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REVIEW OF THE TECHNICAL COOPERATION ACTIVITIES OF UNCTAD

Report by the Secretary-General of UNCTAD

Annex I: REVIEW OF ACTIVITIES UNDERTAKEN IN 2005

CONTENTS

	<i>Page</i>
Abbreviations	6
Country/territory/region codes	10
Introduction	12
A. Division on Globalization and Development Strategies	12
1. Macroeconomic and development policies: Technical support to the Intergovernmental Group of Twenty-Four on International Monetary Affairs and Development (G-24).....	12
2. The Debt Management - DMFAS Programme.....	13
3. Special programme: UNCTAD's assistance to the Palestinian people	15
B. Division on International Trade in Goods and Services, and Commodities	18
1. Trade analysis	18
(a) Trade Analysis and Information System (TRAINS).....	18
(b) Supporting Developing Countries' Assessment of the Non-Agricultural Market Access Negotiations	18
(c) Common Analytical Market Access Database (CAMAD)	19
2. Trade negotiations and commercial diplomacy	19
(a) Development of trade capacities	19
(i) Joint ITC/UNCTAD/WTO Integrated Technical Assistance Programme to selected Least Developed and Other African Countries (JITAP) Phase 2	19
(ii) Commercial diplomacy: support to developing countries on multilateral trade negotiations	21
(b) Accession to the WTO	23
(c) WTO Dispute Settlement	24
(d) The Dispute Settlement Programme	24
(e) Trade in services and development implications	25
(f) Preferential Arrangements	25
(i) Market access, trade laws and preferences.....	25
(ii) Global System of Trade Preferences among Developing Countries (GSTP).....	26
3. Commodities.....	26
(a) Capacity building for diversification and commodity-based development	26
(b) Costs of SPS compliance	26
(c) UNCTAD/Migros/SIPPO Partnership for Enhancing the Capacities of Developing Country Farmers to Supply International Markets through Linkages.....	28
(d) Commodity-based arrangements for sustainable commodity production in areas affected by mine closures.....	28
(e) Commodity risk management, finance and energy.....	29
(f) Commodity Information and Knowledge Management – INFOCOMM.....	30
(g) Development Account project L: Integration of Millennium Development Goals in Trade and Trade-Related Policies in LDCs and African Countries	31
(i) Study on the relationship between commodities production and trade and development	31
(ii) A regional workshop on the contribution of the commodities sector to Millennium Development Goals (MDGs)	32
(h) Capacity building and policy networking for sustainable-resource-based development.....	32
(i) Trust Fund on Iron Ore	33

	<i>Page</i>
4. Trade, environment and development	33
(a) Trade and Sustainable Development.....	33
(i) Market access	33
(ii) Trade liberalization in environmental goods and services (EGS)	37
(iii) UNEP-UNCTAD Capacity-building Task Force on Trade, Environment and Development (CBTF)	39
(iv) Support to relevant activities of the WTO.....	39
(b) Biotrade Initiative and traditional knowledge.....	40
(i) Biotrade Initiative.....	40
(ii) Activities of the Biotrade Facilitation Programme (BTFP) in 2005	41
(iii) Climate change programme	42
5. Competition policy	43
C. Division on Investment, Technology and Enterprise Development	49
1. Investment Issues Analysis Branch	49
(a) UNCTAD/ICC Joint Project: Investment Guides and Capacity building for Least Developed Countries (LDCs).....	49
(b) Project on Needs Assessment to Attract Asian FDI into Africa	49
(c) Technical cooperation in the area of FDI statistics.....	50
(i) Association of South-East Asian Nations (ASEAN).....	50
(ii) ESCWA: Strengthening Networking and Expertise on Foreign Direct Investment in ESCWA Member Countries	50
2. Investment policies and capacity building.....	51
(a) International investment agreements (IIAs): Policy analysis and capacity building in developing countries on issues in international investment agreements	51
(b) Investment Policy Reviews	52
(c) FORINVEST: Policy Framework for Attracting Foreign Investment.....	54
(d) STAMP: Strengthening and Streamlining Agencies Concerned with Maximizing and Promoting FDI	55
(e) Capacity Building Project on Good Governance in Investment Promotion and Facilitation .	56
(f) Investment Gateway Programme	57
(g) Support to WAIPA.....	57
(h) UNCTAD-ICTSD Capacity Building Project on Intellectual Property Rights and Sustainable Development	58
(i) Science and Technology	60
(i) Science, Technology and Innovation Policy Review	60
(ii) Connect Africa	60
(iii) Network of Centres of Excellence.....	60
(j) UNCTAD/ICC Investment Advisory Council.....	60
3. Enterprise competitiveness	61
(a) Enhancing enterprise competitiveness through internationalization.....	61
(i) Outward foreign direct investment.....	61
(ii) Business linkages	62
(iii) Global value chains	62
(b) Corporate transparency	63
(c) Entrepreneurship and SME development: The EMPRETEC programme	64
(d) Development of Competitive Insurance Markets	66

	<i>Page</i>
D. Division for Services Infrastructure for Development and Trade Efficiency	70
1. Trade logistics: Transport and trade facilitation	70
(a) Trade and transport sectors	70
(b) Training: Capacity building for officials in modern transport management techniques through cooperation with the World Maritime University	72
(c) Training: Strategic planning for senior shipping managers (Stratship)	72
2. The ASYCUDA Programme.....	73
(a) ASYCUDA++ migration projects.....	73
(b) ASYCUDAWorld.....	74
(c) ASYCUDA website	75
3. Human resources and information and communication technologies for capacity development... 75	75
(a) Building capacity through human resources development	75
(i) Training Courses on Key Issues on the International Economic Agenda	76
(ii) The Virtual Institute on Trade and Development.....	76
(iii) TrainForTrade.....	78
(b) Capacity Development and e-Applications.....	81
(i) The e-Tourism Initiative.....	81
(c) The Trade Point Programme/Support to the World Trade Point Federation	83
4. ICT and e-business for development	83
(a) Support for the exchange of information and experiences and the development of a policy framework in the area of the economic applications of ICT in developing countries....	83
(b) Support and participation to information exchange and capacity building in ICT for Development related issues	84
E. Special Programme for Least Developed, Landlocked and Island Developing Countries.....	88
1. Interdivisional coordination.....	88
2. Projects implemented by the Special Programme	89
(a) LDC Trust Fund supported activities related to LDCs	89
(b) Other activities related to LDCs.....	89
(i) Integrated Framework – Pre-DTIS Capacity Building Technical Assistance	89
(ii) Integrated Framework – Manual	90
(c) Activities related to LLDCs	90
(d) Activities related to Small Island Developing States (SIDS).....	91
F. Executive Direction and Management and Support Services.....	93
1. Strengthening result based management of UNCTAD programme	93
2. Advisory services	93

	<i>Page</i>
Tables	
1. Division on Globalization and Development Strategies	17
2. Division on International Trade in Goods and Services, and Commodities	46
3. Division on Investment, Technology and Enterprise Development	68
4. Division for Services Infrastructure for Development and Trade Efficiency	84
5. Special Programme for Least Developed, Landlocked and Island Developing Countries	92
6. Executive Direction and Management and Support Services	94

Note

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

Tables

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 2005. Early in 2006, budget figures were corrected to reflect exact income. The negative amounts in the 2005 expenditures column pertain to the adjustments of prior year accounts and/or savings on the liquidation of prior years' obligations.

Abbreviations

ACIS	Advance Cargo Information System
ACP	African, Caribbean and Pacific (group of States)
ACTO	Amazon Cooperation Treaty Organization
AIA	ASEAN Investment Area
AIO	African Insurance Organization
ALADI	Latin American Integration Association
AMAD	Agricultural Market Access Database
AMU	Arab Maghreb Union
AOSIS	Alliance of Small Island States
APEC	Asia-Pacific Economic Cooperation Forum
APoA	Almaty Programme of Action
ASEAN	Association of South-East Asian Nations
ASIT	Advisory Service on Investment and Technology
ASYCUDA	Automated System for Customs Data
BEDIA	Botswana Export Development and Investment Authority
BIT	bilateral investment treaty
BTFP	BioTrade Facilitation Programme
CAF	Andean Development Corporation
CAMAD	Common Analytical Market Access Database
CARICOM	Caribbean Community
CAN	Andean Community
CBD	Convention on Biodiversity
CBI	Centre for the Promotion of Imports from Developing Countries
CBTF	Capacity Building Task Force on Trade, Environment and Development
CDM	clean development mechanism
CEMAC	Central African Economic and Monetary Community
CIDA	Canadian International Development Agency
CIFORT	International Centre for Tourism Training and Research
CITES	Convention on International Trade in Endangered Species
COMESA	Common Market for Eastern and Southern Africa
CTE	Committee on Trade and Environment (WTO)
CTESS	Committee on Trade and Environment
CTF	Consultative Task Force on Environmental Requirements and Market Access for Developing Countries
DFID	Department for International Development
DMFAS	Debt Management and Financial Analysis System
Dtis	Diagnostic Trade Integration Studies
ECA	Economic Commission for Africa
ECE	Economic Commission for Europe
ECLAC	Economic Commission for Latin America and the Caribbean
ECO	Economic Cooperation Organization
ECOWAS	Economic Community of West African States
EDIFACT	electronic data interchange for administration, commerce and transport
EGS	environmental goods and services

Abbreviations (continued)

EMPRETEC	Entrepreneurship Development Programme
EPOPA	Export Promotion of Organic products from Africa
ESCAP	Economic and Social Commission for Asia and the Pacific
ESCWA	Economic and Social Commission for Western Asia
EU	European Union
FAO	Food and Agriculture Organization of the United Nations
FDI	foreign direct investment
FIELD	Foundation for International Environmental Law and Development
FOSS	Free and open source software
FTA	free trade agreements
G-24	Group of Twenty-Four on International Monetary Affairs
GAP	Good Agricultural Practices
GATS	General Agreement on Trade in Services
GATT	General Agreement on Tariffs and Trade
GDP	gross domestic product
GGIP	Good Governance in Investment Promotion
GSP	Generalized System of Preferences
GSTP	Global System of Trade Preferences among Developing Countries
GTZ	German Technical Assistance Corporation
HACCP	Hazard Analysis Critical Control Point (System)
HIPC	heavily indebted poor country
IALA	Inter-Agency Letter of Agreement
IASB	International Accounting Standards Board
ICAC	International Cotton Advisory Committee
ICC	International Chamber of Commerce
ICMM	International Council on Mining and Metals
ICSID	International Center for Trade and Sustainable Development
ICT	information and communication technologies
ICTSD	International Centre for Trade and Sustainable Development
IDRC	International Development Research Centre
IEA	International Energy Agency
IF	Integrated Framework
IFAC	International Federation of Accountants
IFOAM	International Federation of Organic Agriculture Movements
IFRS	International Financial Reporting Standard
IIA	international investment agreement
IICs	inter-institutional committees
IISD	International Institute for Sustainable Development
ILO	International Labour Organization
IMF	International Monetary Fund
IPGDI	International Postgraduate Diploma in Insurance
IPR	Investment Policy Review

Abbreviations (continued)

ISAR	International Standards of Accounting and Reporting
ISO	International Organization for Standardization
IT	Information Technology
ITC	International Trade Centre (UNCTAD/WTO)
ITF	International Task Force on Harmonization and Equivalence in Organic Agriculture
IUCN	World Conservation Union
JITAP	UNCTAD/WTO/ITC Joint Integrated Technical Assistance Programme for Selected Least Developed and Other African Countries
LATECE	Laboratory for Research on Technology for E-commerce
LDC	least developed country
LLDC	landlocked developing country
MDG	Millennium Development Goals
MEA	multilateral environmental agreement
MEFMI	Macroeconomic Financial Management Institute
MoU	Memorandum of Understanding
MTS	multilateral trading system
NAMA	Non-Agricultural Market Access Negotiations
NEPs	National Enquiry Points
NGO	non-governmental organization
OECD	Organisation for Economic Co-operation and Development
OFDI	outward foreign direct investment
PA	Palestinian Authority
PIPA	Palestinian Investment Promotion Agency
PoA	Programme of Action
PSC	Palestinian Shippers Council
PTP	Port Training Programme
R&D	research and development
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
RCs	Reference Centres
SAARC	South Asian Association for Regional Cooperation
SACU	Southern African Customs Union
SADC	Southern African Development Community
SAGIA	Saudi Arabian General Investment Authority
SEAMIC	Southern and Eastern Africa Mineral Centre
SECO	Swiss State Secretariat for Economic Affairs
SIDS	small island developing State
SIECA	Permanent Secretariat of the General Treaty on Central American Economic Integration
SIPPO	Swiss Import Promotion Programme
SME	small and medium-sized enterprise
SPS	sanitary and phytosanitary
SR	social responsibility
STDF	Standards Trade Development Facility
STIC	Sustainable Trade and Innovation Centre

Abbreviations (continued)

STIPs	science, technology and innovation policy reviews
STRATSHIP	strategic planning for senior shipping managers
TBT	technical barriers to trade
TNC	transnational corporation
TNF	Trade negotiating forum
TRAINS	Trade Analysis and Information System
TrainForTrade	Training Development in the Field of Foreign Trade
TRIPS	Agreement on Trade-Related Aspects of Intellectual Property Rights
TTFP	Trade and Transport Facilitation Project
UEMOA	West African Economic and Monetary Union
UMA	Arab Maghreb Union
UNCITRAL	United Nations Commission on International Trade Law
UNDAF	United Nations Development Assistance Framework
UNDP	United Nations Development Programme
UNEP	United Nations Environment Programme
UNESCAP	United Nations Environment Programme
UNFCCC	United Nations Framework Convention on Climate Change
UNFIP	United Nations Fund for International Partnership
UNIDO	United Nations Industrial Development Organization
UNOPS	United Nations Office for Project Services
UQAM	University of Quebec in Montreal
Vi	Virtual Institute
WAIPA	World Association of Investment Promotion Agencies
WCO	World Customs Organization
WGFDIS	Working Group on Foreign Direct Investment Statistics
WIPO	World Intellectual Property Organization
WITS	World Integrated Trade Solution
WMU	World Maritime University
WSIS	World Summit on the Information Society
WTO	World Trade Organization
WTPF	World Trade Point Federation
WTU	World Trade University
WWF	World Wide Fund for Nature

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

Annex 1: Review of activities undertaken in 2005

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
NCA	New Caledonia	SWA	Swaziland
NER	Niger		
NIC	Nicaragua	TAI	Taiwan Province of China
NIR	Nigeria	TAJ	Tajikistan
NIU	Niue	TCI	Turks and Caicos Islands
		THA	Thailand
OMA	Oman	TIM	Timor-Leste
		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	YEM	Yemen
RUS	Russian Federation	YUG	Yugoslavia
RWA	Rwanda		
		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 2005. 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: Technical support to the Intergovernmental Group of Twenty-Four on International Monetary Affairs and Development (G-24)

2. *Development context:* The Monterrey Consensus (March 2002) underlined the need to enhance the 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. Moreover, the 2005 World Summit Outcome underlined the importance of continuing efforts to reform the international financial architecture, noting that enhancing the voice and participation of developing countries in the Bretton Woods institutions remains a continuous concern. The G-24, as the only formal grouping of development countries in the forums of the international financial institutions, is a key factor in this regard. It has an outreach far beyond its own membership and plays an important role in achieving policy coherence and as a voice of the developing countries in enhancing global economic governance. It influences the decision-making process in the international financial institutions and policy formulation in individual countries.

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 on 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. *Outputs/description of activities:* The activities of the G-24 were supported by the provision of technical studies by internationally renowned experts, as background to the Group's preparations for the IMF's International Monetary and Financial Committee and the Joint IMF/World Bank Development Committee. Overall, 20 studies were presented and discussed among experts and delegations at the two meetings of the Technical Group of the G-24 in 2005, in Manila in March, and in Washington, DC, in September 2005. The results of those meetings informed national policymakers as well as Executive Directors of the Bretton Woods institutions and the meetings of G-24 Ministers and their Deputies. The issues addressed covered policies to achieve the MDGs; new emerging issues in debt relief; problems resulting from global trade imbalances; and the reform of the IMF and its governance structures. The research papers were funded partly under the project, and partly from other sources, including the World Bank and member countries themselves. The project also supported an African regional workshop in Pretoria on constraints

on growth in sub-Saharan Africa, and a Latin American regional workshop on macroeconomic policies and regional integration in Santiago. In 2005, five studies prepared under the project were made available to a broader audience through their publication in the *G-24 Discussion Paper Series*.

5. **Results:** The project has contributed to strengthening the policy-making capacity of its members and other developing countries. It has continued to improve the basis for understanding the development dimension of current financial and monetary issues, and enabled policymakers to consider alternative options for global economic governance arrangements and for a reform of the Bretton Woods institutions. It has also helped to strengthen South-South cooperation on international monetary and financial issues. The Technical Group meetings and the regional workshops, in addition to creating new knowledge among the participants, served as useful forums for the exchange of experience among policymakers from developing countries.

2. The Debt Management - DMFAS Programme

6. **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.

7. The Programme's role in helping countries strengthen their debt management can be seen against the background of UN resolutions on debt, the Millennium Development Goals and the Monterrey Consensus, which highlight the importance of international cooperation in dealing with debt issues. 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, "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).

8. In December 2005, the United Nations General Assembly adopted a new resolution on external debt crisis and development (A/C.2/59/L.53) welcoming further "the efforts off, and further calling upon the international community to support institutional capacity-building in developing countries and countries with economies in transition for the management of financial assets and liabilities and to enhance sustainable debt management as an integral part of national development strategies" (para. 22). The same resolution also "invites the United Nations Conference on Trade and Development, the International Monetary Fund and the World Bank, in cooperation with the regional commissions, development banks and other relevant multilateral financial institutions, to continue cooperation in respect of capacity-building activities in developing countries in the area of debt management" (para. 23).

9. **Objectives/features:** The objectives of the Debt Management - 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; and to improve national capacity to define and select appropriate debt strategies. 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 by Governments themselves.

10. 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.

11. **Outputs/description of activities:** Three new countries (including five new institutions) joined the Programme in 2005 (Algeria, Democratic Republic of the Congo and Iraq). For the biennium 2004-2005, a target number of 90 user institutions had been set against a baseline of 85. At the end of December 2005, the biennium target had therefore been exceeded by five institutions.

12. The Programme currently manages a portfolio of around 40 active projects. In addition, at the end of 2005, discussions/negotiations were also being undertaken with five new countries, Cambodia (Ministry of Finance), Cape Verde (Central Bank), Comoros (Ministry of Finance), Morocco (Ministry of Finance) and Uruguay (Ministry of Finance and Central Bank); one new institution in a current client country, the Philippines (Central Bank); and follow-up projects were being negotiated or had been finalized for a large number of current user institutions/countries, including Albania (Ministry of Finance), Algeria (Ministry of Finance and Central Bank), Argentina (Provinces), Burundi (Ministry of Finance), the Central African Republic (Ministry of Finance), Chad (Ministry of Finance), Costa Rica (Ministry of Finance), Djibouti (Ministry of Finance), Ecuador (Ministry of Finance and Central Bank), Georgia (Ministry of Finance), Haiti (Ministry of Finance and Central Bank), Indonesia (Ministry of Finance and Central Bank), the Islamic Republic of Iran (Central Bank), Madagascar (Ministry of Finance and Central Bank), Nicaragua (Ministry of Finance and Central Bank), Pakistan (Ministry of Finance), Romania (Ministry of Finance and Central Bank), Rwanda (Ministry of Finance and Central Bank), Togo (Ministry of Finance), Turkmenistan (Central Bank), Venezuela (Ministry of Finance), Viet Nam (Ministry of Finance) and Yemen (Ministry of Finance, Central Bank and Ministry of Planning and International Cooperation).

13. During 2005, the Programme successfully implemented the new version of its debt management and analysis software, DMFAS version 5.3. Released at the end of 2003, it had already been installed and made operational in 23 DMFAS countries, including 28 institutions, by the end of 2005. This new version of the software incorporates important functional and technological improvements in response to client requests and in line with international standards and best practices.

14. The Programme also organizes UNCTAD's interregional conference on debt management, which takes place every two years, and at which some of the most pertinent topics in debt management are discussed by expert panels and by representatives from the countries themselves. The Programme organized its fifth such conference in June 2005. The conference also gave space to the multi-stakeholder dialogue on sovereign debt, organized by the UN Department of Economic and Social Affairs. UNCTAD is a stakeholder in the dialogue. Altogether, more than 270 participants and some 90 countries attended the conference, including representatives from Governments, international institutions, and the private financial and legal sector, as well as from academia and civil society.

15. In addition to project-related training, the Programme undertakes a number of regional training activities each year. In 2005, a workshop was arranged together with the Macroeconomic Financial Management Institute (MEFMI) in Kampala, Uganda, in November. In addition, the creation of a regional DMFAS unit within the premises of Pôle Dette¹ in Yaoundé, Cameroon, is foreseen, with a technical cooperation agreement with UNCTAD signed to this effect in April 2005. Both institutions will jointly seek funding for the proposed activities.

16. The Programme also participates in/contributes to workshops and meetings organized by other entities involved in debt issues. In 2005, this included participation in the First Meeting of Latin American and Caribbean Public Debt Management Specialists, in Rio de Janeiro, Brazil, in March; in the HIPC CBP Phase 4 Meeting of Agriteam-DRI, London, United Kingdom, in March-April; in the Meeting of the Inter-Agency Task Force on Finance Statistics, London, United Kingdom, in April; in an IMF-Afritac seminar on debt sustainability, in Niamey, Niger, in June; and in three IMF workshops on external debt statistics, in Washington, DC, USA, in July, in Vienna, Austria, in September and in Tunis, Tunisia in November as well as participation in a workshop on debt strategy of the Latin American Debt Group, Inter-American Development Bank, in Washington, DC, USA, in September. The Programme also participated in the first two multi-stakeholder dialogue meetings held in Maputo (March) and New York (March) and co-organized the third in Geneva in June.

¹ Pôle Dette is the technical training unit of the Central Bank of the West African States and the Bank of Central African States.

17. The Programme has continued its capacity-building efforts to strengthen the analytical capabilities of debt management in the countries. In 2005, the Programme elaborated future capacity building in debt analysis for 13 countries: Bolivia, Costa Rica, the Democratic Republic of the Congo, the Dominican Republic, Ecuador, Gabon, Jordan, Mauritania, Nicaragua, Panama, Sudan, Togo and Yemen. The Programme also undertook country-specific training missions in debt strategy formulation and debt sustainability analysis in four countries: Congo, the Dominican Republic, Togo and Viet Nam.

18. **Results:** At the end of 2005, the DMFAS software was installed in 95 institutions in 65 countries, of which 28 low-income countries, 28 lower-middle-income countries and 9 upper-middle-income countries. In 23 countries the system is used by both the Ministry of Finance and the Central Bank.

19. The gains obtained from the Programme by user countries from better information, analysis, negotiations and policymaking 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.

3. Special Programme: UNCTAD's assistance to the Palestinian people

20. **Development context:** A multiple challenge continues to face Palestinian development efforts, whereby recovery and reconstruction must proceed under adverse conditions of conflict; intensified, systematic mobility restrictions; lack of national sovereignty and limited policy space available to the Palestinian Authority (PA) to manage the economy; an ambitious, if not unrealistically wide, reform agenda; and increased dependence on foreign aid. Within this constrained environment and taking into consideration the erosion and destruction of Palestinian production capacity since 2000, UNCTAD technical assistance programme in 2005 intensified within a framework where relief assistance is addressed in conjunction with long-term development needs.

21. **Objectives/features:** This programme is rooted in paragraph 35 of the São Paulo Consensus, the provisions of the United Nations Medium-Term Plan for 2002-2005 and General Assembly resolutions 56/111 (paragraphs 6 and 7) and 43/178 (paragraph 9), within the context of preparing for the establishment of the State of Palestine as envisioned by the international community. This programme supports the Palestinian people's efforts to improve and develop institutional and policy environment affecting the performance of macroeconomic management, trade, finance, investment and related services within the domestic economy, as well as with partners at the regional and multilateral levels. Technical cooperation activities focus on four clusters: (i) development strategies and trade policy; (ii) trade facilitation and logistics; (iii) public finance modernization and reform; and (iv) enterprise, investment and competition policy. UNCTAD's assistance to the Palestinian people responds to the PA's goal of building the institutional capacity and infrastructure required for a viable economy within a strategic framework linking relief to development.

22. **Outputs/description of activities:** The newest technical assistance project, *Establishment of the Palestinian Shippers Council (PSC)*, was successfully launched at the end of 2005, staff were recruited and an office was opened, with implementation unfolding in the course of 2006 and 2007. Similarly, the highly successful *ASYCUDA customs modernization project* is operational in the West Bank and now at Rafah, regarded by the PA, donors and international agencies alike as an essential component of the Palestinian capacity to address the imperatives created by the Israeli disengagement from Gaza. After the completion of Phase II, financing was secured to go online with the system at the Gaza-Egypt border in late 2005. Efforts are underway to secure funding for Phase III (full system roll-out). The Palestinian capacity in the area of development strategies and trade policy was part of the secretariat technical assistance programme in 2005, through the implementation of the *Integrated Framework for Palestinian Macroeconomic, Trade and Labour Policy*. Activities related to investment promotion also featured in UNCTAD activities in 2005 through a modest project on *Investment Retention*. Phase I of *Empretec Palestine*, a project to support the development of small- and medium-sized enterprises, was completed in late 2005. However, assistance to the Ministry of Finance in the area of debt management and financial analysis (*DMFAS*) was slow owing to the field conditions in Gaza.

23. In addition, throughout 2005 the secretariat provided a number of advisory services to the PA in the area of developing strategies, trade policy and multilateral trading facilitation. With UNCTAD technical advice, the PA submitted a successful request for observer status at the Sixth WTO Ministerial Conference in Hong Kong (China), and UNCTAD's policy research advice was reflected in the PA Medium Term Development Plan.

24. While some progress has been achieved in mobilizing extrabudgetary resources for project implementation, the switch of donor priority owing to the humanitarian crisis has made it more difficult to secure funding for several proposed projects requested by the PA in the areas of capacity building for port management and institutional development; reforming the Palestinian insurance sector; improving food security through international trade; and building national capacity for e-commerce.

25. A major challenge that continued in 2005 to confront UNCTAD's programme in this area was the securing of adequate resources for this growing programme, as referred to in paragraph 35 of the São Paulo Consensus. The secretariat has only been able to maintain in 2004–2005 on a temporary, irregular basis the core professional staff resources that enabled it to respond effectively to its mandate to provide intensified assistance to the Palestinian people. By the end of 2005, no further regular budget resources were available to retain the third professional staff member attached to this programme since 2000, nor had predictable extrabudgetary resources been identified for this purpose. Further achievements by the secretariat in this area of work

will be impaired unless this pending problem is resolved.

26. **Results:** Extremely difficult conditions continued to prevail in the field in 2005. However, difficulties were circumvented by UNCTAD's selective and flexible mode of operations. UNCTAD members echoed and widely endorsed the themes highlighted in the secretariat report to the 2005 Trade and Development Board. The secretariat's profile/portfolio in this area of work has seen a significant expansion, with over \$1 million of new voluntary donor resources committed to UNCTAD projects in 2004–2005. As a result of UNCTAD's technical cooperation programme a vital private sector institution is being established; the PA was able to assume sovereign customs functions at the Gaza-Egypt border following the Israeli withdrawal; more than twenty young Palestinian professionals received training in economic modelling and policy assessment leading to strengthened capacity and wider use of appropriate analytical tools; almost 100 Palestinian entrepreneurs received training in the area of small- and medium-sized enterprises; and computerized debt data continued to feature in the PA annual budget. Meanwhile, UNCTAD's advisory services led to PA policy papers/statements formulated in response to, or drawing on, UNCTAD advisory services, such as PA proposals for reform to the March 2005 *London Conference on Strengthening the PA* and the 2005–2007 PA Medium Term Development Plan. Furthermore, UNCTAD's services were critical to the observer status granted to the PA at the Sixth WTO Ministerial Conference in Hong Kong (China) in late 2005.

Table 1
DIVISION ON GLOBALIZATION AND DEVELOPMENT STRATEGIES
(In dollars)

<i>Project number</i>	<i>Short title</i>	<i>Starting date</i>	<i>Source of fund</i>
Macroeconomic and Development Policies			
INT/8X/90F	Studies for the G-24	1990-	Multidonors
INT/0T/0AL	G-24 Technical Support Service, Phase IV (IDRC)	2001-	Canada
INT/05/X26	Macroeconomic and development policies	2005-	Italy
ROA-2084(K4)	Capacity building for debt sustainability	2004-	Development Account
DMFAS Programme			
ALG/0T/4AC	Renforcement des capacités de gestion de la dette de la Banque d'Algérie ...	2004-	Central Bank of Algeria
BDI/0T/0AN	Renforcement des capacités de gestion de la dette	2000-	Burundi
BOL/0T/OAK	Integración de la gestión de la deuda en Bolivia.....	2000-2005	Bolivia
CAF/9X/53V	Information de la gestion de la dette extérieure	1995-	Central African Republic

Table 1 (concluded)
DIVISION ON GLOBALIZATION AND DEVELOPMENT STRATEGIES
(In dollars)

<i>Project number</i>	<i>Short title</i>	<i>Starting date</i>	<i>Source of fund</i>
CHD/0T/0AB	Renforcement des capacités de gestion de la dette	2000-	Chad
DJI/0T/2AY	Renforcement de la capacité de gestion de la dette publique	2003-	Djibouti
DOM/9X/53X	Control y administración del endeudamiento externo.....	1996-	Dominican Republic
DOM/0T/2BJ	Implantación del SIGADE en la Secretaría de Estoc de Finanzas.....	2002-	Inter-American Development Bank
ETH/0T/4BE	Installation of DMFAS 5.3 - Capacity Building in Debt and Financial Management.....	2004-	Netherlands
GAB/0T/1AZ	Renforcement des capacités de gestion de la dette	2001-	Gabon
GEO/98/008	Strengthening the external debt management capacity	1998-	UNDP
HON0T4AH	Fortalecimiento de las capacidades para la gestión de la deuda en Honduras	2005-	Honduras
INS/8X/8DS	Implementation of DMFAS 5.1	2000-	Australia
INS/0T/3BI	Implementation of DMFAS 5.3	2003-	Indonesia
MOL/0T/4CP	Implementation of DMFAS 5.3.....	2004-	Sweden
MON/0T/1BI	Supply, installation and support of a Debt Recording System (DRMIS)	2001-	Mongolia
PAL/0T/0AH	Capacity building in debt and financial management	2000-	Norway
PAN/98/002	Cooperación Técnica Para Apoyar El Programa Sectorial Financiero	2003-	UNDP
PAR/95/003	Control y administración del endeudamiento público	1995-	UNDP
PRC/0T/3AJ	Renforcement des capacités de gestion de la dette	2003-	Congo
SUD/0T/4BG	Capacity Building in Debt and Financial Management.....	2004-	Norway
TOG/03/001	Renforcement des capacités de gestion de la dette publique	2003-	UNDP
TRI/0T/2AB	Installation of DMFAS 5.2 - Capacity building in debt and financial management	2003-	Trinidad and Tobago
UGA/0T/2BK	Implementation of DMFAS in the Treasury Office of Accounts of the Ministry of Finance.....	2003-	Uganda
VEN/9X/9DW	Gestión de la deuda en Venezuela	2000-	Venezuela
VIE/01/U10	Capacity Development for Effective and Sustainable External Debt.....	2002-	UNDP, Australia, Switzerland
ZAI/0T/4CB	Renforcement des capacités de gestion de la dette à l'office de gestion de la dette publique	2004-	Democratic Republic of the Congo
ZAM/9X/9DL	Implementation of DMFAS 5.1	1999-	Zambia
ZIM/9X/9DN	Implementation of DMFAS 5.1	1999-	Zimbabwe
INT/9X/542	Strengthening the debt management capacity of developing countries	1995-	Switzerland
INT/0T/2AO	Strengthening the debt management capacity of developing countries	2002-	Multidonors
ROA-2064(O2)	Debt sustainability analysis	2000-	Development Account
Special Programmes			
PAL/0T/4CA	Integrated Framework for Palestinian Macroeconomic, Trade and Labour Policy	2004-	Canada/IDRC
INT/0T/4AK	Preparation for UNCTAD XI - High-Level Interactive Round Table on Trade and Gender.....	2004-	Canada, Netherlands

B. DIVISION ON INTERNATIONAL TRADE IN GOODS AND SERVICES, AND COMMODITIES

1. Trade Analysis

(a) Trade Analysis and Information System (TRAINS)

27. *Development context/objectives:* TRAINS is an information system intended to increase transparency in international trading conditions. It is intended more specifically for government officials and researchers by providing them with comprehensive information on market access conditions together with corresponding software tools. One component of the system relates to the Generalized System of Preferences 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. 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 non-tariff measures. For dissemination purposes, computer software, namely the World Integrated Trade Solution (WITS), has been developed. It is a web-based, client-server application, which has been developed jointly with the World Bank. Free and unlimited access to TRAINS is provided to member Governments through WITS. TRAINS is available to other parties that make a minimum contribution to the UNCTAD trust fund created for this purpose.

28. *Outputs/Results:* The data elements of TRAINS accessible through WITS can be compared to a specialized library containing books on trade-related topics as follows: 156 volumes of tariff schedules, 101 of which are for 2005 and 30 for 2003/2004; 54 volumes with para-tariff measures; 95 publications on non-tariff measures, produced by UNCTAD; and 71 volumes on detailed import statistics at tariff line level by origin. The number of new requests for access to TRAINS via WITS software continued to increase in 2005. Of some 3,200 licences issued to distinct users of WITS, over 1,000 were issued during 2005.

29. The widespread use of TRAINS, particularly in the publications of such organizations as the World

Bank and the IMF, attests to the recognition of its usefulness. Internally, TRAINS served as a primary data source of various research papers aiming at measuring the potential impact of the current WTO multilateral trade negotiations. In addition, the database continued to furnish tariff and trade data to the Agricultural Market Access Database (AMAD), which in turn is often referenced as an information source in many publications on trade in agriculture.

30. 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), and the Permanent Secretariat of the General Treaty on Central American Economic Integration (SIECA).

31. TRAINS has contributed data for the calculation of MDG indicators on market access.²

32. At the beginning of 2004, UNCTAD, WTO and ITC decided to create a Common Analytical Market Access Database (CAMAD), putting together all data sources collected or received by each organization, thereby creating the most comprehensive market access database in the world. At the technical level, as of December 2005, the database contains the combined data for the latest nine-year period (1996-2004). However, owing to a dissemination rule on WTO data, access to this database is limited to those already having access to WTO databases, i.e. WTO member Governments and selected international organizations.

(b) Supporting Developing Countries' Assessment of the Non-Agricultural Market Access Negotiations

33. In 2004, UNCTAD launched a new project, with UK DFID Financing, on supporting developing countries' assessment of the non-agricultural and market access negotiations. The results of the

² Namely Indicator 38 (Proportion of total developed country imports from developing countries and least developed countries, admitted free of duty) and Indicator 39 (Average tariffs imposed by developed countries on agricultural products and textiles and clothing from developing countries).

assessment were presented at a meeting on coping with Trade Reforms: A Developing Country Perspective on the WTO Industrial Tariff Negotiations (Geneva, 18-19 January 2005). It underscored the significance of support policies and actions that accompanied the liberalization process based on reports supervised under the project on Bangladesh, Brazil, Bulgaria, India, Jamaica, Malawi, Philippines and Zambia. In addition, UNCTAD presented some results of new analysis on the possible effects of the NAMA negotiations.

(c) Common Analytical Market Access Database (CAMAD)

34. UNCTAD continued to collaborate with WTO and ITC to create a Common Analytical Market Access Database (CAMAD), putting together all data sources collected or received by each organization. It promised to be the most comprehensive market access database in the world. The database is currently undergoing a final round of technical verification before being launched.

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

35. **Development context:** Following a four-year phase ending in December 2002, a second phase was launched of the Joint Integrated Technical Assistance Programme to Selected Least Developed and Other African Countries (JITAP). JITAP is implemented jointly by ITC, UNCTAD and WTO. The second phase started in February 2003 for the duration of four years (up to end 2006) for 16 African countries, namely the eight beneficiaries of the pilot phase (Benin, Burkina Faso, Côte d'Ivoire, Ghana, Kenya, Tunisia, Uganda, United Republic of Tanzania), which will exit from the programme mid-way through its implementation, and eight new countries (Botswana, Cameroon, Malawi, Mali, Mauritania, Mozambique, Senegal, Zambia).

36. **Objectives:** JITAP aims at building human, institutional, policy, entrepreneurial and export strategy capacities in African countries to better understand, coordinate stakeholder views on, negotiate and implement multilateral trade agreements and trade policies; to take advantage of business opportunities emerging from the multilateral trading system (MTS); and to effectively manage their integration into the multilateral trading system

and wider international economy. The five main areas of capacity building under JITAP are: (1) trade negotiations, implementation of WTO Agreements, and related trade policy formulation through the Inter-Institutional Committees (IICs) that are official frameworks to organize national stakeholder discussion and decision making on the MTS; (2) MTS Reference Centres (RCs) and National Enquiry Points (NEPs) for providing reliable technical information on the MTS, with attention to standards and quality requirements; (3) development of the national knowledge base on MTS through training of trainers and formation of trainer networks; (4) development of a goods, commodities and services policy framework and sectoral export strategies; and (5) networking of the institutional and human capacities built in each country to encourage synergy and exchange of expertise and experiences, including at the subregional level.

37. **Outputs:** In 2005, MTS capacity building under JITAP gained real momentum. The first part of 2005 involved an intensive phase of training activities. Fourteen specialized training workshops and two videoconferences were organized by the three executing agencies on active WTO negotiation subjects (agriculture, services, NAMA, trade facilitation, SPS, TBT, negotiations skills) and two videoconferences on textiles and clothing.

38. Specialized thematic workshops were conducted in some countries on Doha negotiations in respect of agriculture (Kenya, April), (Mali, September); NAMA (Kenya, June); Services (Côte d'Ivoire, May) and Trade Facilitation (United Republic of Tanzania, July) with the participation of UNCTAD experts. These helped sensitized national stakeholders on the key issues involved and were important for the assessment and development of options to promote national interests in the Doha negotiations.

39. Substantive capacity-building activities related to preparations for the Sixth WTO Ministerial Conference included a pre-Hong Kong High Level Workshop of the Inter-Institutional Committees held from 19 to 22 July for capital-based senior trade officials, trade negotiators and other stakeholders from the 16 JITAP countries (48 participants in total). The outcome was used in national/subregional retreats and other preparatory process for the Sixth WTO Ministerial Conference. JITAP countries were actively engaged in setting Africa's priorities and LDCs priorities for the Sixth WTO Ministerial Conference through respectively the African Union Trade Ministers Meeting (Cairo, June 2005) and LDC Ministers Meeting (Livingstone, June 2005). At the Sixth WTO Ministerial Conference, a side event on JITAP was held (14 December) to exchange

experiences among beneficiary countries, donors and interested countries and agencies.

40. In the 16 JITAP countries, UNCTAD provided financial, technical and advisory support to the IICs for preparing technical notes on key negotiating issues (agriculture, NAMA, services and trade facilitation etc.) and preparing a compendium of national negotiating issues and related national interests for the Sixth WTO Ministerial Conference. The compendium encompassed negotiation positions of WTO partners and negotiation strategies of the country.

41. National and subregional retreats of the IIC were held in several countries during the period between October and December 2005 to prepare for the Sixth WTO Ministerial Conference, and to review progress achieved. Such retreats constituted important elements in the national preparatory processes for informing and steering national participation in the final stages of the preparations for the Ministerial Conference.

42. National consultants were engaged under the supervision of UNCTAD to conduct national studies in the new JITAP countries – Botswana, Cameroon, Malawi, Mali, Mauritania, Senegal and Zambia – to assess the impact of the multilateral trade rules, and other regional trade rules on the national economy and external trade.

43. National studies on the assessment of trade in services were prepared by national consultants under the supervision of UNCTAD for Kenya, the United Republic of Tanzania and Tunisia at their request. It enabled these countries to use the results of the assessment to enhance their participation in the services negotiations under GATS. It also helped in planning and participating in regional services negotiations, such as under COMESA and SADC.

44. A draft proposal for an International Trade Commission for Zambia was prepared and submitted to the country at its request. A similar proposal for trade policy support will be provided to Botswana in 2006.

45. UNCTAD participated in the setting up of MTS Reference Centres and National Enquiry Points and training of reference centre managers, led by the WTO. Reference centres and especially National Enquiry Points in the JITAP 1 countries were established, strengthened and operationalized through the provision of computers, software, training and documentation. UNCTAD's training of the Reference Centre managers covered: (i) UNCTAD documentation content and structure; (ii) retrieval options and search criteria of the UNCTAD Digital Library online database; (iii) UNCTAD online statistical databases and CD-ROMs; and (iv) other

possibilities of document retrieval sources such as the United Nations Official Documents System (ODS), UNCTAD Reference Library online catalogue and the UN Library Catalogue. During the training, UNCTAD provided a general introduction to its website and a demonstration was given on the on-line information resources available in the different parts of the UNCTAD website and sub-sites. Particular attention was paid to training on cataloguing/classification of both online and print materials.

46. A value chain approach to help in commodity diversification in JITAP countries was developed with the preparation of a JITAP commodity diversification guide.

47. **Results:** Over 360 professionals in JITAP countries were trained and acquired deeper knowledge and negotiating skills on the MTS through 14 specialized training workshops and two videoconferences. Such human resources development and strengthening of the cadre of endogenous expertise on MTS were an outstanding feature of JITAP outcomes in 2005 and have significantly improved the active role played by African countries in the multilateral trading system.

48. Inter-Institutional Committees (IICs) in the JITAP countries were fully operational and engaged in the Doha negotiations, including on the July Package follow-up, and preparation for the Sixth WTO Ministerial Conference, through preparing and adopting negotiating strategies and priorities with clear linkages to poverty alleviation plans.

49. Owing to JITAP, countries completed national preparations for the Sixth WTO Ministerial Conference with significant involvement of all local stakeholders. JITAP countries actively contributed to the elaboration of the common negotiating positions by African countries, LDCs and even Arab States.

50. Trade policy review and adaptation, including through impact assessment of the WTO Agreements, were launched in several “new” countries. These impact assessments, carried out by national consultants under the supervision of UNCTAD, benefited the IICs by providing them with an overview of the implications of WTO Agreements and the Doha negotiations, and other trade negotiations, for their economy and policies.

51. With support from the Canadian International Development Agency, efforts were made to develop a new Performance Measurement Matrix. This will facilitate better results-based management and reporting on MTS capacity building under JITAP.

(ii) **Commercial diplomacy: support to developing countries on multilateral trade negotiations**

52. **Development context:** Developing countries, in particular LDCs and African countries, and their regional organizations approached UNCTAD to assist them for their beneficial participation in the WTO Doha work program, ACP-EU trade negotiations, regional trade negotiations addressing development issues arising from negotiations with the EU on economic partnership agreements, regional trade negotiations among developing countries, accession to the WTO, dispute settlement, and the GSP and other trade preferences. In 2005, multilateral trade negotiations under the Doha Work Programme entered a crucial stage as the Sixth WTO Ministerial Conference in Hong Kong (China) from 13-18 December 2005 was, scheduled to take key decisions on agriculture and NAMA, services, development issues and rules aspects of the negotiations.

53. **Objectives:** Assist developing countries and LDCs, to better understand technical issues involved in negotiations, carefully assess the state of play with regard to the different elements of the negotiating agenda and the development implications of each negotiating proposals, and pursue their strategic interests in the negotiations, and to ensure the outcomes duly reflect their critical developmental concerns and interests.

54. **Outputs: Development of capacity programmes:** UNCTAD has developed and implements many technical assistance projects on trade negotiations and commercial diplomacy, including programmes of capacity-building and technical cooperation for developing countries, especially LDCs, and economies in transition, in support of their participation in WTO Doha Work Programme. UNCTAD has also developed programmes of capacity-building and technical cooperation for countries acceding to the WTO, especially LDCs, and economies with economies in transition. Other projects related to commercial diplomacy activities include services negotiations projects, and dispute settlement in international trade, investment and intellectual property. In addition, with financial support from the Government of the UK, ongoing assistance is provided to Geneva-based trade negotiators on an individual basis and for groups of developing countries in enhancing their understanding of the issues involved in the negotiations on trade in services and in identifying ways of increasing their participation in the negotiations. Assistance has been provided especially to LDCs in respect of agriculture negotiations.

55. **Support to LDCs:** In 2005, against the above background and the critical need for help and support during the closing weeks of the preparatory process for the Sixth Ministerial Conference on the complex set of negotiating issues, UNCTAD provided critical

inputs to improve the preparedness of trade officials in developing countries and LDCs for the Sixth WTO Ministerial Conference. Before the MC6, UNCTAD organized a meeting aiming at providing an opportunity for LDCs to undertake a follow-up assessment of the extent to which the LDC platform contained in the Livingstone Declaration and other proposals by LDCs are being implemented through the pre-MC6 Doha negotiations.

56. **Support to Arab Countries:** UNCTAD organized jointly with the Ministry of Industry and Trade of Jordan, in cooperation with the relevant international and Arab organizations, the Arab Ministerial Conference on WTO in preparation for the Sixth WTO Ministerial Conference. This Conference focused on progress made in the Doha Work Programme, the outcome of the July Approximation and the way forward to Hong Kong (China) with a view to contributing to the achievement of the Millennium Development Goals. The objective of the Conference was to coordinate the positions of the Arab Countries on issues to be discussed at the Sixth WTO Ministerial Conference.

57. **Support to Africa:** UNCTAD continued with the implementation of the UNDP-supported project in favour of African countries and maintained partnership with other organizations and institutions that are cooperating under the UNDP programme. In 2005, UNCTAD helped African countries to prepare for the intense negotiations in the first six months of 2005 in preparation for the July meeting of the WTO General Council, which achieved some targets on market access negotiations and development issues as outlined in the July 2004 Package of the WTO. UNCTAD organized and participated in two workshops for African countries, one on services (Geneva, 25-26 April) and the other on agriculture and NAMA negotiations (Nairobi, 29 June to 1 July). The recommendations of the workshops were widely disseminated, particularly during meetings and workshops organized in preparation for the Sixth WTO Ministerial Conference in Hong Kong (China). UNCTAD also undertook a number of advisory missions and meetings with government officials and other stakeholders that were essential in providing information on the Doha Round trade negotiations generally and specifically in sectors such as services.

58. UNCTAD was also instrumental in helping African trade negotiators, both in Geneva and in capitals, to identify their individual and common negotiation issues and interests in the Doha negotiations. Particular focus was placed on services negotiations, which is an area where African countries' participation remains weak. UNCTAD participated and provided much-needed support to African ministerial meetings and their preparatory

events at experts' level, with special emphasis on the development dimension of specific concern to African countries. UNCTAD's assistance was timely as it was provided at crucial moments of the negotiations to enhance awareness among sub-Saharan African countries of the issues involved and help them identify their strategic interests.

59. *Support to regional economic groupings:* UNCTAD, since 1997, has been assisting SADC in the negotiations on the establishment of a free trade area in goods. In 2000, under the Maseru Plan of Action, SADC Trade Ministers mandated the initiation of the negotiations on trade in services at the regional level. In this regard, UNCTAD developed a project document to source funds from the European Community (EC) to support SADC member States and the secretariat in the services negotiations. To this end, the EC-financed project entered into effect in the second quarter of 2005. The first regional workshop held in Cape Town on 19-20 September 2005, under the auspices of the SADC Trade Negotiating Forum (TNF) on Services, played an important role in kick-starting the project activities. The Services TNF was immediately followed by a meeting of SADC senior officials on 21-22 September and a SADC ministers meeting on 23 September 2005 to prepare for the Sixth WTO Ministerial Conference. The meetings helped SADC countries in drafting recommendations for SADC's participation in the Sixth WTO Ministerial Conference and adopted a communiqué from the Ministers of Trade.

60. UNCTAD organized fact-finding missions in some SADC countries in order to inform the country officials of the project and initiate the recruitment of consultants for services assessment studies. The countries visited were: Lesotho, Botswana, South Africa, Namibia, Mozambique and the United Republic of Tanzania. Three national training workshops were also organized in Zimbabwe, Swaziland and the United Republic of Tanzania, aimed at sensitizing and building awareness among stakeholders on the services negotiations at the regional, intraregional and multilateral levels.

61. In the promotion of synergies between the SADC project on services and a similar programme on services under COMESA, given the overlap of membership, UNCTAD has attended two technical workshops organized by COMESA, one to review the questionnaires with the sectoral experts, held in Nairobi on 14-24 March 2005, and the other to train sectoral experts on services trade, held in Mauritius on 11-15 July 2005. This has enhanced cooperation between the SADC and COMESA work programmes.

62. At the regional level, support was provided to the ACP through advisory services and technical

papers in addressing development issues arising from negotiations with the EU on economic partnership agreements, and the multilateral dimension of such partnerships. UNCTAD monitored and assessed ACP-EU trade negotiations.

63. *Support to individual countries:* India: UNCTAD is assisting Indian trade negotiators, policymakers and other stakeholders in addressing the development dimension of key trade issues, particularly as they relate to the current WTO agenda, through support for analysis and stakeholder consultations. The project is implemented with the cooperation of three institutions: the Ministry of Commerce and Industry of India, the UK Department for International Development (DFID) and UNCTAD.

64. In particular, the objectives of the project are to improve India's capacity to effectively participate in regional, bilateral and multilateral negotiations; to facilitate the three key sets of stakeholders – government, the enterprise sector and civil society – to participate in and benefit from the institutions, negotiations and processes that shape trade policy and rules and practices of international trade; to improve the competitiveness of enterprises, especially those that directly provide livelihood options for the poor: to respond to globalization by strengthening trade policy and trade support institutions; and to facilitate enhanced collection, dissemination and analysis of trade-related information, including that related to social and economic impacts.

65. The project has two main interrelated components. The first component seeks to assist Indian trade negotiators, policymakers and other stakeholders in enhancing understanding of the development dimension of key trade issues and in participating effectively in the work programme adopted at the fourth WTO Ministerial Conference (Doha, November 2001).

66. The second component seeks to strengthen human and institutional capacities, as well as a policy environment that will support and sustain a more equitable process of globalization. The second component aims at building capacities of stakeholders that represent and/or have greater influence over policies and programmes that affect the poor. Government agencies, private sector entities and civil society need to assess the impact of global agreements on the constituencies they represent or the work they do and review their strategies accordingly.

67. Under Component 1 in 2005, the project provided technical inputs and policy options on key WTO and regional trade negotiating areas, clearly identifying the country's trade interests and development concerns. The process of peer review

was systematically applied to all major studies. High-level training and support, as appropriate, were provided to the Ministry of Commerce for successful formulation and implementation of an institutional and human resource development strategy within the Government to meet needs of the new work streams flowing from the WTO and international trade agreements. Technical inputs and policy options were made available on human resource and institutional implications of WTO and other regional trade agreements.

68. Sectoral and thematic studies based on sound analysis and data on poverty and employment impacts, with specific diagnosis and policy prescriptions for ameliorating the impact of trade developments and agreements on the poor as employees, producers and consumers of goods and services, were undertaken. Sector-specific research/pilot studies to assess the impact of trade agreements and developments on specific communities, gender impact, and so forth are being undertaken.

69. The project has provided training to officials on GTAP and WITS. A study on possible improvements in implementation arrangements for the TBT Agreement has been prepared. At the request of the Ministry of Commerce, the project has facilitated peer review by leading experts of a study on antidumping (in particular on lesser duty rule under the Antidumping Agreement) commissioned by the Government of India.

70. Under Component II, national/sub-national consultative bodies for broad-based consultation on trade policy issues have been established. The process has institutionalized public-private partnership through the Tier I partners/sector networks and strategy implementation teams. Tier I partners are in turn developing a network with regional bodies.

71. **Impact/results:** The project produced a large number of publications. Information and analysis were disseminated to other stakeholders in many languages. Publications such as the newsletter, "Stakeholders Speak", and FAQ on WTO were well received. The project has also generated many articles in the press.

72. Under Component II, which has been designed to create networks providing mechanisms for stakeholder consultations, a total of 20 inception workshops were organized. Tier-I partners have started to engage a growing number of Tier-II partners. MoUs have so far been signed with approximately 44 Tier-II partners and another 178 Tier-II have been identified for future signing of MoUs.

(b) Accession to the WTO

73. **Development context:** A major aspect of UNCTAD's work covers support on WTO accession. Eight acceding developing and LDCs – Afghanistan, Bhutan, Cape Verde, Sudan, Yemen, Ethiopia, the Lao People's Democratic Republic, Iraq, Serbia and Montenegro, and three economies in transition, Azerbaijan, Uzbekistan and Kazakhstan – are provided technical assistance under the UNCTAD Trust Fund for Accessions, supported by the United Kingdom and Norway. Other developing countries, LDCs and countries with economies in transition are provided technical assistance under the UNCTAD Trust Fund for Accessions, supported by the German Government. The Islamic Republic of Iran, Sao Tome and Principe, Timor-Leste, Bosnia and Herzegovina, and Algeria received similar assistance utilizing UNDP funds.

74. **Outputs:** The technical assistance provided included advisory missions, training of officials in WTO-related issues, procurement of IT equipment and the provision of consultants in specific areas to assist the negotiating team. Technical and advisory missions were undertaken to Azerbaijan, Bhutan, Bosnia and Herzegovina, Cape Verde, Ethiopia, the Lao People's Democratic Republic, Sudan and Yemen to assist them in their preparations for meeting of their working party. Technical advisory missions were organized to assess the technical and capacity-building needs of the Islamic Republic of Iran, Sao Tome and Principe, and Bosnia and Herzegovina, as well as to agree with the respective Governments on the main areas of assistance. Policy advice was provided and the members of the negotiating team were trained and prepared on both substance and procedures of accession, including through simulation exercises on the meeting of the working party on accession. Technical missions were sent to these countries to undertake the initial step necessary to launch the sectoral studies to be undertaken, with a view to the preparation of the initial offers on goods and services. Intensive training sessions were organized in Geneva and in the capitals for members of the negotiating team on how to manage the Working Party on Accession. UNCTAD organized in Yemen a workshop on accession involving all acceding LDCs, with the participation of representatives of the private sector and civil society. Accession to the WTO was the focus of the Paragraph 166 training course organized in Prague in July, and attended by participants from acceding countries in Europe. Support was provided to Viet Nam in achieving trade-related capacity building through training of trainers in the area of trade negotiations, so as to enhance the long-term capacity-

building goal. UNCTAD is also providing assistance to Cambodia in its post-accession period.

75. **Results:** (a) An increasing number (more than 300) of officials, business representatives, parliamentarians and academics benefited from such assistance. (b) More than fifty trade negotiators from acceding countries benefited from intensive training by the UNCTAD secretariat in preparing the initial offers in goods and services as well as on specific accession-related issues. (c) Four UNCTAD advisory missions and technical missions were undertaken to three new countries benefiting from the UNCTAD Trust Fund on Accessions to the WTO. (d) The assistance has enabled the preparation of several accession-related documents with assistance from the UNCTAD secretariat. More generally, the technical assistance 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 that arise in the accession process.

(c) WTO Dispute Settlement

76. **Development context:** During its ten years of existence WTO dispute settlement has dealt with a large number of cases, interpreting and clarifying Members' existing rights and obligations under the WTO agreements. Besides creating a sophisticated body of jurisprudence, WTO panel and Appellate Body reports may also have implications for current negotiations under the Doha Work Programme. While these implications may be far-reaching, they are not always clearly visible for policymakers and stakeholders, both in Geneva and in capitals.

77. **Objective:** UNCTAD's series of meetings aim at making WTO panel and Appellate Body rulings more accessible to trade negotiators and other affected stakeholders. It focuses on those cases where linkages to negotiations are most clearly visible and where such linkages are most likely to have developmental implications.

78. **Outputs:** In 2005, UNCTAD held two lunch-time meetings, one on the US-Gambling case and one on the EC-Sugar case. Speakers included academics and practitioners working on international trade, as well as delegates and staff from inter-governmental organizations (IGOs) in Geneva. Also, the audience included delegates, IGOs, NGOs and academics. The series will continue with cases relevant to negotiations in the areas of trade in services, agriculture and WTO rules. It thereby complements UNCTAD's existing work, both in terms of research and analysis and in terms of technical assistance and capacity building in the context of the Doha Work Programme.

79. **Results:** The debates were interactive and open, and UNCTAD has received much positive feedback about the meetings. UNCTAD will continue its series with the next meetings on EC-Geographical Indications and Mexico-Telecommunications.

(d) The Dispute Settlement Programme

80. The dispute settlement programme implemented several workshops and prepared several courses. In 2005, some 90 governmental and non-governmental professionals from 30 countries, including 10 least developed countries, were trained in two regional workshops in Africa and Asia. Over one third of participants were women.

81. Workshops were conducted on the settlement of investment disputes (Bangkok),³ and WTO dispute settlement in agriculture (Cape Town).⁴ Some 40 course modules have been finalized on General Dispute Settlement Topics, Settlement of International Investment Disputes and ICSID, Settlement of International Trade Law Disputes and WTO, Settlement of International Intellectual Property Disputes and WIPO, International Commercial Arbitration and Regional Approaches. The complete series of course modules has been placed on the project website,⁵ from where modules can be downloaded free of charge by visitors to the UNCTAD website.

(e) Trade in services and development implications

82. **Objectives:** The main objective of UNCTAD's assistance was to promote policy formulation in the area of services at the sectoral level and in overall terms, which would help create conditions conducive to services capacity building in developing countries, including in their trade dimension.

83. **Outputs:** UNCTAD carried out assessments of trade in services in line with paragraph 95 of the São Paulo Consensus. The following national sectoral studies have been concluded with a view to identifying lessons learned in liberalization of trade in services in specific sectors and for establishing trade-related policy options available to developing countries in promoting trade in services: "*Preliminary*

³ 18–20 July 2005, hosting 47 professionals (28 male and 19 female participants) from 10 countries, namely Argentina, Chile, China, Pakistan, Russian Federation, Singapore, Switzerland, United Republic of Tanzania, United States and the host country, Thailand.

⁴ 31 October – 2 November 2005, hosting 38 professionals (23 male and 15 female participants) from 11 countries: 9 countries, including LDCs, from Africa: Angola, Botswana, Malawi, Mozambique, Namibia, South Africa, Swaziland, Zambia, Zimbabwe; other countries represented: Saudi Arabia and Switzerland.

⁵ <http://www.unctad.org/dispute>.

Assessment of Services and Services trade in Rwanda"; "*Services trade-related Development Strategies in Tourism and Construction Services in Indonesia*"; "*Exportar Servicios Profesionales desde Colombia Problemas y Oportunidades*" ; "*Services Trade-Related Development Strategies in Tourism, Telecommunication and Banking Services in Kenya*" .

84. In 2005, work in the area of services assessment in selected services sectors was launched in Jordan, Guatemala, El Salvador and Thailand. In addition, assistance has been provided to a number of national assessment studies being undertaken in the context of the regional integration in Andean, COMESA and SADC countries, as well as in the context of the technical assistance activities with the support of the Government of France to Cameroon, Congo, the Democratic Republic of the Congo, Djibouti and Madagascar. Assessment exercise has also involved contribution and exchange of experience with other regional, international organizations as well as the NGO community.

85. Assistance has been also provided primarily on the basis of the financial support received from the Governments of the United Kingdom of Great Britain and Northern Ireland, Germany and Spain through more than twenty meetings and technical assistance missions. The secretariat has continued to provide assistance to Geneva-based officials, especially on matters related to the current request/offer negotiations under Article XIX of the GATS, and pertaining to rule-making negotiations taking place in the subsidiary bodies of the WTO Council for Trade in Services. Specialized group training has been also provided on negotiating skills in the area of services, both in Geneva and as country-based assistance. Assistance has been provided during the regional meetings, in particular for SADC, Andean Community, land-locked developing countries, ASEAN and African group meetings and Latin American regional meetings, which addressed sectoral or general-services-related issues. Special assistance was provided to ASEAN countries and to some Arab countries on energy services.

86. **Results:** UNCTAD has helped to develop capacities in developing countries to establish their own negotiating priorities and negotiate trade agreements, including on GATS and regional trade agreements.

(f) **Preferential Arrangements**

(i) **Market access, trade laws and preferences**

87. **Development context:** The secretariat continued its work on trade preferences, South-South trade and the interface between regional trade agreements and the multilateral trading system.

88. **Objectives:** The objective of UNCTAD's assistance to developing countries and/or their regional groupings in increasing the utilization of the trading opportunities provided under existing preferential arrangements such as the GSP, the Cotonou trade regime and other bilateral arrangements, including through addressing rules of origin requirements, is to help them formulate trade strategies in the evolving international trading system.

89. **Outputs/Results:** In addition to its ongoing administration of notifications received from member States with regard to certificate of origin and various changes in GSP schemes, the secretariat provided technical support in compiling trade and tariff information relating to GSP schemes. The secretariat has prepared publications aimed at facilitating the utilization of GSP schemes. These include an updated list of beneficiary countries under various GSP schemes (UNCTAD/ITCD/TSB/Misc.62/Rev.1) and the four issues of GSP Newsletters (UNCTAD/DITC/TNCD/MISC/2005/3-6). The secretariat has also proceeded to update handbooks of various GSP schemes that provide a user-friendly guide to individual GSP schemes.

90. These activities were directed at providing traders and government officials with the increased awareness and better understanding of trading opportunities available under respective GSP schemes, and assisting them in complying with rules of origin and other administrative requirements.

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

91. **Accomplishments and Activities:** The GSTP Project extends technical and administrative support to the GSTP Committee of Participants, the top policymaking body established under the Agreement on the Global System of Trade Preferences Among Developing Countries to supervise the implementation and administration of the Agreement.

92. Following the launching of the Third Round of negotiations in June 2004 in São Paulo, Brazil, the GSTP Project extended technical and administrative support to GSTP Participants to organize and conduct preparatory trade negotiations in 2005. It also:

- Prepared statistical materials and studies on trade among GSTP Participants;
- Arranged for the installation of the WITS statistical trade facility in Geneva missions and in capitals;
- Serviced the information needs of GSTP Participants in Geneva and in capitals;

- Rendered technical advice on various facets of the negotiations, including tariffs and rules of origin;
- Provided statistical materials on trade of countries that have applied for accession to the GSTP Agreement;
- Arranged for the establishment of a GSTP website that would disseminate information about the GSTP and its operations to the general public;
- Extended administrative support for the conduct of meetings of GSTP Participants.

93. The GSTP Project also supported the normal operations of the GSTP Committee of Participants, in particular the dissemination of the information on certification of origin of products covered under the Agreement. The Project continuously serviced inquiries of traders.

3. Commodities

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

94. *Development context:* The objective of UNCTAD's work in this area is 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. The workshops held under the project aim to support developing countries, including small island developing States, in diversifying export production into high-value products, improving their quality and increasing the retained value-added through fair participation in global supply chains.

95. Under the project "Capacity building for diversification and commodity-based development", UNCTAD, in cooperation with the Ministry of Industry and Trade of Mongolia and the German Agency for Technical Co-operation (GTZ), organized a workshop on Diversification of Agricultural and Minerals Sectors, International Trade and Development in Ulaanbaatar, Mongolia, from 19 to 21 October 2005. The objective of the workshop was to contribute to the diversification and development of the commodity sector of Mongolia. Particular attention was given to wool, cashmere and minerals. The role of industrial parks and export processing zones in export diversification of Mongolia also

attracted considerable attention. The workshop brought together some 50 participants, representing the Mongolian Government, the country's 21 provinces, non-governmental entities and observers from international organizations. The meeting provided a unique opportunity not only for a lively discussion but also for an improved mutual appreciation of the concerns of the central government and the representatives from the provinces.

(b) Costs of SPS compliance

96. *Development context:* Increasingly stringent food safety and agricultural health standards in developed countries pose major challenges for continued developing country success in international markets for high-value added products such as fruit, vegetables and fish. Yet in many cases, such standards have played a positive role, providing the catalyst and incentives for the modernization of export supply and regulatory systems and the adoption of safer and more sustainable production and processing practices.

97. Much of the policy discussion pertaining to developing country trade and standards centres on finding ways to increase the participation of developing countries in international standard-setting bodies, or otherwise influencing the level and nature of the standards themselves. But the findings from UNCTAD's study on Agri-food Safety and SPS Compliance (UNCTAD/DITC/COM/2005/2) suggest that this represents a partial solution at best, and that the challenges and opportunities posed by standards can be better addressed through strengthening public and private capacities to effectively manage food safety and agricultural health risks.

98. According to the findings, developing countries faced with rising standards in their markets can maintain and improve market access, position industries for long-term competitiveness, mitigate potential adverse effects on vulnerable groups, and improve domestic food safety and agricultural productivity by adopting a strategic approach to food safety, agricultural health, and trade. For those countries and suppliers who are well prepared, rising standards represent an opportunity; for those who are poorly prepared, they pose safety and market access problems. Developed countries should increase development flows to help developing countries build the capacity to plan and execute the necessary strategies.

99. *Objectives:* To identify and quantify the costs of complying with standards for tropical fruits in three African LDCs, Guinea, Mozambique and the United Republic of Tanzania; to present a framework that will facilitate estimation of costs of compliance for

exporters that are associated with agri-food standards and SPS; to compare costs that are necessarily incurred when complying with agri-food standards and SPS, and those which would have been incurred in the absence of meeting these requirements; to identify the technical, institutional and policy constraints faced by Governments and exporters in the selected countries in meeting agri-food standards and SPS requirements; and to propose how developing countries can best be assisted with appropriate technical support and expertise to improve domestic capacity in this area.

100. **Outputs:** Three national workshops took place in 2005 in the United Republic of Tanzania, Mozambique and Guinea. All categories of stakeholders – producers, exporters, traders, experts from public and private sectors, ministries (Ministry of Trade, Industry and Agriculture) in charge of SPS issues, international experts from development agencies (UNIDO, FAO, World Bank) and certification bodies – participated in the workshops. Workshops discussed the findings of the study commissioned by UNCTAD, complemented them with stakeholders' views and experiences, as well as presentations from experts and resource persons, and made recommendations on ways and means by which the Governments of these LDCs could improve private and public sector capacity in this area. In order to facilitate the participation of small producers and exporters from outside the capitals of the three selected countries, the project financed the expenditures (travel and per diems) for 90 workshop participants (30 participants per national workshop) out of 179 who participated in these workshops. Six experts and 12 resource persons mostly from the private sector, with practical experience in agri-food safety and SPS measures, also took part in the national workshops and submitted short papers.

101. **Results:** The implementation of the project in the selected countries came at an opportune time when many African countries were negotiating Economic Partnership Agreements with Europe. These workshops made it possible for the participants to acquire new information and update their knowledge on new regulations affecting horticultural exports. Among the many recommendations arising from these workshops could be mentioned the establishment of a *Task Force* in each selected country to coordinate national initiatives and functions on food safety implementation, advise government in this area and disseminate information to small farmers, exporters and other business bodies operating in the horticultural sector. Other important suggestions and recommendations stemming from these national workshops include organizing farmers in small groups of cooperatives to facilitate technical

training sessions, sharing ideas and experiences over time, learning from “success stories” to better understand practical ways to enhance the capacity of small farmers to meet standards, reviewing policy formulation and national objectives in this area, and creating government awareness.

102. Two follow-up projects for Guinea and Mozambique, which will build on UNCTAD's activities under the SPS project, were approved for financing by the Standards Trade Development Facility (STDF) Committee. Results expected from these follow-up programmes, which started in November 2005, are to: (i) develop a safety control system for the horticultural sector in Guinea and Mozambique; (ii) establish a safety management expert force to assist companies implementing control systems (HACCP, EUREPGAP); (iii) lay the ground for the establishment of a public inspection force for the horticultural sector; (iv) increase the analytical capacity of laboratories involved in the certification of exports; (v) contribute to the establishment of a national certification company; (vi) implement safety management systems in four pilot farms and obtain their certification to international standards; and (vii) disseminate project information to allow replication of the model.

(c) **UNCTAD/Migros/SIPPO Partnership for Enhancing the Capacities of Developing Country Farmers to Supply International Markets through Linkages**

103. **Development context:** The African farming community is made up of small producers divided into family farms of less than one hectare. Generally illiterate and ill-equipped, they have neither the means nor the capacities for producing sufficiently and entering markets. Since the advent of structural adjustment programmes at the beginning of the 1980s and the ongoing process of trade liberalization, many African countries have removed their public and parastatal marketing boards. This has opened the way to speculators and intermediaries who tend to lower the prices to levels that make it difficult for small producers to cover their production costs and live with the income of their work. Moreover, many African farmers are unable to access credit and equipment and they lack skills and know-how to improve the quality of their exports. To reverse this situation, UNCTAD has initiated the present project, in close cooperation with the Swiss supermarket chain Migros and the Swiss Import Promotion Programme (SIPPO).

104. **Objectives:** The overall objective is to enhance the capacity for members of the Mango and Papaya Producers and Exporters Association of Ghana (i) to better protect human and animal health and plants

against disease and pest hazards related to cross-border trade; and (ii) meet official and/or commercial standards in the sanitary and phytosanitary field.

105. **Outputs:** A training workshop focusing on sanitary and phytosanitary measures (SPS), Good Agricultural Practices (GAP), ISO 9000, HACCP and EUREPGAP protocols is currently in preparation. The geographical coverage of the project includes Ghana and Mozambique, but it will be extended progressively to other African LDCs with the involvement of other large supermarket chains (Wal Mart, Carrefour, Marks & Spencer). In this connection, it is planned to organize national consultations with representatives of producers' associations (associations and farm groups involved in the project), government bodies and development agencies to discuss ways to enhance the capacity for small farmers to comply with quality standards and respond to market demands.

106. **Results:** The partnership has been remarkably successful. It has helped small farmers improve the quality and competitiveness of their products. Without this partnership, said the President of the Mango and Papaya Producers and Exporters Association of Ghana, producers in his country would not be able to export 200 boxes of mangoes on sale at Migros. It took 180 producers to provide the quantities and the quality required by Migros. The latter provided a list of quality and phytosanitary requirements and agreed to sell mangoes. Thanks to this partnership, marketing, packaging and transport costs were shared; and producers can use also their contractual arrangements with Migros to access loan facilities from commercial banks, and buy equipment, grain and fertilizers. Association members, the majority of whom are women, are no longer absorbing losses but are receiving three times their previous income levels, which allow them to pay for school expenses, medicine, construction and other basic necessities. A similar partnership is planned in Mozambique.

107. Activities undertaken under this project contributed to (i) motivating the members of Mango and Papaya Producers' and Exporters' Association as well as their local authorities to support a poverty reduction strategy programme aimed at stimulating the creation of jobs and pro-poor growth; and (ii) improving public intervention through institutional mechanisms needed to develop South-South trade through the promotion of regional markets.

(d) Community-based arrangements for sustainable commodity production in areas affected by mine closures

108. **Development context:** Mining projects tend to have a dramatic impact on the economy of the

regions where they are located, with dramatic increases in employment and incomes when a mine is opened. When the mine is closed down, employment, wage rates and land prices fall, and even businesses with tenuous links to mining find it difficult to survive. Ideally, preparations should be made at the start of the mining project and actions should be taken throughout the life of the project in order to ensure that a robust and diversified economy that can absorb the surplus labour is in place at the moment of closure. In developing countries, the sectors that are normally best suited to provide new employment are commodity production, such as forestry or agriculture. To facilitate their re-emergence as leading sectors requires careful planning and capacity building with the active participation of all interested parties, including the mining company, local and regional government, local communities, NGOs and business organizations.

109. **Objective/features:** The project, which started in mid-2005, aims to establish and apply a framework for multi-stakeholder assessment of development strategies and growth paths in the province of Espinar in Peru, a region affected by variations in mining activity and employment, and to use the framework to identify viable employment opportunities for redundant mine workers, initiate actions to establish new economic activities and promote sustainable commodity production. It will bring together mineworkers, local authorities and mining firms with a view to finding cooperative and cost-effective ways to generate alternative employment. Capacity building will target miners' associations and local authorities in order to increase awareness and understanding of potential problems and opportunities, thus increasing the likelihood that problems can be avoided and opportunities exploited.

110. **Outputs:** During 2005, preparatory activities were initiated and a plan for the project was agreed with the Government of the province of Espinar, the local mining company BHP Billiton Tintaya and the University San Agostin in Arequipa. As a first step, a diagnostic study will be prepared in 2006.

(e) Commodity risk management, finance and energy

111. **Development context:** Governments that liberalize their commodity sectors risk leaving a vacuum behind. Will there be a level playing field where supply and demand meet? How will farmers cope with risks if Governments no longer provide a safety net? Will private-sector banks be willing and able to assume the risks of lending to the country's commodity producers? Will private sector entrepreneurs be able to provide value-added services to their countries' commodity sectors if they have to

compete with well-funded, well-connected foreign entities? Without a strong capacity- and institution-building programme to accompany a process of liberalization, much of its potential benefits are likely to be lost, and certain groups – most likely the more vulnerable ones – may well be losers. UNCTAD's work in the area of commodity risk management, finance and energy aims to assist in building the local strengths necessary for private-sector-led commodity sector development, using modern financial tools such as commodity exchanges and structured commodity finance to fill the vacuum left by liberalization and build commodity sector competitiveness (while playing due attention to the role that governments need to continue playing even in a liberalized environment).

112. **Objective/features:** Poor access by developing countries to modern financial instruments makes it difficult for these countries to become competitive, and the effects of this are the strongest for the most vulnerable, poorest groups. 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 helps level the playing field in the local commodity sector, and 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 continues to make it impossible to meet many demands from developing countries, particularly LDCs.

113. **Outputs:** In 2005, the largest activity in this area was the Ninth African Oil and Gas Trade and Finance Conference, held in Maputo, Mozambique, from 30 May to 3 June 2005. This conference (organized with the Government of Mozambique and a private sector conference organizer, ITE Ltd.) attracted some 450 participants from over 50 countries, mostly high-level decision makers from the African oil and finance sectors. 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 tenth and eleventh African Oil Trade Conferences; it was decided to organize the 2006 Conference, again to be entirely funded by private sector sponsorship, in Algeria, and the 2007 conference in Kenya.

114. Support for 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 2005), which attracted several dozen participants. Policy advice and training, paid for by the beneficiaries as well as the World Bank, was provided in Africa (in a regional context), India, the Russian Federation and Ukraine.

115. 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 Harare, Zimbabwe, as well as to groups of bankers through workshops organized at conferences in Johannesburg and London. In addition, work continued in India towards the building of capacity in the domain of agricultural finance, with workshops as well as intensive training for one of the country's new agricultural finance banks.

116. **Results:** These activities led to a better understanding of modern financial techniques relevant to 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 funding – which so far has not happened. Several major new trade-supporting institutions have been created as a result of UNCTAD's work, institutions that have already reached turnovers of hundreds of billions of dollars and which are likely to greatly enhance credit conditions for the agricultural sector in developing countries.

(f) Commodity Information and Knowledge Management – INFOCOMM

117. **Development context:** Commodity-dependent developing countries continue to face difficulties in getting broad-based, well-organized and verified information. The imperfect nature of the information and the disequilibrium in the distribution of information lead to what is termed "asymmetric information" – in terms of price, quality, quantity, credit and many other relevant variables. However, long-established commodity-related sources of information are quite dispersed and are not always well structured. Above all, there is nowadays a massive flow of electronic news and information, usually quite heterogeneous and hardly accurate. It is

thus costly, time-consuming and rather difficult to identify the relevant set of unbiased specialized information in a specific commodity sector. Therefore, in such a context, policymakers and commodity operators do not always have proper analytical tools to assess the rapid changes in commodity market structures, to adjust their policies accordingly and to be able to increase their competitiveness. Similarly, emerging commodity operators and smallholders are looking for intelligence sources as well as for friendly and operational systems to be able to increase efficiency, expand markets, respond to business opportunities, gain negotiating powers and capture more of their commodities' value. Reducing the digital divide and increasing access to, and use of, orderly information for commodities are a prerequisite for establishing efficient production and trading strategies. Developing countries' urgent need for reliable, timely information on commodities was recognized, *inter alia*, at UNCTAD XI as well as at the high-level meeting of Eminent Persons on Commodity Issues, which stressed 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 called 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".

118. **Objectives/features:** To monitor and analyse the evolution of international commodity markets as well as to design ICT tools in this field enabling developing countries to better access key information and data at both domestic and international levels. 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. Spearheaded work to increase knowledge and strengthen domestic and international capacities has given impetus to concrete and effective actions. This initiative takes mainly the form of a series of activities interlinking commodity information, market intelligence and knowledge management. UNCTAD's programme is designed to review, adapt and disseminate information on a series of products, which proves useful for the different strategic, informational, organizational and economic aspects of the commodity sectors, in an innovative way.

119. 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.

120. 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.

121. **Outputs:** The development of international knowledge management tools (including *Infocomm*, an extranet electronic platform, and *Infoshare*, a sharing database system, as well as other specialized schemes). Following are some examples of recent outputs:

- *Maintenance, expanding, and updating of the on-line knowledge management instrument – INFOCOMM* – in which key strategic information on selected commodity and energy products is available. For each commodity, different entries analysing characteristics, quality, uses, market trends, marketing structure, companies, the impact of technology, price discovery mechanism and selected trade and economic policies are available electronically. Each part contains an overview of the topic as well as interactive maps, graphs and a selection of electronic sources of information.
- *Build partnerships with selected authoritative sources of information and organizations having a specific skill and expertise.* Besides a monthly report (available in French, English and Spanish) on the world rice market, strategic partnerships with ICAC and CIRAD were arranged in 2005 to disseminate timely and updated commodity market information in French, English and Spanish for bananas, citrus fruits and cotton.
- *Development of a new version of a sharing-database system – INFOSHARE:* based on feedback received from partners in the field, a new version of INFOSHARE was designed to gather and share quantitative information on commodity prices (including farm gate, export and import prices), intermediate production and marketing costs (transportation and storage) as well as qualitative information (e.g. national quality standards and stakeholders). In May 2005, the Infoshare system was selected by the United Nations Department of Public Information (DPI) as one of the "ten stories the world should hear more about".
- *Training and awareness raising activities:* tailor-made training material was developed and used in different workshops on commodity

trade information. Some training sessions were convened within UNCTAD (e.g. a week training programme for representatives of Cameroon) while others were organized in collaboration with partners such as ITC and CTA. In 2005, 120 policymakers and operators (mainly from Ministries of Trade and Industry as well as from chambers of commerce) were trained to use Infocomm and Infoshare tools as well as to understand the methodologies and strategies linked to these instruments.

122. **Results:** The above-mentioned activities have resulted in a significant improvement in market transparency, as strategic market information is provided 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. It attracted roughly 190,000 sessions and more than 6 million hits by outside users per month in 2005, a 70 per cent increase compared with the previous year. Representatives of roughly 50 developing countries, including 23 LDCs were trained to use tools developed within this programme. Finally, in 2005, roughly 2,000 requests from industry, Governments, universities and research bodies were answered through the electronic box of Infocomm, which illustrates the demand for this type of information

(g) Development Account project L: Integration of Millennium Development Goals in Trade and Trade-Related Policies in LDCs and African Countries

123. Two activities were carried out under this project: a study on the relationship between commodities production and trade and development with a focus on poverty reduction; and a workshop for LDCs and African countries, in Madagascar, on the contribution of the commodities sector to achieving the Millennium Development Goals (MDGs).

(i) Study on the relationship between commodities production and trade and development

124. The study discusses the integration of the MDGs into developing countries' trade policies, focusing on the concerns of LDCs and African countries in particular. It aims to show the relationships between commodities production and exports on the one hand, and development and poverty reduction on the other. Issues examined include (i) the nature of rural poverty and the relationship of commodity exports with it; (ii) the international policy background, particularly structural adjustment programmes and the evolution of international trade rules; (iii) cases of successful

commodity export policies, particularly where they have led to broader development gains; (iv) detailed analysis of the commodity export sector as it affects LDCs and African countries; (v) the potential for regional trade among African countries, particularly in foodstuffs; and (vi) policy recommendations regarding:

- A wider development strategy;
- Agricultural strategy;
- Regional integration;
- Poverty targets;
- The international community including donors and developed countries' Governments;
- International trade rules; and
- Further research needs.

(ii) A regional workshop on the contribution of the commodities sector to Millennium Development Goals (MDGs)

125. The first such workshop was held in Antananarivo, Madagascar, in November 2005 for LDCs and African countries. The workshop was targeted at officers from ministries, public and parastatal agencies responsible for the development of export products in the areas of agriculture, agro-industry and mining, or for poverty reduction policies, operators of commodity sectors – producers, exporters, export service providers – as well as researchers and development agencies involved in these areas. The workshop brought together 62 participants from Benin, Ethiopia, Cambodia, Kenya, Madagascar, Mozambique, Uganda and Zambia.

126. **Lessons learned** from first phase of project L: The workshop highlighted important strategic issues for African countries to address in order to capture unexploited agro-food market opportunities in the region and other commodity market opportunities due to arise from the conclusion of the Doha Development Round.

(h) Capacity building and policy networking for sustainable-resource-based development

127. **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.

128. **Objective/features:** The objectives are (i) 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 inputs and expertise from a variety of resource practitioners and other stakeholders; and (ii) 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.

129. **Outputs:** The web-based system for promoting best practices and related policies (www.goodpracticeminng.com) that was initiated with the cooperation, *inter alia*, of the International Council on Mining and Metals (ICMM) has been further developed and made more selective. The network for the Latin American and Caribbean region with a focus on mineral resources and related sustainable development issues is operated by the *Universidad Nacional Mayor de San Marcos* (see <http://www.redlieds.org>) in Lima, Peru, with the assistance of UNCTAD and ECLAC. A similar network for Africa is under development in cooperation with the Southern and Eastern Africa Mineral Centre (SEAMIC) and will start operating in 2006. A committee overseeing the development has been set up, with the participation of numerous African organizations. A regional workshop on mineral wealth management was held in Kampala, Uganda, in May 2005, in cooperation with UNECA. The workshop used training modules prepared under the project on the macroeconomic management of mineral-dependent economies.

130. **Results:** The networks established are still in their early stages of implementation. However, they have improved the access to knowledge by stakeholders, researchers and policymakers. 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. The project was closed at the end of 2005, but the activities initiated, particularly the networks, continue under a new partnership on mining and sustainable economic development.

(i) Trust Fund on Iron Ore

131. **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.

132. **Outputs/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. A statistical update (only available in electronic form) is published in November. 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 85 per cent in 2005.

4. Trade, environment and development**(a) Trade and Sustainable Development**

133. **Development context:** Paragraph 103 of the São Paulo Consensus stipulates that efforts at supporting developing countries on issues at the interface between trade, environment and development should be intensified. The overarching long-term objective of the technical cooperation and capacity-building programme on trade, environment and development is to enhance the capacities of developing countries, especially LDCs, to analyse those issues and address them at the national, regional and international levels in a manner consistent with their development priorities. In addition, UNCTAD promotes practical mechanisms aimed at addressing specific problems identified in its technical assistance activities or intergovernmental work. Examples are the International Task Force on Harmonization and Equivalence in Organic Agriculture (ITF) and the Consultative Task Force on Environmental Requirements and Market Access for Developing Countries (CTF).

134. Current technical cooperation and capacity-building activities on trade, environment and development focus on the following priority areas:

- Market access: Environmental requirements and export competitiveness, including trading opportunities for environmentally preferable products;
- Trade liberalization in environmental goods and services (EGS);

- The UNEP-UNCTAD Capacity Building Task Force on Trade, Environment and Development (CBTF); and
- Support to relevant activities of the WTO.

(i) Market access

135. **Development context:** Pursuant to UNCTAD XI, it was stressed that UNCTAD should enhance its work on the interrelationships between market access, market entry and competitiveness factors and their impact on exports of developing countries. In this context, specific emphasis should be placed on examining the effects of non-tariff barriers.

136. **Objectives/features:** To assist developing countries in gradually moving from a fire-fighting to a proactive, anticipatory and more strategic approach on coping with and adjusting to environmental and related health requirements in key export markets.

137. **Outputs:** Activities on market access have been carried out under four main projects:

The UNCTAD/FIELD⁶ Project on Building Capacity for Improved Policy Making and Negotiation on Key Trade and Environment Issues, funded by the UK Department for International Development (DFID)

138. UNCTAD, under the project (referred to below as "the DFID-funded project") assisted selected developing countries in Asia and in Central America and Spanish-speaking Caribbean countries in building national and regional capacities to deal with trade, environment and development. More precisely, it assisted beneficiary countries in (a) their effective participation in the WTO negotiations and discussions on trade and environment and (b) developing long-term policies aimed at promoting sustainable development through trade. It has promoted sector-specific analysis and (national and subregional) policy dialogues on specific thematic issues, namely environmental requirements, market access and export competitiveness in three sectors – leather and footwear, horticulture, and electrical and electronic goods – and environmental requirements in key export markets and market access for agricultural products, including the promotion of trading opportunities for organic products.

139. The Asian cluster of the project (involving Bangladesh, Cambodia, China, Philippines, Thailand and Viet Nam) focused on three sectors: leather and footwear, horticulture, and electrical and electronic goods. A large number of sector-specific studies with a country focus were prepared, which were discussed at subregional workshops in the Philippines and

⁶ Foundation for International Environmental Law and Development.

Thailand, placing emphasis on exchanging experience on best national practices in adjusting to new environmental requirements in each of the three target sectors. In addition, national training workshops were held for the horticulture sector in Viet Nam and on eco-labelling, ISO 900 and WTO rules in Cambodia. Besides officials from trade and environment ministries, these meetings involved a large number of other stakeholders, including the private sector, academia and NGOs. Synthesis reports on the key findings of the country-case studies and the subregional workshop are in preparation and will be published in 2006.

140. The Central American cluster (encompassing Costa Rica, Cuba, Dominican Republic, El Salvador, Guatemala, Honduras, Nicaragua and Panama) focused on two subjects: (i) environmental requirements in key export markets and market access for agricultural products, including the promotion of trading opportunities for organic products; and (ii) trade liberalization in environmental goods and services (EGS). Regional workshops on these subjects were held in Costa Rica and Nicaragua. National workshops were held in Honduras, Nicaragua and Cuba. Some national case studies have focused both on environmental requirements and market access as well as export opportunities for organic agricultural products.⁷ Country case studies for all participating Central American countries were completed, and these will be compiled in a Spanish-language book to be published in 2006.

The Consultative Task Force on Environmental Requirements and Market Access for Developing Countries (CTF)

141. The CTF was launched at a pre-UNCTAD XI workshop on Environmental Requirements and Market Access for Developing Countries, organized jointly by the UNCTAD secretariat and the National Institute of Metrology, Standardization and Industrial Quality (Inmetro) of Brazil in Rio de Janeiro in June 2004. The CTF aims to: (a) put policy and capacity-constraints issues in a holistic and development-oriented context; (b) include the private sector and NGOs in analysis and discussion of voluntary environmental requirements, thus providing a formal exchange mechanism between these stakeholders and Governments; (c) provide an interface between the WTO debates in the CTE and the TBT Committee, and other discussions at international and national levels; (d) draw into the discussion key stakeholders normally not involved in WTO debates on the subject; and (e) facilitate a regular exchange of

information among agencies and initiatives that provide technical assistance and capacity building in those fields relevant to CTF discussions.

142. CTF activities are organized under three projects. Firstly, the Centre for the Promotion of Imports from Developing Countries (CBI) in the Netherlands, the FAO secretariat, Inmetro in Brazil and the Council for Agriculture, Forestry and Natural Resources Research and Development (PCARRD) in the Philippines have formed a working group to prepare a feasibility study on the creation of an "Internet portal" which will facilitate access to existing online information sources that deal with environmental and related health requirements.

143. Secondly, a project on environmental requirements and market access for electrical and electronic equipment (EEE) is being implemented in cooperation with the secretariat of the Basel Convention, UNESCAP, the UN University and the Sustainable Trade and Innovation Centre (STIC). In May 2005, a workshop was held in Bangkok in order to facilitate an exchange of national experiences between China, Malaysia, the Philippines and Thailand, which are the key developing-country exporters of EEE goods.

144. Thirdly, the CTF is also working to assist developing countries in analysing the impact of, and identifying the adjustment requirements of, the EurepGAP standard, developed by the Euro Retailer Produce Working Group for various groups of agricultural exports. In 2005, a series of country case studies were prepared that examine recent experiences in the development of national codes on Good Agricultural Practice (GAP) in Argentina, Brazil, Costa Rica, Kenya, Uganda, Ghana, Malaysia, the Philippines, Thailand and Viet Nam for horticultural products. A study was also prepared by FoodPlus GmbH (the secretariat of EurepGAP), which analysed the concept and implementation of the benchmarking option under the EurepGAP standard as well as the procedural requirements of the benchmarking process. The study by FoodPlus GmbH and the country case studies were discussed at one national workshop and two subregional workshops, which were held in Bangkok, Manila and Rio de Janeiro respectively.⁸ A subregional workshop for Africa will be held in the first half of 2006, based on country case studies for Ghana, Kenya and Uganda.

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

⁷ More information on the project can be obtained from: www.unctad.org/trade_env/test1/projects/field.htm.

⁸ More information on the project can be obtained from: www.unctad.org/trade_env/test1/projects/taskforce.htm.

145. UNCTAD has joined forces with FAO and the International Federation of Organic Agricultural Movements (IFOAM) to launch the International Task Force on Harmonization and Equivalence in Organic Agriculture (ITF) in February 2003. The ITF is an open-ended platform for dialogue between private and public institutions involved in regulatory activities in the organic agriculture (OA) sector. Its objective is to facilitate international trade and access of developing countries to international OA markets.

146. Discussions at the fourth meeting (Nuremberg, February 2005, held back to back with BIOFACH 2005, the world's biggest trade fair for organic produce) centred on background papers outlining a possible long-term strategy. At its fifth meeting (Hammamet, Tunisia, 5-7 December 2005), ITF discussions centred on five background papers on equivalence and recognition in the OA regulations; approaches to common regulatory objectives; feasibility of setting up and maintaining an international database of organic standards and regulations; requirements for certification bodies; and cooperation between certification bodies. The ITF has now completed its review of the current situation and agreed upon a long-term strategic goal, whereby international OA trade would be based upon acceptance of local production standards equivalent to a single international reference standard; a mechanism for the judgement of equivalence to the reference standard; a common guideline for certification; and a common international procedure for the assessment of competence of organic certification bodies (i.e. certification requirements).

147. From UNCTAD's perspective, ITF activities can contribute to a better understanding of the practical value and real use of the concepts of harmonization, equivalence and mutual recognition (as enshrined in the TBT, SPS and GATT 1994 Agreements) aimed at facilitating market access for exports of organic produce from developing countries.⁹

CBTF Project on Promoting Production and Trading Opportunities for Organic Agricultural Products in East Africa

148. Following on from several related UNEP-UNCTAD Capacity Building Task Force on Trade, Environment and Development (CBTF) activities (see section (d) below), a new CBTF project on "Promoting Production and Trading Opportunities for Organic Agricultural Products in East Africa" commenced in 2005, targeting Kenya, Uganda and the United Republic of Tanzania. The aim of the

project is to contribute to sustainable rural development, food security and poverty reduction in the three countries by promoting the production and export of organic agricultural products, and regional cooperation in this sector. Activities include ongoing national and regional multi-stakeholder dialogues among relevant stakeholders; assessment of the current practices and situation regarding OA in these countries; identification of elements of a national OA policy and action plan; and exploration of the development of an East African organic standard that could facilitate trade within the region as well as access to overseas markets.

149. The project preparatory phase (September 2004 to May 2005) involved intensive consultations on the project concept with a wide range of stakeholders in the three countries as well as international experts and partner institutions. The implementation phase started in June 2005 with a number of national activities such as the establishment of national steering committees. The project was launched regionally in October 2005, in Kampala, Uganda. The launch coincided with the first meetings of the project's Regional Steering Committee and Regional Technical Standards Working Group as well as national launching events in Uganda and the United Republic of Tanzania. A number of background papers are being prepared under the project, including an overview of the current state of OA in East Africa and opportunities for regional harmonization; what developing country Governments can do to promote production and trade in OA; OA and food security in Africa; and export development of organic products from East Africa (jointly with the International Trade Centre (ITC) UNCTAD/WTO). International project partners include IFOAM, ITC, FAO, and Grolink and AgroEco through the "Export Promotion of Organic Products from Africa" (EPOPA) Programme funded by the Swedish International Development Cooperation Agency (SIDA). Project activities were made possible through the generous support provided by the European Commission and SIDA to the CBTF.

150. The following main events on environmental requirements and market access in the four projects listed above were carried out in 2005:¹⁰

Nuremberg, Germany, 28 February 2005

Fourth meeting of the UNCTAD-FAO-IFOAM International Task Force on Harmonization and Equivalence in Organic Agriculture (ITF).

San José, Costa Rica, 30-31 March 2005

⁹ More information on the project can be obtained from: www.unctad.org/trade_env/test1/projects/ifoam2.htm.

¹⁰ More information on the project can be obtained from: http://www.unctad.org/trade_env/test1/projects/unesp-unctad2.htm. The presentations and documents of all meetings are accessible through: www.unctad.org/trade_env/test1/mmschedule2.htm.

DFID-Funded Project: Regional seminar on Environmental Requirements, Market Access and Export Opportunities for Organic Agricultural Products (Costa Rica, Cuba, Dominican Republic, El Salvador, Guatemala, Honduras, Nicaragua and Panama).

Kenya, Uganda and the United Republic of Tanzania, 12-13 April 2005

CBTF project on OA in East Africa: advisory mission on organic agriculture to the three countries.

Bangkok, Thailand, 25-27 May 2005

UNCTAD-UNESCAP workshop on Exchanging National Experiences Among the Key Exporting Developing Countries: Environmental Requirements and Market Access for Electrical and Electronic Goods (China, Malaysia, Philippines and Thailand).

Santo Domingo, Dominican Republic, 21-22 July 2005

CBTF Workshop on Post-Doha Trade and Environment Issues, held back to back with the World Trade Organization's Regional Workshop on Trade and Environment for Latin American and Caribbean countries.

Geneva, Switzerland, 19-23 September 2005

CBTF project on OA in East Africa: Participation of representatives from the three countries in an Integrated Assessment and Planning training seminar and regional meeting.

Kampala, Uganda, 19 October 2005

CBTF project on OA in East Africa: Launching Workshop.

Kampala, Uganda, 20 October 2005

CBTF project on OA in East Africa: 1st meeting of the Regional Steering Committee.

Kampala, Uganda, 20 October 2005

CBTF project on OA in East Africa: Ugandan National Integrated Assessment Launching Workshop.

Kampala, Uganda, 24 October 2005

CBTF project on OA in East Africa: 1st meeting of the Regional Standard Technical Working Group.

Dar-es-Salaam, United Republic of Tanzania, 25 October 2005

CBTF project on OA in East Africa: Tanzanian National Integrated Assessment Launching Workshop.

Phnom Penh, Cambodia, 27-28 October 2005

DFID-funded Project: National Training Workshop on Trade and Environment, focusing on trade aspects of ISO 9000, measures for environmental protection under WTO rules, and labelling for environmental purposes.

Hanoi, Viet Nam, 3-4 November 2005

DFID-funded Project: National Training Workshop on Environmental Requirements and Market Access: The Case of Horticulture.

Bangkok, Thailand, 25-26 November 2005

UNCTAD-ITD National Workshop on Good Agricultural Practice and Benchmarking to EurepGAP.

Manila, the Philippines, 29-30 November 2005

CTF Subregional Stakeholder Consultations on EurepGAP: Potential and challenges of EurepGAP in South-East Asia.

Hammamet, Tunisia, 5-7 December 2005

5th meeting of the UNCTAD/FAO/IFOAM International Task Force on Harmonisation and Equivalence in Organic Agriculture (ITF).

Havana, Cuba, 6-7 December 2005

DFID-funded project: National Seminar on Trade, Environment and Development.

Rio de Janeiro, Brazil, 8-10 December 2005

In the context of the CTF, UNCTAD/INMETRO Subregional Stakeholder Consultations on EurepGAP: Opportunities and Challenges for Central and Southern America.

151. **Results:** The analytical studies and workshops that took place under the DFID-funded, CTF, ITF and CBTF projects have provided evidence for the growing interest at the national level in meeting the new challenges and market opportunities emerging in relation to environmental requirements. This has been evident in a number of sectors, including leather and footwear, horticulture, electrical and electronic goods and agricultural products, including organic agriculture. The workshops and studies provided an opportunity for the sharing of national experiences on adjustment strategies, as well as the provision of new empirical and analytical information to policymakers and interested stakeholders. This information is essential to help developing countries begin the shift

from a mere reactive (fire-fighting) to a proactive approach to new environmental requirements.

152. Each workshop event attracted a large number of representatives from the private sector, academia and NGOs, so much so that governmental representatives often accounted for less than half of total participants, which was in line with the desire to facilitate public-private dialogue and networking on suitable adjustment approaches.

153. Synergies between project activities were also evident. For example, the empirical, analytical and networking activities of the DFID-funded project were instrumental in paving the way for the creation of the Consultative Task Force (CTF), and the country case studies were a key source of information for the UNCTAD Trade and Environment Review 2006 (forthcoming), which focuses on the subject of environmental requirements and market access for developing countries.

154. On the basis of DFID-funded project activities, Thailand applied for and obtained assistance from the European Union for facilitating adjustment (in particular by SMEs) to new environmental requirements in the electronics industry and for horticultural products (related to EurepGAP requirements). The Central American and Caribbean countries that participated in the DFID-funded project also noted that the learning processes facilitated by the project activities were highly useful in feeding into CAFTA negotiations at a regional level as well as WTO negotiations on liberalization of trade in environmental goods and services.

155. The activities of the ITF have resulted in improved understanding of the current situation as regards the interoperability of organic guarantee systems, and the impact of this issue on international trade in organic products. The adoption of a common ITF strategy for equivalence and harmonization provides a sound basis for future actions in making progress in this area. ITF activities have influenced policymakers and other actors: for example, in December 2005 the European Commission adopted a proposal for a new regulation on organic agriculture which is very much in line with the ITF strategy on solutions for harmonization and equivalence. In addition, there is a general movement by private certifying bodies to drop additional requirements and be more accepting of each other's inspection reports, as recommended by the ITF.

156. The activities of the ITF have greatly enhanced communication between public and private sector players, and also between developed country and developing country stakeholders. ITF activities and meetings have benefited from the participation of developing countries interested in developing organic

agricultural exports and also by policymakers in key import markets, including the heads of the organic programmes of the United States and the European Commission.

157. All project activities on market access highlighted the need for good coordination between the public and private sectors in order to realize the potential economic, social and environmental benefits at national level from proactively adjusting to new environmental requirements in key export markets. Project activities also highlighted the need to strengthen mechanisms for early-warning systems on existing and forthcoming regulations and standards potentially affecting these exports. The Government of China has decided to set up such an early warning system on new environmental requirements for key export industries, and to link this system to a new on-line information clearing house to be set up under CTF that facilitates access to and guides users on existing databases on environmental requirements.

(ii) *Trade liberalization in environmental goods and services (EGS)*

158. **Development context:** Trade liberalization of EGS, as contained in paragraph 31(iii) of the Doha Ministerial Declaration, is one of the negotiating subjects of the current round of multilateral trade talks. UNCTAD is assisting developing and other interested countries in actively participating in WTO negotiations on the subject, notably in the context of the definition of environmental goods as discussed in the WTO Committee on Trade and Environment. Furthermore, UNCTAD also supports interested developing countries in identifying and seizing trading opportunities for environmentally preferable products as well as strengthening national capacities in specific EGS sectors.

159. **Objectives/features:** The immediate objectives of activities in the area of EGS are: (a) to help beneficiary countries to participate effectively in WTO negotiations; (b) to promote regional dialogue and identify national and regional interests in the area of EGS, for example with regard to classification and negotiating objectives; and (c) to explore strategies to strengthen national and regional capacities in certain EGS sectors.

160. **Outputs:** Activities on EGS have been carried out in the context of the DFID-funded project for the Central American/Caribbean cluster of beneficiary countries and in the context of the WTO Special Session of the Committee on Trade and Environment.

In the context of the DFID-funded project

161. Work on EGS focused on the Central American and Caribbean component of the project. Country case studies for Cuba, the Dominican Republic,

Guatemala, Honduras, Nicaragua and Panama were prepared, and national and regional workshops were held in Honduras, Nicaragua and Cuba. These country case studies will be compiled along with conceptual notes by the UNCTAD secretariat and a statistical analysis on environmental goods trade in a Spanish-language book to be published in 2006.

In the context of the WTO Special Session of the Committee on Trade and Environment

162. In February 2005, the secretariat briefed the CTESS on the outcome of the discussions on renewable energy equipment and biofuels held at the Expert Meeting on New and Dynamic Sectors of International Trade (Geneva, 7-9 February 2005). WTO members encouraged the UNCTAD secretariat to intensify its assistance provided to developing countries interested in exploring conceptual and practical aspects of the negotiations and their implications for national discussions on EGS. UNCTAD has subsequently provided such assistance by means of two groups of activities.

163. Firstly, the UNEP–UNCTAD Capacity-Building Task Force (CBTF) on Trade, Environment and Development (see section (d) below) facilitated informal consultations among developing countries that have taken an active part in EGS negotiations. The consultations were held with a view to promoting a better understanding of the proposals made to date in the CTESS and exploring negotiating scenarios for both the CTESS and NAMA. Two rounds of consultations were held, in Bangkok (25-26 August 2005) and in Geneva (11 and 14 October 2005). The following countries participated in one or both of the consultations: Bangladesh, Brazil, China, Ecuador, Egypt, India, Indonesia, Kenya, Malaysia and Thailand.

164. Secondly, at the request of the Governments of Jordan and China, UNCTAD fielded advisory missions to Amman (8-12 May 2005) and Beijing (22-23 August 2005) in order to assist the relevant authorities in dealing with the various policy and technical aspects of the negotiations on environmental goods. The advisory missions were carried out in the framework of the CBTF, and the advising teams included experts from UNEP and the World Customs Organization. The missions focused on issues relating to product coverage, negotiating modalities and implementation problems to be handled by customs offices. As a follow-up to the mission, UNCTAD also installed the World Integrated Trade Solutions (WITS) statistical software at the Jordanian Ministry of Industry and Trade, which will provide officers of the ministry with access to all the major trade and tariff databases.

165. The following events on EGS were carried out in 2005:¹¹

Lima, Peru, 12-13 April 2005

CBTF Workshop on Negotiations on EGS for the Andean Community Countries: Bolivia, Colombia, Ecuador, Peru and Venezuela.

Amman, Jordan, 8-12 May 2005

CBTF advisory mission on policy and technical aspects of negotiations on environmental goods.

Manila, Philippines, 8-9 June 2005

CBTF National Stakeholder Workshop on the Definition, Criteria, Issues and Identification of Environmental Goods

Tegucigalpa, Honduras, 13-15 July 2005

DFID-funded Project: National Workshop on EGS.

Beijing, China, 22-23 August 2005

CBTF advisory mission on policy and technical aspects of negotiations on environmental goods.

Bangkok, Thailand, 25-26 August 2005

CBTF informal consultations on environmental goods negotiations in CTESS and NAMA.

Geneva, Switzerland, 11 and 14 October 2005

CBTF informal consultations on environmental goods negotiations in CTESS and NAMA.

Managua, Nicaragua, 8-10 November 2005

DFID-funded project: Regional workshop on Trade, Environment and Sustainable Development (Costa Rica, Cuba, Dominican Republic, El Salvador, Guatemala, Honduras, Nicaragua and Panama).

166. **Results:** UNCTAD's activities on EGS have resulted in a sustained improvement in the capacities of the beneficiary countries. A tangible result is the completion of the country case studies. The information contained in these studies has been useful in helping the countries involved identify their trade interests in EGS and actively participate in the WTO negotiations.

¹¹ The presentations and documents of all meetings are accessible through www.unctad.org/trade_env/test1/projects/field.htm.

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

167. **Development context:** The CBTF is a joint initiative of UNEP and UNCTAD, launched at UNCTAD X in Bangkok in 2000.

168. **Objectives/features:** The overall purpose of the CBTF is to help strengthen the capacities of interested developing countries to effectively address trade-environment-development issues, in particular those of national and regional interest.

169. As described in a special UNCTAD XI issue of the CBTF newsletter prepared on the occasion of the UNCTAD XI Roundtable on Promoting Trade for Sustainable Development (São Paulo, Brazil, 17 June 2004), African countries, LDCs and small island developing States (SIDS) will be the main beneficiaries of CBTF activities.

170. The current round of CBTF project implementation, which started in mid-2004, focuses on three thematic clusters:

- Trade liberalization in EGS;
- Promoting the export and facilitating market access of organic agricultural products from East African countries; and
- The relationship between MEAs and WTO rules.

171. **Outputs/results:** Details of CBTF activities on organic agriculture in East Africa and EGS can be found above in sections (a)(iv) and (b)(ii) respectively. Other CBTF activities are listed below.¹² CBTF activities on the three thematic clusters succeeded in enhancing understanding, broadening analytical and empirical knowledge and helping to shape national policies and negotiating positions in the WTO.

Mauritius, 11 January 2005

CBTF Side Event on Trade Liberalization, Environmental Protection and Sustainable Development – Opportunities and Challenges for SIDS.

Manila, Philippines, 16-17 June 2005

Workshop on Post-Doha Trade and Environment Issues (back to back with WTO Regional Seminar on Trade and Environment for Asian and Pacific Member Countries).

Geneva, Switzerland, 6 July 2005

CBTF Briefing on UNEP-UNCTAD Capacity Building Task Force Activities for 2005.

Santo Domingo, Dominican Republic, 21-22 July 2005

Workshop on Post-Doha Trade and Environment Issues (back to back with WTO Regional Seminar on Trade and Environment for Latin American and Caribbean Countries).

(iv) **Support to relevant activities of the WTO**

172. The UNCTAD secretariat works closely with the WTO secretariat, including by providing resource persons for WTO technical cooperation and capacity building activities on Trade and Environment issues. Apart from CBTF/WTO cooperation, in 2005 UNCTAD was involved in support for the following activities:

Geneva, Switzerland, 23 February 2005

WTO regional workshop on Trade and Environment for Africa.

Manila, Philippines, 14-16 June 2005

WTO regional workshop on Trade and Environment for Asian and Pacific countries.

Geneva, Switzerland, 10-11 October 2005

WTO Symposium on Trade and Sustainable Development.

Vienna, Austria, 13-15 December 2005

WTO regional workshop on Trade and Environment for Central and Eastern Europe.

173. The CBTF also organized workshops on some specific trade and environment issues back to back with the WTO regional workshop in the Philippines (16-17 June 2005) and in the Dominican Republic (21 July 2005) – see section (c) above.

174. **Results:** Several WTO members have made statements at various CTE sessions reporting on the outcome of project activities implemented or hosted by them (Cuba, Thailand, Dominican Republic). UNCTAD also made a presentation of key findings of the activities on environmental requirements and market access under the DFID-funded project at the summer session of the CTE in July 2005, at the request of several WTO members. Results of the project activities were also used in WTO regional seminars and CBTF workshops held back to back with two WTO regional seminars.

175. These regular contributions on the results of UNCTAD project activities on environmental requirements and market access have led several WTO Members to propose that the future debate on paragraph 32(i) in the CTE be structured very similarly to the sector-focused approach of UNCTAD in order to have a more case-specific discussion.

(b) **Biotrade initiative and traditional knowledge**

(i) **Biotrade Initiative**

¹² The documents of these meetings are accessible through www.unep-unctad.org/cbtf/cbtf2/meetings.htm.

176. **Development context:** The BioTrade Initiative of UNCTAD is a programme that supports sustainable development through trade and investment in biological resources in line with the three objectives of the Convention on Biological Diversity (CBD).¹³ The initiative responded to the limited capacity of developing countries to benefit from international markets for products whose production processes enable sustainable use and conservation of biodiversity.

177. **Objectives/features:** The BioTrade Initiative seeks to promote trade and investment in biological resources in support of sustainable development. Through the establishment of partnerships with national, regional and international programmes, it seeks to strengthen the capacity of developing countries to enhance the production of value-added products and services derived from biodiversity for both domestic and international markets.¹⁴

178. The specific objectives of the BioTrade Initiative are to assist developing countries in the formulation and implementation of National BioTrade Programmes; assist intergovernmental organizations in the formulation and implementation of Regional BioTrade Programmes; provide inputs to international policymaking processes related to trade and biodiversity; and carry out technical assistance on biotrade issues related to trade and investment.

179. **Outputs/results:** The following main activities on BioTrade were carried out in 2005:

180. *BioTrade National Programmes.* Technical assistance was provided to the national BioTrade programmes in Brazil, Costa Rica, Uganda and Venezuela in their formulation process. National BioTrade programmes in Bolivia, Colombia, Ecuador and Peru were supported in their implementation process. In February 2005, the BioTrade Facilitation Programme (BTFP), in joint cooperation with the Swiss Trade Promotion Organisation (SIPPO), launched activities in Viet Nam in support of trade of natural ingredients derived from sustainable use of biodiversity. An exploration phase enabled the identification of export potential in natural ingredients native to Viet Nam's biodiversity, followed by the delivery of technical assistance to strengthen the capacity of SMEs in accessing the European market.

¹³ The Convention's objectives are the conservation of biological diversity; sustainable use of its components; and fair and equitable sharing of the benefits arising from the utilization of genetic resources.

¹⁴ UNCTAD BioTrade Initiative, Implementation Strategy, 2005, United Nations Conference on Trade and Development, UNCTAD/DITC/TED/2005/5. More information can be found at www.biotrade.org.

181. *Regional BioTrade Programmes.* The BioTrade Initiative continued its endeavours in supporting the regional programmes in the Amazon and Andean regions in enabling the sharing of experiences among national programmes and in promoting the development and implementation of regional strategies. UNCTAD and the Amazon Cooperation Treaty Organization (ACTO) developed a new regional BioTrade Programme involving the eight Amazon countries in promoting trade and investment in biodiversity products and services through regional action, complementing BioTrade national and existing regional programmes.

182. *International policy environment.* The Initiative continued its work in supporting the implementation of Multilateral Environmental Agreements (MEAs) such as the Convention on Biological Diversity (CBD) and the Convention on International Trade in Endangered Species of Wild Fauna and Flora (CITES). In 2005, the Programme participated in the eleventh session of the Subsidiary Body on Scientific, Technical and Technological Advice (SBSSTA) of the CBD and organized a side event on the Biotrade Initiative as an incentive measure for conservation and sustainable use of biodiversity.

183. *Cross-cutting issues:*

- The BioTrade Initiative provided assistance on specific issues related to trade, in particular export, sustainable use and investment. It supported the value chains of selected biotrade products in developing countries chosen on the basis of their potential contribution to the sustainable use and conservation of biodiversity.
- Colombia, Ecuador, Peru and Uganda received support in the implementation of strategies for the value chains of natural ingredients and carried out sector assessments for new groups of products, such as tropical flowers, ornamental fish and ecotourism. Specific activities were developed supporting trade promotion, capacity building at the national level and improvement of natural resources management and quality control. Over sixty enterprises and trade promotion organizations of seven developing countries have benefited from one or various training activities ranging from participation in international trade fairs to training on good agricultural practices; twelve companies defined management plans for raw materials and at least six companies obtained quality control certificates.
- In Southern Africa (Botswana, Malawi, Namibia, South Africa, Zambia and Zimbabwe), the programme supported research

and development activities on selected ingredients to improve their quality and processing technologies.

- The programme also supported the revision process of certain trade legislations and standards such as the European Novel Food Regulation, Standards for Wild Collection of Medicinal and Aromatic Plants (WWF/IUCN, Ministry of Environment of Germany), and other trade-related issues in Latin America. BTFP receives financial support from the Governments of the Netherlands and Switzerland.

(ii) **Activities of the BioTrade Facilitation Programme (BTFP) in 2005**

- Elaboration of management plans for species and the development of tools that can support companies in the implementation of Good Agricultural and Collection Practices (GACPs) for wild-collected plant species;
- Strengthening of value chains for biotrade products, which are selected according to environmental, social, technological and economic criteria;
- Implementation of a Business to Business Programme for natural ingredients in cooperation with CBI.

184. The BioTrade Facilitation Programme (BTFP) organized the following event: in evaluating the possibility of using distinctive signs in promoting biotrade, BTFP together with the International Centre for Trade and Sustainable Development (ICTSD), the Peruvian Society of Environmental Law (SPDA) and the Andean Community (CAN), organized a workshop on “The Use of Geographical Indicators and Appellations of Origin to Promote Sustainable Development and Biotrade”, which took place on 21 and 22 November 2005 at the CAN headquarters in Lima, Peru.

185. BTFP participated in the following events:

- *Conference on Natural Ingredients during the Personal Care trade fair.* UNCTAD and exporters offered various presentations on innovative sustainable ingredients and the BTFP approach during this conference, 13 April 2005, Paris, France.
- *International Seminar on BioTrade.* The national BioTrade programme of Colombia organized an international seminar on biotrade. UNCTAD made several presentations during this seminar, including one on “Perspectives of the development of BioTrade in Latin America” and another on “Criteria on conservation and sustainable use along the

value chains of BioTrade products”, May 2005, Cartagena, Colombia.

- *XVII International Botanical Congress.* UNCTAD presented the experiences in supporting value chains and implementing sustainable use practices. Three presentations were made: one in the main event of the congress and two during a side event of two days.
- *11th meeting of the CBD Subsidiary Body on Scientific, Technical and Technological Advice (SBSSTA).* UNCTAD organized a side event on the occasion of the SBSSTA, presenting “BioTrade as an Incentive Measure for Sustainable Use and Conservation of Biodiversity”. The event showcased experiences on the implementation of sustainable use practices, strengthening of value chains and the BTFP proposal of certifying Biotrade, 29 November 2005, Montreal, Canada.
- *Vth Ecuadorian Botanical Congress and III^d Congress on Andean Biodiversity.* UNCTAD presented the experiences in the implementation of sustainable use practices along the value chain of medicinal plants and the joint work it is undertaking on this issue with the Ministry of Environment of Ecuador and the National BioTrade Programme of Ecuador, November 2005, Loja, Ecuador.
- *IUCN/WWF Expert workshop: International standard for sustainable wild collection of medicinal and aromatic plants.* UNCTAD presented the results of a field-testing exercise that was carried out in Ecuador on the standard. It also provided specific inputs to the discussions on the standard, based on the BTFP work in analysing certification schemes for BioTrade products, 4-6 December 2005, Isle of Vilms, Germany.

186. **Documentation/Publications:** The *BioTrade Initiative Implementation Strategy* was published after discussions with relevant partners. BTFP published five *technical updates* and one newsletter regarding technical assistance activities carried out. A book entitled “*BioTrade in the Andean Sub-Region - Development Opportunities*” was also published in May 2005. A joint publication of the Secretary General of the Andean Community (SGCAN), CAF and the UNCTAD/BioTrade Initiative, the publication aspires to demonstrate that the business of goods and services coming from biodiversity and based upon the principle of sustainability is a reality today in Bolivia, Colombia, Ecuador, Peru and Venezuela. The Biotrade website was updated and launched in August 2005.

(iii) Climate Change Programme

187. **Development context:** Climate change policies have significant implications for trade, investment and development opportunities, particularly with the entry into force of the Kyoto Protocol. Assistance should be provided to developing countries and least developed countries in strengthening their capacities and increasing awareness in developing mutually supportive trade and environment policies at the national and multilateral levels, thereby enhancing their capacity to capture trade, investment and development gains arising from multilateral environmental agreements, taking fully into account sustainable development objectives.

188. **Objectives/features:** UNCTAD's work on climate change focuses on the trade and investment impacts of the emerging climate regime and carbon market, with a particular emphasis on potential opportunities available to developing countries. It supports the establishment of public-private operational entities in developing countries, particularly in LDCs and countries with economies in transition, in order to facilitate investments and maximize the sustainable development benefits of the Clean Development Mechanism (CDM), one of the "flexibility mechanisms" of the Kyoto Protocol of the UNFCCC. The main objective is to promote developing countries' participation in the emerging carbon market through the use of clean technologies and by bringing together Governments, industry and civil society. The activities related to the implementation of CDM projects take into account the national circumstances of developing countries by supporting the establishment of projects that better suit each country's economic, social and environmental needs and conditions. The programme also conducts research activities on various issues associated with the emerging carbon market such as the interface of WTO rules and domestic climate policies pursuant to Kyoto Protocol goals. In addition, the Carbon Market Programme,¹⁵ in partnership with the Earth Council Geneva,¹⁶ provides innovative e-learning training opportunities to a global audience on climate change and trade issues, including the use of CDM.

189. **Outputs:** In 2005, the following main activities were undertaken:

- Session on "Biofuels" during the Expert Meeting on Strengthening Participation of Developing Countries in Dynamic and New Sectors of World Trade: Trends, Issues and

Policies, Geneva, Switzerland, 7–9 February 2005.

- UNCTAD moderated a session at the International Energy Agency (IEA) workshop *Assessing the Biofuels Option*, held in Paris on 20–21 June 2005, which explored the near-term and long-term global prospects for bio-fuels, focusing mainly on the development of new markets.
- Launching of the *Biofuels Initiative* aimed at promoting the use and production of bio-fuels as an emerging trade and investment opportunity for developing countries, 21 June 2005, Paris, France.
- Organization of a high-level side event on *BioFuels Initiative: Moving Towards a Sustainable Energy Future* during the 11th session of the Conference of the Parties (COP11) to the Climate Change Convention and the first meeting of the Parties to the Kyoto Protocol (COP/MOP 1) in Montreal, Canada, 7 December 2005.
- Development of an initial online course on the Clean Development Mechanism in Spanish in cooperation with the General Secretariat of the Andean Community (SGCA) and the Earth Council Geneva for project developers, Designated National Authorities (DNAs) and stakeholders from the Andean countries in order to build their capacity to engage in CDM projects for their effective participation in the global carbon market, December 2005.

190. **Results:** UNCTAD's launching of the BioFuels Initiative came at an opportune time when recent trends in the world energy market, especially the doubling of oil prices in less than three years, have increased the economic risk of relying primarily on imported energy and a volatile world energy market. By enhancing and developing local sources of energy, countries could create diversified energy portfolios that are less vulnerable to wide price fluctuations. With the emerging trade opportunities under the Doha Ministerial Declaration, paragraph 31 (iii) on the reduction or elimination of tariff and non-tariff barriers to environmental goods and services, greater use, production and eventual trade of bio-fuels would help achieve trade liberalization, greater market access for developing countries' exports, energy diversification and climate change benefits. On the development aspect, it would provide greater energy security, improved quality of life and economic development, opportunities for job creation and poverty alleviation, especially in the rural areas, thereby contributing to achieving the Millennium Development Goals (MDGs).

¹⁵ For more information, please visit www.unctad.org/ghg.

¹⁶ Further information can be found at www.earthcouncil.com.

191. **Documentation/Publications:** Climate change papers include the document on *Biofuels: Advantages and Trade Barriers*, UNCTAD/DITC/TED/2005/1 (February 2005), and a technical paper entitled *An Assessment of the Biofuels Industry in India*, prepared by Joseph B. Gonsalves (June 2005). These publications aim to assess the potential for greater penetration of bio-fuels, including for ethanol, bio-diesel and other alternative sources of energy. They address current impediments to greater production, domestic use and trade in bio-fuels, with particular attention given to rural development and energy security aspects.

5. Competition policy

192. **Development context:** Strengthened competition enhances 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. The validity of the UN Set was reaffirmed in November 2005 by the Fifth UN Review conference. Furthermore, at UNCTAD XI, UNCTAD was given a mandate to further strengthen capacity-building activities to assist developing countries on issues related to competition law and policies, including at a regional level.

193. **Objectives:** The programme aims at assisting developing countries, including the LDCs as well as economies in transition, in formulating or reviewing competition policies and legislation, 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, at supporting regional cooperation and at assisting the above-mentioned countries to better evaluate the implications of multilateral discussions on competition issues.

194. **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 or regional organizations which 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 or enforcement of competition authorities, which usually include 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) Seminars for countries which have already adopted competition legislation, have experience in the control of anticompetitive practices and wish to enforce the implementation of competition legislation or consult each other on specific cases and exchange information;
- (f) Assistance to countries or regional organizations 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;
- (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 multilateral discussions on competition issues; and
- (h) Assistance to countries in identifying the role of competition policy in the promotion of competitiveness and development; the need for a development-oriented competition policy and its implications at the national, regional and international levels; as well as strategies for international cooperation in this area.

195. **Outputs/results: National activities:** In 2005 UNCTAD continued its demand-driven efforts to assist in the creation of competition culture for individual developing and least developed countries as well as economies in transition. For this purpose, UNCTAD provided technical assistance related to preparation, adoption, revision or implementation of national competition and consumer protection policies and legislation as well as in areas

contributing to a better understanding of the issues involved, and building national institutional capacity to enforce effective competition legislation. This assistance, which was delivered in the form of training and advisory missions as well as national seminars and workshops specified below, was provided to Kenya, Mozambique, Malawi, Lao People's Democratic Republic, Cambodia, Jamaica, Saint Lucia, China, Malaysia, Bhutan, Egypt, Botswana, Lesotho, Uganda, Romania, Brazil, Angola, Mauritania, South Africa, Indonesia, Jordan, Morocco, Costa Rica, El Salvador, Peru, Nicaragua, Brazil, Namibia, the United Republic of Tanzania, Thailand and Zambia. Furthermore, the capacity-building activities assisted Governments in identifying the role of competition policy in development, its implications at the national, regional and international levels, and strategies for international cooperation in this field, including for the achievement of the MDGs.

196. A stakeholders' workshop on the review of Kenya's competition law and policy and a training course on investigation tools for case handlers were held by UNCTAD in cooperation with the Monopolies and Price Commission of Kenya on 25 February and from 1 to 4 March 2005 in Nairobi and Nanyuki (*Kenya*). A Romanian national seminar on competition law and policy was organized by UNCTAD together with the Romanian Competition Council and the Chamber of Commerce and Industry of *Romania* on 16 and 17 March 2005 in Bucharest. A national dissemination seminar on the draft competition policy was jointly held by UNCTAD and the Ministry of Trade, Industry, Cooperatives and Marketing of *Lesotho* on 21 and 22 June 2005 in Maseru. Two national stakeholder meetings on competition law and policy were held by UNCTAD in cooperation with the Ministry of Industry and Trade of *Mozambique* in Maputo on 24 and 25 June and 22 and 23 August 2005. A national induction seminar for competition commissioners was co-organized by UNCTAD and the newly established Competition and Fair Trading Commission of *Malawi* in Blantyre on 25 and 26 August 2005. Together with the Ministry of Tourism, Trade and Industry of *Uganda*, on 4 October 2005 in Kampala UNCTAD held a workshop for stakeholders to discuss the Uganda sector competitiveness study. A training course on the application and formulation of competition policy was held in Maputo from 3 to 7 October 2005 in cooperation with the Ministry of Industry and Trade of *Mozambique*.

197. **Regional and subregional activities:** Following UNCTAD's assistance in the drafting of competition legislation for member States of the Common Market for Eastern and Southern Africa

(COMESA), common competition rules of COMESA were adopted in early 2005. UNCTAD also undertook feasibility studies and prepared a draft agreement for regional competition policy for member States of the South African Customs Union (SACU), which was adopted by Ministers. Assistance was also provided in the facilitation of the application of the CARICOM Treaty (art. 81) on competition policy and consumer protection as well as to a number of member States of ASEAN in preparation for and coordination of the ASEAN regional meeting on conversion to common competition policy. Implementation continued of the Competition and Consumer Protection Policies for Latin America (COMPAL) programme for five Latin American countries (Bolivia, Costa Rica, El Salvador, Nicaragua and Peru). UNCTAD also organized a number of conferences, seminars and workshops which contributed to capacity-building and multilateral cooperation in the competition and consumer protection area.

198. At the invitation of the Turkish Competition Authority, the Fifth UN Conference to Review all Aspects of the Set of Multilaterally Agreed Equitable Principles and Rules for the Control of Restrictive Business Practices was held in Antalya, *Turkey*, from 14 to 18 November 2005. It was convened to review the application of the 1980 Set of principles and rules on competition, to give guidance to UNCTAD as to its programmes on competition and consumer protection, and to make proposals for improving the implementation of the Set. During the five days of the Conference, which was attended by some 400 delegates from all parts of the world, two voluntary peer reviews on competition law and policy, namely for Jamaica and Kenya, were held for the first time in UNCTAD. In addition, the Conference held six in-depth panels, followed by a Business Forum, in which participants examined how competition law and policy could contribute to enhancing the enterprise sector, including SMEs in developing countries, increasing the competitiveness of such firms.

199. The Conference unanimously adopted a resolution, which inter alia further reaffirms the validity of the UN Set on Competition and calls upon all member States to make every effort to fully implement its provisions. States are invited to increase cooperation between their competition authorities and Governments, especially when anti-competitive practices occur at the international level, such cooperation being particularly important for developing countries and economies in transition. In the light of the São Paulo Consensus, the Conference also decided upon the broad lines of UNCTAD's future work programme in this field, including the voluntary peer review process initiated during the

Conference, and recommended the continuation and strengthening of the important and useful work programme within UNCTAD's secretariat and intergovernmental machinery, which proceeds with the active support and participation of competition law and policy authorities of member States.

200. A regional training course on competition issues and consumer protection for CARICOM member states was held in Castries, *Saint Lucia*, from 11 to 15 April 2005. It was organized jointly with the Ministry of Commerce, Investment and Consumer Affairs of Saint Lucia and the CARICOM secretariat, and it was designed to equip CARICOM member States with sufficient knowledge and skills on CARICOM competition and consumer protection regulation and to enhance national consumer protection activities and programmes. In cooperation with the Consumer International Asia Pacific Office, an Asian Conference on Consumer Protection and the UN Millennium Development Goals (MDGs) was held on 23 August 2005 in Kuala Lumpur, *Malaysia*. UNCTAD cooperated with the authorities of *Brazil* to hold on 29 and 30 August 2005 in Brasilia a meeting on the role of competition policy and cooperation among Portuguese-speaking countries. The meeting was attended by participants from Brazil, Angola and Mozambique. An international conference on the contribution of competition policies to the achievement of the UN Millennium Development Goals (MDGs) in countries in transition was held in Baku, *Azerbaijan*, on 27 and 28 September 2005. It was co-organized by UNCTAD with the Department of Antimonopoly Policy of the Ministry of Economic Development of Azerbaijan.

201. **Participation in seminars and conferences:** In 2005, 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: (1) the training course for lawyers and economists organized within the framework of EUROMED market Programme in

Valetta (Malta) from 24 to 27 January 2005; (2) different OECD competition meetings held from 14 to 18 February and 19 to 25 October 2005 in Paris; (3) the meeting of the 7Up Project, Phase 3, held in Entebbe, Uganda, on 22 and 23 February 2005; (4) the Conference on Competition Law and Regulation in Egypt, held in Cairo on 21 and 22 March 2005; (5) the Commonwealth Expert Group Meeting of the Africa Region held in Victoria, Seychelles, from 4 to 8 April 2005; (6) the Conference on Competition Policy Foundations for Trade Reform, Regulatory Reform and Sustainable Development, held in Brussels on 26 April 2005; (7) the National Seminar on Competition Law and Policy, held in Amman, Jordan, on 23 and 24 May 2005; (8) The ECLAC/IDRC Meeting on Competition and Regulation (Tegucigalpa, Honduras, 1 to 3 June 2005); (9) the 12th International Conference on Competition and the 4th Annual Conference of the International Competition Network, held in Bonn from 5 to 8 June 2005; (10) the Buyer Power Workshop (London, 15 and 16 June 2005); (11) the Third OECD Meeting of the Latin American Competition Forum held in Madrid on 19 and 20 July 2005; (12) the APEC Training Programme on Competition Policy meeting held from 2 to 4 August 2005 in Manila (Philippines); (13) the 7UP project, Phase 2, Meeting held in Hanoi on 16 and 17 August 2005; (14) the Sixth Consumer Conference held from 14 to 16 September 2005 in Bridgetown (Barbados); (15) the JICA Competition Course held in Tokyo on 20 and 21 September 2005; (16) the Opening Conference of the OECD regional Centre for Competition (Budapest, 26 September 2005); (17) the Workshop on the External Evaluation of the Francophonie Programme held in Paris on 14 October 2005; (18) the OECD/INDECOPI Seminar on the Abuse of Dominance and Vertical Restraints Lima, Peru, 30 November – 2 December 2005); and (19) the Symposium on Competition Policy for International Development held in Brussels on 9 and 10 December 2005.

Table 2
DIVISION ON INTERNATIONAL TRADE IN GOODS
AND SERVICES, AND COMMODITIES
(In dollars)

<i>Project number</i>	<i>Short title</i>	<i>Starting date</i>	<i>Source of fund</i>
Trade Analysis			
MAG/9X/8AQ	Appui au développement du commerce extérieur.....	1998-	France
INT/9X/00J	TRAINS: Development and dissemination of selected computerized trade data	1991-	Multidonors
INT/9X/00M	Negotiations for a GSTP among developing countries	1990-	Multidonors

INT/9X/8A7	Agricultural Trade Policy Simulation Model	1998-	United Kingdom
INT/0T/1AT	Increasing the developing country representation in the Agricultural Market Access Database (AMAD)	2001-	Ireland
RAB/96/001	Support to the Arab States in their pursuit of economic and social reform and multilateral economic cooperation	1997-2005	UNDP
Trade Negotiations and Commercial Diplomacy			
BGD/0T/3BA	Trade related technical assistance: Pre-Cancún Package	2003-	EC
KEN/04/102	Enhancing capacities through trade expansion and diversification	2004-	UNDP
KEN/04/106	Enhancing Foreign Direct Investment in Kenya	2004-	UNDP
PAK/0T/4CI	Trade related technical assistance for Pakistan	2004-	EC
VEN/0T/0CJ	Assistance to the Venezuelan Government on WTO issues	2000-	Venezuela
GLO/02/G04	Follow-up of Round Table Pilot Phase-Integrated Framework in Uganda	2002-	UNDP
INT/9X/77I	Technical cooperation on market access, trade laws and preferences	1997-	Italy, China, EC
INT/9X/9CD	UNCTAD trust fund project for WTO accession	1999-	United Kingdom
INT/0T/0AG	Building capacity through training in the settlement of disputes in international trade, investment and intellectual property	2001-	Multidonors
INT/0T/1BV	First Round of CBTF Activities: UNCTAD-LED Projects	2001-	UNEP
INT/0T/1CQ	Support to Capacity Building for Effective Integration in the International Trading System and Facilitation of Market Access	2001-	Finland
INT/0T/1CY	Services and Development Capacity Building	2001-	United Kingdom
INT/02/X37	Trade negotiations	2002-	France
INT/0T/2CT	Training in LDCs and developing countries on trade policies formulation ...	2003-	Norway
INT/0T/3BN	Services Trade-Related Development Strategies for Poverty Reduction	2003-	Germany
INT/0T/4AU	Financing of Activities in Support of the Preparatory Process of UNCTAD XI; Parallel and Side Events	2004-	Norway
INT/0T/4BQ	Support to SADC Regional Integration and the Multilateral Trading System	2004-	EC
INT/0T/4CN	Project for WTO accessions	2004-	Germany
INT/0T/5AY	Evaluation du commerce des services pour les pays en développement francophones	2005-	France
INT/0T/5BH	Support to LDCs in their preparation for the Sixth WTO Ministerial Conference, Hong Kong	2005-	Norway
RAF/96/001	Capacity building for trade and development in Africa	1996-	UNDP
RAF/04/006	Trade Capacity Development for Sub-Saharan Africa	2004-	UNDP
RAF0T2BR a	Commercial Diplomacy and WTO Accession of Portuguese-speaking countries	2002-2005	Portugal
RAF/0T/3AI	Joint Integrated Technical Assistance Programme Phase II	2003-	WTO/ITC/UNCTAD
RAS/9X/78R	Assistance to Countries of the Asian Region on MFN and Preferential Tariffs Negotiations	1998-	Japan
RLA/0T/3BF	Strengthening Institutional and Capacity Building in the Area of Competition and Consumer Law and Policy in Latin America Count.....	2003-	Switzerland
ROA-2072(N)	Integration in multilateral trading system	2002-	Development Account

(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>Starting date</i>	<i>Source of fund</i>
ROA-2166(L3)	Dispute settlement in international trade, investment and intellectual property	2002-	Development Account
ROA-2166(L4)	Meeting Millennium development goals through policies and actions	2004-	Development Account
Trade Analysis and Information			
INT/0T/4BC	Support Developing Countries' Assessment of the NAMA Negotiations and Trade Preferences.....	2004-	United Kingdom
Commodities			
INT/9X/42Z	Collection and dissemination of iron ore statistics.....	1994-	Multidonors
INT/9X/65N	Commodity risk management and finance	1996-	Multidonors
INT/9X/9C2	L'intelligence économique au service des plus démunis	1999-	France
INT/0T/3BV	Commodity Atlas	2003-	Common Fund for Commodities
INT/0T/4AF	Selected Commodity Issues in the Context of Trade and Development	2004-	Finland
INT/0T/4BR	Community-based arrangements for sustainable commodity production in areas affected by mine closures	2004-	Common Fund for Commodities
INT/0T/4CM	Partnership on sustainable economic development and mining	2005-	Multidonors
INT/04/X45	Commodity information and risk management.....	2004-	Italy
INT/0T/5AR	Agri-food Safety and SPS Compliance	2005-	STDF
RAF/9X/9DE	Improving oil and gas trade and finance in Africa.....	1999-	Multidonors
RAF/0T/3AR	Improvement of the Sustainability of Cotton Production in West Africa	2003-	Common Fund for Commodities
ROA-2062(M)	Sustained resource-based development	2000-	Development Account
ROA-2076(P)	Diversification and commodity-based development	2000-	Development Account
Trade, Environment and Development			
COS/0T/5AA	Desarrollo de un Programa Nacional de Biocomercio en Costa Rica	2005-	Switzerland, SECO
IND/0T/2AA	TRIPS & Access to life saving drugs - implications for India.....	2002-	UNAIDS
IND/0T/2CC	Strategies and preparedness for trade and globalization in India.....	2002-	DFID
UGA/0T/4BT	BIOTRADE Initiative in Uganda	2004-	Norway
INT/9X/219	Reconciliation of environmental and trade policies	1992-	Netherlands, Norway
INT/9X/77V	Biotrade initiative programme	1997-	Multidonors
INT/9X/8A8	Strengthening research and policy-making capacity on trade and environment in developing countries	1999-	United Kingdom
INT/0T/2AQ	Building capacity for improved policy and negotiations on key trade and environment issues.....	2002-	United Kingdom
INT/0T/2CQ	Getting started with CDM in least developed countries	2003-	Norway
INT/0T/3AC	Biotrade Facilitation Programme for Biodiversity Products and Service.....	2003-	SECO/Netherlands
INT/0T/3BB	Consultative task force on environmental requirements and international trade.....	2003-	Netherlands
INT/0T/4BF	International Task Force on Harmonization and Equivalency in Organic Agriculture	2004-	Switzerland
INT/04/X27	Trade, Environment and Development.....	2004-	Netherlands
INT/0T/5AJ	Modelling national lists of environmental goods	2005-	Canada
RLA/99/050	BIOTRADE Initiative in the Amazon	2000-	UNFIP
RLA/04/339	BIOTRADE Initiative in the Amazon Phase II.....	2004-	UNFIP

(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>Starting date</i>	<i>Source of fund</i>
Competition Law and Policy and Consumer Protection			
INT/8X/603	Training programme on RBPs (competition policies)	1986-	France, Norway, Sweden/SIDA
INT/9X/65I	Strengthening competition policy and legislation in developing countries and countries in transition	1996-	Netherlands
INT/0T/1CO	Institutional and Capacity Building in the area of Competition Law	2001-	United Kingdom
INT/0T/4AM	Competition Policy, Competitiveness and Development.....	2004-	United Kingdom
INT/0T/5AZ	Trade and Competition Issues: Experiences at Regional Level.....	2005-	Canada/IDRC
ROA-2076(M)	Competition law and policy	2002-	Development Account

^a Project which had been “operationally but not financially completed” or “completed” in 2005.

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)

202. *Development context:* This project is a collaborative undertaking between UNCTAD and the International Chamber of Commerce (ICC) and aims to bring together parties with complementary interests: companies that seek new locations and countries that seek new investors. It 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.

203. *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) the training of local consultants engaged to gather information and produce partial drafts; (b) the 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.

204. *Outputs/results:* In 2005, three new guides were published: Kenya, the United Republic of Tanzania and the East African Community. These guides were prepared in close cooperation with the investment agencies of Kenya, the United Republic of Tanzania and Uganda (Kenya Investment Authority, Tanzania Investment Centre and Uganda Investment Authority, respectively) and with the East African Community Secretariat. Launching events of these guides were held in Kenya and Uganda in September and in Stockholm (in cooperation with the Stockholm Chamber of Commerce) in October 2005. A summary of the three guides was prepared in Chinese and published as a booklet, which was also distributed at the 2005 International Fair on Trade and Investment in Xiamen, China. A full-page advertisement of the guides was placed in the *Africa Investor* magazine in its September-December 2005

issue with a circulation of 20,000-plus in Africa, Europe and North America. The continuing additions to the list of countries requesting the guides (outstanding requests currently stand at 12) is another indication of the perceived value of these products in investment promotion.

(b) Project on Needs Assessment to Attract Asian FDI into Africa

205. *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. However, 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. The project 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 identifies industries that have comparative advantages in attracting Asian FDI and could help strengthen growth in African countries.

206. *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 helping African LDCs formulate policies to attract FDI from Asia, including FDI by SMEs.

207. *Outputs:* Revised country case studies for Africa – Botswana, Ghana, Madagascar, Mozambique and the United Republic of Tanzania – a study on Chinese FDI in Africa and a study on

ASEAN FDI in Africa as well as an overall study on Asian FDI in Africa were circulated for comments.

208. **Results:** All of these eight studies will be edited and reformatted for the publication entitled *Asian Investment in Africa: Towards a New Cooperation among Developing Countries*, which UNCTAD will publish later on in 2006.

(c) **Technical cooperation in the area of FDI statistics**

(i) **Association of South-East Asian Nations (ASEAN)**

209. **Development context:** It is envisaged that the establishment of a harmonized and quality FDI data system could assist ASEAN in achieving the AIA (ASEAN Investment Area) objectives in transforming the region into a competitive, transparent and attractive area for FDI inflows. However, FDI data collection systems in the 10 ASEAN member countries are at various stages of development and not harmonized, often leading to reporting of data that are not comprehensive and comparable to support policy analysis. To address this problem, the ASEAN Investment Area Council established a Working Group on Foreign Direct Investment Statistics (WGFDIS) in ASEAN. UNCTAD had been invited to be a resource institute to WGFDIS and had attended its meetings to support ASEAN FDI statistical activities on methodology for harmonizing the regional FDI data collection system.

210. **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.

211. **Outputs:** UNCTAD and ASEAN continue to jointly organize a number of events to support regional integration and the ASEAN Investment Area process. While UNCTAD has acted as an adviser and resource to the ASEAN Working Group on Foreign Direct Investment Statistics, it organized jointly an ASEAN/UNCTAD Seminar on Key Issues of FDI: Attracting Quality FDI, Bangkok, 2-4 May 2005, and, in partnership with the ASEAN-Japan Centre, the seminar on Japanese FDI in ASEAN: Investment, Reinvestment and Relocation, 7-8 September 2005, Jakarta.

212. **Results:** Providing comprehensive, quality and timely FDI statistics for ASEAN countries to make policy analysis and monitor accurate FDI situation in the context of the ASEAN Investment Area (AIA) is regarded as a highly important activity in the region.

UNCTAD continues to provide the advisory role and expertise to the various earmarked work activities on improving FDI data quality and harmonization of FDI statistics to support the AIA process. A CD-ROM was prepared on the Jakarta seminar and distributed widely.

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

213. **Development context:** Despite economic liberalization taking place increasingly in the region, the countries of West Asia have attracted a relatively small share of FDI and FDI 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. There is also 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. Against this background, "the Joint ESCWA/UNCTAD project on Strengthening Networking and Expertise on Foreign Direct Investment in ESCWA Member Countries" was launched in 2002.

214. **Objectives/features:** The overall objective of the project is to increase FDI inflows into the ESCWA region by formulating FDI policies based on quality FDI data and information of TNCs operating in the region. This project aims at enhancing the capacity of government agencies in ESCWA member countries to compile, disseminate and analyse 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 provides assistance to ESCWA member countries in formulating and adopting appropriate FDI promotion policies.

215. **Outputs:** Three national workshops took place in 2005 in Kuwait (22-29 June), Qatar (20-24 November) and the United Arab Emirates (26-30 November) in cooperation with ESCWA. These workshops assisted officials in national statistical institutes in installing an effective survey system to collect and disseminate data on FDI flows and stock as well as activities of TNCs.

216. **Results:** The workshops allowed the Governments of three beneficiary countries to carry out the first enterprise survey on FDI by the end of 2006. Impacts include also the decision made by the Ministry of Economy and Planning of the United Arab Emirates following the workshop held in Abu Dhabi from 26 to 30 November 2005 to launch a national project to build comprehensive a database on FDI.

2. Investment policies and capacity building

(a) International Investment Agreements (IIAs): Policy Analysis and Capacity Building in Developing Countries on Issues in International Investment Agreements

217. **Development context:** International investment rule making continues to intensify with increased complexity and additional challenges for developing countries. Recent trends include most notably the proliferation of international investment agreements (IIAs) at the bilateral, regional and interregional levels; the increasing formulation of investment rules in agreements encompassing a broader range of issues, including trade in goods and services; the growing number of South-South IIAs; the increasing sophistication and scope of international investment rules; and the increase in the number of investor-State disputes. As a result of these developments, countries – and companies – have to operate within an increasingly intricate framework of multi-layered and multi-faceted investment rules which may contain overlapping and even inconsistent obligations. This has important policy implications in particular as regards the issue of policy coherence between IIAs and between IIAs and national development policies. In that context, developing countries need to ascertain how best to integrate IIAs into their economic development policy; retain sufficient flexibility to promote economic development, without undermining the effectiveness of the agreements; create a coherent national development policy; build up sufficient capacity to analyse the scope and content of IIA obligations; and develop capacity to make good use of IIAs they had entered into for attracting and benefiting from FDI.

218. **Objectives/features:** The primary objective of UNCTAD's work in this area is to help developing countries to participate effectively in international investment rule making through policy analysis and technical assistance. More specifically, this work focuses on deepening policy makers' and negotiators' understanding and analysis of the issues involved,

identifying trends and issues that need to be considered, ensuring policy coherence between national development policies and IIAs, assisting in the implementation of treaty commitments, especially in relation with investment dispute settlement, and finally providing a forum on investment rule making with a view to consensus-building. In 2005, this work included research and policy analysis, and human resources and institutional capacity building.

219. **Outputs/results:**

220. **Research and policy analysis:** In 2005, the 28 booklets of the *Series on Issues in IIAs* were compiled into three volumes (*International Investment Agreements: Key Issues, Volumes I, II and III*). Work continued on the *Series on International Investment Policies for Development*, which builds and expands on the first series, with the publication of three booklets (*The REIO Exceptions in MFN Treatment Clauses, International Investment Agreements in Services and South-South Cooperation in International Investment Agreements*). Another three papers are close to completion (*International Investment Agreements: Trends and Emerging Issues, Investor-State Disputes arising from Investment Treaties: A Review and Economic Integration Investment Agreements*). Another forthcoming study monitors issues and developments in BITs during the last decade (*Bilateral Investment Treaties 1995-2005: Trends in Investment Rule-Making*). Inputs to the relevant parts of the *World Investment Report 2005* were also made. In addition, work progressed on data compilation with the update of the online BIT database (1,900 texts available, 1,300 visitors per month), the country lists of BITs and the publication of volumes XIII and XIV of the *Compendium on International Investment Instruments* (also available online), and also on information dissemination through the launch of the IIA Monitors analysing emerging trends (four issues per year), the Network of IIA Experts (600 Members) and the regularly updated IIA website (www.unctad.org/ia).

221. **Capacity building:** In the course of 2005, the IIA programme organized 16 activities, mainly in the form of training, advisory services and technical meetings for government officials and negotiators.

222. **Training activities:** For the first time, an advanced training seminar on managing investment disputes for Latin American countries was organized. The programme also conducted the first training programme for IIA negotiators from Portuguese-speaking countries, comprising a distance-learning course and a face-to-face session. The same activity was organized for officials from Cambodia and the Lao Peoples' Democratic Republic in cooperation

with TrainforTrade, and a distance-learning course on key issues in IIAs was held for francophone countries, mainly in Africa. Francophone Central and Eastern European countries benefited from a seminar on negotiation of international trade and investment agreements. The IIA programme, in cooperation with the Virtual Institute, also prepared a training manual on economic and legal aspects of international investment agreements, which was followed by a workshop on teaching and research these aspects for Asian LDCs. The distance-learning training material is now fully available in four languages (English, French, Portuguese and Spanish) and partially in Arabic.

223. *Negotiation of bilateral investment treaties:* The IIA programme, in cooperation with the *Agence intergouvernementale de la Francophonie*, organized and facilitated a round of BIT negotiations for francophone African countries in Brazzaville, Congo. Twenty-five negotiators representing 9 countries (including 5 LDCs) held 22 bilateral meetings which resulted in the conclusion of six agreements.

224. *Ad hoc technical assistance* was provided in the form of advisory services and technical workshops to countries (Egypt, Pakistan and Sri Lanka) and a regional organization (participation in the two negotiating forums of the COMESA Common Investment Area).

225. *Other events:* The IIA programme organized several events in cooperation with APEC (seminar on a cooperative effort for an APEC investment facilitation initiative), OECD and ICSID (symposium on making the most of IIAs), GTZ (expert meeting on globalization of law) and IDLO (training course on negotiation of IIAs). It has also participated in other events organized by UNCITRAL, IISD, OECD and APEC.

226. *Overall assessment and results:* In 2005, six training activities, one round of BIT negotiations and five advisory services were undertaken. Almost 250 officials from 70 economies benefited directly from one or more of these activities while others benefited from the events jointly organized with other organizations. Assessments are carried out following each of the training and technical assistance activities, in order to help the secretariat adapt and improve their quality, effectiveness and efficiency. By and large, the response of participants to activities carried out in 2005 has been positive. For example, the evaluation questionnaire for the Portuguese-speaking training programme confirmed that 91 per cent of the participants were satisfied with the training.

227. An external in-depth evaluation of the IIA Programme was published in 2005. The report concluded that UNCTAD's work has a strong, direct and sustained impact on the capacity of the beneficiaries to engage themselves effectively in discussions and/or negotiations of international investment agreements, as witnessed by the participants in training events, their negotiation counterparts and the negotiation services providers of other international organizations (i.e. 85 per cent of the participants of the training courses indicated that knowledge acquired was processed and actually used in negotiations). Furthermore, UNCTAD's cost-effectiveness in pursuing this work compares favourably with similar programmes aimed at capacity building for developing country negotiators undertaken by public and private institutions, and other international organizations. The evaluation revealed an almost unanimous call from the direct and indirect beneficiaries of this work for continued and intensified services in this regard. It recommends a strengthening of dissemination efforts with regard to project activities and materials, an adaptation of outputs to take into account the increased sophistication of modern investment agreements, and an extension of the capacity-building scope of this work to include elements related to the implementation of agreements, in particular in as far as the management of investor-State arbitration is concerned.

(b) Investment Policy Reviews

228. *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.

229. *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 peer review in appropriate intergovernmental and international forums whereby other Governments and private sector representatives can share experiences and

familiarize themselves with the country's investment environment and policies.

230. **Outputs/results:** In 2005, 5 IPRs were completed (Brazil, Colombia, Kenya, Islamic Republic of Iran, Zambia), and two published (Algeria, Sri Lanka), while 3 are being prepared (Rwanda, Morocco, Nigeria).

231. **Workshops at national level:** National workshops have been held in Kenya, Rwanda and Zambia.

232. **Intergovernmental sessions:** One IPR and one Implementation Report IPR were presented to the international community. The first was in the framework of the intergovernmental Commission on Investment, Technology and Related Financial Issues, its Expert Meeting and the Trade and Development Board, the latter at the 52nd session of the Trade and Development Board. The Commission on Investment in 2005 welcomed the first implementation report on the Investment Policy Review of Egypt, and recommended that UNCTAD continue this series of reports for other interested countries, so as to evaluate progress in the implementation of recommendations and identify further measures that need to be taken to bring about effective implementation. The Commission also welcomed the Blue Books on Best Practice in Investment Promotion and Facilitation as an additional device to encourage timely implementation of recommendations.

233. Official written requests for Investment Policy Reviews have been received from 23 countries, including Bangladesh, Belarus, Bolivia, Cambodia, the Central African Republic, Chile, Congo, the Dominican Republic, Gabon, Guinea-Bissau, Kyrgyzstan, Lebanon, Mali, Mauritania, Mongolia, Nicaragua, Pakistan, the Republic of Moldova, Senegal, Sierra Leone, Swaziland, Trinidad and Tobago, and Viet Nam. Follow-up to completed reviews is continuing through technical assistance and dissemination of findings and recommendations. In 2005, UNCTAD continued follow-up work on the IPRs of Algeria, Botswana, Egypt, Lesotho, Ghana, Peru, Rwanda and Sri Lanka.

234. **Results** by countries are as follows:

235. **Colombia:** The Investment Policy Review for Colombia notes that the country should aim for more high technology investment. It has modern, large companies, new export sectors and a small but educated middle class. Furthermore, it benefits from being astride two oceans and close to the United States. However, compared with its competitors, its science and technological capacities are lacking, its infrastructure is poor and there remains a sense of

insecurity, despite recent government successes. While praising the Government for its market reforms, the review notes that investors are nevertheless concerned with a number of contradictory fiscal measures and the difficulty of resorting to international arbitration in case of disputes. It urges the Government to extend its network of bilateral investment agreements and double taxation agreements to fully tap market opportunities offered by the bilateral trade agreement with the United States and to begin negotiations with the European Union.

236. **Kenya:** After completion of the IPR, the Government of Kenya endorsed the main recommendations from the IPR, which was presented for peer review during the session of the Trade and Development Board, on 11 October 2005, in the presence of Minister of Trade and Industry Mukhisa Kituyi. Parliament amended the recently approved investment code in order to remove the minimum capital requirement for foreign investors, as had been recommended in the IPR. President Kibaki publicly endorsed a number of recommendations of the IPR, which were summarized in the Investment Blue Book for Kenya. Aside from finalizing and publishing the document, the Government received technical assistance in the context of the IPR through two activities: (i) a number of members of Parliament were introduced and sensitized to FDI issues during a workshop held in Mombasa, Kenya; and (ii) the personnel of the investment promotion agency received training during a one-day workshop on issues of taxation for investment.

237. **Islamic Republic of Iran:** the draft version of the IPR for the Free Trade Zones of the Islamic Republic of Iran was completed and sent to the Government for comments in November 2005.

238. **Brazil:** the Government of Brazil set up an Inter-Ministerial Working Group comprising representatives from all relevant government ministries and agencies to review the draft IPR and forwarded the resulting comments on December 2005. UNCTAD is currently finalizing the report with a view to its presentation to the Trade and Development Board later in 2006.

239. **Rwanda:** IPR Rwanda was launched in mid-2005. In addition, at the request of the Minister, UNCTAD assisted the Government in drafting a mining law and developed a strategy to promote foreign investment in the mining sector. Preliminary recommendations on the fiscal regime for mining investments were provided to the Minister during a fact-finding mission in December 2005, and a more comprehensive investment promotion and investor

targeting strategy was started at the end of 2005. The IPR Rwanda is also related to the Invest in Peace initiative, taking into account specific issues related to the post-conflict period.

240. *Peru*: At the request of the Ministry of Foreign Affairs and the Peruvian Agency of Investment Promotion (Proinversión), and further to recommendations contained in the 2000 Peru Investment Policy Review (IPR), UNCTAD implemented some of the recommendations of the IPR Peru of 2000, including institutional and capacity-building, and targeted investment promotion. In 2005, four capacity-building workshops were held in Peru.

241. *Botswana*: In collaboration with the investment promotion section (ASIT), UNCTAD delivered assistance in drafting an FDI law, developed an FDI strategy and provided capacity building in negotiating international investment agreements.

242. *Lesotho*: In collaboration with the investment promotion section (ASIT), a project has been designed as a follow-up to the recommendations contained in the 2003 Investment Policy Review of Lesotho, and is intended to assist the Government in codifying its open environment for FDI. A benchmarking study on business immigration has been completed to inform policymakers about the practices followed by other countries in labour and immigration for foreign workers.

243. *E-tools*: A benchmarking tool (Investment Compass) for regulatory frameworks on investment and fiscal regimes, which can be used by policymakers, investment promotion and other stakeholders for comparing the performance of countries in these areas, has been expanded. By December 2005, the Compass included 55 countries and had 1,760 registered users, of which 20 per cent were government institutions (investment promotion agencies, ministries). The website is visited at least once a month by over 200 people and it records on average 10,000 hits per month. Evaluations from users emphasized that the key advantage over other scoreboards is the way the Investment Compass permits meaningful comparability between developing countries, and identifies a country's strengths and weaknesses.

(c) FORINVEST: Policy Framework for Attracting Foreign Investment

244. *Development context*: With the globalization of economic activities, more and more developing countries are seeking FDI. This has resulted in proactive policies designed to maximize FDI inflows,

in order to generate employment and improve access to technology and know-how, as well as management and marketing skills.

245. *Objectives/features*: To assist developing countries in strengthening their capacity to create and manage the Policy Framework for Attracting Foreign Investment and in 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, 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).

246. Outputs/results:

247. *Botswana*: The project being undertaken in Botswana includes a number of activities designed to follow up on selected recommendations contained in the country's 2003 Investment Policy Review. During 2005, work was completed on providing the Botswana Export Development and Investment Authority (BEDIA) with an investor-targeting strategy for its garments sector. A "learning-by-doing" capacity-building exercise in implementing that strategy, where BEDIA officials and local garments firms will approach potential investors, is envisaged for 2006. Also in 2005, UNCTAD completed a study benchmarking Botswana's work and residence-permitting system with those of nine comparator countries. This study is intended to inform policymakers when they consider changes to their business immigration legislation.

248. *Jordan*: This project, which started in September 2002, is the third in a series of projects 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. In April 2005, UNCTAD provided training in investment promotion and investor targeting in the mining sector to 16 government officials from the Natural Resources Authority and the Jordan Investment Board. The training was designed to build awareness of the business requirements of investors in the mining sector, and constitutes the final activity in this project.

249. *Peru*: At the request of the Ministry of Foreign Affairs and the Peruvian Agency of Investment Promotion (Proinversión), and further to recommendations contained in the 2000 Peru Investment Policy Review (IPR), UNCTAD was implementing in 2004-2005, with the support of the Government of Switzerland, a technical cooperation

project on investment promotion. Within this project a number of deliverables were implemented in 2005, including (a) a technical report on investment promotion in the subnational regions of Peru; and (b) a capacity-building strategy to target investors in agribusiness, including the elaboration of multimedia information material and the organization of the participation of Peruvian investment promotion officials in specialized international fairs with technical on-the-job-training and the identification of potential investors. Also, a methodology handbook is being developed. In addition, UNCTAD organized a training workshop on investment promotion for diplomats, which was held from 26 to 28 October 2005 in Lima with the participation of 36 Peruvian diplomats posted in North, Central and South America. The main objectives of this training workshop were to promote the exchange of best practices in investment promotion and to draft an action plan to use the Peruvian diplomatic corps more efficiently to attract investment to Peru.

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

250. *Development context:* In an environment of increased liberalization, countries have been adopting a very proactive policy of maximizing FDI flows.

251. *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 strengthening of IPAs in Africa and investment promotion efforts in the African region.

252. *Features:* STAMP provides advisory services and training packages on: (a) setting up investment promotion agencies and clarifying the identity, role and powers of existing institutions; (b) establishing effective one-stop agencies; (c) procedures and practices to encourage and evaluate FDI inflows; (d) developing information system capabilities to register/record inflows and assess their impact on employment, taxation, balance of payments, training and technological development, and backward and forward linkages; and (e) setting up of information systems, organizing promotional visits and promotional material (including brochures) and arranging investment roundtables. UNCTAD is developing a training curriculum on investment promotion and investor targeting, so as to establish a

new strategy for capacity building in investment promotion in developing countries and economies in transition.

253. *Outputs/results:*

254. *CEMAC countries:* Under the RAPSODIE project (*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*) supported by the Agence Intergouvernementale de la Francophonie, UNCTAD organized in Libreville, Gabon, from 9 to 12 May 2005, a meeting with the secretariat of CEMAC and CEMAC countries (Central African Republic, Gabon, Cameroon, Congo, Chad and Equatorial Guinea), a working meeting at which it presented the final report prepared under the project with a diagnostic study on the constraints and perspectives of FDI in CEMAC region and a Strategic Plan of Action with recommendations on ways of attracting more FDI to the region.

255. *China:* UNCTAD conducted an awareness-raising seminar on the Kyoto Protocol's Clean Development Mechanism (CDM) and investment, and a training workshop on CDM and investment for Chinese IPAs as part of the programme at the Ninth China International Fair for Investment and Trade in Xiamen, China (September 2005). The aim of the seminar was to create a greater awareness among investment professionals of the potential to add value to investment deals that meet the criteria for generating certified emission reduction (CER) credits under the CDM, and the aim of the training was to enable Chinese IPAs, both at the national and subnational levels, to identify potential CDM projects and better position themselves as "deal makers" for such projects. Sixteen participants from national and subnational IPAs in China, as well as from the Ministry of Science and Technology, participated in the training seminar, which simulated an actual CDM investment deal between an investor from an industrialized country and a company in a developing country. Preparations also commenced in 2005 for a project to elaborate an investment promotion strategy for the tourism sector in China's Silk Road provinces/autonomous regions, and to provide training to IPAs and tourism officials in investment promotion/investor targeting in the tourism sector.

256. *Palestinian Authority:* This project is designed to provide the Palestinian Investment Promotion Agency (PIPA) with advice on how it can best retain its current investors in an adverse climate, and to position itself to take advantage of better times. It is also designed to build the capacity of PIPA staff to collect and interpret data that is collected from clientele, and to use that data in formulating a work

programme that meets their needs. Data collection based on a client survey designed by UNCTAD was completed in early 2005. Data entry for the survey data of PIPA clientele was conducted in spring 2005. Shortly thereafter, an international consultant was retained to undertake a fact-finding mission and to elaborate an investment retention and aftercare strategy for PIPA, based on the compiled data. The consultant's mission took place in June 2005, and the advisory report containing the strategy was completed in September 2005. Further training in the use of the database and study tours on investor retention and aftercare are planned for 2006.

257. *Russian Federation/Moscow*: This project will support the Government of Moscow's efforts to promote exports of Moscow-based enterprises. Within this UNDP project UNCTAD will assist the Government of Moscow in setting up and strengthening the investment department of the Moscow Exports and Investment Promotion Agency (MEIPA) and in establishing an information system to service the investment process. As the first event under the project, UNCTAD organized in Moscow, on 26 September 2005, a sensitizing seminar for major stakeholders.

258. *Saudi Arabia*: The assistance provided by UNCTAD is helping the Saudi Arabia General Investment Authority (SAGIA) in its negotiations of FTAs with the US and Singapore, and in the preparation of a negative list in conjunction with these FTAs. Following a mission at the end of 2004 to provide assistance in drafting a model text of a bilateral investment treaty and preparing proposals for on-going negotiations, ad hoc advisory services were provided in 2005 to SAGIA in the preparation of negative lists in conjunction with their BITs and FTA negotiations.

259. *Development Account*: A number of activities related to capacity building of IPAs in acting as policy advocates for measures to improve the investment climate were conducted through funding from a Development Account project. In 2005, training materials on IPA policy advocacy were completed, and 4 capacity-building events in which the training materials were used attracted a total of 81 participants. These include two regional training workshops, the first of which took place in Nairobi, Kenya, for African countries (July 2005), and the second of which took place in Busan, Republic of Korea, for Asia-Pacific countries (November 2005). Eleven participants from LDCs were sponsored to attend these training workshops. A third event was a workshop on IPA policy advocacy that took place at the World Association of Investment Promotion

Agency (WAIPA) World Investment Conference in March 2005 (Geneva, Switzerland), and a fourth event was a workshop on IPA policy advocacy for the emerging economies of the Central and Eastern European countries at the La Baule World Investment Conference in June 2005 (La Baule, France). A regional workshop for Latin American IPAs is planned for 2006.

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

260. *Development context*: With increased competition for FDI, the quality of investment promotion and facilitation is critical in attracting foreign investors. Important factors in this include 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.

261. *Objectives/features*: The objective of the project is to assist developing countries, particularly 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.

262. *Outputs/results*: In 2005, the Good Governance in Investment Promotion (GGIP) project undertook an advisory mission to Mali and prepared a draft advisory report. The report is based on an investor survey, interviews with government officials and representatives of private sector groups, donor agencies and the press, as well as country reports carried out by other organizations. The report includes recommendations on ways to improve investment facilitation and dispute resolution between investors and public sector institutions.

263. As a follow-up to a GGIP recommendation to improve the facilitation of investment in Ethiopia, the Netherlands Government agreed to finance a \$500,000 UNCTAD project that will provide assistance to the Ethiopian Investment Agency and the Regional Investment Commissions of the Oromia and the Southern Nation, Nationalities and People's regions. The 2-year project started in December 2005.

264. In November 2005, the GGIP project supported two workshops in Kampala organized by the Uganda Investment Authority. The first workshop reviewed

and evaluated the use and effectiveness of the existing client charter of the Uganda Investment Authority. A second workshop was conducted to develop a mission and vision for TEAM Uganda, an initiative that includes 49 government ministries and institutions and which is established to help improve the national investment climate through good governance, including better public services. Over 70 Ugandan government officials participated in the workshops.

265. As a follow-up to a GGIP recommendation, the Maldives Government had agreed to work with UNCTAD to improve its FDI data collection systems. An UNCTAD mission scheduled for January 2006 was prepared in order to assist the Government in the compilation, dissemination and analysis of data on FDI and the operations of transnational corporations (TNCs).

266. A survey was conducted among 88 investment promotion agencies (IPAs) on issues related to good governance practices. Results were used for GGIP advisory work and outreach activities, including a presentation to postgraduate students from the University of the West Indies, who work for their respective Governments in the area of trade and investment.

(f) Investment Gateway Programme

267. **Development context:** The Investment Gateway is an electronic tool to support investment promotion. It is a web-based content management system, which works as an engine to collect, organize and display information. Investment Promotion Agencies (IPAs), or other entities in charge of investment promotion and facilitation, can use it to provide content to their website and offer online services. It can be configured to individual countries' needs and installed at a fraction of the cost of similar systems.

268. **Objectives/features:** The system is composed of four modules offering online information on investment opportunities, regulations, investors and the country's business environment.

- (a) The "e-regulations" module contains detailed, step-by-step data on national legislation and procedures applicable to foreign investment operations. It offers direct access to the ministries and civil servants in charge of their application, and to the relevant forms; it also indicates where and how the investor can complain in the event of disagreement.
- (b) The "e-business environment" module presents information on countries' physical, social,

judicial and economic environment, and on public and private infrastructures and services (including costs and contacts).

- (c) The "e-investors" module provides comprehensive information on potential institutional, financial and operational investors, their objectives, focus and scope of operation. It is a good instrument to establish synergies between local IPAs and a country's diplomatic representations abroad; and
- (d) The "e-opportunities" module provides organized and detailed information on investment opportunities in real estate, companies and projects in various sectors (forestry, textile, agro-industry, tourism, biotechnology, health care, etc.).

269. **Outputs:** The system was conceived as a capacity-building and organizational tool, helping IPAs organize their work and gather, store and communicate information in their four main fields of activity; it is also of service to national and international investors by bringing transparency and cutting the cost of access to otherwise dispersed and difficult-to-find country information, and offering online access to concrete investment opportunities, step-by-step investment procedures, and detailed information on, and cost of, infrastructures and private services. In addition, it allows for the introduction of e-government mechanisms, as well as simplification and harmonization of rules at the regional level.

270. **Results:** The system is being installed in Bolivia, Bulgaria, Colombia, Djibouti, Guatemala, Ecuador, El Salvador and Peru. It brings direct support to IPAs' investment promotion work, as it was reported in Bolivia (\$11 million in new investments). More deeply, it also promotes the values of transparency and accountability, the lack of information and of transparency being major deterrents to foreign investment.

(g) Support to WAIPA

271. In 2005, UNCTAD continued to substantively cooperate with the World Association of Investment Promotion Agencies (WAIPA).

272. On 9 March 2005, a joint high-level meeting of the UNCTAD Commission on Investment, Technology and Related Financial Issues and the Annual WAIPA World Investment Conference was held. During this meeting, entitled "Attracting FDI in Service Clusters" an interactive debate took place between high-level representatives of UNCTAD, IPAs, representatives of the business sector and

leading media on determinants of FDI in the services sector and why some locations have succeeded in attracting FDI to service clusters while others have not. The role of IPAs in the development of clusters in the services sector was particularly highlighted.

273. UNCTAD participated substantively in the first ever WAIPA Regional Conference through the organization of an entire session on FDI-related issues, as well as through moderating another session. This event was held in Busan, Republic of Korea, from 15 to 16 November parallel to the APEC Conference. The WAIPA Conference, attended by over 200 participants, focused on subjects such as Asian FDI flows, policies and trends, intraregional investment success stories, business opinion on investing in Asia and best practices in attracting intra-Asian investment. The final session was an interactive round table on the "Development Implications of FDI for Asia's Emerging Economies". UNCTAD representatives actively participated in this Regional Conference and made a number of presentations at its sessions. After the Conference, UNCTAD and WAIPA organized a joint training workshop on policy advocacy for IPAs from Asia and the Pacific (see above under *Development Account*).

274. During the reporting period UNCTAD and WAIPA jointly organized a number of training events for professionals from many IPAs. These included: (i) a training workshop on e-government tools for investment promotion for delegates of the WAIPA World Investment Conference, Geneva, 10 March 2005; (ii) three training workshops on IPA Policy Advocacy for delegates of the WAIPA Conference, Geneva, 10 March 2005, for IPAs from African countries, Nairobi, Kenya, 11-13 July 2005, and for IPAs from Asia-Pacific countries, Busan, Republic of Korea, 17-18 November 2005; (iii) UNCTAD/WAIPA International Roundtable Conference for investment promotion agencies on operational mechanisms and core functions of IPAs, Xiamen, China, 9 September 2005; (iv) a regional training workshop for IPAs from Latin American and Caribbean countries on how to promote FDI in tourism and benefit from it, San Jose, Costa Rica, 4-5 October 2005; and (v) a regional training workshop for IPAs from MEDA and a number of countries with economies in transition on a cluster-based approach to attracting FDI, Marseille, France, 4-7 December 2005. Participants in all of these training events highly evaluated the quality of training materials provided by UNCTAD.

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

275. *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 following: 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.

276. 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).

277. *Features:* The project produces a series of documents through a participatory process involving trade negotiators and national policymakers, 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 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 an analysis for each TRIPS provision of the Uruguay Round negotiating history, possible interpretations, WTO jurisprudence, IPR-related developments in non-WTO forums, 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;
- A Regional Research Agenda focused on specific IP issues that have been identified as research gaps by participants in UNCTAD-ICTSD Regional Dialogues. The aim is to increase the visibility of developing country concerns and evidence in IP debates, and to contribute directly to the national and regional policymaking. The studies involve collaboration between regional research institutions in developing countries.

278. **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 IPR 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.

279. **Outputs/results:** In 2005 the project produced and disseminated the following documents:

- The “Resource Book on TRIPS and Development”, Cambridge University Press, Cambridge, New York, 2005 (the electronic version is available on the Project website at <http://www.iprson-line.org/>);
- Negotiating Health: Intellectual Property and Access to Medicines, ICTSD-UNCTAD (eds. Roffe, Tansey, Vivas-Eugui), Earthscan, 2006.
- Studies on the following issues:
 - The International Copyright System: Limitations, Exceptions and Public Interest Considerations for Developing Countries in the Digital Environment, Ruth Okediji, Issue Paper No. 12, 2005 (available at <http://www.iprson-line.org/>);
 - Innovation and Sustainable Development. Various discussion papers for the June 2005 UNCTAD-ICTSD Regional Arab Dialogue on IPRs; and
 - IP and Sustainable Development: Revisiting the Agenda in a New Context. Various think pieces for the October

2005 UNCTAD-ICTSD Fifth Bellagio Dialogue on IPRs and Development.

280. In 2005, the Project convened a series of policy dialogues at the multilateral, regional and national levels, with a view to facilitating the emergence of a critical mass of well-informed stakeholders who could play an active role in future IP policymaking. The following events were organized by the UNCTAD-ICTSD Project in 2005:

- A fourth regional dialogue on “Intellectual Property Rights, Innovation and Sustainable Development” was held from 26 to 28 June 2005 in Alexandria, Egypt, in partnership with the Bibliotheca Alexandrina. This dialogue focused on recent IPR trends; public health; access to knowledge and educational material; and the protection of folklore, cultural heritage and traditional knowledge in the Arab countries. The report of the meeting is available on the project website (<http://www.iprson-line.org/unctadictsd/dialogue/docs/2005-06-26_report.pdf>).
- A national dialogue for Egypt on “Current Trends in Intellectual Property Policy and Public Health” was organized in collaboration with the Center for the Study of Developing Countries of Cairo University’s Faculty of Economics and Political Science on 29 June 2005. This dialogue dealt with recent IPR trends and public health in the Egyptian context. Participants identified a set of policy recommendations, which is available at <http://www.iprson-line.org/unctadictsd/dialogue/docs/2005-06-29_recommends.pdf>.
- UNCTAD and ICTSD on 23 September 2005 organized a round table on “The International Copyright System: Limitations, Exceptions and Public Interest Considerations for Developing Countries in the Digital Environment”, with Professor Ruth Okediji presenting her study published as Issue Paper No. 12 (see above). This round table principally centred on discussions on some of the existing limitations and exceptions available in international copyright law, as well as related legal and policy options to promote wide access to educational material in developing countries.
- In the framework of the Bellagio series on intellectual property rights and development, ICTSD and UNCTAD organized the Fifth Bellagio Dialogue on “Intellectual Property and Sustainable Development: Revisiting the Agenda in a New Context”. The meeting

focused on sustainable development-oriented approaches to patent and copyright harmonization, complementary policy components of international and national IP policies, and possible strategies to move forward such an agenda. The meeting report is available at <http://www.ictsd.org/dlogue/index.htm>.

281. To improve the visibility of the project and its outputs, UNCTAD in 2005 created a new web page on technology transfer and intellectual property; see <http://www.unctad.org/tot-ip>. This website also features UNCTAD's activities in the area of technology transfer. For details on the activities of the project and reports, see <http://www.iprsonline.org/unctadictsd/description.htm>.

(i) Science and Technology

(i) *Science, Technology and Innovation Policy Review*

282. UNCTAD completed in 2005 a science, technology and innovation policy (STIP) review for the Islamic Republic of Iran. STIP reviews are designed to help developing countries take stock of their national innovation systems, identify their strengths, weaknesses and opportunities, and develop appropriate policies to integrate science and technology into national development strategies. A STIP review for Angola will be undertaken shortly. Three more reviews for Africa will be initiated under the MDG capacity-building project financed through the UN Development Account between 2006 and 2008.

(ii) *Connect Africa*

283. Connect Africa is a project undertaken by UNCTAD in partnership with the Observatoire Technologique (Technology Institute) of the Centre des Technologies de l'Information (Information Technologies Centre) of the State of Geneva in Switzerland. The project devises creative ways to move from policy to action and provides customized training to ICT engineers and technicians from the least developed countries of Africa. The Kingdom of Lesotho is the first pilot country to benefit from Connect Africa. The project has provided Lesotho with 220 computers accompanied by software installation and open-source solutions for servers and clients for use in a number of areas, including schools. Connect Africa is also helping to create a technical division within Lesotho's Ministry of Communications, Science and Technology. Mali will be the next pilot country, and project preparations are now underway.

(iii) *Network of Centres of Excellence*

284. Most developing countries are unlikely to achieve the MDGs without significant efforts to build up R&D capabilities that will allow them to address their development challenges, especially in such fields as agriculture, health and environment. In response to this, UNCTAD launched in 2005 a project connecting centres of excellence in developing countries, especially those in Africa. The project is designed to select 10 existing centres of excellence in developing countries for use as regional hubs of learning that can pool resources with one another and conduct joint research in areas of importance to developing countries. Initially, the Network will consist of 10 existing outstanding scientific institutions, which are willing and able to make their facilities available to scientists and engineers from other developing countries. Each of these institutions will provide training for scientists and engineers in selected subject areas. It is envisaged that this project will help reverse the current "brain drain" of talented scientists and researchers away from developing countries. A grant worth \$648,000 has been received from the Italian Government to kick-start the project.

(j) UNCTAD/ICC Investment Advisory Council

285. *Development context:* The importance of private investment in stimulating and supporting economies' 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 the poorer Asian population. This programme aims to establish a continued dialogue among senior business leaders and Governments from the least developed countries.

286. *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.

287. **Outputs/results:** The most recent meeting of the Investment Advisory Council resulted in the announcement of a number of concrete initiatives to boost investment and growth in East Africa. The meeting, held in Geneva on 11 October 2005, brought together high-level representatives from both public and private sectors for a frank and open discussion on how to make East Africa a more attractive investment destination.

288. The following four major initiatives were launched at the meeting:

- A partnership between UNCTAD and the China-Africa Business Council which will work to promote business cooperation between China and Africa. The new partnership already resulted in the translation of the Investment Guides into Mandarin and their distribution in China. This aims at promoting Africa to Chinese investors and raising awareness of the potential of African countries;
- The extension of UNCTAD's series of *Blue Books on Best Practice in Investment Promotion and Facilitation*. The Blue Books are an innovative tool designed to provide Governments, primarily those of LDCs, with a concise, user-friendly assessment of major impediments to investment and clear policy recommendations. These measures have a short turn-around time and beneficiary Governments commit to implementing them within an agreed time frame, usually 12-18 months. In 2005, UNCTAD produced, in cooperation with the Japan Bank for International Cooperation, three *Blue Book on Best Practice in Investment Promotion and Facilitation*, for Kenya, Uganda and the United Republic of Tanzania. The Blue Book initiative was recognized by *Africa Investor Magazine*, which “highly commended” the Blue Books at its annual Investment Awards;
- A number of regional initiatives to be carried out by UNCTAD in collaboration with GTZ of Germany.
- The launch of “Team Tourism” for Kenya, Uganda and the United Republic of Tanzania, which will be implemented in partnership with the national investment promotion agencies and the World Tourism Organization.

289. Another major activity under the UNCTAD/ICC Investment Advisory Council is the Silk Road Initiative. The initiative is designed to

harness the dynamism of the region's most rapidly growing economies to boost development across Central Asia. It aims to foster cooperation and integration between Kazakhstan, Kyrgyzstan, Tajikistan and Uzbekistan, and China. Focusing on three main areas – trade, investment and tourism – the objective is to establish new, long-lasting mechanisms to further regional integration. These include a Silk Road Investment Forum, the first of which is scheduled to take place in June in Xi'an, China.

3. Enterprise Competitiveness

(a) Enhancing enterprise competitiveness through internationalization

290. **Development context:** Building productive capacity, increasing international competitiveness and ensuring greater integration into the world economy are imperative for the economic growth of developing countries. They require systematic policies and measures to foster an upgrading of domestic productive capacities, including coherent efforts to strengthen their enterprise competitiveness through internationalization. This includes such strategies as TNC-SMEs linkages, integration into global value chains and outward foreign direct investment (OFDI).

(i) Outward foreign direct investment

291. **Objectives/Features:** Outward FDI (OFDI) is playing an increasing role in enhancing the competitiveness of developing country firms and their integration into the global economy. It helps to strengthen developing country firms' competitiveness by providing access to strategic assets, technology, skills, natural resources and markets, and helping them to improve their efficiency. It also provides a greater opportunity for South-South cooperation, as the bulk of it goes to other developing countries. In supporting this development, in 2005 UNCTAD started implementing a project on the *Making of Global and Regional Players from Emerging Markets* with interested partner institutions and Governments in developing countries. The overall objective of the project is to promote an exchange of experiences among emerging markets' policymakers and executives of emerging market firms on best practices, policy alternatives and support measures for enhancing the international competitiveness of emerging markets firms and their integration into the world economy through OFDI in the context of greater South-South cooperation. Another important objective is to identify policy options and understand how emerging markets could design and implement

proactive measures for enhancing the international competitiveness of their firms. A subsidiary objective is to establish a global network of experts and institutions, both business schools and government agencies, to exchange views, experiences, information and research results to facilitate better understanding of OFDI from emerging markets.

292. **Outputs/Results:** A national symposium on OFDI from China was jointly sponsored by Mofcom of China and UNCTAD on 28 and 29 April 2005. A national workshop on *Global Players from Emerging Markets: Brazil* was jointly organized by UNCTAD, the Ministry of Development, Industry and Foreign Trade of Brazil and Fundação Dom Cabral, Brazil, on 30 May 2005 in São Paulo. The Brazil workshop was attended by about 170 people, mostly from the business sector. About 40 Brazilian CEOs were involved and a number of them played an active role in chairing the event and facilitated discussion on policy issues including sharing of their companies' internationalization experiences. A paper entitled "*New Sources of FDI: the BRICs. Outward FDI from Brazil, Russian Federation, India and China*" was prepared by UNCTAD as a background document for the São Paulo workshop. Series of country case studies were developed on the internationalization of developing country enterprises through OFDI, including those of Argentina, Chile, China, India, Malaysia, Mexico, the Republic of Korea, the Russian Federation, Singapore, Slovenia, South Africa, Thailand and Turkey.

(ii) **Business linkages**

293. **Objectives/features:** Experience has shown that transnational corporations (TNCs) can have a positive impact in countries in which they operate and can offer a potential contribution to the development of a competitive private sector of these countries by promoting business linkages between their affiliates and small and medium-sized enterprises (SMEs). The ability of foreign affiliates' linkage activities to contribute to domestic supplier development depends, to a large extent, on the domestic markets' and local firms' capabilities. However, government interventions are important to create an environment conducive to sustainable business linkages through policies and regulations that support the mutual interests of both foreign affiliates and domestic firms. In 2005, UNCTAD's Business Linkages programme continued to provide technical assistance with the objective of enhancing SME competitiveness through creation and strengthening of business linkages between TNCs and domestic SMEs in developing countries.

294. **Outputs/results:** In 2005, UNCTAD finalized its Business Linkages Programme Guidelines that aim to highlight some of the main considerations and best practices for the initiation and the eventual implementation of a business linkages programme. Furthermore, it includes a roster of good practices that lead to concrete linkages activities and can constitute a checklist for stakeholders to pursue in order to exploit potential linkages activities fully.

295. Within the framework of the Business Linkages project in Brazil, "Projeto Vínculos", funded by GTZ, a number of TNCs have shown interest and committed themselves to assisting their supply chain partners in various areas of upgrading. In the course of a series of preparatory meetings, a Study Group composed of two Brazilian institutions (Fundação Dom Cabral and Ethos Institute) and a number of foreign affiliates examined types and benefits of linkages and mechanisms to foster and develop business partnerships and to identify concrete linkage opportunities. The official launch ceremony of the project took place on 8 December 2005. A series of country case studies were conducted on best practices in the promotion of business linkages from a policy perspective. The ultimate objective of such a global survey is to identify best practices and policy recommendations in the promotion of business linkages, which will be used as a basis for UNCTAD's policy advice on linkage promotion to the Brazilian Government.

296. The UNCTAD Business Linkage Programme in Uganda, officially launched on 21 October 2005 and funded by SIDA, is being implemented by Enterprise Uganda as lead implementer, in collaboration with the Uganda Investment Authority. The two-year pilot aims at facilitating over twenty such business linkages in agrobusiness, real estate development, retail merchandising, manufacturing and telecommunication.

(iii) **Global value chains**

297. **Objectives/features:** In 2005, UNCTAD actively participated in a technical assistance project, financed by RUIG-GIAN, with OECD and the University of Fribourg as main counterparts. The objective of the project is to develop a set of policy recommendations on how to enhance SME competitiveness through their increased participation in global value chains.

298. **Outputs/results:** Since the inception of the project in early 2005 specific inputs were provided by UNCTAD to a literature review on the subject (assembled in a CD-Rom) as well as analytical inputs for the finalization of the theoretical framework and

for the elaboration of the guidelines for the country case studies. In 2006, UNCTAD is expected to carry out five case studies based on field interviews of major global players located in developing countries and their SME suppliers (including Volkswagen in Mexico, Toyota in South Africa, Tata Motors in India).

(b) Corporate transparency

299. **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.

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

301. **Outputs/results:** In 2005, UNCTAD finalized its “*Guidance on good practices in corporate governance disclosure*”. The document was discussed at ISAR’s twenty-second session held in Geneva from 21 to 23 November 2005 and attended by more than 200 experts from more than 70 countries, representing government officials (43 per cent), including at vice-ministerial level, private sector (12.7 per cent), standard-setters (14.3 per cent), academia (8 per cent) and others. On the basis of discussions it was agreed that the guidance reflects important recent developments in good disclosure practices and contributes to promotion of convergence of the content of corporate governance disclosure by providing a comprehensive and well-balanced illustration of good practices in this area. Its principles-based approach allows for global applicability and implementation according to local market needs and regulations. It was agreed by the

Group as well as by the tenth session of the Commission on Investment, Technology and Related Financial Issues that the secretariat should prepare this guidance for publication and disseminate it as widely as possible. This is the first time an agreement has been reached on guidance on corporate governance disclosure in intergovernmental deliberations at an international level.

302. The Group also started discussions on issues of *practical implementation of the International Financial Reporting Standards (IFRS)* in recognition of an unprecedented current global shift in corporate reporting towards a common set of global accounting standards. In 2005, about 100 countries, including the European Union countries, announced their transition to this single set of reporting standards – IFRS – developed by the International Accounting Standards Board (IASB), a private sector entity based in the United Kingdom. However, practical implementation of the IFRS causes a number of serious institutional and capacity-building challenges for developing countries and countries with economies in transition that are lacking infrastructure and knowledge required for convergence with IFRS. ISAR underlined a number of steps required in order to build an institutional and regulatory framework as well as technical expertise in order to meet these new requirements.

303. During 2005, the number of cases of the use of UNCTAD/ISAR guidelines increased by 2 more cases: Pakistan has incorporated the guidelines on accounting by SMEs and Kenya used ISAR recommendations for corporate governance disclosures. In addition, International Accounting Standards Board and the International Federation of Accountants – the two global standard-setters in the area of accounting – are considering ISAR guiding documents on accounting by SMEs and on accounting professional education in their standard-setting activities in the relevant areas.

304. In 2005, the UNCTAD secretariat organized a technical workshop on IFRS in cooperation with the International Accounting Standards Board. The workshop featured widely recognized experts in the area of international accounting and reporting. The event provided about 90 participants with an opportunity to conduct in-depth technical discussions on practical implementation of IFRS.

305. From 29 May to 1 June 2005, a World Accounting Summit was organized under the patronage of UNCTAD in Dubai, United Arab Emirates. The Summit brought together over 300 participants from around the world. It provided an important opportunity for addressing various

accounting, financial reporting and corporate governance issues of mutual interest to a number of stakeholders. The event also contributed to raising awareness of the work of UNCTAD and ISAR in the Middle Eastern region.

306. The programme continued contributing towards capacity building in various member States and regions. During the reporting period, UNCTAD's engagement in this area includes a USAID – sponsored technical assistance project on developing a regional accounting qualification in the CIS countries based on UNCTAD/ISAR model accounting curriculum that ISAR adopted in 1999 and revised in 2003.

307. In 2005, UNCTAD continued its cooperation with a number of international and regional organizations and development agencies that work towards promoting best practices in accounting, auditing, corporate governance and corporate responsibility disclosure. Following up on the Memorandum of Understanding that UNCTAD and the International Federation of Accountants (IFAC) signed in 2004, the UNCTAD secretariat has been actively cooperating with IFAC in the areas of accounting education and strengthening of the accounting profession in developing nations. The UNCTAD secretariat also continued participating in the work of the International Accounting Standards Board (IASB), namely the Standards Advisory Council and the Working Group on Accounting by SMEs. In the area of corporate responsibility, the UNCTAD secretariat has begun providing technical assistance to the International Standards Organization (ISO) Working Group on Social Responsibility (SR). The purpose of this ISO WG on SR is to develop a new ISO standard on social responsibility. UNCTAD contributes as Secretary of the Task Group on Stakeholder Communications building on ISAR's work in the area of corporate responsibility and environmental reporting. UNCTAD's contribution to this Task Group is to facilitate the drafting of a report on the various aspects of reporting and communicating with stakeholders.

(c) Entrepreneurship and SME development: The EMPRETEC Programme

308. *Development context:* It is generally recognized that entrepreneurship is one of the key factors in the developmental process and SMEs are the main engine of economic growth. The dynamism of SMEs, their adaptability, flexibility and innovative capacity have made them a cornerstone of ongoing economic reforms in both developed and developing countries. SMEs contribute significantly to the

economy in terms of output, employment, new job creation and innovation. In most countries, SMEs account for over half of GDP.

309. Entrepreneurial behaviour is closely associated with change, creativity, knowledge, innovation and flexibility – factors that have gained new significance as a source of competitiveness in an increasingly globalized world economy. The claim that entrepreneurship is linked to economic growth finds its most immediate foundation in simple intuition, pure economic observation and common sense. The assumption that fostering entrepreneurship means fostering competitiveness seems today more valid than ever before. The entrepreneur's role in development can be succinctly described as “no entrepreneur, no development”.

310. However, SMEs face obstacles such as a lack of access to markets, capital, technology, finance (whether credit or equity) and insufficient managerial skills. In addition, they frequently do not have access to timely and accurate information on new market opportunities. In developing countries, many SMEs use traditional, low-productivity technologies. They serve local markets with low-priced and often low-quality products.

311. 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. For this reason, 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” in order to maximize the impact of foreign investment.

312. *Objectives/features:* EMPRETEC is a capacity-building programme that provides entrepreneurship training and technical assistance to promote SMEs development by:

- Promoting entrepreneurship;
- Fostering individual entrepreneurial capabilities;
- Building institutional capacity at the country level; and
- Encouraging employment-creating investment and linkages between SMEs and between large and small enterprises.

313. The EMPRETEC programme identifies existing and potential entrepreneurs; provides them with training to strengthen their entrepreneurial and business skills; assists them in accessing business development services; facilitates access to financing; helps arrange mutually beneficial links with larger

national and foreign companies; and puts in place long-term support systems to facilitate the growth and internationalization of SMEs. The programme promotes active networking between public institutions, private business associations and multilateral organizations as well as between national EMPRETEC programmes and other programmes promoting SME development.

314. Main beneficiaries of the EMPRETEC Programme are the following:

- Existing small-, medium-sized and micro enterprises that have a track record of good business performance;
- Potential entrepreneurs with promising business ideas and high growth potential;
- Start-up companies with good bankable project proposals;
- Key institutions (banks, loan guarantee funds, entrepreneur associations, investment promotion agencies, SME support agencies); and
- Governments.

315. UNCTAD is taking advantage of EMPRETEC Centres' accumulated experience and specialized know-how in its projects. The unique EMPRETEC training methodologies and advisory services are also promoted by Centres themselves.

316. **Outputs/results:**

317. **EMPRETEC Centres:** 51 National EMPRETEC Centres (including 26 SEBRAE/EMPRETEC centres located in Brazil) are now in operation. Since the programme's inception in 1988, EMPRETEC programmes have been initiated in 26 countries, assisting entrepreneurs (Empretecops) through local market-driven business support centres. To date, over 72,000 entrepreneurs have received entrepreneurship training (from almost 400 experienced UNCTAD-EMPRETEC master and national trainers) and follow-up support services.

318. In 2005, the EMPRETEC Programme consolidated its presence in Latin and Central America, anglophone and francophone Africa. With the assistance of established EMPRETEC centres the programme has been expanding to new countries in these regions (Angola and Guyana) and has recently started to develop projects in the Middle East and Central and Eastern Europe, namely in Jordan, the Palestinian Territories and Romania. On the basis of the positive results achieved by EMPRETEC in Jordan and Romania in 2004, their respective Governments committed substantive funding to

ensure the programmes were maintained in 2005. Two new regional EMPRETEC centres were established in Romania and one new centre in Angola. The experience has shown that in the age of entrepreneurship the EMPRETEC Programme can provide a competitive edge to SMEs in the global market.

319. In 2005, the EMPRETEC website registered more than 11,000 visitors. A newly developed training methodology for women entrepreneurs was further standardized and transferred to a number of established EMPRETEC centres. There was also an increasing number of requests for the creation of EMPRETEC centres and customized training programmes for specific target groups (e.g. exporters, farmers, women entrepreneurs). Information on the programme and its support services can be found on the EMPRETEC website: <http://www.empretec.net/>.

320. **South-South cooperation:** During 2005, efforts continued to develop further cooperation between EMPRETEC centres in developing countries. For example, in 2005 entrepreneurship training programmes in Guyana and Angola were created with the support of Brazilian UNCTAD-EMPRETEC master trainers and in close cooperation with SEBRAE Brazil. UNCTAD-EMPRETEC master trainers also conducted a number of training workshops in Jordan and Romania. Furthermore, EMPRETEC Ghana undertook a number of installation missions to Guyana and Angola to train local staff in business development services. EMPRETEC Uruguay continued to coordinate the creation of EMPRETEC centres in Guatemala and Panama. Finally, a joint training of trainers (TOT) session was organized in Romania for both Romanian and Jordanian EMPRETEC national trainers.

321. **12th EMPRETEC Directors' Meeting:** An International EMPRETEC Directors' Meeting was organized in Geneva in November 2005. The meeting emphasized the role of EMPRETEC in implementing UNCTAD's mandate in the area of SME development. The discussions focused on the best ways to achieve financial sustainability of the EMPRETEC centres, taking into account their specific business situation and competitive environment. It also addressed crucial issues related to the major strategic challenges facing the EMPRETEC Programme, such as the effectiveness of the training methodology, the need for customization, the key success factors in the selection and preparation of trainers, the need for communication and networking, and the role of UNCTAD as an international coordination unit of the EMPRETEC network. It was felt that UNCTAD's business

linkages programme was a new business opportunity for centres that could enhance centres' revenue generating activities. In this respect, at the meeting the new UNCTAD "business linkages" tool kit was presented to all new and established EMPRETEC country programmes. The meeting was attended by 26 participants from 20 countries, including five LDCs. It was ranked by participants as highly relevant to their needs and important for networking.

322. **Collaborative workspace:** A web-based collaborative workspace has been established to facilitate communication and exchange of information among all EMPRETEC centres and between them and UNCTAD. Thanks to this tool, registered users can log in to the workspace from anywhere there is an internet connection and participate in discussion forums, access documents made available by other users or update their statistics or contact details.

323. **Other activities:** Additional activities undertaken in 2005 included the preparation of various reports on outreach, performance, best practices, impact assessment and identification of success stories that were presented to potential donors and representatives of other international organizations.

(d) Development of Competitive Insurance Markets

324. **Development context:** Any trade or development activity first requires financing, and institutions providing the finance will insist that insurance be in place before funds can be provided. For most international trade and services activities, insurance is obligatory. One cannot ship goods, operate aircraft, open a hotel or perform numerous other activities essential to trade without recourse to obligatory insurance. After banking, insurance services are usually the second largest component of 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, still lack affordable and reliable insurance services that meet the needs of a country's economic agents. At the same time, insurance markets generate significant reserve funds that could be committed to a country's enterprises through portfolio investment. The stability of insurance markets is crucial for profitable and viable investment and a determinant of developing countries' level of progress.

325. **Objectives/features:** The aims are to (a) help establish competitive and efficient insurance markets

and improve access to insurance services for the majority of developing countries' populations as well as their commercial sectors, so as to prepare those developing countries wanting to further liberalize 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 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 the UNCTAD/African Insurance Organization (AIO), a "rating agency" for African insurers; and (f) develop insurance management software for use by African insurers.

326. **Outputs/results:** In 2005, more than 90 countries benefited from UNCTAD contributions in the area of insurance. During the African Insurance Organization (AIO) annual general meeting, a decision was taken to formally establish the African Centre for Catastrophe Risks in Casablanca, Morocco. The Centre was conceived in 2004 as an outcome of the UNCTAD/AIO Seminar on Insurance, Reinsurance and Catastrophe Risks held in Casablanca. The annual general meeting formally adopted the Centre's Constitution and Articles of Association, and reviewed and approved its first year business plan and budget.

327. In 2005, UNCTAD developed jointly with AIO five technical assistance projects in the area of insurance in Africa. These include:

- *Development of affordable insurance software.* This project will enable small- and medium-sized insurance companies to function competitively, produce accurate statements and reports on insurance and reinsurance activities, and enable their Governments' supervisory authorities to monitor and regulate their activities and compile national statistics on insurance;
- *Establishment of African Catastrophe Risk Centre.* The Centre was created to help identify potential catastrophes in Africa before they occur, provide countries and subregions with advice on catastrophe insurance and preparedness, and create the necessary structures for post-catastrophe management;
- *Establishment of Functional Insurance Supervisory Authorities.* This project will

enable African Governments to review national insurance laws and put in place adequate supervisory structures equipped with trained human resources and information technology capability to monitor their insurance industry and help ensure the solvency and security of their markets, the protection of consumers, as well as to issue licences and supervise foreign companies in accordance with international standards;

- *Increasing personal savings through insurance.* This project would help African countries develop insurance statistics required for conducting reliable life and pensions operations, and will be useful for national economic planning purposes; and
- *Training of insurance trainers.* The “training of trainers” aspect of this project will provide training institutes in Africa with the educational programmes tailored to the needs of their countries' regulatory supervisors and the insurance industry at national and sub-regional levels. It will also provide networking opportunities and sharing of training expertise to the institute directors and local insurance professionals. The five projects are budgeted at around \$6.5 million, and are now open for funding. Interested donors are encouraged to consider their support.

328. Further cooperation continued between UNCTAD and the World Trade University (WTU), of which UNCTAD is a founding sponsor under the United Nations Global Compact initiative, in developing an Insurance Executive MBA programme. UNCTAD also assisted the WTU during negotiations with the Shanghai Government in relation to the establishment of a WTU campus in Pudong, and also with Shanghai Financial University for teaching the Insurance MBA in China.

329. In 2005, UNCTAD also contributed to training during the China Insurance Rendez-vous – a major annual insurance event organized by the China Insurance Regulatory Commission – by providing substantive support, especially in the area of WTO insurance-related issues.

330. The UNCTAD International Postgraduate Diploma in Insurance (IPGDI) is running in its fifth year in ASEAN countries. The IPGDI course is designed to assist emerging insurance markets in

creating a highly qualified and capable workforce to face the challenges of an accelerated process of market development and expansion. IPGDI graduates are expected to contribute effectively to the progress of their organizations and society. The IPGDI provides partial exemptions from the Associateship Examinations of the Chartered Insurance Institute, London. UNCTAD's other assistance to the Asian region in 2005 included a contribution to the ASEAN Asia Pacific Conference in Sydney on The New World of Liability Insurance—where there was a special focus on the rapidly accelerating liability exposures and claims awards threatening Asia Pacific and China insurance sector stability.

331. In cooperation with the International Association of Insurance Supervisors (IAIS), Basel, UNCTAD assisted at an IAIS Offshore Group of Insurance Regulators' working meeting and seminar on Managing Regulatory Recovery of a Country's Insurance Sector Following Major National Catastrophe.

332. In 2005, UNCTAD provided ongoing support to the Governments of Afghanistan and Pakistan in the area of insurance through its Programme of Assistance for Trade to Afghanistan and Pakistan. Initial work included preparations for the establishment of a Customs Bond Insurance Scheme for the Afghan Ministry of Finance and Customs Authority, and was undertaken in cooperation with UNCTAD's ASYCUDA Programme.

333. The AOI/UNCTAD Ratings Facility, established with the assistance of Standard & Poor's, and A.M. Best, is continuing. UNCTAD continued to provide assistance at meetings as a member of the Ratings Board.

334. This year as well, UNCTAD continued to provide assistance on request to the Geneva Missions of developing countries and countries with economies in transition in the trade negotiations being conducted under the aegis of the WTO in the area of insurance. In this connection, UNCTAD organized an Ad-hoc Expert Meeting on Trade and Development Aspects of Insurance Services and Regulatory Frameworks. The meeting examined how Governments can play an active role at the national level and in multilateral negotiations, with a view to maximizing benefits from trade in insurance services.

Table 3
DIVISION ON INVESTMENT, TECHNOLOGY AND ENTERPRISE DEVELOPMENT
(In dollars)

<i>Project number</i>	<i>Short title</i>	<i>Starting date</i>	<i>Source of fund</i>
<i>Investment Issues Analysis</i>			
INT/9X/326	Research on foreign direct investment in services	1993-	Republic of Korea
INT/9X/77L	Multilateral framework on investment	1997-	Multidonors
INT/9X/8A2	Investment Guides and capacity building for least developed countries	1998-	Multidonors
INT/99/921	Needs assessment to attract Asian FDI investment to Africa (Phase I)	1999-	UNDP
INT/0T/2BA ^a	Investment policy reviews in five LDCs.....	2002-2005	Germany
INT/0T/2BC ^a	World Investment Report 2003	2002-2005	United Kingdom
INT/0T/2CW	Development and Dissemination of Selected Data on FDI and the Operations of Transnational Corporations	2003-	Multidonors
INT/0T/3BG	Investment Policy.....	2003-	Sweden
INT/0T/3BR	World Investment Report.....	2003-	Multidonors
INT/0T/4AA	Support for Regional Investment Agreements	2003-	Multidonors
RER/9X/54Z	Raising awareness of foreign direct investment issues in Poland.....	1995-	Poland
<i>Office of the Director</i>			
BRA/0T/4CG	Promotion of Inter-Firm Cooperation in North-East Brazil.....	2005-	GTZ
INT/0T/5AO	Blue book of best practices in investment promotion and facilitation for each of Kenya, Tanzania and Uganda.....	2005-	Japan
<i>Investment Policies and Capacity-Building</i>			
ALG/02/007	Examen des politiques de l'investissement de l'Algérie.....	2002-	UNDP
ANG/03/011	Angola Enterprise Programme: Support to the Development of the Micro-Enterprise Sector in Angola	2004-	UNDP
BOL/9X/9BL	Strengthening investment promotion – Implementation of the National Investment Promotion Strategy	2000-	Switzerland
BOT/02/U01	Advisory services and capacity building in investment promotion	2004-	UNDP
COL/02/014	Investment Policy Review of Colombia.....	2002-	UNDP
DJI/98/005	Promotion des investissements – assistance à l'ANPI.....	2004-	UNDP
ECU/0T/1BU	Improving Ecuador's Investment Framework and designing an investment promotion plan	2001-	Switzerland
NIR/05/001	Investment policy review of Nigeria	2005-	UNDP
PAL/0T/3BZ	Institutional Support and Capacity Building for Investment Retention	2003-	Norway
PAL/0T/5AF	Support for Palestinian Small and Medium Enterprise Development – Emergency Assistance to Empretec Palestine.....	2005-	Palestinian Fund for Employment and Social Protection
PER/0T/5AX	Strengthening Investment Promotion in Peru	2005-	Spain
ROM/0T/1CZ	EMPRETEC Phase I – Romania	2002-	Romania
RWA/0T/4CJ	Investment Policy Review in Rwanda.....	2004-	Germany
SAU/01/006	Institutional support to Saudi Arabian General Investment Authority (SAGIA).....	2002-	UNDP
INT/9X/325	United Nations Trust Fund on Transnational Corporations	1993-	Multidonors
INT/9X/77S	Quick response window for ASIT	1997-	Switzerland
INT/9X/9C1	Support to the World Association of Investment Promotion Agencies (WAIPA)	1999-	WAIPA
INT/9X/9C5	Micro-Bank	1999-	Luxembourg

(for note see end of table)

Table 3 (concluded)
DIVISION ON INVESTMENT, TECHNOLOGY AND ENTERPRISE DEVELOPMENT
(In dollars)

<i>Project number</i>	<i>Short title</i>	<i>Starting date</i>	<i>Source of fund</i>
INT/0T/0BG	Capacity building on international investment agreements	2000-	Multidonors
INT/0T/1BM	Accountancy Development in Developing Countries and countries with Economies in Transition	2002-	Multidonors
INT/0T/1BN	Capacity Building in Investment Promotion	2001-	France
INT/0T/1CH	Capacity Building on Good Governance in Investment Promotion	2001-	Sweden
INT/0T/2CO	Promoting and Facilitating Foreign Direct Investment in Least Developed Countries	2002-	Italy
INT/0T/3AO	Support to the UNCTAD/ICC Investment Advisory Council	2003-	Norway, Germany
INT/0T/3AW	Investment policy reviews in French speaking countries	2003-	France
INT/0T/3BH	Integrating IPR Policies in Sustainable Development Strategies	2003-	DFID
INT/0T/3BT	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 (RAPSODIE)	2003-	AIF
INT/03/X08	Investment Promotion	2003-	Netherlands
INT/03/X44	Investment Policy Review	2003-	Italy
INT/0T/4BJ	Investment Policy Reviews and Capacity-Building in Investment Policy Making	2004-	Japan
INT/0T/4BN	Facilitation of foreign investment procedures	2004-	World Bank
INT/0T/5AD	High-level Global Forum on the Role of Science, Technology and Innovation in the Knowledge Society	2005-	Italy
INT/0T/5AG	UNCTAD/ISAR CIPA Curriculum in Support of the CIPA Global Development Alliance	2005-	USAID
INT/0T/5BE	Mobilising corporate contributions to economic development	2005-	Multidonor
INT/05/X59	Investment Promotion	2005-	Germany
RAF/9X/43J	Développement de marchés des assurances compétitifs	1994-	Luxembourg
ROA-2106(K)	Developing countries to attract and benefit from international investment	2002-	Development Account
ROA-2106(N)	Investment promotion through public-private partnerships	2004-	Development Account
Technology and Enterprise			
GUY/01/002	EMPRETEC Guyana	2003-	UNDP
INT/9X/89Y	Mediterranean 2000	1998-	Italy
INT/9X/8A5	Study of international cooperation networks in the area of science and technology	1998-	Austria
INT/0T/2AU	Special trust fund for activities of sciences and technology for development	2002-	Multidonors
INT/0T/2BB ^a	Strengthening women entrepreneurs in selected LDCs in Africa	2002-2005	Germany
INT/0T/4CL	Fostering Entrepreneurship and SME Development in Developing Countries and Countries with Economies in Transition	2004-	UNDP
RLA/9X/66O	Empresa y tecnología para el siglo XXI (EMPRETEC)	1996-	Spain

^a Project which had been "operationally but not financially completed" or "completed" in 2005.

D. DIVISION FOR SERVICES INFRASTRUCTURE FOR DEVELOPMENT AND TRADE EFFICIENCY

1. Trade logistics: Transport and trade facilitation

(a) Trade and Transport sectors

335. *Development context:* UNCTAD's technical cooperation activities in the areas of transport and trade facilitation 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.

336. 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.

337. 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 behaviour 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.

338. *Outputs/results/impact:*

Afghanistan: Emergency Customs Modernization and Trade Facilitation project

339. Under the Inter-Agency Letter of Agreement (IALA) between the United Nations Office for

Project Services (UNOPS) and UNCTAD signed in late October 2004, UNCTAD's services continued to be provided to the World Bank-funded Emergency Customs Modernization and Trade Facilitation project in Afghanistan (Project AFG/0T/4CE). In 2005, activities included expert missions in the areas of customs (initial stages of the implementation of ASYCUDA) and trade facilitation (audit of Ministry of Commerce departments related to international trade and transit, support to the Afghan freight forwarding industry, and start-up of the WTO accession process).

Pakistan: Promotion of trade and transport sectors

340. UNCTAD pursued the implementation of the World Bank-funded Trade and Transport Facilitation Project (TTFP) of Pakistan, which had been initiated in August 2001 (Project PAK/99/A01).

341. Project activities in 2005 included the establishment of an electronic trading platform, sanitary and phytosanitary import controls, export transaction analysis, shipping lines charges, implementation of conventions on international transport of goods (ATA/TIR) and professional standards for freight forwarders.

342. Considering that this project will be completed by the end of April 2006, research was undertaken to compile elements for a possible new project on trade facilitation.

Economic Cooperation Organization (ECO): Introduction of international multimodal transport operations in the ECO region.

343. In 2005, UNCTAD continued activities under a project covering both multimodal transport and trade facilitation issues for the Economic Cooperation Organization (ECO) member countries (Afghanistan, Azerbaijan, the Islamic Republic of Iran, Kazakhstan, Kyrgyzstan, Pakistan, Tajikistan, Turkey, Turkmenistan and Uzbekistan). This Central Asia Regional project is financed by the Islamic Development Bank, technically supported by UNCTAD and ESCAP, and executed by the ECO secretariat.

344. Activities included (a) completion and review of four national country studies on multimodal transport issues prepared by ECO-recruited national consultants from the Islamic Republic of Iran, Kazakhstan, Pakistan and Turkey; and (b) preparation of a consolidated report by an UNCTAD international consultant reflecting major findings of the national consultants' reports and providing a number of relevant recommendations for the ECO Member States in the area of multimodal transport.

345. A workshop on "Multimodal Transport and Trade Facilitation in the ECO Region: Measuring Trade and Transport Facilitation Instruments for Development" will be organized in Teheran (May 2006), complementing the recommendations of a previous workshop on Trade Facilitation (Teheran, 2004). It is expected that these recommendations will serve as input in the preparation of a Plan of Action to help ECO Member States to overcome physical and non-physical impediments in their regional and international trade. Furthermore, possible options and ways for cooperation between UNCTAD and ECO member countries will be identified in order to promote the trade and transport facilitation agenda in the region.

Developing practical tools to assess trade facilitation needs and priorities in LDCs

346. With funding from the Government of Norway, UNCTAD concluded in 2004 the first part of the preparation of a draft set of guidelines and analytical tools intended for least developed countries to self-assess their needs and priorities. During 2005, the project activities concentrated on desk research and the review of the drafts prepared by consultants in 2004. This work was carried out with internal regular budget resources and was aimed at producing a simpler and easy to use self-assessment tool. The project duration was extended to support the dissemination and implementation of the guidelines in 2006 and 2007.

Support to trade facilitation platforms in developing countries

347. UNCTAD in 2005 also continued its activities under a Sweden-funded project aimed at assisting developing countries and, in particular, least developed countries, in implementing specific trade facilitation institutional development mechanisms. The project has been focusing on two types of trade facilitation platforms, namely facilitation bodies and single window facilities. Three national experiences on the implementation of trade facilitation bodies (Albania, Nepal and Pakistan) and one on a single

window facility (Guatemala) have been reported. These national experiences were reviewed and key lessons drawn for developing countries intent on establishing and operating these types of trade facilitation platforms. In 2006, the project will organize a regional workshop on how trade facilitation mechanisms and trade-related information management systems can effectively support trading communities and governmental agencies involved in trade transactions, including transport and terminal operators, freight forwarders, traders, customs administrations and other relevant governmental institutions.

Capacity building in trade and transport facilitation for landlocked and transit developing countries

348. In June 2004, UNCTAD started the implementation of a project, funded by the UN Development Account, to provide landlocked and transit developing countries with sustainable capacity to put into practice regional trade and transport facilitation initiatives. In 2005, the project completed its first phase – preparation of educational materials for local trade and transport facilitation clusters – and has now entered its field execution phases: two – initial workshops – and three – cluster development in two of the three selected corridors, namely the one in Asia – Vientiane-Bangkok – and the TransCaprivi corridor linking Lusaka to the port in Walvis Bay in Namibia. Five clusters have been created and have started to analyse major obstacles and to formulate possible solutions to improve transit operations. The corridor Arica-la Paz in South America has suffered some postponement but should be on track by 2006.

Capacity building in developing and least developed countries to support their effective participation in the WTO negotiations process on trade facilitation

349. A multi-donor Trust Fund was set up by UNCTAD in December 2004; it has so far received financial contributions from the Governments of Sweden and Spain. The objective of the Trust Fund is to strengthen national capacities in developing countries towards their effective participation in the ongoing WTO negotiations on trade facilitation.

350. This Trust Fund is based on a distinct approach to capacity building. This approach includes the following features developed throughout 2005:

- It is pragmatic through the provision of analytical tools for negotiations (so-called technical notes on trade facilitation measures) to foster a better understanding of the possible implications of their implementation for

developing countries (20 technical notes and background documents were prepared);

- It is instructive through the creation of awareness on the impact of proposed trade facilitation measures and the provision of substantial knowledge on the negotiation process (Four regional workshops and two brainstorming meetings on trade facilitation were organized by UNCTAD, with contribution from UN regional commissions);
- It is stimulating national cohesion through the strengthening of communication as well as understanding between capitals and Geneva-based government officials (Geneva-based delegates were associated with the regional workshops);
- It is creating synergies and cooperation among international organizations in the area of trade facilitation (five additional regional workshops on trade facilitation were held in collaboration with the WTO and with contributions from the WCO and the World Bank); and
- It is flexible enough to secure UNCTAD's contribution to a number of national and regional trade facilitation events dealing with the WTO negotiations.

351. UNCTAD's production of technical material and the organizations of regional workshops and round tables contributed to the effective participation of developing and least developed countries in the negotiations. Such participation allowed the WTO Negotiating Group on Trade Facilitation to reach agreement on a common report (WTO document TN/TF/M/11). This report was submitted at the Hong Kong Ministerial Conference and its recommendations were endorsed by WTO Members.

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

352. *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.

353. *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 maritime transport.

354. *Features/outputs/results:* The activity, through the financial support of WMU, allowed secretariat staff to deliver training seminars over a period of about five work-weeks during 2005 at the University in Malmö, Sweden. A total of about 70 officials from the transport ministries, shipping companies 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 or shipping industry. They have found UNCTAD's contribution to WMU very useful and a number of them have maintained contact with UNCTAD secretariat after their graduation. This cooperation has been ongoing since the early 1990s and over 730 officials have been trained in these subjects. These activities are part of UNCTAD's work to make transport more efficient and facilitate the trade of developing countries.

(c) Training: Strategic planning for senior shipping managers (Stratship)

355. *Development context:* 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.

356. *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 managers to be more effective in the management of their shipping lines.

357. *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.

358. *Outputs/results:* In 2005, Stratship training material was updated and a workshop was delivered in Malaysia in June 2005.

2. The ASYCUDA Programme

359. **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 and international policies associated with revenue collection and the combating of fraud. They also have to control the import of prohibited and restricted goods and to provide statistical data on external trade for government analysis and planning.

360. For a variety of reasons many administrations are unable to comply with their responsibilities and many areas are often neglected or poorly dealt with.

361. **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. An equally important aim, and also a by-product of processing Customs data, is to provide reliable and timely trade and fiscal statistics data to assist Governments in their economic planning and publication of trade results.

362. 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.

363. **Features:** The ASYCUDA programme uses a computerized Customs management system covering the whole clearance process, from (and prior to) the arrival of the goods up to 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 required features expected from a modern Customs information system, based on risk management and including manifest control, transit, declaration processing, accounting and selectivity. It provides the 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, trader community or other government agencies.

364. **Implementation strategy:** The ASYCUDA Implementation Strategy has been developed and refined, on the basis of more than 20 years' experience. Several current projects target the upgrading to ASYCUDA++ in the framework of "migration projects", while other countries, one step ahead, are already implementing or using ASYCUDAWorld.

365. Implementation projects are usually structured in three phases to ensure a low risk and cost-effective approach that provides for national long-term sustainability.

366. The first 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.

367. 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. Staff and the trading community are also trained at this point.

368. In the third phase the system is extended to the other Customs offices countrywide. 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

369. As part of the programme initiative, it was decided to continue helping ASYCUDA users to upgrade to ASYCUDA++. This system offers complete functionality and a robust 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 continuous number of requests for migration.

370. 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.

(b) ASYCUDAWorld

371. In March 2002, UNCTAD officially launched ASYCUDAWorld, the new web-based ASYCUDA system. 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.

372. A 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.

373. The development of ASYCUDAWorld is in line with the following principles:

- 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++.
- 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.
- 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.

374. ASYCUDAWorld UNCTAD 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.

375. *Outputs/results/impact/:* 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.

376. In 2005, there were more than 46 operational ASYCUDA projects with expenditures of over \$7 million. The ASYCUDA programme remains the largest technical cooperation programme within UNCTAD, encompassing over 87 countries and 4 regional projects.

377. Projects for migration to ASYCUDA ++ were signed in Guinea and Nigeria and activities started in these two countries in January 2006 and September 2005 respectively.

378. A project for the implementation of ASYCUDA ++ in Afghanistan was signed in late 2004 and activities started in January 2005 in a very difficult environment.

379. The ASYCUDA++ system became operational, or the number of operational sites was extended, in Albania, Barbados, Burundi, Congo, Madagascar, Saint Lucia and the United Republic of Tanzania.

380. The Republic of Moldova is the first country to become operational with ASYCUDAWorld, where the system is now installed and functioning in 98 sites processing Customs declarations, payments and transit operations.

381. Projects for the implementation of ASYCUDAWorld were signed and activities started in Côte d'Ivoire, the Syrian Arab Republic and Haiti.

382. Ongoing support was provided to user countries implementing or already using the system, and support or extension projects were signed with the Central African Republic, Gabon, and the former Yugoslav Republic of Macedonia.

383. Technical cooperation agreements were renewed with the COMESA and ECOWAS secretariats, and this made it possible to organize various activities (e.g. training, documentation) and to provide regional support.

384. More than 60 different training sessions were held at national or regional level on the five continents. In addition to the primary training courses that are essential for mastering the system, multiple specialized courses were held for capacity building. On Customs, related matters courses were delivered on topics such as selectivity and risk management, Customs valuation or implementation of transit. IT courses focused on databases, A++ Gate and ASYCUDA.

385. **Project evaluation:** Post-implementation reviews and audits are part of normal ASYCUDA activities. Independent evaluations including representatives from UNCTAD, WCO and other Customs administrations are commonly undertaken. In 2005, UNCTAD undertook post-implementation reviews in Fiji, Samoa and Vanuatu. The reports indicated that the Customs automation projects have been successful, with most of the objectives being met.

(c) ASYCUDA website

386. The ASYCUDA homepage (www.asycuda.org) provides a comprehensive overview of the system, and a presentation of its functionality and of the benefits to be expected by the Governments concerned. The public website offers the latest news in terms of Customs computerization, and country-related information, editorial and pictorial, on 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, which access is restricted to the user countries, contains technical and functional information relating to the system as well as discussion groups.

3. Human Resources and Information and Communication Technologies for Capacity Development

(a) Building Capacity Through Human Resources Development

387. **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. The need to secure their integration into the globalized world economy can be satisfied only if these countries build resources, knowledge and skills that will allow them to take ownership of their own development and achieve their development objectives. In this context, UNCTAD seeks the application of human resources development policies for trade as a key to growth.

388. **Objectives/features:**

- TRAINFORTRADE;
- The Training Course on Key Issues on the International Economic Agenda; and
- The Virtual Institute on Trade and Development;

are the three UNCTAD complementary programmes that – by developing human resources – aim to build national and regional capacities to formulate, negotiate and implement policies and strengthen trade-related skills that maximize the benefits of globalization for UNCTAD member countries, particularly the LDCs.

389. These programmes operate in the fields of international trade, trade-related services, investment, tourism and port management, and create a network of expertise in developing countries, thereby reinforcing South-South cooperation.

390. The three programmes target government officials involved in formulating and implementing effective trade, investment, finance and development policies. Understanding the key role that other actors play in these processes, the programmes also target trade and transport operators, import/export associations, chambers of commerce and NGOs dealing with trade, investment and development.

391. To reach this population, the Virtual Institute works with staff of universities involved in teaching and research on policy aspects of international economic and development issues, as these are often the institutions that provide policy advice to Governments and are involved in educating future and current decision makers through their graduate, post-graduate and professional development programmes.

392. Regional organizations are also actively involved in TRAINFORTRADE activities.

393. **Outputs/Results:** During the reporting period the three programmes carried out the following activities:

(i) *Training Courses on Key Issues on the International Economic Agenda*

394. **Outputs:** In 2005, the secretariat organized a Training Course on Investment and Trade Facilitation for trade officials and academics in Havana, Cuba from 28 February to 11 March 2005. Seventeen participants from Latin American and Caribbean countries participated in the course. The University of Havana and other local resource persons addressed the national perspectives. A simulation exercise on Competing for Foreign Direct Investment allowed participants to better understand what it takes to attract different types of FDI in a competitive environment, while ensuring that FDI influences the economic and social development in a desired direction.

395. A short course on ICT and Development was also conducted in July 2005 for about 20 Geneva-based diplomats. An evaluation of this training course and the delivery of the Havana course were undertaken in 2005.

396. **Results:** The design of the Havana course had to take into account regional and national specificities and this allowed the sharing of experience among participants on best practices in designing and implementing national development strategies that enhanced learning on these issues. Participants' skills as negotiators in bilateral, regional and multilateral negotiations on trade and investment were strengthened. The resource persons who attended/delivered presentations came from local universities and relevant ministries offering similar programmes or had an interest in foreign trade and investment issues. It is expected that the content of UNCTAD's training materials will help to broaden these programmes. All officials and academics expressed satisfaction that the 2½ week course provided them with useful tools to better analyse the current international economic agenda in most of the areas that the course covered.

397. The main challenges and opportunities of the information economy, and in particular the importance of national ICT strategies for development, were raised during the short session in Geneva. Participants also were made aware of the implications of the adoption of ICT for industries and their impact on economic development. Geneva-based diplomats were largely satisfied that the objectives of the ICT and development short course met its objectives.

398. The independent external evaluation of the Training Course on Key Issues on the International Economic Agenda presented its report to the Trade and Development Board in October 2005. The evaluators concluded that the activity is an efficient, relevant and innovative product on the market for technical assistance services in trade policy, which has positive impacts on member States' institutional capacity building in public agencies, research institutions and universities. The programme's integrated approach to trade and development distinguishes it from other trade-related training courses. The delivery of the course met their objectives concerning efficiency, effectiveness and relevance. The course should continue to aim at excelling in building sustainable institutional and societal capacities through initiatives which multiply its effects in these fields, such as the development of university curricula based on the course materials.

(ii) *The Virtual Institute on Trade and Development*

399. **Outputs:** The Virtual Institute (Vi) is one of the multi-stakeholder partnerships endorsed by UNCTAD XI. The launching of the Vi and the implementation of its activities have been facilitated by contributions from the Governments of Canada (CIDA), Japan and Germany (Carlo Schmid Programme).

400. During the year under review, the Vi increased its membership from the original six founding university members to the current thirteen.¹⁷ At the same time, in order to reach to a wider circle of interested individuals outside the university (institutional) members, the Vi has introduced a new category of associate (individual) members. Associate members (103 as of March 2006) benefit from a more restricted set of Vi services, essentially those that are available through the website of the Virtual Institute, and receive the quarterly Vi newsletter.

401. The Virtual Institute has continued to support university members in their teaching and research on international economic issues in response to their

¹⁷ Among the current university members of the Vi are the Latin American School of Social Sciences (FLACSO), Buenos Aires, Argentina; the University of Campinas, Brazil; Carleton University, Ottawa, Canada; the University of International Business and Economics, Beijing, China; the University Pierre Mendès France, Grenoble, France; the Jawaharlal Nehru University, New Delhi, India; the School of International Relations, Tehran, Iran; the University of Jordan; the University of Mauritius; the Cheikh Anta Diop University, Dakar, Senegal; the University of Dar-es-Salaam, the United Republic of Tanzania; the Foreign Trade University, Hanoi, Viet Nam, and the University of the West Indies.

expressed needs. The first annual meeting of the Virtual Institute in July 2005, which brought together members for their first face-to-face meeting, provided the opportunity to reflect on the work that had been accomplished so far and to define the future programme of the Virtual Institute network. The meeting resulted in the adoption of a plan of activities for the coming year, which the members felt best addressed their priority needs and interests. These involve, among others, developing teaching materials, collaborating in research, organizing staff/student exchanges among universities and between universities and UNCTAD, and strengthening the content and use of the Vi website.

402. Several new teaching materials have been developed by the Virtual Institute during the period under review. Among them are material on competitiveness and development, a simulation exercise on WTO agricultural negotiations, and materials on economic and legal aspects of international investment agreements, and the economics of commodities production and trade that have been prepared in cooperation with the International Investment Agreements Programme and the Commodities Branch of UNCTAD respectively.

403. In response to the 2005 WTO Ministerial Conference in Hong Kong (China), several Virtual Institute members have written articles assessing the prospects for the negotiations and their consequences for development. The articles have been collated together into one document, "The Hong Kong Ministerial and Beyond", and published on the website of the Virtual Institute.

404. Following the first successful study tour for postgraduate students of Economic Diplomacy at the University of Campinas, Brazil, the Vi organized another study tour in May 2005 for thirty students of the Masters' Course on International Trade Policy from the University of the West Indies. The tour, planned and implemented in close cooperation with UNCTAD experts, the WTO Institute for Training and Technical Cooperation and the International Trade Centre UNCTAD/WTO, gave the students access to expert presentations, Q&A sessions, simulations and practical exercises on a range of trade, investment and development issues. Study tour participants also met with delegates of their respective Missions in Geneva.

405. A new Vi website (<http://vi.unctad.org>) was launched in July 2005 to better address the interests and needs of universities and researchers working on trade-related subjects. The new site was conceived to

encourage collaboration among, and debates between, Vi members. It provides easy access to more than 200 trade-related teaching and research resources, and allows members to customize them by creating their own portfolio of materials.

406. In addition to providing personalized assistance and facilitation service to all university members, the Virtual Institute paid particular attention to the least developed countries. It continued its support to the Masters Programme in International Trade at the University of Dar-es-Salaam, the United Republic of Tanzania, through curriculum advice and feedback from UNCTAD substantive experts and provided assistance to the University of Dakar in the building of its trade-oriented research.

407. In order to offer professional development opportunities for university teachers and researchers beyond its current LDC members, the Vi organized two regional professional development workshops specifically conceived for an academic audience. These workshops were built around topics on which the Virtual Institute has developed training packages and were attended mostly by LDC participants. The first event, a workshop on teaching and research on economic and legal aspects of international investment agreements, was held from 28 November to 2 December 2005 in Bangkok and attended by 19 university teachers and researchers from South and South-East Asia. The other event, a workshop on teaching and research of economics of commodities production and trade organized in cooperation with the Vi member university in the United Republic of Tanzania, took place from 16 to 20 January 2006 in Dar-es-Salaam, and was attended by 15 university teachers and researchers from English-speaking African countries. A number of participants in the two workshops subsequently decided to be more closely connected with the Vi and became its associate members. There have also been expressions of interest in becoming Vi university members following the workshops.

408. **Results:** The Virtual Institute has contributed to enhancing teaching of and research into trade-related issues in member universities, as well as in universities/institutes whose staff participated in Vi professional development workshops or registered as associate Vi members. In particular, the Vi has:

- Connected member universities in developing countries to global debates and discussions on international economic issues and provided them with opportunities for networking, thus

enabling them to stay up to date with topical issues and developments and learn from other members' experiences;

- Given member universities access to an enhanced range of up-to-date and high-quality resources and teaching materials on trade and development, thus enabling them to enrich the current courses and introduce new ones (such as the course on the Economics of Commodity Products and Markets at the University of Dar-es-Salaam);
- Provided member universities, as well as non-member universities and research institutes in the least developed countries, with professional development opportunities through Vi teaching and research workshops, thus enabling them to gain knowledge and materials to use in their courses and research;
- Improved the knowledge and understanding of international economic issues and policymaking processes among postgraduate and professional students through programmes at Vi member universities and study tours to Geneva;
- Provided expert and policy-relevant guidance and resources for designing and implementing a professional Masters Programme in International Trade in the United Republic of Tanzania;
- Given a wider circle of lecturers, researchers and other interested individuals access to a range of selected resources on trade and development on the Vi website and the possibility to participate in online discussions in order to keep their teaching, research and other activities up to date with the most recent developments.

(iii) *TrainForTrade*

409. **Outputs:** In 2005, TRAINFORTRADE pursued its activities in the following areas:

Course development, update and adaptation

410. This past year saw the launch of an introductory TRAINFORTRADE training course on Sustainable Tourism for Development; its aim is to provide trainees with relevant instruments to assess the opportunities and impact of well-mastered tourism as a tool for generating economic and social development.

411. Twenty-one representatives from the public and private sectors, as well as from civil society, participated in the validation of one of the course's specialized modules on ICTs and Tourism for

Development, which took place in Bamako, Mali, in September 2005. This module was developed in cooperation with the UNCTAD E-Services for Development Section and the ICT and E-business Branch.

412. The distance-learning course for negotiators of international investment agreements has been updated and adapted to various regions in collaboration with the UNCTAD International Investment Arrangements section. The course, which consists of five modules, is now available in English, French, Portuguese and Spanish. An online self-study version has been developed in Portuguese.

413. Additionally, five modules of the validated TRAINFORTRADE course on the legal aspects of E-commerce have been adapted for use in distance learning in cooperation with the UNCTAD ICT and E-business Branch.

414. In Cambodia and the Lao People's Democratic Republic, local adaptations and translations into Khmer and Lao of some courses began in 2005.

Course delivery

415. In 2005, nine distance-learning and twenty-three face-to-face workshops were held by TRAINFORTRADE in cooperation with UNCTAD substantive divisions. Nearly eight hundred representatives of ministries in charge of trade, industry and foreign affairs, as well as of the private sector, academic institutions and non-governmental organizations, followed these courses. The courses were delivered in English, French, Portuguese and Spanish.

416. In particular, 740 people were trained over the year, including forty instructors and thirteen technical tutors. Eight new training centres for the delivery of distance-learning sessions were identified, six of which in LDCs (Central African Republic, Chad, Democratic Republic of the Congo, Equatorial Guinea, Sao Tome and Principe, and Senegal).

Distance learning (DL)

417. Advances in ICTs and the reach of the Internet in developing countries have made TRAINFORTRADE distance-learning deliveries more effective. The Internet provides both a channel to deliver courses and material, and a way to network among participants. A key component in most training packages is for trainees to participate in online group discussions or "chats" to exchange ideas and validate the knowledge they have acquired.

418. Continuous improvements are made to enhance course delivery and the learning experience of trainees on the TRAINFORTRADE platform (<http://learn.unctad.org>). Tests can now be edited and graded on line, and UNCTAD experts can rapidly give feedback to participants in distance learning sessions. Among the new platforms and software applications introduced in 2005 is the adoption of a new FOSS (Free Open Source Software) content management tool, an Apache web server and a Linux operating system. A lighter design and web pages with fewer images are being used to facilitate the use of training material by participants in LDCs.

Regional cooperation

419. *Training Activities in Africa:* Under the Belgian-funded distance-learning project *Capacity Building Programme on Training in Selected International Economic Issues*, new training relationships were established in 2005, including with the Secretariat of the Economic and Monetary Community of Central African States (CEMAC). During the TRAINFORTRADE mission undertaken in March, the CEMAC Secretariat requested the delivery of the distance-learning course on multilateral trade negotiations on agriculture to the Secretariat and CEMAC Member States, as well as to Sao Tome and Principe. The course, delivered in September, was followed by ninety-one participants from seven countries. The objective of the course was to strengthen the capacities and understanding of decision makers and commercial negotiators in charge of multilateral trade negotiations on agriculture and their implications for national development policies.

420. Cooperation with other regional groupings has also continued in 2005, and organizations such as ECOWAS, UEMOA, COMESA, SADC and UMA requested TRAINFORTRADE's assistance in developing joint training and capacity-building programmes in key areas of trade and investment.

421. *Training Activities in Latin America:* In 2005, TRAINFORTRADE expanded its network and activities to Latin American countries, with the support of the Latin American Integration Association (ALADI). An UNCTAD mission to the ALADI Secretariat took place in October 2005 to explore possible areas of cooperation with TRAINFORTRADE and the Virtual Institute. The mission also visited Governments and institutions in Colombia, Ecuador and Uruguay. In the course of these visits, regional and national plans of action were prepared in order to identify the training and

capacity-building activities that could be undertaken as of 2006. Before and after the mission, consultations had been held with the permanent missions of Latin American and Caribbean countries in Geneva. Four national and one regional project proposals for training and capacity building were then prepared. An annex to the existing Memorandum of Understanding between the ALADI Secretariat and UNCTAD was also prepared in order to include new fields of cooperation based on the results of the mission.

422. *Training Activities in Asia:* TRAINFORTRADE activities in Asia were intensified in 2005. The presence of two UNCTAD experts in Cambodia and the Lao People's Democratic Republic has facilitated the delivery of courses, as well as the establishment of contacts with regional organizations such as the Asia-Pacific Economic Cooperation (APEC) and the Association of Southeast Asian Nations (ASEAN), and with the Asia-Pacific Research and Training Network (ARTNeT) initiative of the United Nations Economic and Social Commission for Asia and the Pacific (UNESCAP).

423. *The TRAINFORTRADE Regional Project for Cambodia and Lao People's Democratic Republic:* In 2005, for its second year of activities, the TRAINFORTRADE project for Cambodia and the Lao People's Democratic Republic focused on the development of resources to ensure the sustainability of the project. The regional steering committee meeting in Cambodia in January 2005 called for:

- The adaptation and translation into local languages of the training packages;
- The delivery of courses on subjects of interest to the steering committee members, particularly trade negotiations, investment and competition;
- The training of more local tutors who are needed to enhance local ownership of the project; and
- The integration of a greater regional emphasis, in terms of both training and research/studies, into the courses delivered under the project.

424. In order to respond to these recommendations, seven Laotian and eight Cambodian instructors were trained in topics they will deliver or co-deliver in 2006, and the terms of reference and selection of local experts for a regional study on Cambodia/Lao People's Democratic Republic cross-border trade were prepared.

425. In Cambodia, the following TRAINFORTRADE packages were translated and adapted to local conditions in the course of 2005:

- Formulation of a Competition Law;
- International Investment Agreements;
- Legal Aspects of E-commerce;
- Third Generation Investment Promotion, Investor Targeting; and
- Modules 3-5 of the Port Training Programme.

426. In the Lao People's Democratic Republic, translations or adaptations were made of the following packages:

- International Investment Agreements;
- Third Generation Investment Promotion, Investor Targeting;
- Legal Aspects of E-commerce; and
- Multilateral Trade Negotiations on Agriculture.

427. The following courses were held in Cambodia in 2005:

- Instructors' Workshop for Port Training Programme Trainers;
- Port Training Programme, Modules 6 and 7;
- Competition Policy: Part 3;
- Multilateral Trade Negotiations on Agriculture;
- Multilateral Trade Negotiations on Services;
- International Investment Agreements;
- Investment Promotion, Investor Targeting.

428. The following courses were held in Lao People's Democratic Republic in 2005:

- Multilateral Trade Negotiations on Agriculture;
- Multilateral Trade Negotiations on Services;
- Legal Aspects on E-commerce;
- International Investment Agreements; and
- Investment Promotion, Investor Targeting.

429. In addition to project activities, TRAINFORTRADE regional experts provided support and inputs to several UNCTAD projects, both in Cambodia (Investment Bluebook, World Investment Report, as well as missions on behalf of the UNCTAD's Technical Cooperation Section), and in Lao People's Democratic Republic (Investment Bluebook, new competition policy framework and competition law, as well as representation of UNCTAD in the Integrated Framework process, and the Common Country Assessment/United Nations Development Assistance Framework) and in the region (relationships with UNESCAP's network ARTNeT). The regional experts also represented UNCTAD in a number of local government-donor forums.

Port Training Programme Activities

430. In 2005, the distance-learning adaptation of Module 5c on Port Computerization and Electronic Data Interchange of the Port Training Programme was completed in French and Portuguese. English versions of modules 4, 5 and 6 of the Port Training Programme were completed, while those of modules 7 and 8 are undergoing finalization.

431. Pedagogical material of the port certificate course in French and Portuguese was updated. Existing training material on modern port management has been improved by converting videos to DVDs which were distributed to each port in the network.

432. A tripartite meeting of the Port Training Programme (PTP) was held in La Goulette, Tunisia, on 1 and 2 December 2005. Member port communities of the PTP African network – Benin, Cameroon, Cape Verde, Guinea, Senegal, Togo and Tunisia – reported on their activities in 2005 and defined the objectives and plan of action for the coming year. Participants renewed their commitment to launch new promotions and continue funding their participation in the programme. The Autonomous Port of Pointe Noire (Congo) participated in the meeting as an observer and declared its intention to join the PTP.

433. In 2005, the TRAINFORTRADE Port Training Programme has undertaken other activities as follows:

434. **French-speaking network:** A Training of Trainers' Workshop was held in the Port of Marseille (France) between 12 and 23 September 2005. The workshop was organized in cooperation with the French *Institut de Formation et d'Echanges Portuaires*, and received the support of the Regional Council of the French Provence-Alpes-Côte d'Azur region. Fifteen participants from Benin, Cameroon, Guinea, Senegal, Togo, Tunisia and Algeria (although the latter is not yet a formal member of the PTP) attended the workshop. The training objective was to allow each participant to plan and implement training courses based on the PTP training material.

435. Two Distance Learning Tutors' Workshops on managing distance-learning sessions were held in 2005. The first of these was organized between 10 and 13 May 2005 in the training centre of the Administração dos Portos do Douro e Leixões, in Portugal. Thirteen participants from Benin, Cameroon, Cape Verde, Senegal, Togo and Tunisia attended the course. The second workshop was held

from 8 to 12 August 2005 in Conakry, Guinea, for four tutors from the Conakry Autonomous Port. At the national level, the fourth promotion of the PTP in Senegal was launched on 22 March 2005, with the participation of thirteen port agents. The 250-hours, eight-module course on Modern Management of Ports was delivered twice a week until September 2005.

436. The third promotion of the Programme for Cameroon is underway with twenty-three participants. Guinea, Togo and Tunisia have all launched their second promotions in the course of the year with respectively eleven, eighteen and twelve participants. Participants from Cameroon, Guinea and Senegal are currently preparing their final theses in order to obtain the TRAINFORTRADE Certificate, while those from Togo and Tunisia have already presented theirs. Eleven Tunisian participants (including six women) out of twelve have obtained their certificate, as well as seventeen out of the eighteen participants from Togo. All of these network countries have used the distance-learning version of module 5c on Port Computerization and Electronic Data Interchange.

437. **English-speaking countries:** Cambodia has continued to implement its first promotion of the PTP. A total of nine participants from Sihanoukville Autonomous Port and nine other participants from Phnom Penh Port have been trained since 2004. Ten of these participants were selected to attend a Training of Trainers' Workshop, which was held in Phnom Penh from 28 November to 7 December 2005. These newly trained instructors will be able to co-deliver, with international experts, the eight modules of the Port Training Programme using both English and Khmer materials.

438. **Portuguese-speaking network:** Cape Verde has completed a full cycle of national training for thirty-seven participants, including four from Guinea-Bissau. In December 2005, a total of nineteen participants from Mindelo and twenty-one from Praia obtained the Port Certificate after defending their theses before a jury of Portuguese-speaking port experts.

Impact of the TRAINFORTRADE programme

439. The impact of TRAINFORTRADE activities on beneficiary countries has been growing, particularly in those countries where a full-fledged project has been implemented. In Cambodia, for example, port counterparts have taken ownership of the project. An inter-ministerial working group on competition was

created as a result of project activities and is now in charge of drafting the competition law and following up within respective ministries. Some participants in the Multilateral Trade Negotiations and Investment Agreements workshops are now members of the Commerce Ministry's negotiation teams both in Cambodia and in the Lao People's Democratic Republic. A full-fledged distance learning room is now available for all distance-learning activities of the project and training needs of the ministries of commerce in Cambodia and the Lao People's Democratic Republic.

440. The distance-learning strategy adopted by TRAINFORTRADE has also been confirmed as fruitful and adequate to countries at all levels of development: the delivery of the course on multilateral trade negotiations on agriculture to EMCCA countries in September 2005 showed that the technique can work even in LDCs with limited technical capacity.

441. In the field of ports, participating countries have continued to benefit from train-the-trainers activities, exchange of resources and training, which improved middle-managers' skills to better coordinate port community performances.

(b) Capacity Development and e-Applications

442. UNCTAD also aims at building up and strengthening local capacities in member countries by using information and communication technologies through programmes such as.

(i) The e-Tourism Initiative

443. **Development context:** As the world's "largest industry", tourism represents a pillar of economic sustainable development for developing countries and especially the LDCs. For them, the tourism sector is also one of the few possible and sustainable means of economic diversification and source of wealth. Tourism, as an information-intensive service, is among those on which the Internet is having a deeper impact as far as marketing and sales are concerned. More and more, ICTs have a tremendous impact on the tourism landscape, driving a new business environment and consumer behaviour. In spite of this, most of the online marketing of the tourism potential of developing countries is currently carried out by service providers based in developed countries and does not necessarily reflect the interests and policies of the destination countries.

444. There is therefore a need to build national capacity in order to increase the development and participation of local SMEs in the global ICT

networks. The bridging of the tourism digital divide will have a strong impact by minimizing leakages and maximizing linkages. At the country level, it will bring additional degrees of freedom and greater autonomy in the way in which destinations manage themselves their own tourism resources.

445. **Objectives/features:** As one of the Partnerships on ICT for Development launched at UNCTAD XI in June 2004, the E-tourism initiative aims to promote e-tourism (i.e. the application and sustainable ownership of ICTs in the sector of tourism) as an autonomy factor for national development by developing countries themselves. Indeed, tourism represents one of the few possible and a sustainable means of economic diversification and a possible source of wealth for the LDCs. The enormous impact of ICTs on the market structure, business environment and consumer behaviour represent a tremendous opportunity for these countries.

446. **Outputs:** Under the e-Tourism Initiative, UNCTAD operated as a *project manager* in (a) defining the technical and functional requirements for the envisaged reproducible and personalized model of the FOSS Internet platform, and (b) raising awareness (among partners, contributors and beneficiary countries) through the building of a dedicated site (<http://etourism.unctad.org>), the design of various training and information material on e-tourism, and its participation to numerous forums. Within this context:

- The blueprint of the Electronic Tourism Platform (ETP) has been developed together with its technical and functional description, a time table and the required extra budgetary resources for its implementation. As an open source portal generator, it supports the travel decision process and assists local tourism business processes involving public and private actors;
- The first training course on ICT and tourism has been developed in French, based on regularly updated case studies. This course will be available in English and Portuguese by mid-2006;
- The second course on electronic marketing is currently being developed in French with the collaboration of the Ministry of Tourism of Quebec (Canada) and will be available in 2006;
- The site <http://etourism.unctad.org> was launched in April 2005 in English, French and Spanish, and is open to all public or private committed partners and contributors;

- A joint talk on the digital divide in the tourism industry was presented by UNCTAD and the World Tourism Organization at the ENTER-05 Conference organized by the International Federation on Information Technologies Travel and Tourism (ITT) in January 2005;
- Papers were presented at the African Preparatory Summit for WSIS in February 2005, and at a workshop organized by the Centre for Administrative Innovation in the Euro-Mediterranean Region (C.A.I.MED) in March 2005;
- A presentation was made in December 2005, at the invitation of University of Quebec in Montreal (UQAM), on e-tourism as an autonomy factor for developing countries, together with the International Centre for Tourism Training and Research (CIFORT) and the Laboratory for Research on Technology for E-commerce (LATECE); opportunities for partnerships in the tourism and development sector were also presented; and
- A parallel event on e-tourism was co-organized during the WSIS summit, held in Tunis, with the Tunisian Association of Development of Numerical Technology and Human Resources (University of Manouba) and the University of Quebec's International Center for Tourism Training and Research (UQAM/CIFORT).

447. UNCTAD also acted as a facilitator, by entering into discussions with a number of potential partners for the improvement of the platform's design, implementation and promotion, as well as the broadening of the entities that will contribute to increasing the initiative's relevance and impact. In this context:

- A feasibility study on a partnership involving the e-Business Management School of the University of Lecce is underway with the objective of developing a course in the area of electronic business in tourism. Such a study will show integrated solutions and practical simulation exercises to enable a clear understanding of the proposed concept and its technical and functional validation; it will also include the collection of requirements; and
- Another feasibility study on a partnership involving the CIFORT, the LATECE and UNCTAD is underway with the objective of developing a first technical shell of the envisaged platform. This proposal will allow destinations to get acquainted with the tool and be able to identify additional functionalities that they may require. Such additional tools

could subsequently be developed either internally or by external experts.

448. **Results:**

- A validation seminar of the TrainForTrade training course on “ICT and tourism for development” issues took place in Bamako (Mali, September 2005), and was attended by 25 high level officials that have been trained on e-tourism issues; and
- A technical assistance request has been received from Mali, and an expression of interest came from Cambodia, the Lao People's Democratic Republic, Madagascar, Mauritius, Senegal, Sudan and Zambia as well as from COMESA, the AMU and WAEMU. Project documents have therefore been prepared in collaboration with AMU, Angola, Benin, Guinea, Mali and Senegal. So far, financial contributions have been received from Portugal and Italy, while Canada has contributed in kind through the secondment for a 6-month period of an expert from the Ministry of Tourism of Quebec.

(c) **The Trade Point Programme/Support to the World Trade Point Federation**

449. **Development context/Features:** UNCTAD is among the key partners of the World Trade Point Federation (WTPF), a NGO that took over the management of the UNCTAD Trade Point Programme in 2002. The secretariat contributes to WTPF's objective of increasing the participation of SMEs in international trade through capacity development activities for the WTPF and its member Trade Points.

450. **Outputs:** UNCTAD provided advice and content improvement to WTPF's tools and services delivered to SMEs at worldwide level through the Trade Point network, thus strengthening its visibility and credibility in the market. Assistance was provided to Trade Points – with an emphasis on non-operational ones – in their establishment, including for the preparation of strategic business plans; legal framework; services development and implementation; and website content development. Regional and international cooperation was stimulated. In addition, UNCTAD participated in the WTPF VI General Assembly meeting held in Bangkok, Thailand, in November 2005, including the organization of a World SMEs Forum.

451. **Results:** An average of 128 Trade Points in 82 countries received capacity development support and

gained access to UNCTAD's publications disseminated on the WTPF's website.

4. ICT and e-business for development

452. **Development context:** The international community has clearly recognized the need to address the digital divide that exists between developed and developing countries in the adoption and use of ICT, including with regard to its economic and business aspects. ICTs have a large potential to improve the competitiveness of enterprises in developing countries, provide better access to markets and generate new opportunities for economic diversification, among other benefits for developing countries. Accordingly, ICT considerations are receiving increasing attention in national development strategies and policies.

453. **Objectives:** To strengthen the capacity of developing countries, including least developed ones, and countries with economies in transition to promote the use of ICT and e-business as a means of lowering transaction costs in production and in the exchange of goods and services, as well as to formulate ICT strategies for development.

454. **Outputs/Results:**

(a) **Support for the exchange of information and experiences and the development of a policy framework in the area of the economic applications of ICT in developing countries.**

455. The most salient activities conducted in this regard, besides those undertaken in the context of the regular work programme of UNCTAD (i.e. the Information Economy Report 2005, the expert meeting on ICT and tourism and the substantive support to intergovernmental discussions on this matter) concern the organization of events in connection with the World Summit on the Information Society.

456. A WSIS thematic meeting on the Economic and Social Implications of ICT was organized jointly with OECD, ILO and ITC. The meeting was held in Antigua, Guatemala, from 17 to 19 January 2005, and was supported by the Government of Guatemala with funding from France and Canada. The conclusions of the meeting were submitted as inputs to facilitate the treatment of economic and social issues at the second Preparatory Committee of WSIS.

457. Another thematic meeting on the topic of the measurement of the information society was held in Geneva from 7 to 9 February 2005. The outcome of the meeting was presented at the second Preparatory

Committee of WSIS. It includes an agreement on a list of core ICT indicators that could be collected by all countries and was recognized at the 36th session of the UN Statistical Commission in March 2005. Technical material has been prepared on the basis of the core list of indicators.

458. A parallel event on “Measuring the Information Society” was held during WSIS itself, in Tunis on 15 November 2005. The event brought together ICT stakeholders at national, regional and international levels. At the event, the list of core ICT indicators that has been agreed on internationally in the context of the UNCTAD XI Partnership on Measuring ICT was introduced. The meeting allowed a discussion of the role of ICT measurement for ICT policymaking and development and illustrated the contribution of ICT measurement to the follow-up of WSIS.

(b) Support and participation to information exchange and capacity building in ICT for Development related issues

459. The ICT and e-business branch contributed to the Training Courses on Key Issues on the International Economic Agenda that were organized in 2005 (Geneva, July and Havana, February–March). Participants were familiarized with the key economic and policy implications of the development of ICT.

460. Together with the New Technologies, Training and Capacity Building Branch, the ICT and E-business Branch was also involved in the

development and validation of the “ICT for Tourism” training module. The course was first delivered in Bamako, Mali, in September 2005.

461. UNCTAD provided advisory services on FOSS to several government delegations at WSIS. This was implemented through a FOSS Advisory Team consisting of knowledgeable leaders in FOSS policy and practice from intergovernmental organizations, industry, civil society and academia. Advisory services on FOSS, ICT measurement, ICT and economic performance and trade-related e-finance were also delivered to other Governments (Armenia, Brazil, China, Dominican Republic, Morocco, the Russian Federation, South Africa and Syria) through a number of in-situ missions.

462. Matchmaking exercises, linking supply and demand of FOSS-related expertise, were conducted by the secretariat in the context of its FOSS UNCTAD XI partnership. These activities were mainly geared to the support of FOSS training activities in Africa.

463. Technical material, in the form of a series of web-based communication tools, was prepared with the objective of providing access to all ICT-related analytical work of UNCTAD in the context of the WSIS. Other online and traditional information materials on ICT-related work were also developed (see <http://ict.unctad.org>).

Table 4
DIVISION FOR SERVICES INFRASTRUCTURE FOR DEVELOPMENT
AND TRADE EFFICIENCY
(In dollars)

<i>Project number</i>	<i>Short title</i>	<i>Starting date</i>	<i>Source of fund</i>
Trade logistics			
IRA/99/008	ACIS in Islamic Republic of Iran (PortTracker)	1999-	UNDP
NEP/9X/78G	Promotion of the trade and transport sectors of Nepal	1998-	Nepal
PAK/9X/9DX	Promotion of the trade and transport sectors	2001-	Pakistan
SOM/9X/66S	Assistance to the Bari Regional Administration	1996-	EC
INT/8X/301	Course on Improving Port Performance (IPP)	1983-	Multidonors
INT/8X/80C	STRATSHIP: Strategic planning course	1988-	Norway
INT/9X/31Y	Introduction of multimodal transport and microcomputer software programmes	1993-	Multidonors
INT/0T/0BB	Support for ACIS promotional activities	2001-	Multidonors
INT/0T/2AX	On line trade efficiency support services	2002-	Belgium
INT/0T/3BJ	Trade Facilitation in the Context of the Doha Development Agenda: Support to Trade Facilitation Platforms in Developing Countries	2003-	Sweden

(for note see end of table)

Table 4 (continued)
DIVISION FOR SERVICES INFRASTRUCTURE FOR DEVELOPMENT
AND TRADE EFFICIENCY
(In dollars)

<i>Project number</i>	<i>Short title</i>	<i>Starting date</i>	<i>Source of fund</i>
INT/0T/4CO	Capacity Building in Developing Countries & Least Developed Countries to Support their Effective Participation in the WTO Negotiations Process on Trade Facilitation.....	2004-	Multidonors
RAF/9X/9DB	ACIS RailTracker in Southern Africa (Rolling Stock Information System) ..	1999-	USAID
RAF/0T/4BH	ACIS RoadTracker in UEMOA	2004-	UEMOA
RAS/0T/1BR	International Multimodal Transport Operations in the ECO Region: Trade Facilitation Component	2001-	IDB-ECO
ROA-2180(M)	Trade and Transport Facilitation	2004-	Development Account
ASYCUDA			
AFG/0T/4CE	Emergency Customs Modernization and Trade Facilitation Project in Afghanistan	2004-	World Bank
ALB/0T/1BZ	Computerization of Customs Procedures and Data Processing Using ASYCUDA++	2002-	EC
ALB/0T/3AZ	ASYCUDA technical and functional training	2003-	World Bank
ALB/0T/4CK	ASYCUDA Technical Assistance for Roll-Out of ASYCUDA++ in Albania (Phase 2)	2004-	EC
BAR/0T/1BY	Simplification of Customs Procedures and Data Using ASYCUDA++.....	2003-	Barbados
BDI/0T/2CH	Migration to ASYCUDA++	2003-	Burundi
BEN/0T/1AR	Migration to ASYCUDA++	2001-	Benin
BGD/0T/0BK	CAM - I Implementation of ASYCUDA	2001-	Bangladesh
BIH/0T/4BA	Technical Assistance on ASYCUDA Aspects of the Merger of the Customs Administration of Bosnia and Herzegovina	2004-	EC
BIH/0T/5AI	Technical Assistance on ASYCUDA Aspects of the Merger of the Customs Administration of Bosnia And Herzegovina	2005-	EC
BKF/0T/1BS	Migration to ASYCUDA++	2001-	Burkina Faso
BOL/00/002	Apoyo a la implementación del sistema aduanero automatizado SIDUNEA .	2000-	UNDP
BOT/0T/1AL	Implementation of ASYCUDA in Botswana	2001-	Botswana
CAF/0T/3AX	Migration au système SYDONIA++	2005-	Central African Republic
CMR/0T/2CR	ASYCUDA++ Implementation	2002-	Cameroon
CVI/0T/0BA	Migration au système SYDONIA ++	2000-	Cape Verde
ETH/02/019	Upgrading customs automation (migration to ASYCUDA++), under the framework of public sector reform programme	2003-	UNDP
GAB/0T/1CU	Implementation of ASYCUDA++ System	2002-	Gabon
GAB0T4AX	Support to Gabonese Customs for the Extension of ASYCUDA	2004-	Gabon
HAI/0T/2AM	Migration au système SYDONIA++	2003-	Haiti
IRA/05/755	Implementation of e-customs ASYCUDAWorld in the Islamic Republic of Iran	2005-	UNDP
IVC/0T/4BV	Implementation de ASYCUDAWorld en Côte d'Ivoire	2005-	Côte d'Ivoire
LEB/0T/2BI	Completion of the implementation of ASYCUDA++	2002-	EC
LIT/0T/2CB	Agreement for ASYCUDA++ service, technical assistance and support.....	2002-	Lithuania
MAG/0T/2BY	Migration to ASYCUDA++ System	2003-	Madagascar
MAU/0T/1CJ	Migration to ASYCUDA++ System	2001-	Mauritania
MCD/0T/3BP	ASYCUDA Technical Assistance for Transit and Selectivity	2003-	The FYR Macedonia
MLI/0T/2AT	Migration to ASYCUDA++	2002-	Mali
MLW/9X/8AU	ASYCUDA	1999-	United Kingdom
MOL/0T/3BC	Implementation of ASYCUDA	2003-	World Bank

Table 4 (continued)
DIVISION FOR SERVICES INFRASTRUCTURE FOR DEVELOPMENT
AND TRADE EFFICIENCY
(In dollars)

<i>Project number</i>	<i>Short title</i>	<i>Starting date</i>	<i>Source of fund</i>
NAM/0T/2AI	Migration to ASYCUDA++ -	2002-	Namibia
NAN/0T/1BX	Simplification of Customs Procedures and Data Using ASYCUDA++	2003-	Netherlands
NCA/0T/3AU	Implementation of ASYCUDA++	2003-	New Caledonia
NER/0T/1BT	Migration au Système SYDONIA++	2001-	Niger
NIR/0T/5AB	Implementation of ASYCUDA++ in the Nigeria Customs Service	2005-	Nigeria
PAL/0T/3BM	ASYCUDA++ Phase II – Pilot Site Implementation	2003-	EC
PAL/0T/5BA	ASYCUDA Special Technical Assistance for Rollout at Rafah Border	2005-	EC
PHI/9X/43G	ASYCUDA	1994-	Philippines
PNG/0T/4AP	Installation of the Automated System for Customs Data in Papua New Guinea	2004-	Papua New Guinea
PRC/0T/2BW	Installation du système du SYDONIA++	2002-	Congo
RWA/0T/2BX	Migration to ASYCUDA++	2003-	DFID
SLO/0T/4AD	ASYCUDA++ technical assistance and support	2003-	Slovakia
SRL/9X/792	Customs modernization programme – Migration to ASYCUDA++	1997-	Sri Lanka
STL/0T/3AT	Simplification and Computerisation of Customs Procedures and Data Using ASYCUDA++	2003-	Saint Lucia
SUD/0T/3AS	Migration to ASYCUDA++	2003-	Sudan
SYR/0T/4BP	ASYCUDA Implementation in Syria	2005-	Syria
TIM/02/015	ASYCUDA	2002-	UNDP
TOG/0T/2AN	Migration to ASYCUDA++	2002-	Togo
TRI/0T/1BW	Simplification of Customs Procedures and Data Using ASYCUDA++	2004-	Trinidad and Tobago
UGA/0T/1AP	Migration to ASYCUDA ++	2001-	Uganda
URT/98/009	ASYCUDA	1999-	UNDP
URT/0T/2CY	Migration to ASYCUDA++	2004-	Tanzania
VEN/01/013	Apoyo a la Modernización del Sistema Aduanero	2002-	UNDP
YEM/03/009	Implementation of ASYCUDA in Yemen - Phase II	2003-	UNDP
ZAM/0T/1AW	Migration to ASYCUDA++	2001-	United Kingdom
INT/9X/89S	Support for ASYCUDA implementation activities	1998-	Multidonors
INT/9X/8A3	Support for ASYCUDA implementation activities	1998-	Multidonors
INT/9X/9CH	ASYCUDA: passage à l'an 2000	2000-	France
INT/9X/9CK	Soutien aux administrations des douanes des pays utilisateurs du système SYDONIA – Bogue de l'an 2000	1999-	France
RAF/9X/9DD	SYDONIA v 2.7 (pays de la CEDEAO, et Centre Informatique Communautaire de la CEDEAO (CIC))	1999-	ECOWAS
RAF/0T/2AG	Migration to ASYCUDA system from version 2.7 to ASYCUDA++ in ECOWAS	2002-	ECOWAS
RAF/0T/2AW	Technical assistance on ASYCUDA V2.7	2002-	COMESA
RAF/0T/3BX	Creation of a Regional ASYCUDA Centre for Africa	2003-	France
RAF/0T/4BM	COMESA regional support project for ASYCUDA++	2004-	EC
RAS/9X/8B2	Computerisation of Customs Data and External Trade Statistics	1998-	Australia
RAS/0X/0DX	ASYCUDA implementation and support in the Asia/Pacific region	2000-	Multidonors
RAS/0T/1DA	ASYCUDA Support Mechanism for the Pacific	2002-	Japan
RLA/0T/3AD	ASYCUDA Regional Support for Americas	2003-	National Governments

Table 4 (concluded)
DIVISION FOR SERVICES INFRASTRUCTURE FOR DEVELOPMENT
AND TRADE EFFICIENCY
(In dollars)

<i>Project number</i>	<i>Short title</i>	<i>Starting date</i>	<i>Source of fund</i>
Information and Training			
INT/0T/4AJ	Development of a Prototype of the UNCTAD Training Resources Platform	2004-	Canada
RAF/0T/5AL	Strengthening the Capacity of Academic Institutions in the Area of International Commodity Trade	2005-	Japan
ROA-2074(J)	Key issues on the international economic agenda	2002-	Development Account
Human Resources Development			
INT/9X/10U	TrainForTrade Trust Fund	1991-	Multidonors
INT/0T/4CD	Trust Fund for Supporting the Adoption and Appropriation of ICT by the Tourism Industry in Developing Countries with a special focus on LDCs/e-Tourism Strategy for Development	2004-	Multidonors
RAF/0T/2AC	Programme de renforcement des capacites de formation portuaire	2002-	Multidonors
RAS/0T/2BL	Strengthening capacity of the trade support institutions in Asian LDCs	2002-	Japan
TRAINFORTRADE			
TUN/0T/2CF	Programme de formation portuaire pour la Tunisie	2003-	Office de la Marine Marchande et des Ports de Tunisie
INT/9X/00L	Training in the field of foreign trade	1990-	France
INT/0T/2AH	Appui aux programmes de formation TrainForTrade et programme de formation portuaire	2002-	Le Cabildo de Gran Canaria
INT/0T/2CJ	Capacity building programme on training in selected economic issues: distance learning techniques	2002-	Belgium
INT/0T/4AB	Mise en place d'un projet de renforcement des capacités de formation portuaire pour les pays en développement	2004-	Les ports des pays en développement
INT/04/X36	TRAINFORTRADE	2004-	Germany
RAF/9X/9DC	Mise en place de capacités de formation du commerce international (TRAINFORTRADE)	2000-	France
RAF/0T/2BT	Formation portuaire pour les pays africains de langue officielle portugaise ...	2003-	Ports et Communautés portuaires des pays africains de langue officielle portugaise
RAS/0T/2CK	Capacity Building in the Field of Training for International Trade (TRAINFORTRADE)	2002-	France
Trade Points			
INT/0T/4AW	Strengthening of the World Trade Point Federation and its Trade Points	2004-	World Trade Point Federation
RAS/99/064	Strengthening Trade Points in Asia/Pacific for Regional Cooperation	2001-	UNDP

E. SPECIAL PROGRAMME FOR LEAST DEVELOPED, LANDLOCKED AND ISLAND DEVELOPING COUNTRIES

464. Technical cooperation activities in 2005 continued to be in accordance with the implementation of the Programme of Action for 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 Small Island Developing States (SIDS).

465. The objective of the technical cooperation of the Special Programme is to provide support through technical assistance activities to the LDCs, LLDCs and SIDS in the implementation of the agreed Programmes of Action and to facilitate their development efforts and their beneficial integration into the world economy in the areas within UNCTAD's mandate. The technical cooperation activities are consistent with the decisions adopted at UNCTAD XI, in line with the Bangkok Programme of Action (PoA). In these activities, the Special Programme took into account the ongoing WTO negotiations, and the commitment to contribute towards the achievement of MDGs.

466. The technical cooperation 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's competence.

1. Interdivisional coordination

467. 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 the IF. The preparation of the diagnostic studies and the technical cooperation projects through the IF are monitored by the Special Programme. This implies the implementation of cross-cutting activities among UNCTAD divisions for the greater efficiency and coherence of the products and services provided by the institution.

468. During 2005, Diagnostic Trade Integration Studies (DTIS) were completed for Chad, Benin, Rwanda, Sao Tome and Principe, the United Republic of Tanzania and Zambia. In 2005, the DTIS process started for seven countries: Angola, Burkina Faso, The Gambia, Maldives, Niger, Sierra Leone and Uganda. The new IF countries are: the Central African Republic and Sudan.

469. UNCTAD's contribution to the IF implementation process through interdivisional coordination included the following:

- Contributed to the DTIS of the Lao People's Democratic Republic for the Transport and Trade facilitation chapter;
- Organized meetings in Geneva with the IF delegations and UNCTAD divisions for technical and substantive exchanges (Mali, Mozambique, Uganda);
- Monitored the training workshops on Commercial Diplomacy in Guinea as a component of the joint projects with the ITC, financed by window II of the IF Trust Fund;
- Participated in DTIS workshops (Chad, United Republic of Tanzania) and implementation meetings with the donor community; and

- Organized a Pre-DTIS National Workshop in Sierra Leone, with the funding of the Government of Finland (see para. II (B));
- Participated in a joint mission to the Lao People's Democratic Republic on the coordination between the IF and the CCA/UNDAF.

2. Projects implemented by the Special Programme

(a) LDC Trust Fund supported activities related to LDCs

470. The Trust Fund for LDCs (INT/9X/77J) was used to finance technical cooperation activities implemented by the Special Programme as well as by other UNCTAD entities in support of LDCs for the implementation of the LDC III PoA, the Almaty Programme of Action (APoA) and the Barbados PoA.

471. Funding was used, inter alia, for research work required by the LDC 2006 Report on Developing Productive Capacities; analytical work in respect of substantive servicing of various intergovernmental and expert meetings on the issues of interest and relevance to the LDCs, LLDCs and SIDS, i.e. LDCs' participation in the Expert Meeting on the impact of the FDI on development in Geneva in January 2005; servicing and representation of LDCs at a Round Table on Cotton in Mali in February 2005 and in New York in November 2005; LDCs' representation at the General Assembly of the World Trade Point Federation, Bangkok, November 2005; participation of LDC representatives at the Expert Meeting on enhancing developing country firms through internationalization, Geneva, December 2005; and participation of LDC representatives in the Expert meeting on Capacity Building in the area of FDI and Data Compilation in Geneva, December 2005; The Trust Fund has also been used in support of a TrainforTrade seminar on Tourism in Mali and the Experts' Panel discussion to Mitigate the Adverse impact of Erosion of Trade Preferences at the 52nd session of TDB in Geneva, October 2005. In addition, the Trust Fund is used to finance SP/LDC representation at various LDC-related meetings and workshops, including Integrated Framework related events.

472. Funding has also been made available in support of LDCs' negotiations at the WTO, and participation of LDCs' representatives/experts in various relevant expert meetings and conferences, in particular the 3rd LDC Trade Ministers' Meeting, Zambia, June 2005 (see paragraph below). In

addition, the participation of LDCs in an Integrated Framework simulation meeting organized by USAID in Ethiopia in September 2005 was secured through funding received, specifically channelled through the Trust Fund for this event.

The LDC Ministerial Meeting

473. The objective of this meeting was to discuss and adopt a common LDC negotiating platform for the Sixth WTO Ministerial Conference in Hong Kong (China) and a work programme to advance this agenda in various related preparatory meetings. The meeting took place in three segments, namely the senior officials (25 June 2005), the Ministerial session (26 June) and an informal mini-ministerial meeting (27 June). The meeting was attended by 38 LDCs (21 represented by ministers), among which were invited international organizations (UNCTAD, UNDP, WTO, World Bank, SADC, COMESA, ACP and Commonwealth Secretariat). From non-LDCs, participation in the mini-ministerial included the United States, Japan, Canada, Hong Kong (China), the EU, Sweden, Mexico, Brazil, Nigeria, Argentina, India, Pakistan and Zimbabwe. OXFAM and NGOs from the region were also invited and delivered a joint statement at the opening session.

474. The meeting adopted the Livingstone Declaration with 38 operative paragraphs covering all the key negotiating areas in the Doha Development Agenda (DDA). The Document constituted the negotiating platform for LDCs both in the preparation of the Draft Ministerial Declaration for Hong Kong (China) in Geneva and in negotiating the final text adopted by the WTO Ministerial Conference in Hong Kong (China). The Livingstone Declaration continues to guide the position of the LDCs in a number of negotiating areas in the post-Hong Kong (China) Doha Round negotiations. The development package in favour of the LDCs which was adopted in Hong Kong (China) in particular the commitment by developed countries to extend duty-free, quota-free market access, the elimination of export subsidies for cotton, and extension of the transitional period for implementation of the TRIMS Agreement represent a positive achievement based on the Livingstone Declaration.

(b) Other activities related to LDCs

(i) *Integrated Framework – Pre-DTIS Capacity Building Technical Assistance*

475. In 2005, SP/LDCs continued with its assistance to contributing to the building of endogenous capacity for the identification and management of trade capacity development within the context of

national development strategies and needs at the pre-DTIS phase and beyond the DTIS. The assistance has been through early and active participation in national preparations for the IF process to ensure country ownership, including in particular of the DTIS process. The pre-DTIS activities are not an automatic mechanism within the IF, and the need for assistance will be determined case by case. The project complements the work done by the other IF partners, and it may be adjusted according to potential IFWG decisions if need be. Following the successful implementation of a regional Pre-DTIS workshop held in Kigali from 18 to 21 October 2004 and demand for more country-specific national Pre-DTIS support, in the course of 2005 project activities included design, development and implementation of a national Pre-DTIS workshop. The workshop requested and hosted by the Ministry of Trade of Sierra Leone was held in Freetown from 17 to 20 October 2005. The preparation and delivery of this assistance were closely coordinated with all IF agencies and particularly with the UNDP. This workshop included both a substantive discussion on the linkages between trade and poverty and trade mainstreaming into development strategies and more practical sensitization and training on the IF and its implementation. Three case studies documenting the experiences of other LDCs in the implementation of the IF were developed and presented. This was well received and other LDCs beginning the IF are requesting such support.

476. The workshop was considered timely and needed by all parties, namely beneficiaries, IF agencies and donors. The host country and all the participants expressed great satisfaction with the quality of discussions and the active participation of all the participants, which included government, private sector, NGOs, IF agencies and donor representatives. It contributed to strengthening the IF national team in Sierra Leone through both the substantive trade and poverty discussions, which are considered important in better mainstreaming trade in the national development strategy, and through the broad IF sensitization it contributed towards bringing all major stakeholders together. In addition, being organized back to back with the launching of the DTIS, the workshops had a direct analytical impact on the orientation of the IF process in the country, thus engendering a sense of national ownership of the DTIS process.

(ii) Integrated Framework – Manual

477. Following the recognition by all stakeholders of the usefulness and necessity of the IF Manual which SP/LDCs, in close collaboration with UNDP

and DFID, had prepared, it was decided to make the IF Manual available to all IF countries, including non-English-speaking ones. Thus, SP/LDCs undertook the translation of the IF Manual into French and distributed it to all IF French-speaking countries. Both versions, English and French, were then distributed during the WTO Ministerial Conference in Hong Kong (China) in December 2005. Lastly, further to discussions with the IF delegation of Mozambique, the Mission of the Netherlands in Maputo agreed to finance the translation of the IF Manual into Portuguese so that all the IF countries will be able to get access eventually to the same information. The translation process should start during the first half of 2006. The IF Manual is a very useful tool, which describes the IF process and procedures and explains the crucial role of country ownership in the trade development strategy. This document can be considered a reference for the IF countries but also for the development partners.

(c) Activities related to LLDCs

478. The Special Programme fully participated in the implementation of the Almaty Programme of Action (ApoA) which was adopted at the International Ministerial Conference on Landlocked and Transit Developing Countries and Donor Countries and International Financial and Development Institutions on Transit Cooperation in Almaty (Kazakhstan, 2003). The APoA addresses the special needs of landlocked developing countries within a New Global Framework for Transit Transport Cooperation with Landlocked and Transit Developing Countries. Technical assistance activities for the LLDCs are focused on support for the implementation of the APoA. Specifically, it requests UNCTAD “to continue to consider programmes concerning electronic commerce, trade facilitation and trade issues in landlocked and transit developing countries. Its Special Programme for the Least Developed, Landlocked and Small Island Developing Countries should continue to carry out analytical work and technical assistance related to the transit transport problems of landlocked developing countries within its mandate” (APoA, para. 45).

479. In this context, the Special Programme provided substantive and logistical support for the Meeting of Ministers of Landlocked Developing Countries Responsible for Trade, which took place in Asunción, Paraguay from 9 to 10 August 2005. It

prepared the background documentation¹⁸ for the event and organized two panel discussions, one on the specific issues faced by LLDCs in the multilateral trade negotiations and one on trade facilitation in the WTO context.

480. The Special Programme continued to substantively service negotiations between China, Mongolia and the Russian Federation on a transit traffic agreement facilitating the movement of goods between and among these countries. It prepared substantively the seventh negotiating meeting on the draft transit traffic agreement, which took place in Ulaanbaatar, Mongolia, from 14 to 18 November 2005. At this meeting, the representatives of the People's Republic of China, Mongolia and the Russian Federation cleared all pending paragraphs and concluded the drafting of the Draft Transit Traffic Agreement at the expert level. They agreed to submit the Draft to their respective government authorities for appropriate consideration. The delegations also agreed to continue the elaboration of the Annexes referred to in the text of the DTTA and requested UNCTAD to continue to assist these countries in this process.

(d) Activities related to small island developing States (SIDS)

481. In 2005, technical cooperation activities in favour of SIDS began at the International Meeting to Review the Implementation of the Programme of Action for the Sustainable Development of SIDS (Mauritius, 10-14 January 2005). Multi-faceted substantive support was extended to SIDS delegations during the conference, in the context of negotiations between SIDS and other member States towards an agreed Mauritius Strategy for the Further Implementation of the Programme of Action. Some training activities (funded by UNDP) were also conducted by the Special Programme for the benefit of SIDS representatives.

482. Later in the year, direct technical support was given to the Governments of Cape Verde and Samoa in relation to the periodic review of the list of LDCs. In Cape Verde, the Special Programme provided substantial guidance to the Government in its efforts to formulate a "smooth transition strategy" in anticipation of the country's loss of LDC status in 2008. This was done in the light of General Assembly resolution 59/209, through close cooperation with UNDP. As a result, the Government adopted a national strategy and a "road map" for negotiating smooth transition modalities with development partners. Substantive support was also provided to the Government of Samoa in anticipation of the 2006 review of the list of LDCs. A vulnerability profile of Samoa was prepared by the Special Programme after a fact-finding mission in October 2005 and extensive consultations with government officials regarding their early approach to smooth transition in the event that graduation would be bound to take place in 2010.

483. In November 2005, options for a technical cooperation programme for SIDS were presented by UNCTAD and discussed at an interregional meeting of SIDS to formulate a collective approach to the Mauritius Strategy (Rome, 15-16 November 2005). SIDS delegations, through the Chairman of the Alliance of Small Island States (AOSIS), asked UNCTAD to take the lead, within the Inter-agency consultative group on SIDS, in devising a concept or framework of coordinated technical cooperation on trade-related subjects for the benefit of these countries.

¹⁸ UNCTAD, International Ministerial Meeting of Landlocked Developing Countries: Effective Participation of Landlocked Developing Countries (LLDCs) in the Multilateral Trading System, Part I and Part II.

Table 5
OFFICE OF THE SPECIAL COORDINATOR FOR LEAST DEVELOPED,
LANDLOCKED AND ISLAND DEVELOPING COUNTRIES
(In dollars)

<i>Project number</i>	<i>Short title</i>	<i>Starting date</i>	<i>Source of fund</i>
<i>Least Developed Countries</i>			
STL/9X/9DI ^a	Support to the sustainable development of St. Lucia's trade in goods and services	1999-2005	Ireland
INT/9X/77J	Trust Fund for Least Developed Countries: core project	1997-	Multidonors
INT/0T/1CI	Publication on Small Island Developing States	2001-	Ireland
INT/0T/2CM	Development Institutions on Transit Transport Cooperation, Kazakhstan.....	2002-	Italy
INT/02/X10	Least developed countries	2002-	Germany
INT/0T/3AM	LDCS Trade Ministers Preparatory Meeting for the Fifth WTO Conference.	2003-	Multidonors
INT/0T/3BY	DCS: pre and post diagnostic trade integration study (DTIS) capacity building	2003-	Finland
INT/03/X46	Least developed countries	2003-	Belgium
INT/0T/4AG	Training Workshop on Trade and Poverty, Organised Jointly with the World Bank Institute	2004-	Finland
INT/0T/4AY	Integration of LDCs, landlocked and island countries in the global economy	2004-	Italy
RAS/0T/0AC	Support to the Forum Secretariat	2000-	Ireland

^a Project which had been "operationally but not financially completed" or "completed" in 2005.

F. EXECUTIVE DIRECTION AND MANAGEMENT AND SUPPORT SERVICES

1. Strengthening result based management of UNCTAD programme

484. Supported by the Trust Fund for strengthening the result-based management, the new result-based Annual Report of UNCTAD was issued for the first time in 2005 (for 2004) in response to the request made at the eleventh Conference in São Paulo. The second report was likewise issued in the spring of 2006 to support the member States' discussion on the achievements of UNCTAD since the conference.

485. The Trust Fund supported the annual in-depth evaluations of technical cooperation programmes, discussed at the autumn sessions of the Working Party. For 2005, the evaluation was conducted on the training course on key issues on the international economic agenda, or so-called paragraph 166 courses. The evaluation found that the course, while having some shortcomings in their implementation, offers innovative and unique product that had some impact on the policymaking ability of participating government officials. For 2006, an evaluation on the technical cooperation programmes on accession to WTO is underway.

486. The Trust Fund also supported efforts by the secretariat to strengthen interagency cooperation and coordination on evaluation and result-based management matters, such as its activities at the

interagency United Nations Evaluation Group and its taskforces, and its discussion on strengthening the linkages between UN Development Assistance Framework (UNDAF) and the Integrated Framework for LDCs. These activities have improved, among others, the positioning of UNCTAD to better serve the objectives of UN-wide development effort in a more coordinated fashion.

2. Advisory services

487. As reported in previous years, UNCTAD's technical cooperation is supported not only from project-specific funds but also from another source, namely section 23 of the United Nations programme budget.

488. Under section 23 of the United Nations programme budget, for 2005 UNCTAD received an allotment for general temporary assistance, together with travel, and individual fellowship funds. 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 6 missions in 2005.

Table 6
EXECUTIVE DIRECTION AND MANAGEMENT AND SUPPORT SERVICES
(In dollars)

<i>Project number</i>	<i>Short title</i>	<i>Starting date</i>	<i>Source of fund</i>
<i>Executive Direction and Management</i>			
GLO/01/615 ^a	Globalization liberalization and Sustainable Development PHASE II	2001-2005	UNDP
GLO/98/615 ^a	Globalization liberalization and Sustainable Development	1998-2005	UNDP
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
INT/0T/1CK	Globalization, Liberalization and Sustainable Development PHASE II	2002-	Belgium
INT/02/X21	UNCTAD/UNDP Global Project	2002-	Belgium
INT/0T/4BS	Strengthening Results-Based Management of UNCTAD Programmes	2004-	Norway
<i>Intergovernmental support service</i>			
INT/9X/9CC	Civil Society preparation for UNCTAD Conferences	1999-	Multidonors
INT/0T/4AT	Financing of Activities in Support of the Preparatory Process of UNCTAD XI; Parallel and Side Events.....	2004-	Multidonors
<i>Resource Management Service</i>			
INT/0T/0BU	Support to UNCTAD's technical cooperation	2000-	Belgium
<i>Cross-divisional Advisory Services</i>			
UND12-340	Interregional advisory services	2000-	Development Account

^a Project which had been "operationally but not financially completed" or "completed" in 2005.