will be disseminated through, *inter alia*, the annual *Trade and Environment Review* and other technical publications.

41. Follow-up to the Plan of Implementation agreed at the World Summit on Sustainable Development (paragraphs 2 and 103 of the São Paulo Consensus) will be provided through policy analysis, capacity building, partnerships in the context of the Biotrade Initiative and the UNEP-UNCTAD Capacity Building Task Force on Trade, Environment and Development, and contributions to the work of the Commission on Sustainable Development. The Biotrade Initiative will extend its coverage to countries in Africa and Asia and deepen its work in Latin America. A key new project-based activity will be the Consultative Task Force on Environmental Requirements and Market Access for Developing Countries.

42. Within technical cooperation and capacity building, special attention will be paid to the following clusters: (i) environmental measures and market access (paragraphs 87 and 103 of the São Paulo Consensus); (ii) environmental goods and services of actual and potential export interest to developing countries (paragraphs 87, 99 and 103); and (iii) protection, preservation and promotion of traditional knowledge, innovation and practices and biological resources of developing countries (paragraphs 88, 103 and 104).

43. The fruitful cooperation with other development partners, including the private sector and civil society, will continue (paragraphs 11, 115 and 116 of the São Paulo Consensus). UNCTAD will also continue to collaborate with the Food and Agriculture Organization and the International Federation of Organic Agriculture Movements in the context of the International Task Force on Harmonization and Equivalence in Organic Agriculture.

44. For this subprogramme, the outcomes of UNCTAD XI and mandates emanating therefrom will be implemented within the existing work programme as contained in the programme budget (A/58/6) for the current biennium.

SUBPROGRAMME 4: SERVICES INFRASTRUCTURE FOR DEVELOPMENT, TRADE EFFICIENCY AND HUMAN RESOURCES DEVELOPMENT

Transport and trade logistics

45. The mandate to undertake research and analysis in the areas of trade facilitation, transport, and related services, as contained in paragraphs 59 and 107 of the São Paulo Consensus, will be dealt within the existing work programme, primarily through its annual *Review of Maritime Transport* and other non-recurrent publications on issues relating to transport and trade facilitation, including security questions.

46. The subprogramme will follow current and emerging developments on security arrangements, analyse their implications for developing countries, and facilitate the exchange of views and experiences among interested parties (paragraph 59 of the São Paulo Consensus) through these publications. Technical assistance related to security will be provided through the latest version of ASYCUDA (i.e. ASYCUDA World). Finally, the Commission on Enterprise, Business Facilitation and Development may take security issues into consideration when deciding on topics for future expert meetings.

47. Assistance in the area of building transport capacity, including in the field of multimodal transport, logistics, legal frameworks, containerization and its international implications (paragraph 60 of the São Paulo Consensus), will be provided through technical cooperation programmes as contained in the current work programme.

48. The subprogramme will continue to provide assistance to developing countries in support of the ongoing work of UNCITRAL through advisory services and analytical work (non-recurrent publications), as contained in the work programme.

49. For the transport and trade logistics programme, in the UNCTAD section of the programme budget it is proposed to:

- **In 12.61(b)(ii), under non-recurrent publications “studies in the fields of ...”, after “transport law” add the phrase “including transport and supply chain security”.**

Human resources development

50. The TRAINFORTRADE programme will contribute to the implementation of the mandate to help strengthen human resources, know-how and competences and institutional and regulatory frameworks and infrastructure in the field of trade (paragraph 95 of the São Paulo Consensus). This will be done within the existing work programme through development of training materials, including on-line and audiovisual materials, course deliveries, including through distance learning and training of trainers, advisory services to member States, and field projects.

51. UNCTAD XI also confirmed the Bangkok mandate on tourism, especially for the promotion of sustainable tourism (paragraph 99 of the São Paulo Consensus). The

subprogramme recently started to develop a course on sustainable tourism for development, following the Declaration adopted at the pre-UNCTAD XI International High-Level Meeting on Sustainable Tourism for Development, held in Lisbon in March 2004. The issue of sustainable tourism will be addressed within the existing programme.

UNCTAD Virtual Institute on Trade and Development

52. The Virtual Institute was officially launched at UNCTAD XI under the partnership for training, distance learning and networking (paragraphs 114 and 115 of the São Paulo Consensus and paragraphs 9 to 11 of the annex, which specifically pertain to the Virtual Institute). It aims for human resources development and capacity building that would lead to an improved understanding of policy options and strategies in areas of UNCTAD's competence.

53. In relation to the Virtual Institute on Trade and Development, it is proposed to:

- **In 12.61(b)(iii), add an information material “Virtual Institute brochure (1)”;**
- **In 12.61(c)(i), under advisory services, add “the development of university curricula on UNCTAD issues; development of teaching resources and tools for the Virtual Institute network of academic, training and research institutions”;**
- **In 12.61(c)(iii), under field projects, add “substantive inputs to and backstopping of national/regional projects for further development of the Virtual Institute and its website, and the strengthening of the Virtual Institute network of academic, training and research institutions”.**

E-commerce and ICT for trade and development

54. The mandates contained in paragraphs 61 and 62 of the São Paulo Consensus will be implemented firstly through the annual *Electronic Commerce and Development Report*. The *Report* will also provide analysis on trade and development aspects of open and collaborative projects, including open source software (paragraph 102), and an expert meeting scheduled for September 2004 will be similarly devoted to the issue of open software. The Commission on Enterprise, Business Facilitation and Development may choose to take up specific issues based on expert group discussions. Additionally, the Commission may devote one expert meeting per year to the economic aspects of ICT for development.

55. To implement the mandates of paragraphs 61 and 62 of the São Paulo Consensus, UNCTAD will also contribute, in its area of competence, to the implementation of the Declaration of Principles and Plan of Action of the World Summit on the Information Society through a thematic meeting on “Economic implications of ICT”, to be held at the end of 2004 or the beginning of 2005, as well as an ad hoc expert meeting planned for February 2005 to address assistance in the development and application of mechanisms for monitoring and measuring overall digital economy developments and ICT use in countries. Moreover,

specialized web sites will be developed to support the work on measuring the digital economy and the partnership on ICT for development.

56. The subprogramme will support the efforts of developing countries in developing e-business in sectors that are of economic importance and have export capacity through the partnership on ICT for development (paragraph 114).

57. In the area of e-commerce and ICT for trade and development, it is proposed to:

- **In 12.61(b)(ii), under non-recurrent publications, replace “e-commerce and international transport services” with “ICT for trade and development”**
- **In 12.61(b)(iv), under technical material, add “e-measurement web site (1), e-tourism web site (1)”**

SUBPROGRAMME 5: LEAST DEVELOPED COUNTRIES, LANDLOCKED DEVELOPING COUNTRIES AND SMALL ISLAND DEVELOPING STATES

58. The outcome of UNCTAD XI stipulated that UNCTAD should continue to play a leading role in both the substantive and technical work on least developed countries (LDCs) and specified that its analytical work aimed at identifying long-term solutions to sustainable development and poverty reduction should be carried out on an annual basis through the *LDC Report* (paragraph 34 of the São Paulo Consensus). In addition to the *LDC Report*, which will be issued annually from the 2006-2007 biennium, this mandate will be discharged through other reports to intergovernmental bodies dealing with LDC issues and in the context of analytical studies undertaken by various programmes of UNCTAD. The annualization of the *LDC Report* will considerably increase the volume and intensity of the policy-related research activities of the Sub-Programme. In addition to the *LDC Report*, other analytical studies will be carried out on LDCs, landlocked developing countries (LLDCs) and small island developing States (SIDS), drawing from multi-country case study research.

59. Paragraph 108 of the São Paulo Consensus calls for strengthening of UNCTAD's contribution to the implementation of the Integrated Framework for Trade-Related Technical Assistance to LDCs. The increased UNCTAD contribution will be demonstrated firstly through enhanced implementation and monitoring of concrete trade-related technical assistance for LDCs. The subprogramme will continue to coordinate and monitor such assistance and reflect it in the annual progress reports on the implementation of the Integrated Framework. Furthermore, the subprogramme will intensify its substantive contributions to the Diagnostic Trade Integration Studies process in countries and to interagency missions.

60. Paragraph 83 of the São Paulo Consensus requires swift progress to meet duty-free and quota-free market access on a secure and predictable basis for products originating from LDCs, while paragraph 84 underlines that the particular problems relating to the trade of SIDS, LLDCs, transit developing countries and small and vulnerable economies should be given special consideration. Paragraph 97 stresses that UNCTAD should continue its support

for the revitalization and greater utilization of GSTP and other initiatives that simulate South-South trade, and paragraph 13 of the Spirit of São Paulo underlines that a more comprehensive GSTP should also address the problems of the LDCs. The subprogramme, with its coordination role within UNCTAD, will ensure that these issues will be addressed in conjunction with relevant sectoral programmes, in particular subprogramme 3.

61. Among the major outcomes of UNCTAD XI, recognition was given to the necessity of undertaking more effective international support measures in favour not only of LDCs, LLDCs and SIDS but also of other developing countries in special need, encouraging UNCTAD to address issues related to the special problems and challenges facing transit developing countries, as well as structurally weak, vulnerable and small economies (paragraph 33 of the São Paulo Consensus).

62. On special problems and challenges facing transit developing countries (paragraphs 33, 66 and 84 of the São Paulo Consensus), the subprogramme will explore effective ways of addressing pertinent issues in its work programme, as well as the work of relevant sectoral divisions, so as to address the tasks entrusted to it by both UNCTAD XI and the Almaty Programme of Action in dealing with the special needs of landlocked developing countries within a new global framework of transit transport cooperation with landlocked and transit developing countries. In particular, the issue of reducing transaction costs and increasing the benefits that LLDCs and their transit developing partners could derive from transit transport cooperation will also be given due consideration both in future analytical work and in technical cooperation programmes. This mandate will be discharged through, *inter alia*, enhanced interaction and integration of work with technical cooperation programmes relating to transport and trade facilitation in subprogramme 4.

63. As regards structurally weak, vulnerable, and small economies, work on structural weakness essentially implies supporting the development of human resources, institutional capacities and the relevant infrastructure, and ultimately relates to the paramount question of supply capacities. The subprogramme has already carried out much work on this subject, which was the theme of the 1999 *LDC Report*, and it will continue its efforts along these lines, in particular through special highlights on economic sectors of great importance to the countries concerned. Work on economic vulnerability issues has been, and will continue to be, an important area of action within the subprogramme, in particular in the context of UNCTAD's ongoing support to the triennial review of the list of LDCs, as UNCTAD's country-specific vulnerability profiles have been used as key inputs to the work of ECOSOC regarding the question of graduation from LDC status. UNCTAD's work on issues relating to smallness has been applied in the context of support to small island developing States, a category that UNCTAD has been supporting for 30 years and for which a second international conference is to take place in early 2005 in Mauritius.

64. For this subprogramme, the outcomes of UNCTAD XI and mandates emanating therefrom will be implemented within the existing work programme as contained in the programme budget (A/58/6) for the current biennium.