



**United Nations
Conference
on Trade and
Development**

Distr.
GENERAL

TD/B/WP/195/Add.1
3 September 2007

ENGLISH ONLY

TRADE AND DEVELOPMENT BOARD
Working Party on the Medium-term Plan
and the Programme Budget
Forty-ninth session
Geneva, 10–14 September 2007
Item 8 of the provisional agenda

REVIEW OF THE TECHNICAL COOPERATION ACTIVITIES OF UNCTAD

Report by the Secretary-General of UNCTAD

Annex I: REVIEW OF ACTIVITIES UNDERTAKEN IN 2006

CONTENTS

	<i>Page</i>
Abbreviations	6
Country/territory/region codes	9
Introduction	11
A. Division on Globalization and Development Strategies	11
1. Macroeconomic and development policies: technical support to the Intergovernmental Group of Twenty-Four on International Monetary Affairs and Development (G-24).....	11
2. The DMFAS Programme.....	12
3. Special programme: UNCTAD's assistance to the Palestinian people	14
B. Division on International Trade in Goods and Services, and Commodities	17
1. Trade analysis	17
(a) Trade Analysis and Information System (TRAINS).....	17
(b) Strengthening participation of selected developing countries in dynamic and new sectors of world trade	17
(c) Creative industries	18
(d) Adjusting to trade liberalization in selected developing countries: removing supply capacity constraints	19
2. Trade negotiations and commercial diplomacy	20
(a) Development of trade capacities	20
(i) Joint ITC/UNCTAD/WTO Integrated Technical Assistance Programme to Selected Least Developed and Other African Countries (JITAP) Phase 2.....	20
(ii) UNCTAD project on strategies and preparedness for trade and globalization in India ..	20
(b) Support to developing countries on trade negotiations	22
(i) WTO Doha negotiations and regional trade agreements.....	22
(ii) Support to developing Africa's trade negotiating capacity.....	22
(iii) ACP-EU negotiations on Economic Partnership Agreements (EPAs).....	22
(iv) Support to SADC regional integration and the multilateral trading system.....	23
(c) Accession to the WTO	23
(d) WTO dispute settlement	24
(e) Trade in services and development implications	24
(f) Preferential arrangements	26
(i) Global System of Trade Preferences among Developing Countries (GSTP).....	26
(ii) Generalized System of Preferences (GSP).....	26
3. Commodities.....	26
(a) Costs of sanitary and Phytosanitary (SPS) compliance	26
(b) UNCTAD/Migros/SIPPO Partnership for Enhancing the Capacities of Developing Country Farmers to Supply International Markets through Linkages.....	27
(c) Projects in mining	27
(i) Community-based arrangements for sustainable commodity production in areas affected by mine closures.....	27
(ii) The challenges of mineral resource endowments.....	28
(iii) Capacity-building and policy networking for sustainable-resource-based development .	28
(d) Commodity risk management, finance and energy	29
(e) Commodity information and knowledge management: INFOCOMM and INFOSHARE	30
(f) Trust Fund on Iron Ore	32

	<i>Page</i>
4. Trade, environment and development	32
(a) Trade and sustainable development	32
(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	40
(b) Biodiversity and climate change	40
(i) BioTrade Initiative	40
(ii) Climate change programme	42
5. Competition law and policy	44
(a) Assistance to individual countries	45
(i) Competition advocacy	45
(ii) Assistance in the preparation of national competition laws	46
(iii) Training of competition case handlers	46
(iv) Institutional building	46
(v) Consumer protection	46
(b) Assistance to regional groupings	47
(c) Participation in seminars and conferences	48
C. Division on Investment, Technology and Enterprise Development	51
1. Investment Issues Analysis Branch	51
(a) Capacity–building in FDI statistics	51
(b) UNCTAD/ICC Joint Project: Investment Guides and Capacity–building for Least Developed Countries	51
2. Investment policies and capacity–building	52
(a) International investment agreements (IIAs): policy analysis and capacity–building in developing countries on issues in international investment agreements	52
(b) Investment Policy Reviews	54
(c) Blue Book on Best Practice in Investment Promotion and Facilitation	56
(d) FORINVEST: Policy Framework for Attracting Foreign Investment	56
(e) STAMP: Strengthening and Streamlining Agencies Concerned with Maximizing and Promoting FDI	57
(i) Training activities	58
(ii) Study tour programme	58
(iii) Research and preparation of publications	58
(f) Capacity Building Project on Good Governance in Investment Promotion and Facilitation ..	59
(g) Investment Facilitation Programme (Investment Gateway)	60
(h) Support to WAIPA	60
(i) UNCTAD’s Work Programme on Technology Transfer and Intellectual Property	61
(j) UNCTAD/ICC Investment Advisory Council	62
3. Enterprise competitiveness	63
(a) Enhancing enterprise competitiveness through internationalization	63
(i) Outward foreign direct investment	63
(ii) Business linkages	64
(iii) Global value chains	64

	<i>Page</i>
(b) Entrepreneurship and SME development: EMPRETEC.....	65
(c) Accounting: corporate reporting	66
4. Science and technology	68
(i) Connect Africa project	68
(ii) Science, Technology and Innovation Policy (STIP) Review	68
(iii) Network of Centres of Excellence on Science and Technology (NCE).....	68
(iv) Science and Technology Park in Oman	68
D. Division for Services Infrastructure for Development and Trade Efficiency	71
1. Trade logistics: Transport and trade facilitation	71
2. The ASYCUDA programme.....	73
3. Human resources and information and communication technologies for capacity development... 74	
(a) Building capacity through human resources development	74
(i) TrainForTrade Programme	74
(ii) The Virtual Institute on Trade and Development.....	75
(iii) Training Courses on Key Issues on the International Economic Agenda	76
(b) The UNCTAD E–Tourism Initiative	77
4. ICT and e–business for development	78
E. Division for Africa, Least Developed Countries and Special Programmes	83
1. Interdivisional coordination.....	83
2. Projects implemented by the Division.....	84
(a) LDC–Trust–Fund–supported activities related to LDCs	84
(i) Research and policy analysis.....	84
(ii) Dissemination and training activities	84
(iii) UNCTAD's contribution to the Mid–term Review (MTR) of the Programme of Action for LDCs for the decade 2001–2010.....	85
(iv) Supporting the participation of LDC representatives at various relevant workshops and expert meetings.....	85
(b) Other activities related to LDCs.....	85
(i) Integrated Framework – pre–DTIS capacity–building technical assistance	85
(ii) Integrated Framework – trade mainstreaming project.....	86
(iii) Integrated Framework – IF implementation activities	86
(iv) Integrated Framework – Manual	86
(c) Activities related to landlocked developing countries	86
(d) Activities related to small island developing States (SIDS)	86
F. Executive Direction and Management and Support Services.....	88
1. Strengthening result–based management of UNCTAD programme	88
2. Advisory services	88

*Page***Tables**

1.	Projects implemented by the Division on Globalization and Development Strategies	15
2.	Projects implemented by the Division on International Trade in Goods and Services, and Commodities	48
3.	Projects implemented by the Division on Investment, Technology and Enterprise Development	69
4.	Projects implemented by the Division for Services Infrastructure for Development and Trade Efficiency	80
5.	Projects implemented by the Division for Africa, Least Developed Countries and Special Programmes.....	87
6.	Projects implemented by the Executive Direction and Management and Support Services	89

Note

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

Abbreviations

ACIS	Advance Cargo Information System
ACP	African, Caribbean and Pacific (group of States)
AIA	ASEAN Investment Area
ALADI	Latin American Integration Association
AMAD	Agricultural Market Access Database
APEC	Asia–Pacific Economic Cooperation Forum
APoA	Almaty Programme of Action
ASEAN	Association of Southeast Asian Nations
ASIT	Advisory Service on Investment and Technology
ASYCUDA	Automated System for Customs Data
BIT	bilateral investment treaty
BTFP	BioTrade Facilitation Programme
CAF	Andean Development Corporation
CARICOM	Caribbean Community
CBD	Convention on Biological Diversity
CBTF	Capacity Building Task Force on Trade, Environment and Development
CDM	Clean Development Mechanism
CEMAC	Central African Economic and Monetary Community
COMESA	Common Market for Eastern and Southern Africa
COMPAL	Competition and Consumer Protection Policies for Latin America
CDP	Committee for Development Policy
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
DMD	Doha Ministerial Declaration
DMFAS	Debt Management and Financial Analysis System
DTIS	Diagnostic Trade Integration Studies
EAOS	East African Organic Standard
EBID	ECOWAS Bank
ECA	Economic Commission for Africa
ECLAC	Economic Commission for Latin America and the Caribbean
ECO	Economic Cooperation Organization
ECOWAS	Economic Community of West African States
EGS	environmental goods and services
EIA	Ethiopian Investment Agency
EMPRETEC	Entrepreneurship Development Programme
EPA	Economic Partnership Agreement
ESCAP	Economic and Social Commission for Asia and the Pacific
ETP	Electronic Tourism Platform
ETW	Entrepreneurship Training Workshop
EU	European Union

Abbreviations (continued)

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
GGIP	Good Governance in Investment Promotion
GMS	Greater Mekong Sub-region
G-NEXID	Global Network of Export-Import Banks and Development Finance Institutions
GSP	Generalized System of Preferences
GSTP	Global System of Trade Preferences among Developing Countries
GTZ	German Technical Assistance Corporation
IAG	International Advisory Group
ICC	International Chamber of Commerce
ICMM	International Council on Mining and Metals
ICTSD	International Centre for Trade and Sustainable Development
IDRC	International Development Research Centre
IF	Integrated Framework
IFAC	International Federation of Accountants
IFOAM	International Federation of Organic Agriculture Movements
IFRS	International Financial Reporting Standard
IIA	international investment agreement
ILO	International Labour Organization
IMF	International Monetary Fund
IOC	Indian Ocean Commission
IPAs	investment promotion agencies
IPR	Investment Policy Review
IPRs	intellectual property rights
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
JITAP	UNCTAD/WTO/ITC Joint Integrated Technical Assistance Programme for Selected Least Developed and Other African Countries
LDC	least developed country
LLDC	landlocked developing country
MDG	Millennium Development Goal
MEA	multilateral environmental agreement
MoU	Memorandum of Understanding
NAMA	non-agricultural market access negotiations
NGO	non-governmental organization
OA	organic agriculture

Abbreviations (continued)

OECD	Organisation for Economic Co-operation and Development
OECS	Organization of Eastern Caribbean States
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
SACU	Southern African Customs Union
SADC	Southern African Development Community
SECO	Swiss State Secretariat for Economic Affairs
SIDS	small island developing State
Sida	Swedish International Development Cooperation Agency
SIPPO	Swiss Import Promotion Programme
SME	small and medium-sized enterprise
SPECA	UN Special Programme for the Economies of Central Asia
SPS	sanitary and phytosanitary
STIPs	science, technology and innovation policy reviews
STRATSHIP	strategic planning for senior shipping managers
TBT	technical barriers to trade
TNC	transnational corporation
TRAINS	Trade Analysis and Information System
TrainForTrade	Training Development in the Field of Foreign Trade
TRALAC	Trade Law Centre for Southern Africa
TRIPS	Agreement on Trade-Related Aspects of Intellectual Property Rights
UEMOA	West African Economic and Monetary Union
UNCITRAL	United Nations Commission on International Trade Law
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
UNITAR	United Nations Institute for Training and Research
UQAM	University of Quebec in Montreal
Vi	Virtual Institute
WAIPA	World Association of Investment Promotion Agencies
WIPO	World Intellectual Property Organization
WITS	World Integrated Trade Solution
WSIS	World Summit on the Information Society
WTO	World Trade Organization

Country/territory/region codes

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

MAG	Madagascar	SAF	South Africa
MAL	Malaysia	SAM	Samoa
MAR	Mauritius	SAU	Saudi Arabia
MAT	Malta	SEN	Senegal
MAU	Mauritania	SEY	Seychelles
MCD	The former Yugoslav Republic of Macedonia	SIL	Sierra Leone
MDV	Maldives	SIN	Singapore
MEX	Mexico	SLO	Slovakia
MOL	Republic of Moldova	SOI	Solomon Islands
MON	Mongolia	SOM	Somalia
MOR	Morocco	SRL	Sri Lanka
MOT	Montserrat	STH	Saint Helena
MOZ	Mozambique	STK	Saint Kitts and Nevis
MYA	Myanmar	STL	Saint Lucia
MLI	Mali	STV	Saint Vincent and the Grenadines
MLW	Malawi	STP	Sao Tome and Principe
		SUD	Sudan
NAM	Namibia	SUR	Suriname
NAN	Netherlands Antilles	SVN	Slovenia
NEP	Nepal	SYR	Syrian Arab Republic
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 (regional)	UZB	Uzbekistan
RAS	Asia and the Pacific (regional)		
RER	Europe (regional)	VAN	Vanuatu
RLA	Latin America and the Caribbean (regional)	VEN	Venezuela (Bolivarian Republic of)
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 2006. 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 developing 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:* Funded by Canada's International Development Research Centre of Canada and the G-24 members themselves, the project aims at strengthening the G-24 in its efforts 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 those countries' 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 international experts as background to the Group's preparations for the International Monetary and Financial Committee of the International Monetary Fund (IMF) and the Joint IMF/World Bank Development Committee. Overall, 19 studies were presented and discussed by experts and delegations at the two meetings of the Technical Group of the G-24, in Geneva in March, and in Washington, D.C., in September 2006. The results of those meetings provided information to policymakers as well as to the Executive Directors of the Bretton Woods institutions and the meetings of G-24 Ministers and their deputies. The following issues were addressed: the impact of trade openness on industrialization and employment; the impact of protectionist trade policies and agricultural subsidies in industrial countries on developing country exports and debt sustainability; the impact of workers' remittances in the receiving countries; the impact of the rise of China and India on other developing countries; governance reforms in developing countries; fiscal space and public investment; regional economic and monetary cooperation and integration; new IMF financing facilities to meet the changing needs of developing countries; the role of the IMF in sovereign debt restructurings; IMF surveillance in the context of global trade imbalances; and the reform of the Bretton Woods institutions and their governance structures. The research papers were

funded partly under the project and partly from other sources, including the World Bank and member countries themselves. In the context of the project the UNCTAD secretariat also advised the Bureau of the G-24 on the reorganization of the G-24 secretariat in Washington, D.C., as well as on options for a future programme of research and how to link it to intergovernmental processes. In 2006, five studies prepared under the project were made available to a broader audience through their publication in the *G-24 Discussion Paper Series*. The activities under the project are closely interrelated with the analytical work of the Division, and especially with the research for the production of the annual *Trade and Development Report* and the preparation of the annual report to the United Nations General Assembly on *external debt and development*.

5. **Results:** The project has helped strengthen the policymaking capacity of the G-24 and other developing countries. Specifically, it has contributed in recent years to major progress in the ongoing reform of the IMF governance structures aimed at increasing the quotas and voting rights of developing countries in the IMF. It has continued to improve the basis for understanding the development dimension of current financial and monetary issues, and has enabled policymakers to consider alternative options for global economic governance arrangements, reform of the Bretton Woods institutions and national policy reforms. It has also helped to strengthen South-South cooperation on international monetary and financial issues. The Technical Group meetings, in addition to creating new knowledge among the participants, have served as useful forums for the exchange of experience among policymakers from developing countries.

2. The DMFAS Programme

6. **Development context:** The limited 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 borrowing decisions of various entities on the overall debt profile and balance of payments.

7. The DMFAS 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."

8. General Assembly Resolution A/RES/58/203, 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).

9. More recently, in December 2006, the United Nations General Assembly adopted a new resolution on external debt crisis and development (A/RES/61/188) inviting "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 and stakeholders, to continue cooperation in respect of capacity-building activities in developing countries in the area of debt management" (para. 23).

10. **Objectives/features:** The objectives of the DMFAS Programme are as follows: 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.

11. The core of the DMFAS technical cooperation package is the provision of a computer-based debt management system. This system is usually installed in Central Banks or Ministries of Finance within the framework of a technical cooperation country project,

funded by UNDP, other multilateral or bilateral donors, or sometimes Governments themselves.

12. 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.

13. The Programme currently manages a portfolio of over 40 active projects. In 2006, new projects for eight current user institutions were signed: Albania (Ministry of Finance), Burundi (Ministry of Finance), Georgia (Ministry of Finance), Honduras (Ministry of Finance), Nicaragua (Ministry of Finance and Central Bank), Romania (Ministry of Finance and Central Bank), Rwanda (Ministry of Finance and Central Bank) and Venezuela (Ministry of Finance). New projects were also being negotiated for a large number of current user country institutions, including Angola (Central Bank), Bangladesh (Ministry of Finance and Central Bank), Bolivia (Ministry of Finance and Central Bank), the Central African Republic (Ministry of Finance), Chad (Ministry of Finance), Congo (Ministry of Finance), Costa Rica (Ministry of Finance), Ecuador (Ministry of Finance), Egypt (Central Bank), Guinea-Bissau (Ministry of Finance), Indonesia (Ministry of Finance), Madagascar (Ministry of Finance and Central Bank), Mongolia (Ministry of Finance), Pakistan (Ministry of Finance), The former Yugoslav Republic of Macedonia (Ministry of Finance), Viet Nam (Ministry of Finance) and Yemen (Ministry of Finance, Central Bank and Ministry of Planning and International Cooperation).

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 next such conference will be held in November 2007.

15. **Output/description of activities:** For the biennium 2006–2007, a target number of 100 user institutions has been set against a baseline of 95 in 2005. At the end of December 2006, 98 institutions were already using DMFAS. Furthermore, the Programme successfully implemented its current version 5.3 of its debt management and analysis software. Released at the end of 2003, it had been installed and made operational in 31 DMFAS

countries, including 36 institutions, by the end of 2006.

16. In addition to project-related training, the DMFAS Programme undertakes a number of regional training activities each year. In March 2006, a workshop was held with the Macroeconomic Financial Management Institute and the Commonwealth Secretariat on domestic debt management in Windhoek, Namibia. Twenty-one participants from eight countries, including four DMFAS countries, attended this workshop. Together with Pôle Dette¹ a workshop on debt data validation was held in Libreville, Gabon, in April 2006. Thirty-one representatives from 11 countries and BEAC² attended this workshop.

17. In 2006, after the signing of the technical cooperation agreement between UNCTAD and Pôle Dette in April 2005, the DMFAS Programme elaborated a project proposal to implement common technical assistance activities in the area of debt management for the member countries of BCAEAO³ and BEAC as well as for regional French-speaking countries which are not members. The project provides for the setting up of a regional DMFAS training and support centre the Pôle Dette offices in Yaoundé, Cameroon. The project's objective, in the medium term, will be to reinforce Pôle Dette's capacities to provide technical assistance in debt recording and to strengthen UNCTAD's own capacities to provide technical assistance at the regional level. The project document was finalized with Pôle Dette in 2006 and submitted for funding to the African Development Bank. Following the initial positive assessment of the project by the African Development Bank, the DMFAS Programme, in cooperation with Pôle Dette, will officially request the necessary funding – a total amount of \$2.3 million – in 2007. The project is expected to start in 2008.

18. The Programme has continued its capacity-building efforts to strengthen the statistical capabilities of countries' debt management offices. In 2006, the Programme held two regional workshops on debt statistics – one in Kampala, Uganda, and the other in Buenos Aires, Argentina.

19. **Results:** At the end of 2006, the total number of institutions that use, or have so far used, the

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

² Central Bank of West African States

³ Bank of Central African States.

DMFAS system was 98 in 65 countries. In addition, the DMFAS Programme was conducting discussions/negotiations for projects with six new countries: Afghanistan (Ministry of Finance), Cape Verde (Central Bank), Cambodia (Ministry of Economy and Finance), the Comoros (Ministry of Finance), Morocco (Ministry of Finance) and Uruguay (Ministry of Finance and Central Bank), as well as Kosovo. Discussions for one new institution in a current client country, the Philippines (Central Bank), were also being held.

20. The benefits obtained from the DMFAS Programme by user countries in terms of better information, analysis, negotiations and policymaking cannot easily be measured. However, it is generally accepted that they far exceed the cost of DMFAS country projects. The cost of those 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. In short, the DMFAS Programme reinforces the debt offices' capability to provide reliable, accurate, complete, consistent and timely debt data and – as mentioned earlier – provides the possibility of projecting the impact of borrowing decisions on the overall debt profile and balance of payments.

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

21. *Development context:* The conflict-torn economy of the occupied Palestinian territory (oPt) continues to face unprecedented challenges, generated by the tightening of Israeli closure policy and restrictive measures, and the significant reduction in donor aid. The Palestinian Authority (PA) has reached a perilous fiscal position and is becoming increasingly incapable of delivering essential services. In 2006–2007, the vulnerable economy of the West Bank and Gaza has continued to witness the erosion of its productive base, the de-formalization of private sector enterprises, and the exhaustion of coping strategies at the household and enterprise levels. As a result, the economy is effectively locked in a cycle of de-development. UNCTAD estimates suggest an economic decline in 2006–2007 that will result in halving the pre-2000 per capita income, the unemployment of half of the workforce and the extension of poverty to two thirds of Palestinian households. Against this background, UNCTAD is assisting the Palestinian people and the PA in designing policy measures and initiatives to avert economic disintegration, within the context of a

policy framework that creates synergies between relief assistance and long-term development.

22. *Objectives/features:* UNCTAD, in close coordination with international development agencies, is assisting the Palestinian people in building the required institutional capacities for economic recovery and sustained growth, and in responding to the strategic imperatives of statehood, as envisioned by the relevant UN resolutions. UNCTAD's selective and flexible work programme involves research that seeks innovative solutions to some of the unique problems facing the Palestinian economy, as well as a multifaceted and integrated programme of technical assistance activities to respond to the evolving needs of the Palestinian people. Drawing on the results of its research and policy analysis and on the experience of the secretariat as a whole, technical assistance 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 work is guided by the United Nations Strategic Framework for 2006–2007, paragraph 35 of São Paulo Consensus, paragraph 167 of the Bangkok Plan of Action, and General Assembly resolutions 56/111 (para. 6 and 7) and 43/178 (para. 9).

23. *Outputs/description of activities:* With funding from the European Commission (EC), the secretariat is assisting the Palestinian people in building the required institutions for facilitating trade. This has involved the *establishment of the Palestinian Shippers' Council (PSC)*, which celebrated its first anniversary in 2007 with an impressive performance record. The PSC is now officially registered as an independent, non-profit association with established offices in the West Bank and Gaza, and a growing membership of 275 shippers. With financial support from the EC, UNCTAD technical assistance activities in the area of customs modernization saw the completion of *ASYCUDA-Phase II*, with the installation of the ASYCUDA++ prototype in the Customs headquarters and at three pilot sites. Following the Israeli disengagement from Gaza in late 2005, the ASYCUDA team is playing a central role in ensuring Palestinian Customs authority at the Gaza-Rafah border with Egypt. In the area of enterprise development, more Palestinian enterprises have benefited from UNCTAD's ILO-funded *EMPRETEC Palestine project*, with the graduation of 26 entrepreneurs.

24. In 2006, the secretariat also completed the *integrated simulation framework for Palestinian*

Annex 1: Review of activities undertaken in 2006

macroeconomic, trade and labour policy project. This project is funded by Canada's IDRC. It entailed strengthening the Palestinian capacity in the area of economic policy formulation and evaluation.

25. With funds from the Government of Norway, the secretariat is assisting the Palestinian Investment Promotion Agency in designing an *Investment Retention Programme*. Norway also provided finance to the DMFAS–Palestine project, through which the secretariat assisted the PA Ministry of Finance in the process of establishing a macroeconomic analysis unit to integrate development planning into the budgetary processes.

26. Furthermore, the secretariat is providing advisory services to the Government of Indonesia within the context of the substantive preparations for an international conference to support Palestinian capacity development efforts. The conference, scheduled to be held during the second half of 2007, is organized as a follow-up to the 2005 summit declaration on the New Asia–African Strategic Partnership for enhancing South–south cooperation.

27. However, UNCTAD's ability to ensure a proper response to emerging Palestinian needs remains hampered by Israeli restrictions on the mobility and field access of some of UNCTAD's experts and project personnel. The sustainability of the programme is further undermined by the

uncertainty of extrabudgetary resources. The interruption of donor funding since the elections to the Palestinian Legislative Council in early 2006 has adversely affected UNCTAD's technical assistance efforts for the Palestinian people. Projects in the critical areas of trade facilitation, financial management and private sector development have been suspended (namely ASYCUDA III, DMFAS and EMPRETEC II). This increases the risk of degrading the Palestinian capacities that UNCTAD has supported in the past five years.

28. **Results:** As a result of UNCTAD technical assistance activities, (i) the PA is carrying out the entire set of Customs functions at the Gaza–Rafah border with Egypt; (ii) Palestinian exporters and importers are benefiting from a wide range of services provided by the PSC and experiencing reduced transaction costs and some improvements in shipping and transport conditions; (iii) 123 Palestinian entrepreneurs have received training in business development, of whom nine started their own businesses a few months after graduation, seven expanded their existing operations and another two reopened their closed businesses; and (iv) governmental and non-governmental Palestinian institutions are applying the economic modelling approach to the budgetary processes and to analysing and assessing the impact of alternative economic policies.

Table 1
PROJECTS IMPLEMENTED BY THE DIVISION ON GLOBALIZATION
AND DEVELOPMENT STRATEGIES

<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			
ALB/0T/6AN	Implementation of DMFAS Version 5.3	2006–	Albania
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/0AK	Integración de la gestión de la deuda en Bolivia	2000–	Bolivia
CHD/0T/2CI ^a	Fortalecimiento de la capacidad técnica e institucional del Banco Central de Chile.....	2002–2006	Bank of Chile
DOM/0T/2BJ	Implantación del SIGADE en la Secretaría de Estoea de Finanzas.....	2002–	Inter–American Development Bank
ECU/0T/4AZ	Building capacity in debt management in the Ministry of Economy and Finance and Central Bank of Ecuador.....	2005–	Ecuador

(for note see end of table)

Table 1 (concluded)
**PROJECTS IMPLEMENTED BY THE DIVISION ON GLOBALIZATION
AND DEVELOPMENT STRATEGIES**

<i>Project number</i>	<i>Short title</i>	<i>Starting date</i>	<i>Source of fund</i>
ETH/0T/4AN	Capacity Building in Debt and Financial Management.....	2004–	Ethiopia
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/0T/5BR	Implementation of DMFAS Version 5.3	2005–	Georgia
HON0T4AH	Fortalecimiento de las capacidades para la gestión de la deuda en Honduras	2005–	Honduras
INS/0T/3BI	Implementation of DMFAS 5.3	2003–	Indonesia
MOL/0T/4CP	Implementation of DMFAS 5.3	2004–	Sweden
NIC/0T/4BW	Capacity–building in debt management in Nicaragua.....	2006–	Inter–American Development Bank
PAL/0T/0AH	Capacity building in debt and financial management	2000–	Norway
PAR/95/003	Control y administración del endeudamiento público	1995–	UNDP
PHI/0T/6AC	DMFAS Programme	2006–	Philippines
PRC/0T/3AJ	Renforcement des capacités de gestion de la dette.....	2003–	Congo
ROM/0T/3AV	Implementation of DMFAS Version 5.3.....	2003–	Romania
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
UGA/0T/2BK	Implementation of DMFAS in the Treasury Office of Accounts of the Ministry of Finance.....	2003–	Uganda
VEN/9X/9DW ^a	Gestión de la deuda en Venezuela	2000–2006	Venezuela
VEN/0T/5AC	Proyecto para la implementación del SIGADE 5.3 y los enlaces con los sistemas de análisis e integración financiera (SIGECOF II)	2005–	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
Special Programme			
PAL/0T/4CA	Integrated Framework for Palestinian Macroeconomic, Trade and Labour Policy	2004–	Canada/IDRC
PAL/0T/5AS	Technical Assistance for the Establishment of the Palestinian Shippers Council.....	2005–	European Commission
Other GDS			
INT/0T/4AK	Preparation for UNCTAD XI – High–Level Interactive Round Table on Trade and Gender.....	2004–	Canada

^a Project which had been “operationally but not financially completed” or “completed” in 2006.

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

1. Trade analysis

(a) Trade Analysis and Information System (TRAINS)

29. *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, who are provided with comprehensive, up-to-date information on market access conditions together with a corresponding software tool. One component of the system relates to the Generalized System of Preferences (GSP) in that it includes information on tariffs, preferential margins, rules of origin and other regulations affecting the export interests of developing countries vis-à-vis the preference-giving countries. A subsystem (TRAINS for the Americas) has been developed in collaboration with the Inter-American Development Bank for expansion of the database with information on bilateral preferential trade agreements, as well as extended coverage of non-tariff measures. For dissemination purposes, computer software – 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 that purpose.

30. *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: 159 volumes of tariff schedules, 62 of which are for 2006 and 64 for 2004/2005; 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 2006. Over 4,000 of the approximately 7,600 licences issued to users of WITS were issued in 2006.

31. 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 the primary data source of various research papers aimed at measuring the potential impact of the current World Trade Organization (WTO) multilateral trade negotiations, as well as for the Global System of Trade Preferences among Developing Countries (GSTP) 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.

32. Among the regional secretariats actively collaborating with UNCTAD are those of the Latin American Integration Association (ALADI), the South Asian Association for Regional Cooperation and the Permanent Secretariat of the General Treaty on Central American Economic Integration (SIECA).

33. TRAINS has contributed data for the calculation of Millennium Development Goals (MDGs) indicators on market access.⁴ At the beginning of 2004, UNCTAD, WTO and the International Trade Centre (ITC) decided to create a Common Analytical Market Access Database, bringing together all data sources collected or received by each organization, and thereby creating the most comprehensive market access database in the world. At the technical level, as of December 2005, the database contained the combined data for the last 10 years (1996–2005). However, because of a dissemination rule on WTO data, access to the database is limited to those that already have access to WTO databases, namely WTO member States and selected international organizations.

(b) Strengthening participation of selected developing countries in dynamic and new sectors of world trade

34. *Development context:* Exports from developing countries are rapidly increasing,

⁴ 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).

particularly in new and dynamic sectors such as electrical and electronic goods. Progress and growth, however, are not equally shared by all developing countries. Least developed countries (LDCs) and African countries are lagging far behind regions such as East/South–East Asia and Central and South America.

35. In order to help them, there is a need for a methodology that will kick-start investment/production/trade in new and dynamic sectors. Such a methodology is required for making and implementing trade policy and investment promotion policy and building a institutional framework in each country as well as within a regional/subregional framework.

36. **Objectives/features:** The aim of the project, supported by the Government of Norway, is to explore innovative methodologies for strengthening the participation of LDCs and African countries in new and dynamic sectors.

37. The project analyses opportunities and constraints in setting up production and trade facilities in LDCs, on the basis of the real-life project involving Philips' interest in setting up a production facility for energy-saving light bulbs for the Southern African Development Community (SADC) market.

38. **Output/results:** In November, a fact-finding mission to South Africa and Mozambique was undertaken, together with delegations from Philips, to discuss with government officials the way forward to establish the production of energy-saving light bulbs to serve SADC market. (This activity had been initiated by the outcome of the UNCTAD/Philips Regional Conference of New and Dynamic Sectors of World Trade, held in Pretoria in July 2006).

39. The findings of the missions in October 2006 were analysed and discussed with the delegations of Philips and the SADC countries in December in Geneva. The meeting agreed that UNCTAD would conduct research on intra-SADC market access conditions (e.g. tariffs, rules of origin and standard-setting enforcement). Also, it was suggested that UNCTAD provide technical assistance to SADC Governments, particularly those of LDCs, in the area of supply capacity and investment promotion.

40. This project is carried out jointly by the Division on International Trade in Goods and Services, and Commodities and the Division of Investment, Technology and Enterprise Development, which contribute to the planned publication on promoting trade in new and dynamic sectors. The publication will include a case study arising from the

outcome of the above-mentioned UNCTAD/Philips cooperation in the SADC region.

(c) Creative industries

41. **Development context:** The São Paulo Consensus' document at UNCTAD XI called on the international community to support the efforts of developing countries to increase their participation in, and to benefit from, dynamic sectors, including creative industries (para. 91), noting that those countries' participation in such sectors is vital if they are to achieve development gains from international trade and trade negotiations (para. 65). It was recognized that creative industries can generate a range of positive externalities for development, including through preserving and promoting cultural diversity, and that special measures at the international level, particularly in the areas of trade and finance, are needed to that end.

42. Creative products and services are an important source of income, job creation and export earnings for most advanced countries. They can also become a feasible option for diversifying the economies of developing countries, particularly the least developed countries, offering new ways to leapfrog into value-added areas of the creative economy.

43. **Output/results:** UNCTAD and UNDP's – Special Unit for South–South Cooperation launched a Partnership for Technical Assistance with a view to “enhancing the creative economy in developing countries”. The Partnership is undertaking a series of joint activities, for example studies, conferences and the provision of policy advice, over the period 2006–2008. The purpose is to facilitate the understanding of key issues underlying the emerging creative economy, identifying multidisciplinary policy options conducive to fostering creative capacity in developing countries and increase their share in the world trade of creative products and services.

44. The “Creative Economy Report – 2007 – The Challenge of Assessing the Creative Economy: Towards an Informed Policy-Making” will be the starting point for future policy-oriented work. It will be the main output for Phase I of the project. The study is being executed under the leadership of UNCTAD with financial support from UNDP and will be jointly disseminated by UNDP/UNCTAD partnership. It will include contributions from UNESCO, ILO, the World Intellectual Property Organization (WIPO) and ITC.

45. The Partnership jointly organized and/or participated in a number of international and national related events: Seminar From Creativity to the

Creative Industries, Jamaica 2006; Round-table Assessing the Creative Industries in Tanzania, March 2006; Meeting of Co-Founders of the International Center on Creative Economy in London, March 2006; International Conference on Creative Economy and Development, Rwanda, August 2006; the Shanghai Creative Week, October 2006; and the International Forum on Creative Economy for Development, Brazil, December 2006.

46. Although the main outcome of the project, the first Creative Economy Report, has not yet been finalized, the project has contributed in a number of ways to the growing profile of the sector:

- Political support and public awareness about the unrealized potential of the creative industries;
- Several Governments of developing countries are giving prominence to creative industries in their development strategies and prioritizing creative industries to foster job creation and exports, as well as to attract new business and investments, particularly China, Jamaica and Rwanda;
- A growing number of events featuring the creative industries have taken place worldwide in both developed and developing countries. This has made a substantial contribution to advancing international dialogue;
- At intergovernmental level, ministerial meetings of Ministers of Culture were held in Africa and Asia, as well as with States members of the African, Caribbean and Pacific (ACP) group and MERCOSUR (Argentina, Brazil, Paraguay, Uruguay and Venezuela). UNCTAD was invited to send a resource person to those meetings contributing to advance the political agenda on the impact of the creative economy for development; and
- Multi-agency cooperation increased. UNCTAD set-up the Multi-Agency Informal Group on Creative Industries in 2004. It held two meetings in 2006 (April and July).

(d) Adjusting to trade liberalization in selected developing countries: removing supply capacity constraints

47. *Development context:* Concerns about the negative effects of adjustment to trade liberalization have been increasing among developing countries' policymakers and practitioners as the "promised" gains from multilateral trade liberalization are still "missing" for many economies. Although the adjustment to trade liberalization is extensively mentioned and discussed in political circles, there is

still a substantial analytical gap that precludes comprehensive technical assistance. Analysis is also lacking with regard to consideration of the possible role of the informal sector. The latter is often seen as a disadvantaged residual of segmented labour markets. However, there is increasing evidence that a large part of the informal sector is made up of unregulated entrepreneurial activity producing non-tradable goods and services. A better understanding of that sector, which represents more than half of the labour force in many developing countries, and its behaviour in the event of trade liberalization and other reforms, would provide useful information about the true extent of adjustment. A better characterization of the reaction of supply capacity elements to trade liberalization could be used to identify efficient and sustainable safety net instruments and mechanisms.

48. *Objectives/features:* The project aims at (i) opening up the "black box" of supply capacity to set up a comprehensive template for policymaking readily usable by practitioners; (ii) contributing to an enhanced understanding and appreciation of the fundamental economic elements of adjustment to trade liberalization; (iii) identifying policies that could contribute to the smoothing of adjustment to trade liberalization; and (iv) defining an analytical framework to be used by policymakers to better understand the consequences of trade liberalization.

49. *Output/results:* The project, financed by Norway, started only in October 2006, and thus only preliminary activities have so far been undertaken. The focus has been on data collection and analysis relating to the functioning of the informal activities in developing countries economies, which is one of the two main themes of analytical background work. Some initial results concerning the informal sector have been obtained for some Latin American countries. Data for an African country and an Asian country are currently being collected and their quality is being assessed. Preliminary empirical analysis for Colombia, Brazil and Mexico reveals that the informal self-employed and formal salaried sectors often appear as one integrated labour market, rather than segmented or dual labour markets as customarily conceived. These initial results, although preliminary, indicate that Governments need to understand the functioning of the labour market in order to identify those areas that are likely to complement adjustment to trade policy reform.

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*

50. **Development context and objectives:** As part of its capacity-building support on the multilateral trading system, UNCTAD participates in implementing JITAP with WTO and ITC. The programme's assistance targets eight African countries: Botswana, Cameroon, Malawi, Mali, Mauritania, Mozambique, Senegal and Zambia.

51. **Outputs:** In 2006, activities under JITAP included the following:

- High-level workshop on the Doha negotiations of inter-institutional committees (Geneva, 24–26 July) attended by 32 capital-based senior trade officials and other stakeholders.⁵ They reviewed developments in the Doha negotiations and identified key trade and development issues for JITAP countries in agriculture, including cotton, services, non-agricultural market access, trade facilitation and development issues.
- Regional workshop on “The Multilateral Trading System and the role of gender, civil society organizations and the media” (Accra, 28–30 November), which deliberated on key multilateral trading system issues and their developmental impact. It was attended by 60 capital-based trade officials, and representatives from the media, civil society and gender-related organizations.⁶
- Support for national retreats of multi-stakeholder national inter-institutional committees to strategize on the outcome of the Sixth WTO Ministerial Conference and the Doha trade negotiations, and to monitor implementation and adjustment to WTO Agreements. Country-specific analyses were prepared for the purpose of informing the trade policy community of key issues in the WTO. These included studies on Zambia, Botswana and Malawi.

- Substantive and financial support for specialized national thematic workshops and supporting technical missions on the Doha negotiations in requesting beneficiary countries.
- Support to the WTO (with ITC) in the setting up of multilateral trading system reference centres and national enquiry points in participating countries. This support, which involved training and installation of library software, was provided by the Central Statistics and Information Retrieval Branch of UNCTAD's Division on Globalization and Development Strategies. For each country, UNCTAD provided (a) a general introduction to, and demonstration of, the UNCTAD website with a brief overview of UNCTAD, including the online information resources available in the different parts of the site and sub-sites; (b) UNCTAD documentation content and structure; (c) UNCTAD online databases; and (d) other possibilities for document retrieval sources, such as the UN Official Documents System, the UNCTAD Reference Library online catalogue, the UN Library Catalogue and other university libraries. An open source library management system⁷ has been installed and two days' training in its utilization is provided. This software allows the Reference Centre to catalogue and classify the information in hard-copy format, electronic format, CD-ROMs, periodicals and selected websites. Once the information has been catalogued, it can be easily retrieved and disseminated.
- Support to Botswana in improving its trade policy.

52. **Results:** Activities organized by UNCTAD under JITAP enabled participating countries to play a proactive role in the Hong Kong Ministerial Conference. An external evaluation of JITAP conducted between February and July 2006 commended the programme, identified areas for improvement and recommended its continuation into a third phase. The current phase of JITAP expires in 2007.

(ii) *UNCTAD project on strategies and preparedness for trade and globalization in India*

53. **Development context:** The pace of globalization in India is rapidly increasing, and at the

⁵ From countries participating in JITAP II (Botswana, Cameroon, Malawi, Mali, Mauritania, Mozambique, Senegal and Zambia), as well as Benin, Burkina Faso, Kenya and Uganda.

⁶ From Benin, Botswana, Burkina Faso, Cameroon, Côte d'Ivoire, Ghana, Kenya, Malawi, Mali, Mauritania, Mozambique, Senegal, Tunisia, Uganda, United Republic of Tanzania and Zambia.

⁷ (PhpMyBibli) (www.pmbservices.fr).

same time giving rise to challenges for development. To support the efforts of the Government of India to promote development, including through timely achievement of the Millennium Development Goals, the project is building analytical, technical, human and institutional as well as entrepreneurial capacities for international negotiations, and tackling the challenges of globalization, with a particular focus on pro-poor sectors.

54. **Objectives:** The major objectives of the project are to assist India in developing capacities to address trade negotiations in multilateral forums, in particular in the WTO, as well as at the subregional and interregional levels; build the capacity and understanding of the trade laws and regulations governing market access conditions in the international trading system; deal with trade disputes; and utilize preferential trade arrangements. The project has two main interrelated components. Component I focuses on trade negotiations and Component II focuses on strengthening human and institutional capacities, as well as an enabling policy environment.

55. **Outputs:** Activities in 2006 focused on technical studies and stakeholder consultations related to the WTO work programme and free trade agreements (FTA). The project carried out 20 stakeholder consultations, mostly outside Delhi. Over 1,200 stakeholders, including grassroots workers and non-governmental organizations (NGOs), agricultural workers' unions, fishermen, farmers' associations, research institutes and government agencies, and industry associations from different parts of the country, participated in those consultations and had the opportunity to express their views to senior officials from the Department of Commerce and a few State Governments. Some events were also attended by senior State Government ministers.

56. Through analytical studies, workshops and direct interaction with government officials, and national and international experts, the project has sought to enhance the understanding of stakeholders, particularly those in agriculture, textiles, handicrafts, small- and medium-sized enterprises and fisheries, regarding opportunities and challenges from trade and globalization. It also has sought to enhance competitiveness of handicraft and handloom products through the creation of awareness and the facilitation of geographical indications registration. A study entitled "Green Box Subsidies: A Theoretical and Empirical Assessment" was prepared and presented to a meeting in March 2007. In addition, with a view to enhancing handicrafts export prospects, more than

350 artisans were trained in new designs. Studies and training programmes aimed at knowledge transfer of best practices for enhancing competitiveness and exports in agriculture were undertaken in respect of pineapples, litchis, mangoes, poultry and the dairy sector. Under Component II of the project software is being developed for identifying the incidence of inverted duty structure, which erodes the competitiveness of downstream industries.

57. **Results:** The project has continued to provide an institutional mechanism for consulting a wide range of diverse stakeholders in a structured manner in order to ascertain their interests and concerns on issues relating to trade and developing possible mechanisms to address those issues. The analytical studies and broadly inclusive stakeholder consultation meetings organized under the project were useful in helping to advance India's negotiating positions, with the pro-poor dimension of trade being kept in view. When drafting negotiating submissions to the WTO on issues such as trade facilitation (WTO document TN/TF/W/78), the Department of Commerce utilized technical assistance provided under the project. The stakeholder consultations also provided an opportunity to enhance the understanding of the implications of trade-related policies. Inputs provided by the project were useful in assisting India in Indo-ASEAN FTA negotiations.

58. The project has made considerable progress in gathering and disseminating trade-related information on agricultural products through a web-based solution, which had more than 45, 000 hits during 2006.

59. Under Component II, the project has eight Tier I partners and 292 Tier II partners for implementation of activities in four subsectors (fisheries, agriculture, textiles and small- and medium-sized enterprises (SMEs)). Activities focused on generating awareness of WTO/FTA-related trade issues, for example geographical indications in textiles, anti-dumping duties and standards in marine products, inverted duty structure in SMEs, and building of trade information networks by Agricultural and Processed Food Products Export Development Authority, Federation of Indian Micro and Small & Medium Enterprises and the Textile Committee. Following design of development training in the handicrafts sector, artisans have started receiving trade enquiries from exporters, a fact that indicates the benefits of these workshops.

(b) Support to developing countries on trade negotiations

60. **Development context:** Developing countries, particularly LDCs and African countries, and their regional organizations, approached UNCTAD to assist them with their beneficial participation in the WTO Doha Work Programme, ACP–European Union (EU) trade negotiations, regional trade negotiations addressing development issues arising from negotiations with the EU on partnership agreements, regional trade negotiations among developing countries, accession to the WTO, dispute settlement and the GSP and other trade preferences.

61. **Objectives:** The objectives are to help 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 proposal; and pursue their strategic interests in the negotiations, and ensure that the outcomes duly reflect their critical development concerns and interests.

62. Outputs:**(i) WTO Doha negotiations and regional trade agreements**

63. UNCTAD assisted developing countries in their preparations for participation in the *Doha negotiations* on modalities for agriculture, non-agricultural market access (NAMA) negotiations, services and development issues, among others, following up on the outcome of the Sixth WTO Ministerial Conference. This included substantive contributions to the African Union Conference of Ministers of Trade (Nairobi, April); a consultation meeting for Asian and Pacific LDCs on the Doha negotiations (Geneva, June), and technical meetings and seminars organized for individual countries (e.g. Botswana, Cameroon, Malawi, Mali, Mauritania, Mozambique, Senegal and Zambia) or country groups such as LDCs. UNCTAD continued to provide support to Latin American countries in the respect of the negotiations on the Free Trade Area of the Americas, and on regional trade negotiations among developing countries. It assisted Geneva-based trade negotiators, upon request, on an individual or group basis with trade negotiation issues of interest to them, particularly those relating to agriculture, NAMA, services, LDC-specific issues, small economies and development issues. Important capacity-building support was provided, including in services negotiations (see below).

(ii) Support to developing Africa's trade negotiating capacity

64. In the implementation of the project on trade capacity development for sub-Saharan Africa, financed by UNDP, UNCTAD in 2006 organized and participated in two workshops for African countries. The third publication in the Trade Negotiations and Africa Series, entitled “Policy Issues for African Countries in Multilateral and Regional Trade Negotiations”, was issued. UNCTAD contributed substantively to, and attended, a number of high-level workshops on Economic Partnership Agreements and WTO Doha negotiations organized by the African Union, the Economic Commission for Africa (ECA), the South Centre and the Commonwealth Secretariat. Those workshops dealt with critical issues affecting African countries in those negotiations. UNCTAD also contributed to a dialogue organized by International Centre for Trade and Sustainable Development (ICTSD) on issues of interest to African countries in the services negotiations.

(iii) ACP–EU negotiations on Economic Partnership Agreements (EPAs)

65. The ACP–EU negotiations on EPAs entered a decisive stage in 2006 with the drafting of negotiating texts on the architecture of EPAs based on the agreed regional configurations among the ACP States and between them and the EU. UNCTAD provided expert and advisory services as well as organized strategy sessions on these negotiations, upon request, to the ACP States and through events organized by other agencies. The following may be mentioned:

- Support to the ACP Group of States in Geneva on issues interfacing with the Doha negotiations and EPA negotiations, including the developmental aspects of WTO rules on regional trade agreements relating to North–South agreements.
- Participation in an initiative of the Commonwealth Secretariat to facilitate open dialogue between Commonwealth ACP States and EU members on the development priorities and concerns of ACP States. UNCTAD provided expert advice on areas of interface between WTO Doha negotiations and EPA negotiations to several brainstorming events for Commonwealth ACP States.
- UNCTAD contributed substantively to various events, including the ECA meeting on the adjustment effects of proposed EPAs on African countries (Cairo, 18–19 September); the South Centre’s meeting on “EC–ACP trade relations: The development challenges of

EPAs” (Brussels, 12 October); and the ACP technical meeting on Doha and EPA negotiations (Brussels, 29 November) in preparation for the ACP Heads of States Summit in December 2006.

- UNCTAD helped African trade negotiators at the Doha negotiations and the EPA negotiations review the particular development concerns and priorities of African countries. A paper entitled “Development interface between the WTO, EPA and regional negotiations for African countries”⁸ served as the basic document for a regional workshop organized by UNCTAD and UNDP for African countries on the development interface between WTO, EPAs and African regional negotiations (Mbodiène, Senegal, 20–22 November). The workshop brought together 40 senior African trade officials and negotiators from capitals, Brussels and Geneva, as well as UN and other organizations.⁹ Subsequently, UNCTAD disseminated the outcome of the workshop to the ACP technical meeting mentioned above.

(iv) Support to SADC regional integration and the multilateral trading system

66. In 2006, under the EC–financed project for SADC countries a number of activities were undertaken. The project provides institutional and human capacity–building on services assessment and negotiations to the SADC secretariat, the SADC Trade Negotiating Forum, and SADC policymakers and trade negotiators

67. The second regional workshop under the auspices of the SADC Trade Negotiating Forum on Services was held in Mauritius on 20 and 21 July 2006. It reviewed the state of play of services negotiations under the WTO and EPA negotiations, and considered the different services–related SADC Protocols already in existence and the elements to be taken into account in the annex on trade in services to the Trade Protocol. SADC member States shared their experiences regarding the various negotiations to which they are party. A study on the implementation of SADC Protocols affecting trade in services was finalized. Eleven national workshops were organized under the project in Angola, Botswana, the Democratic Republic of the Congo, Lesotho,

Madagascar, Malawi, Mauritius, Mozambique, Namibia, South Africa and Zambia. They were aimed at sensitizing and building awareness among stakeholders about the services negotiations being held at the regional, intraregional and multilateral levels. Stakeholders included government ministries and agencies, the private sector, and non–governmental organizations and academic institutions dealing with issues related to trade in services. National assessment studies on trade in services are being undertaken in all 14 SADC member States.

68. Under the same project, UNCTAD supports services assessments and preparations for (a) regional negotiations with a view to developing a regional framework on services trade; (b) participation in WTO General Agreement on Trade in Services (GATS) negotiations; and (c) the challenges associated with parallel negotiations between SADC and the EU on EPAs. In the implementation of the project, synergies were created with the Southern African Customs Union and the Common Market of Eastern and Southern Africa. The expertise and knowledge of the member countries’ trade officials in services negotiations were strengthened through activities that included the organization of 14 national training workshops and seminars in all the member countries; commissioning of national assessment studies in priority services sectors and technical papers on issues relevant to SADC services regional integration; and provision of ad hoc working materials and studies addressing specific issues and problems identified during regional and multilateral negotiations.

(c) Accession to the WTO

69. *Development context:* Accession to the WTO involves a very long and complex negotiations which require extensive human resources and institutional capacities. The challenge is even greater for developing countries and LDCs that have limited financial, human and institutional capacities to follow up trade issues. This is a major area of UNCTAD’s technical assistance programme through which 19 acceding countries, including all acceding LDCs, are being assisted. This work includes assistance with negotiations before, during and after WTO accession, implementation, and policy and regulatory reform.

70. *Outputs:* Assistance provided included technical advice, training of officials in WTO–related issues, procurement of IT equipment and the provision of specialized consultancy services in specific areas to assist negotiating teams. In 2006, technical and advisory missions were undertaken to Bhutan, Sudan, the Islamic Republic of Iran,

⁸ See UNCTAD/DITC/TNCD/2006/6.

⁹ The participants were from Angola, Benin, Botswana, Burkina Faso, Cameroon, Côte d’Ivoire, Gabon, Kenya, Malawi, Mauritania, Mauritius, Mozambique, Senegal, South Africa, the United Republic of Tanzania, Zambia and Zimbabwe; Belgium; and UNCTAD, UNDP (New York, Dakar and Johannesburg offices), AU, ECA, CEMAC, the Commonwealth Secretariat, TRALAC and EC (Senegal).

Afghanistan, Bosnia and Herzegovina, Serbia, Timor–Leste, Algeria, the Lao People’s Democratic Republic and Yemen to assist those countries in their preparations, including for meetings of their Working Party, or to assist them with accession–related documents. Intensive training sessions on managing the Working Party on Accession were organized in Geneva and in the capitals for members of the negotiating team.

71. A workshop on accession issues was held in Azerbaijan (6–8 September) for all acceding SPECA countries,¹⁰ with the participation of other recently acceded and acceding countries to share experiences, and representatives of the private sector and civil society. Assistance through training and technical advice was provided to Cambodia in post–accession adjustment as well as regarding the consistency between domestic regulatory frameworks and WTO commitments, together with enhancement of national trade and development goals.

72. **Results:** The technical assistance that UNCTAD has provided in the field of accession–related issues has increased the awareness of the acceding countries’ negotiating teams and civil society in general as regards the broad scope of the issues covered by the accession process. It also enhanced their understanding of WTO rules and disciplines, including special and differential treatment and other developmental provisions and their implications for national policy options. This has enabled those countries to participate more effectively in the accession negotiations. UNCTAD’s work on WTO accession was evaluated positively by independent evaluators and commended by the Working Party on the Medium–term Plan and Programme Budget.

(d) WTO dispute settlement

73. **Development context:** During its 10 years of existence WTO dispute settlement has dealt with a large number of cases, interpreting and clarifying member States’ existing rights and obligations under the WTO Agreements. Besides creating a sophisticated body of jurisprudence, WTO panel and Appellate Body reports may have implications for current and future negotiations. UNCTAD aims at making the rulings more accessible to trade negotiators.

74. **Objectives:** UNCTAD continued to develop knowledge and skills and to contribute to

strengthening institutional capacities in developing countries to deal with dispute settlement in international trade, investment and intellectual property.

75. **Outputs:**

- UNCTAD produced and disseminated 40 training modules and electronic materials, such as CD–ROMs and web materials, in five areas, namely (a) trade and investment dispute settlement in international law in general; (b) International Centre for Settlement of Investment Disputes/World Bank dispute settlement in the field of international investment; (c) WTO dispute settlement as regards international trade in goods, services and intellectual property; (d) WIPO dispute settlement (including its arbitration and mediation centre); and (e) international commercial arbitration (United Nations Commission on International Trade Law (UNCITRAL) dispute settlement). Also, it provided training on dispute settlement to government officials, lawyers and trade negotiators, academics, legal practitioners, lawyers representing trade associations, corporations and law firms, and business people from developing countries.
- *Open meetings on WTO panel and Appellate Body rulings:* UNCTAD pursued its series of interactive and open meetings (in Geneva) aimed at making WTO panel and Appellate Body rulings more accessible to trade negotiators and affected stakeholders. A lunchtime meeting was organized to discuss the panel report on *EC–Trademarks and Geographical Indications*. Speakers included academics and practitioners working on international trade, as well as delegates and staff from intergovernmental organizations in Geneva.

(e) Trade in services and development implications

76. **Objectives:** The objective of UNCTAD’s innovative work on trade in services in terms of ground–level support and country– and sector–specific assessments is to help countries assess the contribution of services, reform the sector with an emphasis on development, including strengthening access to essential services, and generate important data and reference material for multilateral and regional trade negotiations.

77. **Outputs:** The following activities were carried out in 2006:

¹⁰ UN Special Programme for the Economies of Central Asia. Seven countries are members of SPECA, namely Afghanistan, Azerbaijan, Kazakhstan, Kyrgyzstan, Tajikistan, Turkmenistan and Uzbekistan.

Annex 1: Review of activities undertaken in 2006

- Technical assistance to developing countries on GATS negotiations, focusing on the request/offer negotiations under Article XIX of the GATS, and on rule-making negotiations.
- Specialized group training in negotiating skills for services negotiations.
- Customized assistance to individual delegations and collectively to a number of developing countries on issues of common interest, including during regional meetings of such groupings as SADC, the Andean Community, landlocked developing countries, the Association of Southeast Asian Nations (ASEAN), the African Group and the Latin American countries. In addition, a consultation meeting for LDCs to examine the way forward in the services negotiations from their development perspective was held in November.
- Monitoring and analysis of proposals submitted in GATS negotiations, both on specific commitments and rule-making in the areas of domestic regulation and subsidies (while gathering data on them), and sharing of those reviews with countries at their request.
- Advisory services to developing countries in building services supply capacities, promoting services policy formulation at the sectoral level and in overall terms, and defining strategies for services negotiations at the national, regional and multilateral levels, and at the interface between regional services negotiations and GATS negotiations. For example, advisory missions were carried out in Bolivia, Uruguay, Peru and Ecuador to assist those countries in defining a national strategy for services negotiations at the multilateral and regional levels. Several high-level seminars and workshops were also organized on the interface between Latin American regional integration and GATS negotiations at the multilateral level.
- Reinforced assessment of trade in services, supporting intergovernmental deliberations and advancing awareness on topical services issues mentioned earlier.
- Profiling of issues pertaining to the ongoing international debate on GATS negotiations in the area of temporary movement of natural persons supplying services (Mode 4). In addition, UNCTAD is directly involved in the collaborative work among international organizations on migration. It chaired the newly created Global Migration Group for three months; and contributed to a workshop on labour migration (March) and to the International Symposium on International Migration and Development (June), in the run-up to the High Level Dialogue on Migration (September). UNCTAD participated in and contributed to relevant analyses and meetings organized on migration by, for example, the International Organization for Migration, the WTO, the World Bank and UN bodies such as ECOSOC.
- Organization of a workshop on Services (Geneva, 27 June), jointly with the Organisation for Economic Co-operation and Development (OECD), for trade negotiators and policymakers on the current GATS negotiations, and particularly the request-offer process and sector-specific negotiations such as those relating to logistics and related services, construction and related engineering services, and energy services.
- Continued development of the *Measures Affecting Services Trade (MAST)* database system for undertaking cross-country, cross-sectoral analysis of legal information related to GATS. Its primary objective is to facilitate the potential users' cross-sector and cross-country comparisons on legal measures applied to services, including law, regulations and the like, as defined by Article XXVIII of GATS. Currently, MAST is a web-based interactive application where users can logon and extract relevant information. There is also an editing and administrative interface via the web.
- *National services assessment*: Completion of studies examining the policy and regulatory frameworks as well as the impact of the liberalization of trade in services in developing countries generally and on a sector-specific basis, with emphasis on poverty reduction. National sectoral studies have been undertaken for Andean countries, Ecuador, Kenya, Indonesia, Jordan, Madagascar, Senegal and Cameroon. Other studies are currently in preparation for countries in Latin America, Central Africa (Congo and Democratic Republic of the Congo), and the member States of SADC. These assessments are being prepared with the contribution of other international and regional organizations as well as NGOs.

(f) Preferential arrangements**(i) Global system of Trade Preferences among Developing Countries (GSTP)**

78. The GSTP negotiations, launched in June 2004 on the occasion of UNCTAD XI, focused on two issues: (i) techniques for exchanging tariff concessions that would lead to achieving the objective of substantial trade liberalization (across-the-board, line-by-line, linear reduction formula (combined with request-and-offer and sectoral negotiations)); and (ii) improvement and modernization of rules of origin of GSTP products (the current rules were negotiated in the 1980s). The GSTP Negotiating Committee met at senior-official level (Geneva, 11–12 December) and decided to conclude the negotiations by the end of 2007, including through finalizing work in the two areas of negotiations. The GSTP received a boost with the accession, in November, of Mercosur, which comprises Argentina, Brazil, Paraguay and Uruguay. LDCs that apply for accession to the GSTP Agreement in 2007 will be invited to participate in the negotiations.

(ii) Generalized System of Preferences (GSP)

79. **Objectives:** UNCTAD continued promoting awareness and understanding among developing countries with regard to the better use of preferences available under the GSP through regular provision of information on the dedicated website, publication of handbooks on the GSP schemes and provision of other technical and administrative services.

80. **Outputs:** The handbooks on the GSP schemes of Japan and Turkey were prepared and updated, and several other issues of GSP handbooks and a study on rules of origin are in preparation. The UNCTAD GSP database was continuously updated on the basis of the primary data submitted by the GSP donor countries. It provides useful information on trade under various GSP schemes, including their utilization rate. Data are currently available up to 2005 for Japan, the EU and the United States, and up to 2004 for Canada.

3. Commodities**(a) Costs of sanitary and phytosanitary (SPS) compliance**

81. **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. At the same time, 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.

82. 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. However, this is a partial solution which needs to be complemented by strengthening public and private capacities to effectively manage food safety and agricultural health risks. Developing countries faced with rising standards 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 that are well prepared, rising standards represent an opportunity; for those that are poorly prepared, they pose safety and market access problems.

83. **Objectives:** To (i) develop a safety control system for the horticultural sector in Guinea and Mozambique and other countries as needed; (ii) establish a safety management expert force to assist companies implementing control systems; (iii) lay the groundwork 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.

84. **Outputs:** Within the project, in Guinea, various activities, such as consultations with local authorities and workshops, took place. 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 and World Bank) and certification bodies – participated in the workshops. The workshops discussed the findings of the study commissioned by UNCTAD, complemented them with stakeholders' views and experiences, as well as presentations by experts and resource persons, and made recommendations on ways and means by which the Government could improve private and public sector capacity in this area. Preparations have been

made to start implementation of the project in Mozambique and preparatory work has also been carried in three Pacific island countries.

85. **Results:** Since the Guinea project started in 2006 and other projects are as yet only in preparation, it is too early to assess results and impacts. However, it can be noted that the implementation of the project in the selected countries came at an opportune time, namely when many African countries were negotiating Economic Partnership Agreements with Europe. Workshops under the project made it possible for participants to acquire new information and update their knowledge on new regulations affecting horticultural exports. One of the many recommendations arising from these workshops was for the establishment of a task force to coordinate national initiatives and functions on food safety implementation, advise government in that area and disseminate information to small farmers, exporters and other business bodies operating in the horticultural sector. Other important suggestions and recommendations stemming from national workshops include organizing farmers into 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.

86. Research and analysis were carried out to identify and assess problems of developing countries in the SPS area. The UNCTAD study entitled “Safety and Quality of Fresh and Vegetables: A Training Manual for Trainers” (UNCTAD/DITC/2006/17) has been prepared and published.

87. In Senegal, representatives of the Ministry of Fisheries as well as public and private experts gathered (in April 2006) with the aim of developing and maintaining an effective fisheries management system, taking into account all relevant biological, technological, economic, social, environmental and commercial aspects, including compliance with internationally recognized standards and the preparation of a regional workshop that will address those issues and facilitate the adoption of a Fishery Code for Western African Fisheries.

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

88. **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, these producers have neither the means nor the capacities for producing sufficiently and entering markets. In particular, they have great difficulties in meeting market requirements with respect to quality, volume and standards. UNCTAD has initiated a project, in close cooperation with the Swiss supermarket chain Migros and the Swiss Import Promotion Programme (SIPPO), aimed at facilitating market entry for small producers of tropical fruit.

89. **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) to meet official and/or commercial standards in the sanitary and phytosanitary field.

90. **Results:** The partnership has helped small farmers improve the quality and competitiveness of their products. In 2006, a training workshop took place in Accra to boost the capacity and power of producers and export associations to meet market entry requirements and exploit new market opportunities. The workshop contributed to establishing Farmer Ownership Models to enable farmers’ associations to take control of their own commercial activities as shareholders, and advise on the use of contract farming and contractual arrangements with large distributors such as supermarket chains to provide competitive access to finance, input supplies and marketing services for small farmers. The Government of Switzerland financed activities costing a total of \$250,000.

91. Activities undertaken under this project contributed to (i) motivating the members of the 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.

(c) **Projects in mining**

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

92. **Development context:** Mining projects tend to have a great impact on the economy of the regions where they are located, with important 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 action 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 time 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.

93. **Objective/features:** The project started in mid-2005 and ended in late 2006. Funded by the Common Fund for Commodities, it was implemented in the province of Espinar (Peru) with the cooperation of the local mining company (BHP Billiton Tintaya) and the University San Agostin in Arequipa. The project aimed to establish and apply a framework for multi-stakeholder assessment of development strategies and growth paths in the province in the region affected by variations in mining activity and employment, and to use the framework to identify viable employment opportunities for redundant mineworkers, initiate actions to establish new economic activities and promote sustainable commodity production.

94. **Outputs:** A concluding workshop on cooperation between provincial government, mining company and local NGOs regarding regional planning was held in October in Arequipa, Peru, and gave rise to several new project ideas that will be followed up.

95. **Results:** UNCTAD provided a forum for various stakeholders to get together for finding commonly agreed effective ways to generate alternative employment in the area affected by mine closures. The project brought together mineworkers, local authorities and mining firms with a view to finding cooperative and cost-effective ways to generate alternative employment. Miners' associations and local authorities increased their capacities for awareness and understanding of potential problems and opportunities, thus increasing the likelihood that problems can be avoided and opportunities exploited.

(ii) **The challenges of mineral resource endowments**

96. **Development context:** In the past few years, the economic, social and environmental dimensions of mining and minerals have been subject to wide-ranging consultations, critical comment, and research and analysis worldwide. Sustainable development challenges for extractives in general and mining in particular are especially demanding for mining-dependent developing countries of Africa and Latin America.

97. **Objective/features:** A cooperative project with the World Bank and the International Council on Mining and Metals (ICMM) on the challenge of mineral resource endowments was implemented. The aim of the project was to analyse how countries and companies have successfully dealt with the "resource curse" and to make the beneficiaries better understand how large-scale mining activity in low- and middle-income host countries can enhance their socio-economic development.

98. **Outputs:** A major report and the synthesis of four country case studies were published in 2006, and case studies are to be published in early 2007. Follow-up work is underway in selected countries.

99. **Results:** The reports enabled readers to understand better the sustainable development challenges for developing mining countries and to learn from the experience of particular countries.

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

100. **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 that way, those countries will make 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.

101. **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.

102. **Outputs:** The web-based system for promoting best practices and related policies in mining (www.goodpracticemining.com) in cooperation with the United Nations Environment Programme (UNEP), ICMM and Department for International Development has been further developed and made more selective. Another website for general information exchange (www.natural-resources.org/minerals) has been in operation for several years. 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 MINTEK of South Africa and with the Southern and Eastern Africa Mineral Centre, which will start operating in 2007. A workshop on management of mineral wealth was held in Mozambique in cooperation with ECA, and a similar one is planned in Burkina Faso in 2007.

103. **Results:** The networks established are gradually reaching more advanced stages of implementation. They have improved the access to knowledge by stakeholders, researchers and policymakers. The activities initiated earlier, particularly the networks, continue under a new partnership on mining and sustainable economic development.

(d) Commodity risk management, finance and energy

104. **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 countries 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, many of its potential benefits are likely to be lost, and certain groups – most likely the more vulnerable ones – may well be losers. The aim of UNCTAD's work in the area of commodity risk management, finance and energy is 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 paying due attention to the role that Governments need to continue playing even in a liberalized environment).

105. **Objective/features:** Poor access by developing countries to modern financial instruments makes it difficult for those 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, as well as allowing 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 requests from developing countries, particularly LDCs.

106. **Outputs:** In 2006, the largest activity in this area was the Tenth African Oil and Gas Trade and Finance Conference, held in Algiers, Algeria, in April. This conference (organized with the Government of Algeria and the national oil company SONATRACH and the gas company SONELGAZ) attracted some 600 participants from over 50 countries, mostly high-level decision makers from the African oil and finance sectors. It was fully funded by private sector sponsoring, including from

African companies. It was deemed by participants to have been very successful, and demand for UNCTAD's follow-up work in this area is strong. Several countries offered to host the eleventh and twelfth African Oil Trade Conferences; it was decided to hold the eleventh 2007 Conference, again to be entirely funded by private sector sponsorship, in Nairobi, Kenya.

107. 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. Analytical work was continued on strategic and technology considerations for commodity exchanges in the developing world. The major achievements in 2006 were (i) ongoing involvement in defining the concept and implementation plan of the Pan-African Commodity and Derivatives Exchange, including technical support to the African Union, (ii) an emerging markets workshop, again co-organized by UNCTAD back to back with one of the world's major future industries conferences (in Burgenstock, Switzerland, September 2006), which attracted several dozen participants; and (iii) cooperation with the Swiss Futures and Options Association and the private sector, including preparation of a 204-page publication entitled "The World's Commodity Exchanges: Past-Present-Future", which included a statistical part on volumes and growth of the world's major commodity exchanges. In terms of country-level support, policy advice and training, paid for by the beneficiaries as well as the World Bank, were provided in Africa (in a regional context and in individual countries such as Ethiopia, Nigeria and Malawi), India, Central America (Honduras, Panama and Nicaragua) and Ukraine.

108. In the area of structured finance, new avenues were explored. With respect to agriculture value chain finance, analytical and technical support was provided to governmental decision makers, financial entities with activities in the agricultural sector, and non-financial companies working in the sector (producers, processors, exporters, marketers and input suppliers). Several regional conferences were held in cooperation with FAO and Indian institutions. Reports were prepared on African horticulture and fisheries financing.

109. In the area of biofuels finance, a regional workshop on biofuels/jatropha was held in West Africa, at which was launched a joint initiative by UNCTAD and the ECOWAS Bank (EBID) to finance investments in growing jatropha trees and producing

biofuels, inter alia, by using the Clean Development Mechanism under the Kyoto Protocol. The workshop, which brought together more than 200 participants, concluded with EBID pledging to foster private-public partnerships, with support from UNCTAD, and to set up a fund to finance agricultural and industrial production for biofuels in Africa.

110. The Global Network of Export-Import Banks and Development Finance Institutions (G-NEXID) was officially launched in March 2006 following the recommendations of UNCTAD XI. The Network (which currently has 10 members) will serve as a global forum to promote trade and development finance, creativity and research, and networking opportunities, and to facilitate the exchange of information on best practices in trade and project finance. Through promoting joint technical cooperation activities among member institutions, G-NEXID stands to act as a powerful tool to promote South-South trade and investments. UNCTAD's role involves providing technical assistance during the inception phase, in addition to advisory services to support the Network's operations and build its institutional capacity.

111. **Results:** These activities led to a better understanding of modern financial techniques relevant to the commodity sector among, in particular, private sector decision makers. Because of 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 has so far not happened; on the contrary, funding has increased. Several major new trade-supporting institutions have been created as a result of UNCTAD's work, institutions that have already had turnovers of hundreds of billions of dollars and which are likely to greatly enhance credit conditions for the agricultural sector in developing countries.

(e) **Commodity information and knowledge management: INFOCOMM and INFOSHARE**

112. **Development context:** Commodity-dependent developing countries continue to face difficulties in obtaining 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 not necessarily 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, obtain 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 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 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".

113. **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.

114. To develop a knowledge management approach in which different stakeholders will share strategic information, assembling quantitative and qualitative information for selected sectors and countries.

115. 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.

116. **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). The following are some examples of recent outputs:

- *Maintenance, expanding and updating of the online 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. In 2006, the INFOCOMM site increased to 40 commodity profiles containing information on all aspects of commodity markets and regularly updated links to other sites with up-to-date price information, covering 23 commodities in three language versions (English, French and Spanish).
- *Building partnerships with selected authoritative sources of information and organizations having a specific skill and expertise.* In addition to the publication of monthly reports (available in French, English and Spanish) on the world markets for rice, bananas, citrus fruits and cotton, a strategic partnership with the International Tropical Timber Organization (ITTO) was initiated in 2006 to disseminate timely and updated commodity market information on tropical timber.
- *Development of a new version of a sharing-database system – INFOSHARE:* In 2006, *Infoshare* (selected in 2005 as one of the UN's "Ten stories the world should hear more about"), a shared database to improve market

transparency at the local level, and aimed at bringing relevant and timely commodity market information to small producers, was further developed. It is based on a communal approach, with stakeholders collecting, sharing and disseminating a wide range of quantitative as well as qualitative information (commodity prices, intermediate costs, quality standards, etc.). The implementation of the pilot version of the *Infoshare* database has been initiated in Cameroon in collaboration with the National Cocoa and Coffee Board. The database has been tested and modifications made to adapt it to specific local conditions. In November 2006, *Infoshare* was officially launched in Yaoundé.

- *Training and awareness raising activities:* Tailor-made training material was developed and used in different workshops on commodity trade information. A training session in UNCTAD was organized in collaboration with ITC. In 2006, over 10 policymakers and operators (mainly from ministries of trade and industry as well as from chambers of commerce) were introduced to the *Infocomm* and *Infoshare* tools as well as to the methodologies and strategies linked to those instruments.
- *Work on market concentration:* A database on mergers and acquisitions of international agricultural input suppliers is being developed. The objective is to increase market transparency in order to assist developing countries' agricultural producers in their efforts to comprehend and take advantage of the international agricultural structures.

117. **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; this improves their possibilities for positioning themselves on world commodity markets. The INFOCOMM portal is the most visited of all UNCTAD sub-sites, attracting roughly 10,000 visits per day. In November 2006, *Infoshare* was officially launched in Yaoundé. Twenty producer representatives, seven provincial delegates and representatives of private sector were trained to use the database. Finally, in 2006, roughly 2,200 requests from industry, Governments, universities and research bodies were answered through the electronic box of INFOCOMM, a fact that illustrates the demand for this type of information.

(f) Trust Fund on Iron Ore

118. **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.

119. **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 (available only in electronic form) is published in November. The sales income from these reports as a proportion of the total income of the Trust Fund has increased from about 25 per cent in the early 1990s to about 60 per cent in 2006.

120. In 2006, the *Market Report on Iron Ore* was issued in May, and *Iron Ore Statistics* was issued in September.

121. **Results:** There is a great demand for the Trust Fund publications from producers, purchasers, shipping agents, steel companies and consultants on the iron ore and steel markets. They provide up-to-date, accurate and comprehensive information on developments in the world market for iron ore, including both statistical data and analyses.

4. Trade, environment and development

(a) Trade and sustainable development

122. **Development context:** Paragraph 103 of the São Paulo Consensus provides that efforts to support 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 UNCTAD/FAO/IFOAM 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).

123. Current technical cooperation and capacity-building activities on trade, environment and development focus on the following priority areas:¹¹

- (a) Market access: Environmental requirements and export competitiveness, including trading opportunities for environmentally preferable products, particularly organic agricultural products;
- (b) Trade liberalization in environmental goods and services (EGS);
- (c) The UNEP-UNCTAD Capacity Building Task Force on Trade, Environment and Development (CBTF); and
- (d) Support to relevant activities of the WTO.

(i) **Market access**

124. **Development context:** In line with the outcome of 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.

125. **Objectives/features:** To assist developing countries in adopting a proactive, anticipatory and more strategic approach to coping with and adjusting to environmental and related health requirements in key export markets.

126. **Outputs:** Market access activities have been carried out under four main projects, with an additional workshop held to discuss links between market access, organic agriculture and the MDGs.

The UNCTAD/FIELD¹² 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)

127. 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), environmental requirements in key export markets and market access for agricultural products, including the promotion of trading opportunities for organic products.

128. During 2006, national case studies on the impact of food safety and environmental requirements on Asian exporters of horticultural products (involving Bangladesh, Cambodia, China, the Philippines, Thailand and Viet Nam) were compiled, together with additional analysis by the UNCTAD secretariat, as a monograph that will be published by UNCTAD in 2007.

129. National case studies in Central America (encompassing Costa Rica, Cuba, the Dominican Republic, El Salvador, Guatemala, Honduras, Nicaragua and Panama) under the project have focused on environmental requirements and market access as well as on export opportunities for organic agricultural products.¹³ In 2006, the results of these studies were compiled, together with additional analysis by the UNCTAD secretariat, in the form of a book to be published in early 2007.

130. The project was successfully completed during 2006, and on 3 and 4 July UNCTAD held a Wrap-up Workshop in Geneva in order to discuss the findings of the project. The workshop was held in conjunction with the annual meeting of UNCTAD's CTF, and the lessons resulting from the DFID-funded project were used to inform discussions about the CTF's future work. The secretariat summarized the key findings of project activities at the sectoral level in two background notes for the meeting.¹⁴ The report of the meeting was submitted as an official document (UNCTAD/DITC/TED/MISC/2006/1) to the eleventh session of UNCTAD's Commission on Trade in Goods and Services, and Commodities, held from 19 to 23 March 2007.

¹¹ Information on trade and sustainable development activities, including all presentations and documents related to meetings and workshops, is available at http://www.unctad.org/trade_env/index.asp.

¹² Foundation for International Environmental Law and Development.

¹³ More information on the project can be obtained from http://www.unctad.org/trade_env/projectDFIDII.asp.

¹⁴ Accessible at www.unctad.org/trade_env/meeting.asp?MeetingID=175.

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

131. 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 mechanism for exchange between those stakeholders and Governments; (c) provide an interface between the WTO discussions in the Committee on Trade and Environment (WTO) (CTE) and the technical barriers to trade (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.

132. CTF activities are organized under three projects. First, the Centre for the Promotion of Imports from Developing Countries 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. Initial findings from a draft version of the feasibility study were presented to the CTF's annual meeting, held on 3 and 4 July 2006 in Geneva.

133. Second, a project on environmental requirements and market access for electrical and electronic equipment is being implemented in cooperation with the secretariat of the Basel Convention, UNESCAP, the UN University and the Sustainable Trade and Innovation Centre.

134. Third, 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 2006, a series of country case studies examining recent experiences in the development of national codes of Good Agricultural

Practice (GAP) for horticultural products in Argentina, Brazil, Costa Rica, Malaysia, the Philippines, Thailand and Viet Nam were compiled as two monographs focusing on the Asian and Latin American regions. These will be published by UNCTAD in 2007. In addition, similar case studies on the experiences of Kenya, Uganda and Ghana were completed. These results were discussed at a subregional workshop held by FAO, UNCTAD and the Kenyan National Task Force on Horticulture in Nairobi, Kenya, in March 2007, and will form the basis of a third monograph to be published in 2007.

135. A synthesis of the preliminary findings of sector- and country-focused CTF activities was published in UNCTAD's *Trade and Environment Review 2006* (UNCTAD DITC/TED/2005/12). The WTO published a document (WT/CTE/W/244) for the regular sessions of the WTO Committee on Trade and Environment in December 2006 and April 2007, which summarizes the key findings and conclusions of UNCTAD's work on environmental requirements and market access. UNCTAD was one of the two keynote speakers at an information seminar organized on 9 October 2006 on the sidelines of the regular session of the WTO SPS Committee on the impact of private-sector-set standards for market access for fresh fruit and vegetable exports and the relationship with the SPS Agreement. At the request of the WTO secretariat, the UNCTAD secretariat prepared an information note on private sector standards and developing country exports of fresh fruit and vegetables, which was circulated as official document (G/SPS/GEN/761) at the regular session of the SPS Committee on 28 February 2007.

UNCTAD/FAO/IFOAM International Task Force on Harmonization and Equivalence in Organic Agriculture (ITF)

136. UNCTAD joined forces with FAO and the International Federation of Organic Agricultural Movements (IFOAM) to launch the 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 the access of developing countries to international OA markets.

137. The sixth meeting of the ITF (Stockholm, Sweden, 9-14 October 2006) included discussions on the feasibility of concluding a multilateral recognition agreement among those bodies that accredit organic certification bodies; a review of consumer research in the organics sector; and a report and workshop on the potential for using low-cost participatory guarantee

systems in developing countries. At that meeting, the ITF also issued a communiqué summarizing its main points of agreement, recommendations to Governments and work plan.

138. The basic vision of the ITF is that organic production should be suited to local environmental and socio-economic conditions, with international trade based on international standards. The ITF therefore encourages Governments to commit themselves to using international standards as the reference point for organic import approvals. It is currently developing the following tools: a set of essential international requirements for organic certification bodies as a basis for equivalence, and a guidance document for judging the equivalence of organic standards. Volumes 2 and 3 of ITF Background papers¹⁵ were published in 2006 and 2007 respectively.

139. 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.¹⁶

140. The work of the ITF has been made possible through the financial support of the Governments of Sweden and Switzerland.

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

141. Following on from several related UNEP-UNCTAD CBTF activities, the CBTF project Promoting Production and Trading Opportunities for Organic Agricultural Products in East Africa began in 2005, targeting Kenya, Uganda and the United Republic of Tanzania, with Burundi and Rwanda joining the project as participants in 2006. The aim of the project is to contribute to sustainable rural development, food security and poverty reduction in the beneficiary 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 the development of an East African organic standard that could facilitate trade within the region as well as access to overseas markets.

142. During 2006, a number of activities continued to advance the achievement of those goals, including national and regional steering committee meetings, policy workshops and research. In March 2006, a regional workshop on organic agriculture in East Africa was held in Arusha, United Republic of Tanzania. The workshop enabled participants to discuss the results of four background studies prepared under the project, as well as national reports on the integrated assessment of OA in East Africa and progress towards a regional East African Organic Standard (EAOS).

143. In July 2006, CBTF and IFOAM fielded a joint mission to Kenya, Uganda and the United Republic of Tanzania to meet with a range of public and private sector stakeholders, including the heads of the National Bureau of Standards and the Permanent Secretaries of Agriculture, representatives of the Ministries of Trade and Environment, the national organic movements, research institutions, certification bodies, farmers, and others. The mission aimed at ensuring broad support for the EAOS and, in conjunction with national multi-stakeholder consultations, provided a number of recommendations for action.

144. Those recommendations resulted in the CBTF holding a regional policy workshop in Nairobi, Kenya, in December 2006 in order to facilitate and inform the organic policy development processes now underway in the three participating countries. The CBTF study on best practices for organic policy was an important basis for the discussions. The workshop was held in conjunction with a public forum, which gave participants a better understanding of the international context for organic standards, certification and regulations.

145. A major achievement of the project was the work done by the Regional Technical Standards Working Group, which led to the completion of an EAOS. The EAOS is awaiting formal approval by the East African Community, after which it will become the official organic agriculture standard for East Africa.¹⁷ The EAOS will become the second regional organic standard in the world after the European Union's and the first ever to have been developed in cooperation between the organic movements and the

¹⁵ UNCTAD/DITC/TED/2005/15 and UNCTAD/DITC/TED/2007/1.

¹⁶ More information on the project can be obtained from http://www.unctad.org/trade_env/projectITF.asp.

¹⁷ The text of this standard has now been passed by the East African Standards Committee, and awaits only the approval of the Council of Ministers for official adoption.

national standards bodies. The EAOS is expected to boost organic trade and market development in the region, raise awareness about organic agriculture among farmers and consumers, and create a unified negotiating position that should help East African organic farmers to access export markets and influence international organic standard setting processes.

146. International project partners include IFOAM, ITC, FAO, Grolink and AgroEco through the “Export Promotion of Organic Products from Africa” programme funded by the Swedish International Development Cooperation Agency (Sida). Project activities were made possible by the generous support provided by the European Commission and Sida to the CBTF.

Workshop on Organic Agriculture and the MDGs in Asia

147. As part of its work on market access and organic agriculture (though not under the CBTF project), UNCTAD held a workshop in Bangkok, Thailand, in October 2006 that examined the potential role for organic agriculture in helping countries in the Asia and Pacific region achieve the MDGs. (A consecutive workshop on the contribution of EGS liberalization was also held.) Discussions focused on policy measures and actions that could be taken at national and regional levels, and took account of UNCTAD's work in the context of the CBTF and ITF projects, as well as regionally targeted research. A briefing session on the CBTF's activities was also held as part of the workshop.

148. UNCTAD also provided expertise to inter-agency consultations on the participation of the Russian Federation in the work of the WTO, with special reference to standards and technical regulations in the areas of environmental protection and food safety. The consultations were organized by the Russian Chamber of Commerce and the Soyuzexpertiza Autonomous Non-Commercial Organization in April 2006.

The following main events on environmental requirements and market access in the four projects listed above took place out in 2006¹⁸

Arusha, United Republic of Tanzania, 6–10 March 2006

CBTF Regional Workshop on Organic Agriculture in East Africa

Nairobi, Kenya, 25–26 May 2006

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

Geneva, Switzerland, 3–4 July 2006

Wrap-up Workshop of the UK-DFID-funded UNCTAD Project “Building Capacity for Improved Policy Making and Negotiation on Key Trade and Environment Issues” and annual session of UNCTAD's Consultative Task Force on Environmental Requirements and Market Access for Developing Countries

Bangkok, Thailand, 18–19 October 2006

Workshop on Maximizing the Contribution of Organic Agriculture to Achieving the Millennium Development Goals in the Asia and Pacific Region

Nairobi, Kenya, 11–15 December 2006

CBTF-IFOAM East Africa Organic Policy Workshop, Organic Standard Forum and fourth meeting of the Regional Standard Technical Working Group

Rio de Janeiro, Brazil, 13–14 December 2006

Subregional workshop (organized by UNCTAD and Inmetro (the Brazilian Standard Institute)), on the Role of National Programmes on Good Agricultural Practice in Facilitating Market Access for Exports of Fresh Fruit and Vegetables from Southern America

Dar-es-Salaam (United Republic of Tanzania), Kampala (Uganda) and Nairobi (Kenya)

At least two national multi-stakeholder consultations on organic agriculture were held in each country in the context of the CBTF East Africa Organic Project.

149. **Results:** The analytical studies and workshops that took place under the DFID-funded, CTF, ITF and CBTF projects have provided evidence of the growing interest at the national level in meeting the new challenges and market opportunities emerging in relation to environmental, health and food-safety 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 for helping developing countries have a more proactive approach to new environmental, health and food-safety requirements.

¹⁸ More information on the project can be obtained from http://www.unctad.org/trade_env/topicMA.asp.

150. Each 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, this being in line with the desire to facilitate public–private dialogue and networking on suitable adjustment approaches.

151. Synergies between project activities were also evident. For example, the empirical, analytical and networking activities of the DFID–funded project have been instrumental in paving the way for the creation of the Consultative Task Force (CTF), and UNCTAD's work in the context of the ITF has fed directly into efforts to establish a regional East African Organic Standard – a practical example of real harmonization in action.

152. 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. 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 of policymakers in key import markets, including the heads of the organic programmes of the United States and the European Commission.

153. CBTF activities have greatly raised the profile of organic agriculture in East Africa, with OA being included for the first time in the national agricultural and trade policies of the participating countries. The project has been instrumental in fostering links and coordinating actions between a range of key private sector and civil society actors and government ministries. The East African Organic Team, established at the CBTF Workshop in Arusha in March 2006, includes all the key public and private sector actors, including the organic networks, certifying bodies, NGOs, universities, and Ministries of Agriculture, Trade and Environment, as well as many international organizations and experts, all joined together for the common cause of promoting the organic sector in East Africa. The success of the project has generated interest from other African countries and regional groupings, notably the Common Market for Eastern and Southern Africa (COMESA) secretariat.

154. All project activities on market access highlighted the need for good coordination between the public and private sectors in order to realize the economic, social and environmental benefits at national level that can be derived 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 regulation and standards potentially affecting exports. The empirical and analytical work has also indicated that new standards in quite a number of cases run the risk of marginalizing weaker economic players and countries, in particular small and medium–sized producers. This has to be taken into consideration when establishing new requirements, but also in developing proactive adjustment strategies to cope with them.

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

155. *Development context:* Trade liberalization of EGS, as set out 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.

156. *Objectives/features:* The immediate objectives of activities in the area of EGS are (a) to help beneficiary countries 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.

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

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

158. As an observer¹⁹ in the Committee on Trade and Environment (CTESS), UNCTAD has sought to promote a better understanding of and engagement in the negotiations provided for in paragraph 31(iii) of the Doha Ministerial Declaration (DMD); to help WTO members learn from and apply negotiating experiences; to explore all possible options that might lead to full discharge of the mandate; and to deal with technical issues relating to products coverage and negotiating modalities.

159. Developing country WTO members face important challenges in participating in EGS negotiations. Whereas the *demandeurs* of EGS liberalization are able to benefit from information on liberalization scenarios, negotiating experience and a platform for brainstorming and coordination purposes,²⁰ developing countries typically lacked these advantages. UNCTAD's activities have assisted developing countries in playing a positive role in EGS negotiations through addressing these challenges. At their request, UNCTAD helped them set up a consultative mechanism, which became known as the Bangkok Group.²¹ The Group brought together developing WTO members that had so far taken an active interest and participate in the WTO negotiations on environmental goods: Argentina, Bangladesh, Brazil, China, Cuba, Ecuador, Egypt, India, Indonesia, Kenya, Malaysia, Mexico, Philippines, Thailand and South Africa. The Group has proved extremely effective in coordinating and articulating the negotiating positions that the developing members take in the CTESS.

160. During the year under review, the Group considered a number of policy and technical issues – for example, applying the single environmental use criterion to the WTO compilation of environmental goods; ensuring comprehensive treatment of the mandate; identifying goods and technology systems with clear and demonstrable environmental use; linking environmental goods and environmental services; environmental technology transfer; manageability of the negotiations; issues specific to particular environmental areas; the pros and cons of the traditional, list-based approach versus alternative, environmental project-based approaches to the

negotiations; ways and means of ensuring effective S&D treatment for the developing members; and “managing” the negotiations under, and the risks implicit in, the various negotiating approaches. Recent discussions in the Group focused on the concept of “likeness” in GATT and GATS, the use of “ex-outs” in the negotiations and, at the implementation stage, selected legal issues implicit in alternative negotiating proposals.

161. The Group held meetings for its Geneva-based members throughout the year, normally just before and after the negotiations in the CTESS. In addition, during the temporary suspension of negotiations in October 2006, UNCTAD organized a workshop in Bangkok, Thailand, which lead negotiators from Geneva were joined by their counterparts from the Ministry of Commerce in the capital. The meeting provided the negotiators with an opportunity to step back from the more technical issues and address the full negotiating mandate provided for in paragraph 31(iii) of the DMD. This allowed participants to address the larger context of sustainable development, to see how the WTO negotiations can actually contribute to the achievement of the MDGs and to investigate how the MDGs can be used to guide the negotiations in terms of criteria and approaches. UNCTAD provided support for these discussions by providing, upon request, information, briefings and background studies.

162. UNCTAD also provided expertise on EGS negotiations to a WTO regional seminar for the Gulf States that addressed the interface between environment and energy goods and services, with special reference to goods, equipment and technologies used in conjunction with renewable energy sources.

163. The UNEP–UNCTAD CBTF on Trade, Environment and Development also held a national workshop on EGS in Ecuador. The national workshop on negotiations on environmental goods and services was jointly organized with Ecuador's Ministry of Commerce and Ministry of Environment in July 2006 in Quito. The workshop served as a forum of exchange among national participants from different sectors to improve their awareness of the issues at stake at the WTO concerning the negotiations on environmental services and on environmental goods in their respective negotiating forums.

In the context of the DFID-funded project

164. 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

¹⁹ UNCTAD has ad hoc invitee status, which is renewed on a regular basis.

²⁰ For example, OECD Eurostat statistical analysis, experience of APEC Early Voluntary Sectoral Liberalization and the Friends of Environmental Goods Group.

²¹ The first meeting of the Group was held in Bangkok in August 2005.

Panama were compiled, together with conceptual analysis by the UNCTAD secretariat and a statistical analysis on environmental goods trade, in a Spanish-language book published in 2007 (UNCTAD/DITC/TED/2005/13). The book addresses some key implications of the different scenarios and modalities being discussed at the WTO and in the context of the regional DR–CAFTA agreement, including risks and advantages of different trade liberalization scenarios from the national perspective; analysis of the lists submitted at the WTO on environmental goods (tariffs, fiscal implications and trade balance); non-tariff barriers; the potential for including environmentally preferable products in the negotiations; and identifying priorities in relevant capacity-building activities.

165. The following events on EGS took place in 2006:²²

Quito, Ecuador, 17–18 July 2006

National Workshop on Environmental Goods and Services

Bangkok, Thailand, 19–20 October 2006

Workshop on Liberalization of Environmental Goods and Services and its Contribution to Fulfilling the MDGs in Asia and the Pacific

166. **Results:** UNCTAD's activities on EGS have resulted in a sustained improvement in the capacities of the beneficiary countries. The national workshop in Ecuador resulted in a realization that more awareness-raising and capacity-building were required for the country to identify specific interests related to EGS and its active participation in EGS negotiations in the WTO. As part of the follow-up to this activity, Ecuadorian participants decided to further explore their national situation, in particular concerning environmental goods, and it is expected that the country will undertake a national study in order to better identify and pursue its national interest. A further tangible result of UNCTAD's EGS activities is the completion of the country case studies and their compilation into a book. The information contained in this book has been useful in helping the countries involved identify their trade interests in EGS and actively participate in the WTO negotiations. In addition, the conceptual studies commissioned by UNCTAD and discussed at the Bangkok workshop in October served to help developing countries develop their positions on EGS and will form a major part of the forthcoming *Trade and Environment Review 2007*.

(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. African countries, LDCs and small island developing States (SIDS) are 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 multilateral environmental agreement (MEAs) and WTO rules.

171. **Outputs:** Details of CBTF activities on organic agriculture in East Africa and EGS were discussed above. Work on the MEAs–WTO relationship focuses on strengthening the mutual supportiveness of trade and environment policies. In particular, the CBTF project “Enhancing Capacities to Assess National Wildlife Trade Policies in Support of the Convention on International Trade in Endangered Species of Wild Fauna and Flora”, carried out in partnership with the Convention on International Trade in Endangered Species secretariat, aims to enhance the capacities of developing countries to review, design and implement effective and sustainable national wildlife trade policies. In June 2006, the International Advisory Group (IAG) on the Wildlife Trade Policy Initiative held its first meeting in Geneva. The meeting provided an opportunity for IAG members to comment and advise on the initial draft of a Wildlife Trade Policy Assessment Framework that is currently being developed by the project partners. The Framework provides guidelines for conducting policy reviews and includes a set of possible assessment methodologies and indicators.

172. **Results:** CBTF activities on the three thematic clusters succeeded in enhancing understanding, broadening analytical and empirical knowledge, and

²² More information on the project can be obtained from http://www.unctad.org/trade_env/topicEGS.asp.

helping to shape national policies and negotiating positions in the WTO.

(iv) Support to relevant activities of the WTO

173. 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 2006 UNCTAD was involved in support for the following activities:

Muscat, Oman, 27–29 March 2006

WTO Regional Workshop for the Gulf States

Rabat, Morocco, 22–24 November 2006

WTO Regional Workshop on Trade and Environment for French-Speaking African Countries

Gaborone, Botswana, 12–14 December 2006

WTO Regional Workshop on Trade and Environment for English-Speaking African Countries

174. **Results:** As already mentioned above, the WTO published a document (WT/CTE/W/244) for the regular sessions of the WTO Committee on Trade and Environment in December 2006 and April 2007, summarizing the key findings and conclusions of UNCTAD's work on environmental requirements and market access. UNCTAD was also one of the two keynote speakers at an information seminar held on 9 October 2006 on the sidelines of the regular session of the WTO SPS Committee on the impact of private-sector-set standards on market access for fresh fruit and vegetable exports and the relationship with the SPS Agreement. At the request of the WTO secretariat, the UNCTAD secretariat prepared an information note on private sector standards and developing country exports of fresh fruit and vegetables, which was circulated as an official document (G/SPS/GEN/761) at the regular session of the SPS Committee on 28 February 2007. The results of the project activities were also used in WTO regional seminars in which UNCTAD staff members participated as resource persons.

(b) Biodiversity and climate change

(i) BioTrade Initiative

175. **Development context:** UNCTAD's BioTrade Initiative 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).²³ The initiative responds to the limited capacity of developing countries to benefit from international markets for products whose production processes enable sustainable use and conservation of biodiversity.

176. **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.²⁴
- The BioTrade Initiative, which supports sustainable development through trade and investment in biological resources, aims at giving concrete expression to the concept of sustainable use of biodiversity and reconciling biodiversity conservation with the development aspirations of local communities in biodiversity-rich areas in developing countries.

177. **Outputs:**

- At the national level, the BioTrade Initiative continued to assist developing countries in strengthening the institutional capacity of the national BioTrade programmes in developing policy frameworks in support of BioTrade, and to provide technical assistance to BioTrade initiatives. National programmes are being executed in Bolivia, Colombia, Costa Rica, Ecuador, Paraguay, Peru, Uganda and Venezuela. A programme is being formulated for Viet Nam.
- At the regional level, the Initiative provided assistance in the formulation and implementation of regional programmes that promote BioTrade. These regional programmes develop regional strategies and policies in favour of BioTrade and provide concrete support to their implementation. Programmes are being developed or supported in the

²³ 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.

²⁴ 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.

Annex 1: Review of activities undertaken in 2006

Andean and Amazonian regions of Latin America and in Southern Africa.

- In implementing the objectives of the CBD, in particular, the sustainable use of its components, the BioTrade Initiative, through its BioTrade Facilitation Programme has supported the implementation of sector strategies, which involve different conservation and sustainable-use practices according to the type of product and the potential impact of the productive systems on biodiversity.

178. **Results:**

- UNCTAD, through the BioTrade Facilitation Programme (BTFP), has successfully played the role of key facilitator for trade of biodiversity products and services through market information, business development, market access, and consolidation and enabling legislation. The BTFP has provided assistance to developing countries on specific issues related to trade and investment, complementing the work developed by the national and regional BioTrade programmes. It supported value chains of biodiversity products and services, which are consistent with the BioTrade principles and criteria. Selected value chains include natural ingredients, eco-tourism, wildlife for pet trade, native cocoa, tropical flowers and foliage, and crocodile leather and meat.
- The equitable sharing of benefits arising from the use of biodiversity is a fundamental tenet of the BioTrade Initiative and a critical element of the sustainable use of biodiversity under the CBD. In its work towards the sustainable use of biological resources, the BioTrade Initiative guides companies on how to best fulfil equitable benefit-sharing principles.
- The Initiative has been in the forefront in addressing cross-cutting issues on trade such as verification and certification schemes for BioTrade products. Producers taking part in the BioTrade programmes have expressed an interest in having their efforts recognized by the market. In response to this, the BioTrade Initiative carried out a study on the possibilities for a verification/certification mechanism for BioTrade, which led to the development of an enabling framework: the Union for Ethical BioTrade.
- In partnership with the Amazon Cooperation Treaty Organization, a regional BioTrade programme involving the eight Amazon countries was further developed to promote

trade and investment in biodiversity products and services through regional action. This complements BioTrade national and existing regional programmes. BioTrade is committed to 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.

- In Southern Africa – Botswana, Malawi, Namibia, South Africa, Zambia and Zimbabwe – the BioTrade Initiative, through PhytoTrade Africa, a trade association of private sector and NGOs working on product development of species native to Southern Africa, supported the development of business partnerships and trade promotion, aimed at developing biodiversity-based products that can be traded successfully, thereby generating income for poor rural communities in the region. Cooperation is also taking place on the issue of the Novel Food Regulation of the European Union, which constitutes a serious hurdle for the kind of exports that PhytoTrade Africa aims at promoting.
- The work of the BioTrade Initiative in implementing activities under biodiversity-related MEAs such as the CBD was recognized by the secretariat of the CBD during the eighth Conference of the Parties, which was held in March 2006 in Curitiba, Brazil. The secretariat invited UNCTAD to continue supporting the Convention in specific areas such as access and benefit sharing; technology transfer and cooperation; private sector engagement; agricultural biodiversity, in particular the cross-cutting initiative on biodiversity for food and nutrition; and incentive measures. UNCTAD, as a member of the Heads of Agency Task Force of 2010, will work towards supporting the achievement of the 2010 Biodiversity Target.

Events organized by the BioTrade Facilitation Programme (BTFP)

- *Roundtable on Biodiversity and SMEs*, 23 March 2006 – As one of the objectives of BioTrade is to engage the private sector in biodiversity business, a roundtable on biodiversity and SMEs was organized on the role of the private sector in the implementation of the CBD. These companies, specifically those working in the natural ingredients sector, shared their experiences and the challenges

- faced in areas such as certification, market access and benefit sharing.
- *Responding to the Convention on Biological Diversity in the food, health and cosmetics industries*, 10 May 2006 – A business roundtable was convened with representatives of private companies working in the sector of natural ingredients from developing and developed countries interested in bringing their products to the market with social and environmental responsibility. The roundtable provided a platform to discuss the best approaches to meet the objectives of the CBD. The discussions provided valuable inputs for UNCTAD's work and partner organizations, giving the private sector a chance to help shape the actions of such organizations.
 - *Union for Ethical BioTrade*, 13 September 2006 – The BioTrade Initiative convened a meeting to discuss the creation of the Union for Ethical BioTrade with companies from the cosmetics and health industries. This meeting was a follow-up to previous business roundtables held in Curitiba (Brazil) and Geneva, which facilitated discussions between companies from developing and developed countries on the challenges faced when marketing products produced by following the BioTrade Principles and Criteria. During these meetings the creation of the Union for Ethical BioTrade was put forward by the private sector.
 - *Biodiversity and the Global Market Economy*, 13–14 November 2006 – The event brought together representatives from the different biodiversity-related MEAs and provided an informal platform for discussions in exploring the challenges and opportunities faced in implementing these agreements in the context of the global market economy. As a result of the workshop, an informal MEA network was formed and has committed itself to working on the issues of private sector engagement, incentive measures and international trade within the scope of individual mandates of the various biodiversity-related conventions.

Documentation/publications:

- Market Brief on Tropical Flowers and Foliage Market Scan of the European Union;
 - Market Brief on Paiche (*Arapaima gigas*);
 - BioTrade Facilitation Programme Newsletters and Technical Updates;
 - Business-to-Business News.
- (ii) **Climate change programme**
179. **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.
180. **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 United Nations Framework Convention on Climate Change (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 best 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,²⁵ in partnership with the Earth Council Geneva,²⁶ provides innovative e-learning training

²⁵ For more information, please visit www.unctad.org/biofuels.

²⁶ Further information can be found at www.earthcouncil.com.

opportunities to a global audience on climate change and trade issues, including the use of the CDM.

181. **Outputs:**

- The use and production of biofuels is an option for developing countries in meeting their development goals, and achieving energy independence and sustainable development, and there has been mounting interest on the part of developing countries in exploring this option. While several developing countries may already be or could become efficient feedstock and biofuel producers, different countries have different opportunities. Specific country-based assessments will help identify those countries that are best placed to engage in the biofuel industry and assist them in setting up appropriate strategies.
- In assisting developing countries in their policy analysis and decision-making process regarding whether biofuels is an option for them in achieving energy security and sustainable development goals, the BioFuels Initiative has conducted initial national assessments of the biofuels industry in India, the Philippines and Thailand. It has also prepared a paper on the regulatory, trade and development implications of biofuels with a view to providing developing countries with economic and trade policy analysis to assist them in addressing the challenges of biofuels use and production. In addition, a paper analyzing the potential global effects of expanding biofuel feedstock production on food security and commodity prices, and the regulatory, trade and development implications of the emerging biofuels market in developing countries, was also prepared.

182. **Results:**

- The BioFuels Initiative was launched at an opportune time when the recent trend in the world energy market, especially the doubling of oil prices in less than three years, had 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. For the BioFuels Initiative, the promotion of greater production, domestic use and eventual trade of biofuels helps achieve trade liberalization, greater market access for developing country exports, development gains, energy diversification and climate change benefits. Regarding 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 MDGs. It also contributes to providing tangible results in terms of investment projects under the CDM of the Kyoto Protocol.

- Paragraph 31(iii) of the Doha Ministerial Declaration encourages negotiations on “the reduction or, as appropriate, elimination of tariff and non-tariff barriers to EGS”. Biofuels derived from sustainable agricultural practices have many attributes that might qualify them as environmental goods and may provide an opportunity for developing and middle-income countries to create substantial export markets. WTO members are engaged in the Doha Round negotiations in which they are committed to considering ways to foster liberalization of EGS at an accelerated pace, with a view to phasing out tariffs and overcoming non-tariff barriers. Discussions have started with regard to the possibility of considering biofuels as environmental goods rather than agricultural products, as they were previously defined. Several developing countries have informally expressed interest in assessing trade potential and development gains associated with biofuels.
- UNCTAD’s Biofuels Initiative offers a facilitating hub for programmes or initiatives already underway in a number of institutions. Together with its partners, it has provided developing countries access to sound economic and trade policy analysis, capacity-building activities and consensus-building tools. It has established partnerships with intergovernmental organizations, Governments, applied research centres, NGOs, and relevant initiatives such as the International Bioenergy Platform of the Food and Agriculture Organization of the United Nations (FAO), the UNFCCC, the G8 Global Bioenergy Partnership, UNEP-Risoe, the International Federation of Agricultural Producers, the European Investment Bank (EIB) and the International Development Bank.

183. **Documentation/publications:** In assessing the potential for greater penetration of biofuels, including for ethanol, biodiesel and other alternative sources of energy and in addressing current impediments to greater production, domestic use and trade in biofuels, with particular attention given to rural development and energy security aspects, the

following were published: *The Emerging Biofuels Market: Regulatory, Trade and Development Implications* (UNCTAD/DITC/TED/2006/4), *An Assessment of Projects on the Clean Development Mechanism in India* (UNCTAD/DITC/TED/2006/5), *An Assessment of the Biofuels Industry in India* (UNCTAD/DITC/TED/2006/6), *An Assessment of the Biofuels Industry in Thailand* (UNCTAD/DITC/TED/2006/7) and *Opportunities and Challenges of Biofuels for the Agricultural Sector and the Food Security of Developing Countries*.

184. *Events organized by the BioFuels Initiative:*

- *Brainstorming seminar on UNCTAD's BioFuels Initiative, 22 June 2006, Geneva, Switzerland* – the seminar brought together delegates from at least 15 member States of UNCTAD, as well as representatives of various institutions, organizations and relevant initiatives. It addressed issues and concerns related to the production of biofuels, such as the opportunities and challenges of biofuels for the agricultural sector and food security for developing countries, as well as the regulatory, trade and development implications of biofuels production. It also provided insights on how best to move the Initiative forward.
- *Expert Meeting on the Participation of Developing Countries in New and Dynamic Sectors of World Trade: Review of the Energy Sector, 29 November to 1 December 2006, Geneva, Switzerland* – the session on biofuels discussed the biofuels option as a means of achieving every country's sustainable development goals.

5. Competition law and policy

185. *Development context:* UNCTAD is the focal point for all work related to competition policy and consumer protection within the United Nations system. Its mandate, which dates from the adoption of the UN Set on Competition in 1980, has as its number one objective “to ensure that restrictive business practices do not impede or negate the realization of benefits that should arise from liberalization of tariff and non-tariff barriers affecting world trade, particularly those affecting the trade and development of developing countries”. The UN Set also recognizes that the basic norms of competition law, which have long been in use in developed countries, should extend to the operations of enterprises, including transnational corporations (TNCs), in developing countries.

186. Thus, the objectives section of the UN Set emphasizes that the interests of developing countries

in particular should be taken into account in the elimination of anti-competitive practices that may cause prejudice to international trade and development. Furthermore, the objectives section sees the UN Set as an international contribution to a wider process of encouraging the adoption and strengthening of laws and policies in this area at the national and regional levels.

187. 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 or adequate institutions for their effective enforcement and rely to a large extent on UNCTAD capacity-building for this work. In this connection, the UN Set calls on UNCTAD to provide technical assistance, and advisory and training programmes, particularly to developing and least developed countries. 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. The validity of the UN Set was reaffirmed by the Fifth UN Review Conference, held in November 2005.

188. *Objectives/features:* The programme aims at assisting developing countries, including the LDCs as well as economies in transition, in formulating and reviewing competition policies and legislation, and implementing competition laws by building national institutional capacity, promoting the creation of a competition culture among government officials, the private sector, consumers and academics, supporting regional cooperation on competition policy, and helping countries and regional groups to better evaluate the implications of regional cooperation on competition issues.

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

- (a) Provision of information about anti-competitive practices, their existence and possible adverse effects on the economy. This may involve a study on those practices in a specific country;
- (b) Introductory seminars and workshops on the role of competition in promoting development 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 competition law and related legislation;
- (d) Advisory services for the setting-up or enforcement of competition authorities, which usually include preparation of a institutional framework report and training of officials responsible for the actual control of anti-competitive practices, and may involve training workshops and/or on-the-job training with competition authorities in countries that have experience in the field of competition;
- (e) Seminars and workshops for countries which have already adopted competition legislation, have experience in the control of anti-competitive practices and wish to enforce 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 UNCTAD and competition authorities in other States, so as to amend their laws in the most effective manner possible;
- (g) Conducting voluntary Peer Reviews of competition law and policies of interested countries;
- (h) Assistance to developing countries, including the LDCs as well as economies in transition, with a view to helping them better evaluate the implications of regional and bilateral cooperation on competition issues; and
- (i) Assistance to countries and regional organizations 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.

190. **Output/results:** In 2006 UNCTAD continued its demand-driven efforts to assist in the creation of competition culture to *individual countries*.

(a) Assistance to individual countries

191. UNCTAD provided technical assistance related to the 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.

It also 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. For instance, in the case of *Kenya* a series of workshops and study tours in four different countries were organized within the framework of the review of the Restrictive Trade Practices, Monopolies and Price Control Act. In order to promote South-South cooperation and exchange of best practices, two of those study tours for Kenyan competition officials were organized to the *Zambian* and *South African* competition agencies. In addition, several follow-up activities on the voluntary Peer Review have been implemented. Furthermore, UNCTAD has contributed to institution-building and the rule of law in the area of competition policy through the establishment of a resource centre at the Monopolies and Prices Commission in *Nairobi*. Also, three sectoral studies on status of competition are in progress.

(i) Competition advocacy

192. UNCTAD's various advisory and training activities were combined with or provided through different seminars, workshops, other meetings and activities directed at stakeholders, specific officials or a wide audience including government officials and academics, as well as business and consumer-oriented circles. The latter contributed substantially to the promotion of competition advocacy activities in specific countries. Thus, a National Competition Seminar was co-organized by UNCTAD and the Ministry of Commerce from 24 to 26 January in *Ndjamena (Chad)*. Subsequently, consultations were held with government officials on the benefits of the adoption of competition legislation, and comments on a draft competition bill were provided with a view to bringing it up to international standard. A seminar aimed at discovering the imbalances in *Peruvian* markets regarding financial services, insurance, health services and energy was held by UNCTAD in cooperation with the *Peruvian* competition authority on 8 and 9 February in *Lima (Peru)*. Five national training seminars on the implementation of the West African Economic and Monetary Union (UEMOA) common competition rules were held by UNCTAD in cooperation with the secretariat of UEMOA respectively from 29 May to 2 June in *Niamey (Niger)*, from 5 to 9 June in *Dakar (Senegal)*, from 3 to 7 July in *Ouagadougou (Burkina Faso)*, from 11 to 15 September in *Bamako (Mali)* and on 20 to 21 November in *Cotonou (Benin)*. The Second National Competition Conference was co-organized with the *Jordanian* Competition Directorate and the *Korea*

International Cooperation Agency, and the national workshop on “Abuse of Dominance and Anti-Competitive Agreements” was co-organized with the Jordanian Competition Directorate, respectively on 11 and 12 and 13 and 14 December in Amman (Jordan).

(ii) Assistance in the preparation of national competition laws

193. Within the framework of assisting countries in drafting/reviewing their competition legislation, assistance was provided to *Botswana* in the preparation of its competition bill, where a consultative meeting to review the draft bill was jointly organized by UNCTAD, UNDP and the Ministry of Trade and Industry on 15 and 16 June in Gaborone. A consultative meeting for the drafting committee to review the competition bill was held by UNCTAD together with the Ministry of Commerce from 3 to 5 July in Phnom Penh (Cambodia). In *Mozambique*, UNCTAD has prepared two reports – a competition policy framework report and an economic and legal analysis of the status of competition. Subsequently, three stakeholders’ meetings to review the reports and discuss the policy framework paper were held with a view to advancing the process of adoption of the competition law in Mozambique. A meeting to discuss the competition legislation of *Saudi Arabia* was held in Riyadh from 25 to 29 September 2006. UNCTAD continued its ongoing assistance to *Malaysia* in the preparation of the draft competition law and related application guidelines. The final draft law was reviewed in a meeting held in London, with the consultants and the representatives of the Government from 15 to 18 August 2006. UNCTAD contributed to the preparation and fine-tuning of the final version of the competition law of *Swaziland*, while preparation of a report on the status of competition and a stakeholders meeting was held in *Uganda*.

(iii) Training of competition case handlers

194. Within the framework of training activities, a judicial seminar was held by UNCTAD together with the Commission for Supervisory of Business Competition and the Supreme Court of Indonesia on 13 and 14 June in Bali (Indonesia). A national seminar for judges and other adjudicators was jointly organized by UNCTAD and the Ministry of Trade and Private Sector Development on 27 and 28 March in Mangochi (Malawi). Subsequently, three national competition workshops were co-organized with the Malawi Competition and Fair Trade Commission from 19 and 22 September in Lilongwe and Blantyre. Their aim was sensitization of parliamentarians,

sector regulators and professional associations in Malawi regarding the objectives and principles of national competition law, and discussion of competition-related issues. A training course on competition was given in *Angola*.

(iv) Institutional building

195. UNCTAD support to countries that have adopted national legislation, as well as to newly established competition agencies, includes activities in support of institutional building. In this area UNCTAD cooperated with the US Department of Commerce’s Commercial Law Development Programme (CLDP) in the organization of an intensive training course for the newly recruited staff of the *Egyptian* competition agency, which was held from 12 to 14 September 2006 in Cairo. *Saudi Arabia* was assisted by way of preparing a report on the institutional framework for the establishment of a competition agency and organization of a workshop for the newly appointed commissioners to discuss the report. Assistance was also provided to *Kenya* in the restructuring of its competition authority. UNCTAD also assisted in the preparation of an institutional framework report in *Trinidad and Tobago*.

(v) Consumer protection

196. In the area of consumer protection, two national workshops on consumer protection issues were held by UNCTAD together with the Ministry of Trade and Industry of Bhutan from 1 to 3 February and on 28 and 29 June in Paro, Thimphu and Chukha Dzongkhag (Bhutan). Also, two national consultative meetings to review the consumer protection law and unfair trade practices were held with the Ministry of Trade and Industry from 26 to 29 June in Thimphu and Chukha Dzongkhag (Bhutan).

197. At the international level, UNCTAD cooperated with Consumer International’s regional office for Asia and the Pacific in the preparation of a study on “Alternative dispute resolution systems for consumer protection cases”. The report was presented to a conference held in Jakarta from 5 to 7 November 2006. In the context of assisting Caribbean countries on the enforcement of national and regional consumer protection issues, a regional Workshop on Investigating Consumer Complaints for CARICOM member States was held in Saint Lucia from 27 to 29 November.

198. The seventh session of the Intergovernmental Group of Experts on Competition Law and Policy (Geneva, 31 October – 2 November 2006) provided a framework within which the voluntary Peer Review of the competition law and policy of Tunisia was

held. It resulted in several recommendations regarding how the application of the legislation in this country might be made more effective. At the same time, two consultative shareholders' workshops were held by UNCTAD and the Kenyan Monopolies and Prices Commission on 5 and 6 June in Nairobi and on 8 and 9 June in Mombasa in order to assist the Commission in implementing the recommendations of the voluntary Peer Review held in Antalya, Turkey, in November 2005.

(b) Assistance to regional groupings

199. UNCTAD technical cooperation and capacity-building activities were increasingly provided within the framework of regional and subregional activities. Thus, in cooperation with the IDRC of Canada, UNCTAD organized in Turkey, the Republic of Korea, South Africa and Brazil a series of seminars on regional cooperation on competition law and policy as a tool for development and integration. They included (a) the International Conference on Competition Provisions in Regional Trade Agreements co-organized with the Yeditepe University and the IDRC from 31 July to 1 August in Istanbul (Turkey); (b) the 11th International Workshop on Competition Policy held by UNCTAD and the Korea Fair Trade Commission in Busan (Republic of Korea) on 6 and 7 September; (c) the regional workshop held by UNCTAD and the Trade Law Centre for Southern Africa (TRALAC) in Cape Town, South Africa, on 4 October; and (d) the Seminar on Competition Law and Policy in Latin America held by UNCTAD and Fundaçao Getulio Vargas School of Law on 30 November and 1 December in São Paulo, Brazil. The aim of those seminars was to disseminate the UNCTAD/IDRC report's findings to member States and regional trade groupings.

200. Activities under the Competition and Consumer Protection Policies for Latin America (COMPAL) programme for five Latin American countries (Bolivia, Costa Rica, El Salvador, Nicaragua and Peru) supported by Swiss State Secretariat for Economic Affairs (SECO) (Switzerland) were implemented with the participation of all beneficiary countries. A monitoring meeting of the COMPAL Programme for the Central American beneficiary countries was held by UNCTAD in cooperation with the Ministry of Industry and Trade on 30 and 31 January in Managua (Nicaragua). The national coordinators from Costa Rica, El Salvador and Nicaragua presented the major results of their respective activities under the programme. A monitoring meeting of the COMPAL Programme for Bolivia and Peru was co-organised

by UNCTAD and the Bolivian Ministry for Foreign Affairs on 6 and 7 February in La Paz (Bolivia). Also, a Regional Seminar on Competition Policy: National and Regional Experiences from Latin America and the Caribbean was held on 2 and 3 February in Bogotá (Colombia) in cooperation with the Colombian Superintendency of Industry and Commerce. Furthermore, a regional COMPAL meeting was co-organized with the competition authority of El Salvador in San Salvador on 13 and 14 July.

201. Assistance was given to the Organization of Eastern Caribbean States (OECS), which is a subset of CARICOM composed of smaller island countries, in the implementation of the CARICOM Community Competition Rules. In this context, assistance relating to the review and finalization of those rules was also provided to CARICOM in the context of a regional OECS meeting held in Saint Lucia on 30 November.

202. Assistance was also provided to the eight members of the UEMOA in the implementation of common competition rules (altogether nine regional and national workshops were held in those countries). As a result of UNCTAD's assistance, links were created between the UEMOA Commission and member States in the areas of effective enforcement of common competition rules, identification of areas of concern for national competition authorities and sector regulators; also, an in-depth peer review of competition policy for UEMOA and its member states was held. In this connection, four regional seminars on the common competition rules of UEMOA were held in Abidjan (Côte d'Ivoire) from 28 to 30 June, in Lomé (Togo) from 7 to 9 August, in Bissau (Guinea-Bissau) from 2 to 5 October and in Cotonou (Benin) from 22 to 24 November. These seminars were organized jointly with the UEMOA secretariat and were designed to assist the UEMOA countries in strengthening their capacities in the competition field, and presentation and dissemination of common competition rules. Moreover, participants upgraded their capacity to identify and effectively address competition policy issues relating to national, regional and international markets.

203. UNCTAD was also working closely with the Southern African Customs Union (SACU) on the preparation of common rules for competition policy and unfair trade practices. A series of national consultative and information-gathering workshops for the development of the SACU Cooperation Agreement on Competition Policy Enforcement and an Annex on Unfair Trade Practices (Art. 40 and 41 of the SACU agreement) were co-organized by UNCTAD and the SACU secretariat in Windhoek

(Namibia) on 11 and 12 December, Maseru (Lesotho) on 14 and 15 December, and Gaborone (Botswana) on 18 and 19 December 2006.

204. Also, the second Lusophone Conference on Competition was held by UNCTAD in cooperation with the Portuguese competition authority on 29 and 30 May in Lisbon (Portugal) with the participation of representatives of eight Portuguese-speaking countries.

(c) Participation in seminars and conferences

205. In 2006, 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) different OECD competition meetings held from 8 to 9 February, 6 to 8 June and 16 and 19 October in Paris; (2) the International Conference on Competition and Regulation Policy in Beijing on 25 and 26 February; (3) the first meeting of the Committee of Monitoring of the Programme of reinforcing the UEMOA Capacities in the Field of Competition from 8 to 10 March in Dakar; (4) the Seminar on Free Trade to the Benefit of All in Tegucigalpa (Honduras) on 13 and 14 March; (5) the Intra-regional seminar on Competition Rules in the States Party to the Agadir Agreement held from 3 to 6 April in Amman; (6) the Conference on the Future of Consumer Law, held on 25 April in London; (7) the Annual Loyola Antitrust Colloquium organized in Chicago on 28 April; (8) the 15th Annual International Competition Network Conference held from 2 to 5 May in Cape Town; (9) the Competition Law and Policy Roundtable held in

New Delhi on 16 and 17 May; (10) the Workshop on Competition Policy for Ibero-American Countries held from 30 May to 1 June in Lisbon; (11) the second ASEAN Conference on Competition Policy and Law (Bali, Indonesia, 15–16 June); (12) the meeting of the 7Up, phase 2 Project on the Advocacy and Capacity Building on Competition Policy and Law in Asia (Bangkok, 27–28 June); (13) the Training Seminar on Competition Law and Policy held from 29 June to 1 July in Bangkok; (14) the National Workshop on Consumer Protection held from 1 to 3 July in Phnom Penh; (15) the 4th Latin American Competition Forum held on 11 and 12 July in San Salvador; (16) the APEC Training Course on Competition Policy (Bangkok, Thailand, 8–10 August 2006); (17) the Conference on Developing Countries and Challenges of Regionalism (London, 28–30 September); (18) the 4th Seoul International Competition Forum held in Seoul on 5 September; (19) the APEC Training Course on Competition Policy held in Bangkok from 8 to 10 September; (20) the Training Course on the International Economic Agenda (Belgrade, 2–3 October); (21) the TRALAC Annual Conference and Workshop held on 5 and 6 October in Cape Town; (22) the Seminar on Unfair Trade Practices in SACU held in Gaborone (Botswana) on 15 November; (23) the Conference on Competition and Competitiveness held in Brno, Czech Republic, on 28 and 29 November; (24) the Conference on Competition Law and Policy, held in Cairo on 3 and 4 December; and the (25) Euromed Training Course on Competition Policy, held from 18 to 20 December in Madrid.

Table 2
PROJECTS IMPLEMENTED BY THE DIVISION ON INTERNATIONAL TRADE IN GOODS AND SERVICES, AND COMMODITIES

<i>Project number</i>	<i>Short title</i>	<i>Starting date</i>	<i>Source of fund</i>
Trade analysis			
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/0T/1AB	High Level Meeting on Tourism and Development in LDCs	2001–	Spain
INT/0T/1AT	Increasing the developing country representation in the Agricultural Market Access Database (AMAD)	2001–	Ireland
INT0T6BI	Strengthening participation of selected developing countries in dynamic and new sectors of world trade	2006–	Norway
INT06001	Creative Economy Report	2006–	UNDP

(for note see end of table)

Table 2 (continued)
PROJECTS IMPLEMENTED BY THE DIVISION ON INTERNATIONAL
TRADE IN GOODS AND SERVICES, AND COMMODITIES

<i>Project number</i>	<i>Short title</i>	<i>Starting date</i>	<i>Source of fund</i>
Trade negotiations and commercial diplomacy			
BGD/0T/3BA	Trade related technical assistance: Pre-Cancún Package.....	2003-	EC
GUI/0T/5BI	Renforcement des capacités nationales pour une participation plus effective aux négociations commerciales multilatérales	2005-	Cadre Intégré, CCI
KEN/04/102	Enhancing capacities through trade expansion and diversification	2004-	UNDP
KEN/04/106	Enhancing Foreign Direct Investment in Kenya	2004-	UNDP
IND/0T/2CC	Strategies and preparedness for trade and globalization in India.....	2002-	United Kingdom
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/1CY	Services and Development Capacity Building	2001-	United Kingdom
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	Capacity Building for Integration into the Multilateral Trading System.....	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/5AU	Project for WTO accessions	2005-	United Kingdom
INT/0T/5AY	Evaluation du commerce des services pour les pays en développement francophones	2005-	France
INT/0/T5BH	Support to LDCs in their preparation for the Sixth WTO Ministerial Conference, Hong Kong (China).....	2005-	Norway
RAF/0T/3AI	Joint Integrated Technical Assistance Programme Phase II	2003-	Multidonor
RAF/04/006	Trade Capacity Development for Sub-Saharan Africa	2004-	UNDP
RAS/9X/78R	Assistance to Countries of the Asian Region on MFN and Preferential Tariffs Negotiations	1998-	Japan
RLA/0T/6BF	Support to the Negotiations on Services at the Multilateral, Regional and Bilateral Levels for Latin American Countries	2006-	Spain
ROA-2166(L4)	Meeting Millennium Development Goals through policies and actions.....	2004-	Development Account
Trade Analysis and Information			
INT0T4BC	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/1CN	Book on organic fruit and vegetable production in the tropics and international trade	2001-	Switzerland
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/0T4/CM	Partnership on sustainable economic development and mining	2005-	Multidonors
INT/04/X45	Commodity information and risk management	2004-	Italy
INT/0T/5AP	Carbon Sequestration for Tree Crops and Structured Finance	2005-	Common Fund for Commodities
INT/0T/5BQ	SPS/A Model for the development of a private/public safety control system for the horticultural exports.....	2005-	Standard Trade Development Facility

(for note see end of table)

Table 2 (concluded)

**PROJECTS IMPLEMENTED BY THE DIVISION ON INTERNATIONAL
TRADE IN GOODS AND SERVICES, AND COMMODITIES**

<i>Project number</i>	<i>Short title</i>	<i>Starting date</i>	<i>Source of fund</i>
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
<i>Trade, Environment and Development</i>			
COS/0T/5AA	Desarrollo de un Programa Nacional de Biocomercio en Costa Rica	2005–	Switzerland, SECO
UGA/0T/4BT	BIOTRADE Initiative in Uganda.....	2004–	Norway
GLO/05/379	Biofuels Initiative: Trade, Investment and Capacity Building Opportunities	2005–	UNFIP
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/1BV	First Round of CBTF Activities: UNCTAD-LED Projects	2001–	UNEP
INT/0T/1CS ^a	CBTF: Policy Dialogue on Promoting Production and Trading Opportunities for Organic Agricultural Products.....	2001–2006	EC
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
RAS/9X/78T	Creation of multi-stakeholder advisory panel on sound and cost-effective management of health and environmental risks	1997–	Multidonor
RLA/04/339	BIOTRADE Initiative in the Amazon Phase II.....	2004–	UNFIP
<i>Competition and Consumer Policies</i>			
KEN/05/104	Competition environment	2005–	UNDP
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/5AZ	Trade and Competition Issues: Experiences at Regional Level.....	2005–	Canada/IDRC
INT/06/X16	Competition and Consumer Policies	2006–	Germany
RLA/0T/3BF	Strengthening Institutional and Capacity Building in the Area of Competition and Consumer Law and Policy in Latin America Countries	2003–	Switzerland

^a Project which had been “operationally but not financially completed” or “completed” in 2006.

C. DIVISION ON INVESTMENT, TECHNOLOGY AND ENTERPRISE DEVELOPMENT

1. Investment Issues Analysis Branch

(a) Capacity-building in FDI Statistics

206. **Development context:** 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, its impact on sustainable economic development and its contribution to the transfer of technology, human resource development and export performance. In response to recommendations made by the UNCTAD Expert Meeting on Capacity Building in the Area of FDI: Data Compilation and Policy Formulation in Developing Countries in December 2005 and endorsed by the tenth session of the Commission on Investment, Technology and Related Financial Issues (Geneva, 6–10 March 2006), UNCTAD continues to provide technical cooperation in the area of FDI statistics.

207. **Objectives/features:** The overall objective of the project is to increase FDI inflows into developing countries, particularly LDCs, by formulating FDI policies based on quality FDI data and information on TNCs operating in the region or the country. This project aims at enhancing the capacity of government agencies in those 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 aims at strengthening 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.

208. **Outputs:** In 2006, a national seminar was held in Maldives from 15 to 20 January on the methodology of compilation of FDI statistics, and one regional workshop for West Asia was co-organized with Bahrain's Economic Development Board in May. In February 2007, a seminar on FDI statistics and TNCs' activities was held in Rabat, Morocco, from 13 to 15 February.

209. **Results:** These workshops and seminars advanced government officials' understanding of FDI statistics and initiated a survey on FDI in some countries (e.g. Maldives). These meetings also took a step towards establishing a regional association of FDI data compilers to harmonize FDI statistics in the region and to share experiences of data collection and reporting.

Association of Southeast Asian Nations (ASEAN)

210. **Objectives/features:** To advise the Working Group on Foreign Direct Investment Statistics 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. Having acted as an adviser and resource to the ASEAN Working Group on Foreign Direct Investment Statistics, UNCTAD organized jointly the ASEAN/UNCTAD Seminar on Key Issues of FDI: Outward FDI from Asia, in Chiang Mai, Thailand, on 10 April 2006.

212. **Results:** Providing comprehensive, quality and timely FDI statistics for ASEAN countries to make policy analysis and monitor the FDI situation in the context of the ASEAN Investment Area (AIA) is regarded as one of the major tasks of the region. UNCTAD continues to provide the advisory role and expertise to the various activities for improving FDI data quality and harmonization of FDI statistics to support the AIA process.

(b) UNCTAD/ICC Joint Project: Investment Guides and Capacity-building for Least Developed Countries

213. **Development context:** The project is a collaborative undertaking between UNCTAD and the International Chamber of Commerce (ICC) and aims to bring together parties with complementary 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.

214. *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.

215. *Outputs/results:* In 2006, a new guide to Rwanda was published as well as an updated English-language version in English of the investment guide to Mali, first published in 2004. These guides were prepared in close cooperation with the investment agencies of Rwanda and Mali (RIEPA and API-Mali). The Rwanda guide was officially launched during the session of the Trade and Development Board held in Geneva in October 2006. As for the Mali guide, it was widely distributed during the Investors' Forum held in Bamako in November 2006. These events were very well attended and covered by the media. A 2007 calendar featuring the investment guides projects and bringing together the 12 countries covered up to date was also prepared. The calendar was widely distributed by the *Africa Investor* magazine with its November–December 2006 issue. It is worth noting that *Africa Investor* has a circulation of 20,000 plus in Africa, Europe and North America. Some 1,000 copies of the calendar were also distributed via the UNCTAD network and were very well received by many countries and individuals. The continuing additions to the list of countries requesting the guides (outstanding requests currently stand at 11) is another indication of the perceived value of these products in investment promotion.

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

216. *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 IIAs at the bilateral, regional and interregional levels (with almost 2,500 bilateral investment treaties (BITs) concluded by the end of 2005); the increasing formulation of investment rules in agreements encompassing a broader range of issues, including trade in goods and services (some 232 agreements by the end of 2005); the growing number of South–South IIAs (644 BITs and 86 other agreements); the increasing sophistication and scope of international investment rules; and the increase in the number of investor–State disputes (with 226 recorded cases at the end of 2005). As a result of these developments, countries – and investors – have to operate within an increasingly intricate framework of multilayered and multifaceted investment rules that may contain overlapping and even inconsistent obligations. This has important policy implications in terms of treaty implementation and 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; to retain sufficient flexibility to promote economic development, without undermining the effectiveness of the agreements; and to build capacity to analyse the scope and content of IIA obligations, make good use of IIAs for attracting and benefiting from FDI, and deal with possible disputes arising out of investment treaties.

217. *Objectives/features:* The primary objective of UNCTAD's work in this area is to help developing countries and economies in transition participate effectively in international investment rule-making and implement IIAs through policy analysis and technical assistance. More specifically, this work focuses on deepening policymakers' 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 to investment dispute settlement, and providing a forum on investment rule-making with a

Annex 1: Review of activities undertaken in 2006

view to consensus-building. This work includes research and policy analysis, and human resources and institutional capacity-building.

218. **Outputs/results:** In 2006, the Work Programme on International Investment Agreements implemented the mandate inherited from the Investment Commission, which recognized that UNCTAD “should serve as the key *focal point* in the United Nations system for dealing with matters related to international investment agreements, and continue to provide the *forum* to advance the understanding of issues related to international IIAs and their development dimension, including with reference to investor-State dispute resolution” (para. 8, agreed recommendations of the 2006 session of the Investment Commission).

219. **Research and policy analysis:** In 2006, the IIA Work Programme continued monitoring trends, and identifying and analysing emerging issues in international investment rule-making from a development perspective. The *Series on Issues in IIAs* (the “pink series”) continues to be a reference tool for negotiators and the ongoing *Series on International Investment Policies for Development* is becoming a strategic tool for policymakers. The programme also undertook the second complete survey on BIT practice per decade, entitled *Bilateral Investment Treaties 1995–2006: Trends in Investment Rulemaking* and published a study entitled *Investment Provisions in Economic Integration Agreements*. The four annual *IIA Monitors* addressed systemic issues in IIAs, recent IIA developments, the entry into force of BITs and the latest developments in investor-State dispute settlement. Inputs to the *World Investment Report 2006* on South-South cooperation in the context of IIAs were also prepared. Work progressed on data compilation with the creation of the online database on treaty-based investor-State dispute settlement cases and the update of the online BIT database (about 2,000 texts available), the country lists of BITs and the *Compendium on International Investment Instruments* (also available online). The e-Network of IIA Experts (600 members) continued to disseminate information and to discuss a number of key issues of concern to the IIA community.

220. **Capacity-building:** While regional technical assistance activities continued, the organizations of ad hoc seminars, training workshops, and technical meetings, and the provision of advisory services to individual countries increased significantly. The programme has also deepened cooperation with international and non-governmental institutions and other UNCTAD capacity-building programmes.

221. **Training activities:** A distance-learning course on key issues in IIAs was organized in cooperation with TrainForTrade from 31 July to 29 September for Latin America and the Caribbean (56 registered participants). This course was a preparation for the second advanced training course on managing investment disputes, which took place in Puebla, Mexico, from 11 to 20 October 2006. The course, organized in cooperation with the Organization of American States, brought together 31 participants from 16 countries in Latin America and the Caribbean.

222. **Ad hoc technical assistance** was provided to Colombia through technical advice on the model BIT; to Egypt through advisory missions to assist in the preparation of the model BIT; to Indonesia in the form of a workshop on IIA negotiations and advisory services on negotiations of bilateral FTAs and ASEAN+ agreements; to Morocco with the organization of a seminar on investor-State dispute settlement; to Paraguay, jointly with the Organization of American States, through a seminar on investment laws and regulations; and to the Syrian Arab Republic with the preparation of a study on Syrian national and international frameworks on investment. Assistance was also provided to the COMESA secretariat and member countries through the provision of technical advice during the Third Regional Negotiating Forum of the COMESA Common Investment Area. A workshop on investment in the context of the Asian, Australia and New Zealand negotiations was also organized for the ASEAN member countries.

223. **Technical meetings:** The IIA programme participated in the APEC meetings (APEC SOM I Investment Experts Group and Workshop on Investment, APEC SOM II Seminar on Transnational Investment and APEC Workshop on Non-Discrimination Treatment in Investment Agreements (presentations and moderation)). It also organized jointly with APEC and the Government of Mexico a Regional Seminar on Investor-State Dispute Settlement in Mexico City. For that purpose, UNCTAD prepared and presented two studies (*Investor-State Dispute Settlement and Impact on Investment Rulemaking: the Asia Pacific Perspective* and *Alternative Methods to Treaty-based, Investor-State Dispute Resolution*), as well as the database of investor-State dispute settlement cases.

224. **Other events:** The programme cooperated with other UNCTAD programmes – the Virtual Institute (presentations on IIAs during the study tour of students from the University of the West Indies and on the training package on economic and legal

aspects of IIAs during the second Vi annual meeting), and the Investment Promotion Section (presentation on IIAs in the training workshop on investment promotion for Indonesian diplomats) – and contributed to the annual regional training courses on Key Issues of the International Economic Agenda. It also cooperated with a number of organizations, such as the OECD (contribution to the second meeting of the Middle East and North Africa region (MENA) – OECD Expert Group on International Investment Agreements in Egypt and participation in the OECD Investment Committee), the World Association of Investment Promotion Agencies (WAIPA) (workshop on promoting investment through an enabling legal framework on investment during the second WAIPA regional conference), International Development Law Organization (training course on negotiation of IIAs for French-speaking countries), the Centre for Applied Studies in International Negotiations (training sessions on IIAs for Iraq and for the Maghreb countries), and the Friedrich Ebert Foundation (seminar on IIAs).

225. **Overall assessment and results:** In 2006, two regional training courses were organized, and advisory services were provided to six countries and three regional organizations. The programme also participated in numerous events organized by other organizations. Officials from 76 developing countries benefited from one or more of those activities. Assessments were carried out following each of the training and technical assistance activities through evaluation questionnaires, in order to help the secretariat adapt and improve their quality, effectiveness and efficiency. By and large, the response of participants regarding activities carried out has been positive. For example, 92 per cent of the participants in the training course on managing investment disputes evaluated the efficiency and the usefulness of the course for their official duties as excellent; 64 per cent of the beneficiaries of the ad hoc technical assistance provided to Indonesia confirmed that their expectations had been fully met; and 83 per cent of the participants in the APEC–UNCTAD regional seminar on investment disputes rated the sessions and issues discussed as very useful. The programme's research products (publications and databases) are very much appreciated by IIA experts. The IIA Monitors, the programme's information tool on IIAs, disseminated through the UNCTAD website and the E-network of IIA experts, are frequently quoted by other networks or journals. The databases (BITs compilation, compendium of other agreements, country lists of BITs and investor–State dispute settlement cases) are viewed as unique and useful tools by the IIA community (e.g. the BITs database is

increasingly used by individuals – almost 2,000 visitors per month in 2006, more than half of whom are return visitors – and research institutions).

(b) Investment Policy Reviews

226. **Development context:** UNCTAD's Investment Policy Reviews provide an objective evaluation of a country's legal, regulatory and institutional framework for FDI in order to attract increased investment and maximize the benefits from it. The strategic analysis is tailored to country needs. Recommendations and follow-up activities are concrete and action-oriented.

227. **Objective/features:** The Investment Policy Review' approach and process promote ownership and learning:

- IPRs are initiated at the request of Governments; the counterpart government ministry or agency is involved throughout the process; the counterpart ministry or agency takes ownership and is the advocate of the policy recommendations; and national stakeholders participate in the workshop on the findings.
- The IPRs provide an outline of what leaders and pioneers do and what the private sector looks for. They also include a global perspective of FDI performance and how countries measure up as well as their policy outlook. They provide for sharing experience and knowledge through success stories and failed experiences.
- The IPRs encompass the following: (a) an examination of the country's objectives and competitive position in attracting FDI; (b) an evaluation of the country's legal, regulatory, institutional and operational framework for investment; (c) a survey of firms to obtain investor perceptions and experiences; (d) strategic perspectives to increase FDI inflows and their development impact; (e) a meeting of stakeholders to discuss preliminary findings; and (f) a peer review at UNCTAD's Commission on Investment whereby other Governments and private sector representatives can share experiences and familiarize themselves with the country's investment environment and policies.

228. **Outputs/results:** In 2006, two IPRs were completed (Rwanda and Morocco) and two were published (Colombia and Rwanda). A further IPR, for Nigeria, was in progress.

229. Follow-up on IPRs were carried out for Algeria, Egypt, Ghana, Kenya, Lesotho, Peru, Rwanda and Zambia.

230. UNCTAD carefully reviewed the evaluation report funded by the German Government on “Strengthening the Development Impact of UNCTAD's IPRs” and has taken account of a number of its recommendations. While IPRs remain focused on FDI, efforts are made to promote complementarity between foreign and national investment, and local investors benefit from an improved investment framework, a key objective of the IPRs. In addition, the impact of IPRs is being optimized by providing concrete and implementable recommendations and by building follow-up technical assistance into the project cycle from its inception.

231. *Stakeholder workshops at the national level*

- National workshops on the findings of the IPR were held in Colombia, Morocco and Rwanda.
- National workshops on best practices in investment promotion and facilitation were held in Ghana and Zambia.

232. *Peer reviews in intergovernmental sessions*

- The IPR of Colombia was presented to the Commission on Investment. It pointed the way towards more high-technology investment and proposed ways to strengthen the Government's investment promotion arm and enhance policies to attract more technology-driven firms to its growing knowledge-based economy. The Government welcomed the review's recommendations and pledged to consider ways of implementing them. Delegates acknowledged government efforts to improve security and labour laws, reduce the fiscal deficit and tackle inflation. Government efforts to reform the investment environment were also appreciated. A number of investors attending the event commented favourably on the country's strategic location, as well as its access to foreign markets and the quality of its workforce.
- The IPR of Rwanda was presented to the Trade and Development Board. The IPR noted that Rwanda had made great progress and undertaken important reforms in the past decade, but the main traditional drivers of FDI were weak. The IPR proposed an unconventional strategy to attract FDI based on three main elements: (1) turning Rwanda into a centre of excellence in soft infrastructure and

governance; (2) putting in place a skills attraction and dissemination programme; and (3) a series of industry initiatives. The Prime Minister endorsed the recommendations of the report and commended it as “an important contribution to the development of national policy”. All delegates acknowledged that the IPR raised pertinent questions and made concrete recommendations. The delegates also praised the significant efforts taken to tackle corruption, improve governance and strengthen public administration, in the face of the challenges which Rwanda faced as a small landlocked country. Private sector representatives commended the transparency of the privatization process and the efficiency of the investment promotion agency

233. *Results* by countries are as follows:

234. *Algeria:* UNCTAD provided the Government with an evaluation of ANDI, the investment promotion agency. The recommendations were implemented.

235. *Colombia:* Following the presentation of the IPR, the Government committed itself to strengthening investment promotion. It also confirmed its interest in launching negotiations with interested countries for bilateral investment treaties.

236. *Egypt:* UNCTAD evaluated the Government's progress in implementing the recommendations of the IPR of Egypt. In doing so, it also provided further recommendations on strengthening investment promotion.

237. *Kenya:* Two investment forums were held in Nairobi in March 2006. The first attracted Indian ICT firms; the second, Chinese light industry and agricultural technology firms. Both events generated a great deal of interest among investors and Kenyan entrepreneurs alike and resulted in concrete investments. In both cases, UNCTAD partnered with outward investment agencies of the respective Asian countries (EXIM Bank India and the China Africa Business Council), a decision that resulted in the presence of a large number of motivated investors. UNCTAD also prepared an investor targeting strategy for the Kenya Investment Authority.

238. *Lesotho:* UNCTAD presented draft FDI legislation to stakeholders and finalized a study benchmarking Lesotho's business immigration (work and residence permit) practices.

239. *Morocco*: At the national workshop of the IPR, the Minister of the Economy endorsed the recommendations and asked UNCTAD for assistance in implementing them.

240. *Nigeria*: UNCTAD provided advice at a presidential retreat on putting in place a digital one-stop for investment promotion services.

241. *Peru*: UNCTAD prepared an investor targeting strategy for the agro-industry sector. This included a promotional CD.

242. *Rwanda*: The IPR's recommendations having been endorsed by the Government, UNCTAD helped it to draft a mining law and developed a strategy to promote foreign investment in the mining sector. An Investment Guide to Rwanda was also produced. The IPR report was also presented to Senators and members of Parliament.

243. *Requests in the pipeline*: Official written requests for Investment Policy Reviews have been received from 23 countries: Bangladesh, Belarus, Bolivia, Burkina Faso, the Central African Republic, Chad, Chile, Congo, the Democratic Republic of the Congo, Gabon, Guinea-Bissau, Kuwait, Kyrgyzstan, Lebanon, Mali, Moldova, Mongolia, Nicaragua, the Philippines, Sierra Leone, Suriname, Swaziland, and Trinidad and Tobago.

(c) **Blue Book on Best Practice in Investment Promotion and Facilitation**

244. *Development context*: To guide countries in improving the investment climate, in benefiting more from FDI and in dealing with a range of obstacles to investment and with public-business sector dialogue.

245. *Objectives/features*: The Blue Books consist of a set of 10 to 15 measures to overcome impediments and move the country towards best practice in investment promotion and facilitation that the host country agrees to implement within a 12-month period.

246. *Output/results*: UNCTAD prepared two Blue Books on best practice in investment promotion and facilitation for Ghana and Zambia. The Blue Books draw on best practices examples and provide an action plan which can be implemented within a year. They build on the recommendations of the IPRs. National workshops were held to discuss the findings and endorsement of the recommendations by the Governments.

(d) **FORINVEST: Policy Framework for Attracting Foreign Investment**

247. *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.

248. *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).

249. *Outputs/results*:

250. *China*: Within the Quick Response Window (QRW) project financed by the Government of Switzerland, UNCTAD continued in 2006 a technical cooperation project in China the main objective of which was to elaborate an advisory report with an investment promotion strategy for China's Silk Road provinces and autonomous regions (Gansu, Ninxia, Shaanxi and Xinjiang) and to train officials involved in tourism and investment on how to attract FDI into the tourism sector. During the reporting period, two fact-finding missions to China to undertake interviews with major stakeholders and collect relevant materials were organized, and on this basis a draft of the investment promotion strategy was prepared. Additionally, a training workshop on "Developing sustainable tourism through FDI promotion" was held in Xi'an, China, from 6 to 8 April 2006 for staff of IPAs from the above four regions and autonomous provinces. Altogether, 30 Chinese experts and officials were trained at this workshop.

251. *Honduras*: Under a technical assistance project in this country, financed by the Government of Switzerland, a training workshop for 35 Honduran diplomats to be posted abroad took place in Tegucigalpa in May 2006. It was organized in cooperation with the ITC and the German Technical Assistance Corporation (GTZ). The workshop had two main outputs: a context map and a vision for

investment promotion at diplomatic level. These were given to the Ministry of Foreign Affairs, which is endeavouring to enhance diplomats' capacities to promote investment and has organized other capacity-building activities in cooperation with the local private sector. Other work included analysis of the development impact of incentives on foreign direct investment. The e-regulation module of the Investment Gateway was initiated as a contribution to the ongoing governmental process of administrative simplification. In 2006, the procedures to create a company were made available online and in 2007 more information will be uploaded.

252. *Countries of Greater Mekong Sub-region (GMS):* Under the project financed by the Government of China, UNCTAD organized from 19 to 21 December 2006 in Nanning, China, a seminar on mobility of business people. This issue is one of the four priority areas that were identified in 2005 by leaders of the GMS countries (Cambodia, China, Lao People's Democratic Republic, Myanmar, Viet Nam and Thailand) in the Strategic Framework for Action on Trade Facilitation and Investment in the GMS. About 60 experts from all GMS countries and some international organizations attended the seminar. This event gave an opportunity to the authorities of the six GMS countries to discuss in detail issues of mobility of business people and how this affects investment and trade. Participants also managed to formulate a number of proposals on concrete measures to improve the mobility of business people.

253. The first *Silk Road Investment Forum* was held from 7 to 9 June 2006 in Xi'an, China, and co-organized with UNDP China and the WTO. It was attended by some 500 participants, including senior government officials from China, Kazakhstan, Kyrgyzstan, Tajikistan and Uzbekistan, and mayors from cities along the Silk Road, together with regional and international business leaders, and representatives of international financial institutions. Opportunities and challenges regarding regional cooperation in investment promotion in the Silk Road were discussed, and concrete proposals were tabled. These included public-private partnership projects and agreements; calls for UNCTAD and its development partners to provide capacity-building in the area of regional investment promotion and facilitation; and proposals to advance on the intergovernmental framework for transport and transit in the Silk Road. In addition, the Kyrgyz delegation declared that it would host the next Silk Road Investment Forum in 2007.

254. *Autonomous Province of Vojvodina (Serbia):* At the request of the Executive Council of the Autonomous Province of Vojvodina in February 2006, UNCTAD started a technical cooperation project in this province with the objective of preparing an investment promotion strategy for the local investment promotion agency – the Vojvodina Investment Promotion Fund (VIP Fund) – and also providing to the latter assistance in strengthening its capacity. The project is a part of activities under the Quick Response Window project financed by the Government of Switzerland. The advance draft of the above strategy was discussed with stakeholders at a consultative meeting held in Novi Sad on 3 July 2006. The feedback received by UNCTAD was used to finalize the strategy report. A training workshop was held from 4 to 6 July 2006 for staff of the VIP Fund on major issues in investment promotion.

255. *Syrian Arab Republic:* Under the UNDP project "Preparatory Assistance for Trade Policy Reform and WTO Pre-accession", UNCTAD prepared in 2006 a report with comprehensive comments on Syrian investment law. The report was presented during a workshop held from 19 to 21 March 2007 in Damascus, in cooperation with UNDP Syria and the Economic and Social Commission for Western Asia. The contents of the report and the discussion at the workshop provided all stakeholders with an opportunity to better understand requirements for investment law in the WTO accession period.

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

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

257. *Objectives:* To provide assistance to developing countries and economies in transition in strengthening their investment institutions, especially 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.

258. *Features:* STAMP provides advisory services and training packages on the following: (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.

259. *Outputs/results:*

260. In 2006, UNCTAD started the implementation of a technical cooperation project on “*Capacity Building and Transfer of Knowledge to Investment Promotion Agencies in Developing Countries*” financed by the Government of Sweden, through the Swedish International Development Agency (SIDA). The planned duration of the project is three years: 2006–2008. The immediate objective of the project is to strengthen the institutional capacity of developing country IPAs. To achieve this, the project emphasizes capacity-building and transfer of skills/knowledge to developing country IPAs, and especially the LDCs, through training, study tours and publications of interest to developing country IPAs. In 2006, the following activities were implemented:

(i) *Training activities*

- An UNCTAD/WAIPA regional workshop (for Asian countries) on investment promotion and targeting in the tourism sector was organized in Xiamen, China. A total of 56 representatives of IPAs from Asia were trained at this workshop, including several representatives from LDCs.
- An UNCTAD/WAIPA regional workshop on investment promotion and targeting in the tourism sector was organized in Geneva from 13 to 15 September 2006 for French-speaking African countries. Six representatives from Djibouti, the Democratic Republic of the Congo, Mauritania, Niger, Senegal and Tunisia were trained at this event.
- An UNCTAD/WAIPA regional workshop on investment promotion and targeting in the tourism sector was held in Durban, South Africa, from 4 to 7 December 2006 for English-speaking African countries. Twenty-four representatives from African IPAs were trained at this event.

(ii) *Study tour programme*

261. In November–December 2006, a study tour programme was organized by UNCTAD and WAIPA for 11 professional and executive staff of IPAs from nine African LDCs to visit three IPAs from South Africa with considerable experience in investment promotion. Representatives from the Democratic Republic of the Congo, Gambia, Lesotho (two), Malawi, Rwanda, Senegal, Uganda, The United Republic of Tanzania (two) and Zambia participated in the study tour. It was hosted by Trade and Investment South Africa, Pretoria, Trade and Investment KwaZulu–Natal, Durban, and the Durban Investment Promotion Agency. The programme gave participating experts an opportunity to learn from advanced practices of three South African IPAs.

(iii) *Research and preparation of publications*

262. Within this activity, UNCTAD prepared two publications: “*Shaping the Investment Climate: The IPA as Policy Advocate*” and “*Aftercare: A Core Function in Investment Promotion*”. They will be widely circulated through UNCTAD and WAIPA channels and will serve as a tool for exchange of best practices in investment promotion.

263. Within a technical cooperation project financed by the Government of Ireland, a *Regional Workshop on Investor Targeting in the Mining Sector* was held in Durban, South Africa, from 4 to 7 December 2006. The workshop was hosted by the Durban Investment Promotion Agency and Trade and Investment KwaZulu–Natal. In total, 10 specialists in investment promotion in mining from nine different countries from Africa and the Arabian Peninsula participated in the training. This event was organized in cooperation with WAIPA.

264. *El Salvador*: Under a technical cooperation project financed by the Government of Switzerland, two draft strategy papers to promote investment in medical devices and medical tourism were developed and will be submitted to stakeholders in 2007. The e-regulations module of the Investment Gateway has been developed with detailed information on procedures such as “creating a company”, “existing companies”, “real estate”, “non-profit organizations” and “legalization of documents”. For further information please visit <http://elsalvador.investway.info>.

265. *Indonesia*: A training workshop for 30 Indonesian diplomats in Europe was held in Geneva in November 2006. An overall introduction to

investment promotion techniques and tools to develop action plans for investment promotion were provided. A final report was delivered to the Indonesian Ministry of Foreign Affairs with the plans drafted actions.

266. *Palestinian Authority*: This project, financed by Norway, 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 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 are collected from clientele, and to use those data in formulating a work programme that meets their needs. On the basis of a data collection exercise undertaken earlier within this project, a user-friendly database for PIPA was prepared in 2006 together with a detailed tabulation plan for presenting the statistics. Additionally, work continued on an investment retention strategy for PIPA.

267. *Russian Federation/Moscow*: At the request of the Moscow Government and UNDP/Moscow, UNCTAD has been participating since 2005 in the UNDP project on “promoting Development and Implementation of Moscow-based System for Exports and Investment Promotion” – the Moscow Exports Initiative. In 2006, project activities were mainly focused on the creation for the Government of Moscow, on the basis of the Investment Gateway system, of an information system and a database that will service and facilitate the investment process. During the reporting period, four modules of this system were configured and installed (e-opportunities, e-regulations, e-investors and e-business climate), and information was collected for all four modules. A user interface was developed and implemented. To train personnel to use the system, two presentations were held for officials from the Moscow Government and other agencies and institutions. Three technical training sessions were organized for consultants and the staff of Moscow IPA (MIEPA). The new information system will serve as a basis for organizing the work of MIEPA.

268. UNCTAD work on policy advocacy undertaken in 2005–2006 culminated with the Ad Hoc Expert Meeting on Advocacy for Investment Policies with Particular Reference to the Development Dimension (Geneva, 23–24 November 2006), which provided a unique opportunity for investment promotion professionals from all parts of the world to share best practices and exchange experiences in policy advocacy.

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

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

270. *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.

271. *Outputs/results*: In 2006, the Good Governance in Investment Promotion (GGIP) programme finalized the Advisory Report on GGIP for *Mali* and the report with its recommendations was presented at a national workshop in Bamako, Mali, in October 2006. Forty-five senior officials participated in the workshop, including representatives from several ministries, public agencies dealing with investors, representatives of diplomatic missions, UNDP and the media. One of the recommendations made in Mali, the establishment of an e-regulations system on investment, has started to be implemented with financial support from the Government of Luxembourg.

272. In *Maldives*, a recommendation of the GGIP Advisory Report for Maldives received follow-up with an UNCTAD mission in January 2006 to advise the Government on how to improve the country's FDI data collection system. Training was provided in a workshop for officials from different government departments and ministries on FDI data collection methodologies.

273. In *Ethiopia*, a technical cooperation project financed by the Government of the Netherlands started to implement one of the main recommendations of the GGIP Advisory Report for Ethiopia – the creation within the Ethiopian Investment Agency (EIA) of an effective investment facilitation office. EIA established the Investment

Facilitation & Aftercare Department following this recommendation and is now receiving support through capacity-building activities, including training and the installation of an Internet-based system (e-regulations on investment) to facilitate FDI in Ethiopia (see also the section on the Investment Gateway Programme).

**(g) Investment Facilitation Programme
(Investment Gateway)**

274. *Development context:* The Investment Gateway is an electronic tool to support investment promotion and facilitation. It is a web-based content management system, which works as an engine to collect, organize and display information. 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.

275. *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 provides 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 case 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 for establishing synergies between local IPAs and the country's diplomatic representations abroad.
- (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.).

276. *Outputs:* The system was conceived as a capacity-building and an 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, as well as 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.

277. *Results:* The system is being installed in Colombia, Bolivia, Bulgaria, Djibouti, Ecuador, Guatemala, El Salvador, Ethiopia, Honduras, Mali, Nicaragua, Peru, the Russian Federation/Moscow and Viet Nam provides direct support to IPAs investment promotion work. It also promotes transparency and accountability, lack of information and of transparency being major deterrents to foreign investment. It is also a turnkey e-government software, which allows Governments to offer online services.

(h) Support to WAIPA

278. In 2006, UNCTAD continued to cooperate substantively with WAIPA.

279. 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 on 8 March 2006. At this joint meeting, entitled "What Tomorrow Brings: More Competition! More Benefits?", an interactive debate was held to discuss the challenges and potential benefits of market globalization, increasing fierce international competition at the firm and country levels, and the implications thereof in terms of investment policies, incentives and employment.

280. During the WAIPA Conference, on 9 March 2006, UNCTAD organized for WAIPA delegates a workshop on "Improving Governance in Investment Promotion: Tools and Instruments". At this workshop, attended by 22 representatives of 11 IPAs and 4 line ministries, an overview was provided on issues related to governance in investment promotion, including practices, tools and instruments that can

help IPAs improve the transparency and efficiency of their operations. Special attention was devoted to the use of the Internet, improvement of client services and the importance of policy advocacy by IPAs.

281. During the reporting period, UNCTAD and WAIPA successfully collaborated in the organization of a number of other training events and a study tour programme described above.

(i) **UNCTAD's Work Programme on Technology Transfer and Intellectual Property**

282. **Development context:** The inclusion of the Agreement on Trade-Related Aspects of Intellectual Property (TRIPS Agreement) as part of the WTO, as well as the existence of provisions relating to intellectual property and transfer of technology in a number of treaties, shows that these issues are increasingly being treated as an integral part of the trade and investment agenda. At present, developing countries' main concerns in relation to TRIPS are the following: the options, costs, opportunities and challenges arising from the Agreement; preparing themselves for the various types of implementation, including the provision of training and financial assistance for enforcing intellectual property rights (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 transfer, acquisition and local development of technology in an environment that is conducive to sustainable growth and development.

283. An area of particular concern to many developing countries is the implications of IPRs for domestic public health policies. IPRs, while offering important incentives for the research-based pharmaceutical industry to develop new products, have at the same time been identified as major reasons for increased prices. Pharmaceutical patents in developing countries are often held by foreign inventors. The TRIPS Agreement provides signatories with a number of important tools ("flexibilities") to strike an appropriate balance in their domestic IP regimes between the protection of exclusive rights in pharmaceutical inventions on the one hand and the promotion of generic competition on the other. Developing country Governments seeking to promote their domestic pharmaceutical production and supply capacities need to be aware of those flexibilities and how to implement them into domestic laws.

284. **Features:** Responding to the mandate provided in the *São Paulo Consensus* and the *Bangkok Plan of*

Action, UNCTAD's Work Programme on Transfer of Technology and Intellectual Property Rights (TOT-IP) conducts research and policy analysis and technical assistance, and facilitates international consensus-building on the issues of investment, technology transfer and intellectual property in international discussions.

285. **Outputs/results:** The following are some of UNCTAD's representative publications on technology transfer issued in 2006.

- UNCTAD's series *Transfer of Technology for Successful Integration in the Global Economy* consists of a number of case studies on TOT issues in individual industries in selected developing countries. These studies draw lessons from successful experiences with the transfer and diffusion of technology through various channels. One case study completed in 2006 featured the successful transfer, adaptation and diffusion of technologies for the development of the salmon industry in Chile and its impact on trade and development of the salmon farming regions.²⁷
- The TOT-IP team is currently finalizing a study on cross-border flows of technology. The study looks at recent trends in global flows of technology using various proxies such as royalties and licensing fees, capital goods imports, imports of professional services and mobility of skilled human resources.
- In collaboration with the Virtual Institute, a training manual is being prepared for graduate students at universities, researchers and policymakers. The manual, whose structure has already been assessed by the target audience, is expected to be a resource book covering some of the major technology transfer-related trade, development and industrial issues.

286. *The UNCTAD-ICTSD (International Centre for Trade and Sustainable Development) Project on Intellectual Property Rights and Sustainable Development* is intended to address the concerns voiced by developing countries with respect to implementation of the TRIPS Agreement and new developments in the area of IPRs contained in multilateral treaties and regional and bilateral free trade agreements.²⁸ The project aims at improving

²⁷ A case study of the salmon industry in Chile, UNCTAD/ITE/IPC/2005/6.

²⁸ Since 2001, the project has benefited from the financial support of the UK Department for International Development (DFID), the Swedish International Development Cooperation Agency (SIDA) and the Rockefeller Foundation.

the understanding of the development implications of IPRs, facilitating informed participation in ongoing multilateral, regional and bilateral negotiations, and assisting national authorities in the implementation of international IP commitments and adoption of forward-looking national IPR policies. The research and policy analysis conducted under this partnership resulted in the following publications in 2006:

287. Under the *UNCTAD–ICTSD Issue Paper Series*:

- "Intellectual Property Provisions of Bilateral and Regional Trade Agreements in Light of U.S. Federal Law", Issue Paper No. 12;
- "Utility Models and Innovation in Developing Countries", Issue Paper No. 13;
- "The International Copyright System: Limitations, Exceptions and Public Interest Considerations for Developing Countries in the Digital Environment", Issue Paper No. 15; and
- "Exceptions to Patent Rights in Developing Countries", Issue Paper No. 17.

288. Under the *UNCTAD–ICTSD Regional Research Agenda* (which focuses on specific IP issues that have been identified as research gaps by participants in UNCTAD–ICTSD Regional Dialogues (see below) and involves collaboration between regional research institutions in developing countries):

- For Latin America: "A criação de um ambiente competitivo no campo da propriedade intelectual – o caso sul Americano";
- "Diseño de mecanismos costo-efectivos para requerir consentimiento informado previo y efectuarla revelación de origen para acceso y utilización de los recursos genéticos y conocimiento tradicional; and "Pautas para la evaluación y otorgamiento de patentes farmacéuticas". These document was co-sponsored by the UNCTAD/ICTSD Project and the World Health Organization.
- For Southern and East Africa: "Intellectual Property, Education and Access to Knowledge in Southern Africa"; "The Ability of Select Sub-Saharan African Countries to utilize TRIPS Flexibilities and Competition Law to Ensure a Sustainable Supply of Essential Medicines: A Study of Producing and Importing Countries"; and "The Genetic Use Restriction Technologies, Intellectual Property Rights and Sustainable Development in Eastern and Southern Africa";
- For Asia: "Harmonization of TRIPS-PLUS IPR Policies and Potential Impacts on

Technological Capability: A Case Study of the Pharmaceutical Industry in Thailand"; and "Post-2005 TRIPS Scenario in Patent Protection in the Pharmaceutical Sector: The Case of the Generic Pharmaceutical Industry in India";

- For North America: "Non-voluntary Licensing of Patented Inventions: the Canadian Experience".

289. UNCTAD and ICTSD are currently exploring with donors the possibility of a follow-up project, with a view to assisting developing countries in integrating intellectual property issues into their overall development objectives.

(j) UNCTAD/ICC Investment Advisory Council

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

291. *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 the 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.

292. *Outputs/results:* The fifth UNCTAD/ICC Investment Advisory Council meeting was held in parallel with the General Assembly in New York on 18 September 2006. It was attended by half a dozen government representatives, including the President of the United Republic of Tanzania, 15 corporate leaders and 10 senior representatives from UN and

other partner institutions. Highlights included an announcement by the Japan Bank for International Cooperation (JBIC) regarding its further support for UNCTAD's investment-related projects, such as the Blue Books and Investment Policy Reviews; continued cooperation between the ICC and UNCTAD in the context of the Investment Guides; and a proposal from BASF to extend their TNC-SME business linkages methodology to developing countries, particularly to Portuguese-speaking African countries.

3. Enterprise competitiveness

(a) Enhancing enterprise competitiveness through internationalization

293. *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

294. *Objectives/features:* Outward investment provides developing country enterprises with an opportunity to increase their competitiveness through accessing a portfolio of assets such as markets, technology, natural resources and other strategic assets. It also enables developing country enterprises to participate more effectively in international production system and support regional integration. The main objective of UNCTAD's work on OFDI is to help developing countries strengthen their enterprise competitiveness, improve productive capacities and promote greater South-South and South-North cooperation. As requested by the tenth session of the Commission on Enterprise in February 2006, UNCTAD undertook a number of activities that addressed the issues of OFDI by enterprises from developing countries. In particular, UNCTAD provided assistance to Governments and regional/subregional groupings to strengthen their policy analysis and raise awareness of the phenomenon of OFDI, and in supporting regional integration. In supporting this development, UNCTAD is 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 market 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.

295. *Outputs/results:* An international forum on "Going Global" of Chinese Enterprises Agenda: Cross-border Investment: Mutual Benefits and Win-Win was jointly held by the Government of China and UNCTAD on 27 April 2006 in Beijing. UNCTAD and the Malaysia Industrial Development Authority jointly organized a workshop on cross-border investment on 16 November 2006 in Kuala Lumpur, which was attended by officials from government agencies and the private sector.

296. UNCTAD contributed to raising awareness on policy issues related to enterprise internationalization at a number of ASEAN meetings, which included the ASEAN Coordinating Committee on Investment Meeting in Bali, Indonesia (15 November 2006) and at the meeting of the ASEAN Business Advisory Council Roundtable, ASEAN Business Associations and Industry Clubs in Cebu, Philippines (18 November 2006).

297. UNCTAD had also contributed to the capacity-building of ASEAN investment officials at the Capacity Building Workshop for ASEAN Investment Promotion Officials (Tokyo, 28-30 March 2006) on enterprise internationalization.

298. In OFDI analytical work, UNCTAD conducted research examining the experiences of some developing countries, which are included in a publication entitled "Global Players from Emerging Markets: Strengthening Enterprise Competitiveness through Outward Investment". This publication examines why developing country firms are investing abroad more than in the past, the key drivers and motives, implications for enterprise competitiveness, policy environment and policy options supporting enterprise internationalization through OFDI from developing countries.

(ii) Business linkages

299. **Objectives/features:** Experience has shown that TNCs can have a positive impact in countries in which they operate and can contribute to the development of a competitive private sector in these countries by promoting in some cases business linkages between their affiliates and 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. Government interventions are important for creating an environment conducive to sustainable business linkages through policies and regulations that support the mutual interests of both foreign affiliates and domestic firms. In 2006, UNCTAD's Business Linkages Programme continued to provide technical assistance with the objective of enhancing SME competitiveness through the creation and strengthening of business linkages between TNCs and domestic SMEs in developing countries.

300. Outputs/results

301. *Brazil:* Within the framework of the Business Linkages project jointly implemented with GTZ in Brazil, "Projeto Vínculos", funded by the German Government, 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. So far, the following milestones have been achieved:

- The project has enlisted 11 TNCs to cooperate with the project in upgrading their local supplying SMEs.
- Areas of upgrading are cross-sectoral and include, quality management, adherence to safety and health and environmental standards, marketing, and training towards International Organization for Standardization (ISO) 14001:2004 certifications.
- Fifty SMEs are currently being upgraded.
- Institutional agreements with the Brazilian Ministry of Industry and Development, and SEBRAE Nacional have been signed to ensure the sustainability of the project's concept.
- Policy advice to promote a linkages-friendly environment is being formulated and will be presented to the Government in 2007.

302. In addition, 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 Governments, including the Government of Brazil.

303. *Uganda:* The UNCTAD Business Linkage Programme in Uganda, officially launched on 21 October 2005 and funded by SIDA, is being implemented by Enterprise Uganda as the lead agency, in collaboration with the Uganda Investment Authority. The two-year pilot aims at facilitating over 20 such business linkages in agribusiness, real estate development, retail merchandising, manufacturing and telecommunications. Business linkages facilitated to date include the following:

- Uganda Breweries will assist in the upgrading of the members of the barley growers' association in Eastern Uganda, to benefit over 2,000 farmers.
- In Western Uganda, Kinyara Sugar Works Limited under Booker Tate signed an agreement to strengthen its link with Kinyara Sugarcane Growers Limited, thereby benefiting about 2,500 local farmers.
- Two telephone companies have signed up to upgrade their distributor network, assisting 15 SMEs.
- The country's largest real estate developer has signed an agreement to support eight local suppliers.
- One linkage has been created in the manufacturing of building materials.

304. *Viet Nam:* A Memorandum of Understanding was signed between the Royal Melbourne Institute of Technology-International University Viet Nam (RMIT Viet Nam), the Investment Promotion Centre of North Viet Nam under the Foreign Investment Agency of Viet Nam (IPCN) and UNCTAD to jointly implement a business linkages promotion programme aimed at facilitating the creation and strengthening of business linkages between foreign affiliates and domestic SMEs in Viet Nam on the basis of UNCTAD's business linkages methodology.

(iii) Global value chains

305. **Objectives/features:** Within the framework of its MoU with the OECD on SME development, UNCTAD actively participated in 2006 in a project financed by the Swiss RUIG-GIAN network, with

the OECD, the University of Fribourg and the University of Geneva as main counterparts. The objective of the project, initiated in early 2005, is to develop a set of policy recommendations on how to enhance the competitiveness of SMEs through their increased participation in global value chains.

306. **Outputs/results:** After having provided analytical inputs for the finalization of the theoretical framework and for the elaboration of the guidelines for the country case studies, UNCTAD carried out in 2006 five company case studies based on field interviews of selected global players located in developing countries and their SME suppliers (including Volkswagen in Mexico, Toyota in South Africa, Tata Motors in India, IBM in Viet Nam and NuMetro in Nigeria).

(b) Entrepreneurship and SME development: EMPRETEC

307. **Development context:** It is generally recognized that entrepreneurship is one of the key factors in the developmental process and that 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, they account for over half of gross domestic product.

308. 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.

309. **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.

310. EMPRETEC 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.

311. Main beneficiaries of EMPRETEC 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.

312. 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.

313. **Outputs/results**

314. **EMPRETEC Centres:** Fifty-one 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 27 countries, assisting entrepreneurs (Empretecocos) through local market-driven business support centres. To date, over 110,000 entrepreneurs have received entrepreneurship training (from almost 400 experienced UNCTAD-EMPRETEC master and national trainers) and follow-up support services.

315. In 2006, the EMPRETEC consolidated its presence and expanded some programmes. On the basis of the positive results achieved by EMPRETEC in Jordan and Romania in 2005, their respective Governments committed substantial funding to ensure that the programmes were maintained in 2006.

316. In 2006 EMPRETEC Romania Programme was further developed through the extension of the EMPRETEC into Romanian regions. The

Government of Romania incorporated EMPRETEC into its national strategy and programme on SME development. At present there are 10 regional centres throughout Romania. Fifteen additional Entrepreneurship Training Workshops (ETWs) were conducted for 168 participants, four of which were conducted in Romanian. As a result, the number of ETWs held has reached 31, while the number of certified participants (Empretecoc) has reached almost 600. In addition to ETWs, a training of trainers session was held as well a new workshop – the Business Leaders Capacity Building Workshop for 19 participants. Six Romanian trainers received an UNCTAD–EMPRETEC national trainer certificate and a number of others either started or are in the last stage of the training and certification process.

317. A new EMPRETEC centre has been opened in Mexico. There was also an increasing number of requests for the creation of EMPRETEC centres and for the provision of 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/> – the new website which has put in place a new registration system. Requests for EMPRETEC installations are increasing and fund–raising efforts to meet those requests have been initiated.

318. **South–South cooperation:** During 2006, efforts continued to develop further cooperation between EMPRETEC centres in developing countries. For example, EMPRETEC Uruguay started the installation in Mexico and continued to coordinate the creation of EMPRETEC centres in Guatemala and Panama. A joint training of trainers session was organized in Romania for both Romanian and Jordanian EMPRETEC national trainers. The African EMPRETEC representatives launched a regional networking initiative, *EMPRETEC Africa Forum*, to reinvigorate EMPRETEC in Africa. Zimbabwe, Ethiopia and Uganda will be taking the lead to strategize with other colleagues from the continent on the best ways to mobilize resources, establish an effective communication and marketing strategy and ensure the consolidation of existing programmes as well as creation of new country programmes in Africa with the support of UNCTAD.

319. **13th EMPRETEC Directors' Meeting:** An International EMPRETEC Directors' Meeting was held in Geneva in November 2006. 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 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 22 participants from 19 countries, including five LDCs. It was ranked by participants as highly relevant to their needs and important for networking. EMPRETEC Directors agreed to adopt ambitious plans and to work closely with UNCTAD on a more proactive strategy to achieve the vision of developing EMPRETEC centres into focal points for entrepreneurship, enterprise development and spreading an entrepreneurial culture in their countries.

320. Activities included in the work plan are identification, definition and branding of EMPRETEC; strengthening the core product: the Entrepreneurship Training Workshop; improving EMPRETEC Centres' financial sustainability; easing the network communication with the collaborative workspace; carrying out impact assessment; and strengthening of the coordination and facilitation capacity of UNCTAD–EMPRETEC at headquarters.

321. **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 and participate in discussion forums, access documents made available by other users or update their statistics or contact details.

322. **Other activities:** Additional activities undertaken in 2006 included the preparation of newsletters and various reports on outreach, performance, best practices, development of EMPRETEC impact assessment methodology and identification of success stories that were presented to potential donors and representatives of other international organizations.

(c) Accounting: Corporate reporting

323. **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 the best transparency and disclosure practices.

324. **Objectives/features:** The programme promotes exchange of views among experts from member States on technical issues concerning accounting, auditing, 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 roundtables. It disseminates best practices through technical guidance on various aspects of corporate transparency and disclosure.

325. **Output/results:** During 2006, UNCTAD continued its contribution to promoting best practices in the area of corporate reporting, including accounting, corporate governance disclosures and corporate responsibility.

326. At the twenty-third session of ISAR, which was held in Geneva from 10 to 12 October 2006, the Group of Experts deliberated on developing practical guidance on practical implementation issues of International Financial Reporting Standards (IFRS) and comparability and relevance of existing indicators on corporate responsibility. With respect to the practical implementation of IFRS, the Group of Experts reviewed five country case studies – those on Brazil, Germany, India, Jamaica and Kenya. The case studies focused on the institutional, enforcement and technical capacity-building aspects of the practical implementation of IFRS. In concluding their deliberations, experts reiterated the importance of a common set of high-quality financial reporting standards for the coherence and efficient functioning of the international financial infrastructure and for mobilization of financial resources needed for economic development. With respect to its second main agenda item, the Group of Experts deliberated further on the selection of core corporate responsibility indicators and their measurement methodology. It also discussed a survey of the reporting status of corporate responsibility indicators. The Group concluded its discussions by requesting UNCTAD to further refine the draft guidance with a view to finalizing and issuing it as a voluntary technical tool.

327. During the reporting period, the UNCTAD secretariat finalized the printing of “*Guidance on good practices in corporate governance disclosure*” and began wider dissemination of it. It has been translated into Arabic, Chinese and Russian, and work on translating it into French and Spanish is underway. The secretariat is in the process of finalizing dissemination workshops in China and Egypt. These are scheduled to take place in 2007.

328. On 9 October 2006, the UNCTAD secretariat held a technical workshop on fair value measurement requirements in International Financial Reporting Standards. The workshop featured widely recognized experts in the area of international accounting and reporting. More than 130 experts participated in the workshop, which shed light on a topic that has generated extensive debate around the world.

329. In September 2006, the UNCTAD secretariat co-organized an Africa-wide learning event that took place in Nairobi, Kenya. The event brought together over 200 participants from 37 countries and highlighted the importance of the accountancy profession for the economic development of Africa. Participants agreed on the need for a Pan-African federation of accountants. In organizing the event, UNCTAD partnered with the Eastern, Central and Southern African Federation of Accountants, the World Bank, the African Development Bank and the Developing Nations Committee of the International Federation of Accountants.

330. During the reporting period, UNCTAD was also involved in a USAID-sponsored technical assistance project on developing a regional accounting qualification in the CIS countries based on the UNCTAD/ISAR model accounting curriculum that ISAR adopted in 1999 and revised in 2003.

331. UNCTAD continued its cooperation with a number of international and regional organizations and development agencies that work towards promoting better accounting, auditing, corporate governance and corporate responsibility disclosure practices. 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 contributing to a number of activities, including Committee meetings, that IFAC undertook during the reporting period. The UNCTAD secretariat facilitated translation into French and Spanish of a toolkit entitled “*Establishing and Developing a Professional Accountancy Body*”, which was published in English by the Developing Nations Committee of IFAC. 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.

332. In the area of corporate responsibility, the UNCTAD secretariat continued providing technical assistance to the ISO Working Group on Social Responsibility. The purpose of this work is to develop a new ISO standard on social responsibility. The UNCTAD contribution is to facilitate the drafting of a document on the various aspects of reporting and communicating with stakeholders. This work builds inter alia, on the ISAR work on corporate responsibility and environmental reporting indicators, which makes it possible to facilitate the outreach of UNCTAD work in this area, and facilitate coordination of its activities with other relevant international organizations.

4. Science and technology

(i) *Connect Africa project*

333. This partnership project was established by UNCTAD in late 2004, in cooperation with the Centre des Technologies de l'Information of the State of Geneva. Its aim is to provide hands-on training to ICT engineers and technicians from the least developed countries of Africa. The first country to benefit from the project was Lesotho. The project provided training to engineers and other technical personnel. It also provided 220 personal computers with software installation for use in a number of areas, including schools. Mali was the second beneficiary. More than 200 personal computers, 14 servers and other telecommunication equipment were shipped to Mali and installed in a number of school districts across the country, where they were also connected to the Internet. In addition, about 100 personnel were trained to use ICT through the project, entitled Cyber-Education of Mali.

(ii) *Science, Technology and Innovation Policy (STIP) Review*

334. UNCTAD continued in 2006 with its STIP review for Angola. An evaluation mission was undertaken in November and the review is due to be discussed at the 10th session of the United Nations Commission on Science and Technology for Development in May 2007. Planning for STIP reviews for three other African countries is currently underway. These reviews will be carried out in close collaboration with the Office for Science and

Technology, of the New Partnership for Africa's Development (NEPAD), UNESCO and the World Bank.

(iii) *Network of Centres of Excellence on Science and Technology (NCE)*

335. The objective of the network is to facilitate interaction, provide training and organize workshops for scientists and engineers from developing countries in state-of-the-art learning and research facilities offered by these centres. The network was launched in late 2005 and started operation in 2006, under the guidance of a Steering Committee and with funding from the Italian Government. To date, four training sessions have been undertaken: a three month advanced laboratory training sessions at the Institute of Infectious Diseases and Molecular Medicine (IIDMM), University of Cape Town, South Africa, with nine participants; and a two-month training session on malaria-related research at the International Centre for Genetic Engineering and Biotechnology, New Delhi, for the first two of 20 participants; a two-week seminar on animal biotechnology held at Sokoine University of Agriculture, Morogoro, United Republic of Tanzania for 19 participants; and seminar on bioinformatics at the Agricultural Genetic Engineering Research Institute, Giza, Egypt, for another group of 19 participants.

336. All 49 scientists and engineers who participated in the programme were African nationals. A total of 19 African countries had participated in the network's programme as of end February 2007 – Botswana, Burkina Faso, Cameroon, Egypt, Ethiopia, Ghana, Kenya, Malawi, Mali, Mauritius, Nigeria, Senegal, Sierra Leone, South Africa, Sudan, Uganda, the United Republic of Tanzania, Zambia and Zimbabwe. Other training and workshop activities are planned for other locations, including China, Kenya, Pakistan and Tunisia. The areas to be covered range from general training for junior scientists and an ICT workshop for Africa to human-health-related biotechnology, infectious diseases, biotechnology and bio-industry, as well as molecular biology and bioassay techniques for drug discovery.

(iv) *Science and Technology Park in Oman*

337. The project was developed in response to a request by the High-Level Research Council of Oman. This project, financed and managed by the Government, aims to strengthen the country's overall science and technology infrastructure. Work started with an assessment of the concept of the Science and

Technology Park and its viability in relation to the national system of innovation of Oman, and with the formulation of a road map for developing the proposed park.

Table 3
**PROJECTS IMPLEMENTED BY THE DIVISION ON INVESTMENT,
TECHNOLOGY AND ENTERPRISE DEVELOPMENT**

<i>Project number</i>	<i>Short title</i>	<i>Starting date</i>	<i>Source of fund</i>
<i>Investment Issues Analysis</i>			
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/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/5AT	FDI in tourism – the development dimension	2005–	Canada
INT/0T/6AS	The rule of law and good business practices in zones of conflict.....	2006–	Rockefeller Brothers Foundation
<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
ANG/06/001	STIP	2006–	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
ETH/0T/5AH	Strengthening Investment Promotion and Facilitation in Ethiopia at the Federal and regional levels.....	2005–	Netherlands
GHA/0T/6AK	Blue Book On Best Practices in Investment Promotion and Facilitation for Ghana.....	2006–	Japan
MAR/01/001	Fiscal Incentives Review of Mauritius	2001–	UNDP
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
RUS/06/001	Support to Development and Implementation of Moscow-Based System for Export and Investment	2006–	UNDP
RWA/0T/4CJ	Investment Policy Review in Rwanda.....	2004–	Germany
ZAM0T6AU	Zambia Blue Book	2006	Japan
INT/9X/77S	Quick response window for ASIT	1997–	Switzerland
INT/9X/9C8	Support to WAIPA in providing a forum for exchange of experiences among investment promotion agencies (IPAs)	1999–	Ireland
INT/0T/0BG	Capacity building on international investment agreements	2000–	Multidonors

(for note see end of table)

Table 3 (concluded)
**PROJECTS IMPLEMENTED BY THE DIVISION ON INVESTMENT,
 TECHNOLOGY AND ENTERPRISE DEVELOPMENT**

<i>Project number</i>	<i>Short title</i>	<i>Starting date</i>	<i>Source of fund</i>
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/03/X08	Investment Promotion	2003–	Netherlands
INT/03/X44	Investment Policy Review.....	2003–	Italy
INT/0T/4BN	Facilitation of foreign investment procedures.....	2004–	World Bank
INT/0T/5AD ^a	High-level Global Forum on the Role of Science, Technology and Innovation in the Knowledge Society.....	2005–2006	Italy
INT/0T/5BE	Mobilising corporate contributions to economic development	2005–	Multidonor
INT/0T/5BN	Panel of Eminent Persons.....	2005–	Multidonor
INT/0T/5BU	Capacity building and transfer of knowledge to investment promotion agencies in developing countries.....	2005–	Sweden
INT/05/X59	Investment Promotion	2005–	Germany
INT/0T/6AT	Investment Gateway System	2006–	Multidorsors
RAF/0T/5BL	Supporting the establishment of pharmaceutical production capacities in least-developed countries	2005–	Germany
RAF/0T/6BB	Technical assistance and capacity building in implementing regulatory frameworks for access to medicines.....	2006–	United Kingdom
ROA–2106(N)	Investment promotion through public–private partnerships	2004–	Development Account
Technology and Enterprise			
ROM/0T/1CZ	EMPRETEC Phase I – Romania	2002–	Romania
INT/9X/89Y	Mediterranean 2000	1998–	Italy
INT/0T/2AU	Special trust fund for activities of sciences and technology for development	2002–	Multidonors
INT/0T/4CL	Fostering Entrepreneurship and SME Development in Developing Countries and Countries with Economies in Transition	2004–	UNDP
INT0T5AG	UNCTAD/ISAR CIPA Curriculum in Support of the CIPA Global Development Alliance.....	2005–	USAID
INT0T6AD	Network of “centres of excellence” in new and emerging technologies in developing countries	2006–	Italy
RLA/9X/66O	Empresa y tecnología para el siglo XXI (EMPRETEC)	1996–	Spain
Office of the Director			
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

^a Project which had been “operationally but not financially completed” or “completed” in 2006.

D. DIVISION FOR SERVICES INFRASTRUCTURE FOR DEVELOPMENT AND TRADE EFFICIENCY

1. Trade logistics: Transport and trade facilitation

338. *Development context:* 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. In addition, border-crossing points are of critical importance to the smooth flow of international trade, since they are key locations where discrepancies between buyers' and sellers' domestic trade environments can be exacerbated. Officials from developing countries need to develop their capacities in order to make planning and policy decisions that will improve the efficiency of their country's transport sector.

339. *Objectives:* 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. UNCTAD also aims to establish a favourable domestic environment for international trade transactions, based on effectively implemented international instruments, recognized best commercial practices and common standards.

340. UNCTAD's work on capacity-building in transport management focuses on transfer of knowledge in the fields of container terminal development, equipment management, port tariffs, multimodal transport and legal aspects of maritime transport. UNCTAD also works to strengthen national capacities in developing countries for their effective participation in the ongoing WTO negotiations on trade facilitation.

Afghanistan: Emergency Customs Modernization and Trade Facilitation project

341. *Output:* Under the Inter-Agency Letter of Agreement between the United Nations Office for Project Services and UNCTAD. In 2006, under the project's trade facilitation component, UNCTAD participated in the "Priority Reconstruction and Reform" process of the Ministry of Commerce and Industry, which included the restructuring of the International Transit and Border Ports Department and recruitment of new personnel.

342. UNCTAD further supported the establishment and meetings of the new National Trade and Transit Facilitation Committee in Afghanistan, as well as the reactivation of the transport international routier system in Afghanistan. At the request of the Ministry of Commerce and Industry, the project also continued its logistical and financial assistance to Afghanistan's process of accession to the WTO (see para. above). UNCTAD undertook a training needs assessment for the freight forwarding industry. This assessment will feed into a training course for freight forwarders to be developed under the project in collaboration with the International Federation of Freight Forwarders Associations (FIATA), the International Transport Companies Association of Iran (ITCA) and local operators.

Pakistan: Promotion of trade and transport sectors

343. At the end of June 2006, UNCTAD concluded the implementation of the World Bank-funded *Trade and Transport Facilitation Project in Pakistan*, which had began in August 2001. During 2006, UNCTAD organized the second trade and transport facilitation conference in Karachi, conducted a feasibility study for the establishment of an electronic trading platform, a study on logistics and port/shipping costs in Pakistan, and a study on strengthening sanitary and phytosanitary controls over imports. The project identified key issues to be covered in a second stage, which would continue the process of simplifying and modernizing Pakistan's international trade procedures and practices. The second stage will provide ad hoc advisory support on trade and transport logistics issues in the context of the National Trade Corridor Improvement Project (NTCIP) and its anticipated investment programme.

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

344. In 2006, UNCTAD continued activities under a project that introduces international multimodal transport operations and trade facilitation issues in the 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. The project completed four studies on multimodal transport issues in the Islamic Republic of Iran, Kazakhstan, Pakistan and Turkey, which were prepared by national consultants. A consolidated report reflected the major findings of the national studies and made recommendations on multimodal transport for the ECO member States. A workshop is planned for 2007 on “Multimodal Transport and Trade Facilitation in the ECO Region: Measuring Trade and Transport Facilitation Instruments for Development”, which will discuss the preparation of a Plan of Action to help ECO countries to overcome physical and non-physical impediments in their regional and international trade. The workshop should identify ways in which UNCTAD and ECO could cooperate to advance the trade and transport facilitation agenda in the region.

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

345. UNCTAD continued supporting the development of practical tools for assessing trade facilitation needs and priorities in LDCs. It concluded in 2004, with funding from the Government of Norway, the first part of the preparation of a set of guidelines and analytical tools intended for LDCs to self-assess their needs and priorities. It contributed to the OECD regional forum on trade facilitation at a meeting on “Maximising the developmental benefits of a future WTO agreement on trade facilitation” (Cameroon, September 2006), which examined how developing countries, bilateral donors, multilateral agencies and regional organizations can ensure the effectiveness of technical assistance and capacity-building for trade facilitation, and take into account the principles of the Paris Declaration on Aid Effectiveness. UNCTAD also contributed on the same subject to the meeting of the Global Facilitation Partnership for Trade and Transport (Washington, D.C., October 2006).

*Support to trade facilitation platforms in
developing countries*

346. A project to support trade facilitation platforms in developing countries funded a workshop on “Strengthening regional and national trade facilitation organizations” (Geneva, October 2006), organized in cooperation with the United Nations Economic Commission for Europe’s Centre for Trade Facilitation and Electronic Business. Over 50 representatives of national and regional trade and transport facilitation organizations from 30 countries expressed their wish to further strengthen bilateral and regional contacts by jointly promoting common trade facilitation interests, organizing regional meetings, centralizing and coordinating initiatives at the regional level and establishing a mentoring scheme between well-established and less well established organizations. Workshop participants focused on the support they needed from international organizations and called for greater coordination between the various relevant agencies, which is crucial for creating a shared vision of international trade facilitation standards that could be promoted by national and regional organizations.

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

347. UNCTAD continued to successfully implement its project for capacity-building in developing and least developed countries to support their effective participation in the WTO negotiations process on trade facilitation. The project’s multi-donor trust fund continued to receive financial contributions from the Governments of Sweden and Spain. In 2006, two additional Technical Notes were prepared (and the previously prepared 20 Technical Notes were translated into Spanish); three regional UNCTAD workshops were held in Central America, South Asia and the Pacific; and two round tables were held in Geneva for the African group and for the Latin American and Caribbean group. UNCTAD also co-sponsored and contributed to seven regional and two national WTO workshops, and supported the WTO mission of Paraguay and its capital-based negotiating group in the analysis of trade facilitation issues.

348. **Results/impact:** The overall outcome of the implementation of the Trade and Transport Facilitation Project in Pakistan has been satisfactory. The implementation resulted, inter alia, in the following outputs: simplification of documents and procedures; introduction of a single administrative document; proposals for the modernization of transport legislation; streamlining of financial and

banking provisions; professional standards for freight forwarders; analysis of shipping line charges; trade transaction analysis; and a logistics cost study. In Afghanistan, UNCTAD assistance resulted in the setting up of a National Trade and Transit Facilitation Committee to assess the training needs of the Afghan freight forwarding industry, and to elaborate the Afghan Memorandum of Foreign Trade Regime as an initial step in the WTO accession process.

349. UNCTAD's capacity-building related to trade facilitation negotiations contributed significantly to the effective participation of developing and least developed countries in the negotiations. Countries improved their capacity to respond to tabled proposals, as well as to develop and sponsor their own proposals at the WTO. Regarding capacity-building for officials in modern transport management techniques through cooperation with the World Maritime University, students have found UNCTAD's contribution very useful and a number of them have maintained contact with the UNCTAD secretariat after their graduation.

2. The ASYCUDA programme²⁹

350. *Development context:* The efficiency of the Customs administration is an essential part of a country's good governance policy and an essential tool for trade facilitation. Customs departments help Governments deal with national and international policies associated with revenue collection and the combating of fraud. They control the import of prohibited and restricted goods and provide statistical data on external trade for government analysis and planning.

351. *Objectives:* The main objective of the Automated System for Customs Data (ASYCUDA) programme is the modernization of Customs, using information technology to speed up and simplify the clearance process for goods. The system manages the whole clearance process, from (and prior to) the arrival of the goods up to their warehousing and ultimate release after payment of duties and taxes. Project implementation includes a comprehensive training package that allows for the full transfer of

ASYCUDA know-how and skills to national staff, thus ensuring that the programme can be sustained by the national administrations.

352. *Output:* In 2006 there were more than 54 operational ASYCUDA. The ASYCUDA programme remains the largest technical cooperation programme within UNCTAD, encompassing over 90 countries and five regional projects.

353. 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.

354. Activities for the implementation of ASYCUDA ++ or for the migration to ASYCUDA ++ started or continued in Afghanistan, Bosnia and Herzegovina, Cameroon, Guinea, Nigeria, Togo, and Trinidad and Tobago. Projects were signed in Mauritania, Saint Lucia, and Saint Vincent and the Grenadines, as well as East Africa.³⁰ Furthermore, support or extension projects were signed with the Central African Republic, Gabon, and Timor-Leste. Technical cooperation agreements were renewed and extended with the secretariats of the Common Market for Eastern and Southern Africa (COMESA) and the Economic Community of West African States (ECOWAS), which allowed the organization of various activities (e.g. training, documentation) and the provision of regional support. A second regional support centre for Southern and East Africa opened in the United Republic of Tanzania.

355. The Internet-based ASYCUDA World continued to be implemented in Moldova, processing Customs declarations, payments and transit operations. Its implementation started in Cambodia, Jordan and Haiti, while activities continued in Côte d'Ivoire and the Syrian Arab Republic. A project for migration to ASYCUDA World in Lebanon has been postponed because of the ongoing conflict.

356. Technical assistance was provided online (for remote system maintenance) and in the field (for implementation of new releases, adaptation to new hardware or software, improvement of functionalities). In 2006 approximately 140 missions represented almost 400 weeks (training excluded) of presence in the beneficiary countries. In the spirit of South-South cooperation, more than 60 per cent of those missions were carried out by experts from other user countries.

²⁹ The ASYCUDA website (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. It has the latest news on Customs computerization, and information and images on the ASYCUDA country projects. It also has links to the organizations working in the Customs domain, such as the World Customs Organization and WTO. User countries can access a secure area of the website, the ASYCUDA Community, which contains technical and functional information relating to the system as well as discussion groups.

³⁰ The East African countries concerned were the Comoros, the Democratic Republic of the Congo, Eritrea, Seychelles and Swaziland, in cooperation with the Common Market for Eastern and Southern Africa (COMESA) and funded by the European-Union.

357. Regarding know-how transfer and capacity-building, in 2006 some 275 national and regional training sessions were held worldwide on Customs functional and IT matters, and more than 2,500 trainees became in turn ASYCUDA trainers. Functional courses covered selectivity and risk management, Customs valuation and implementation of transit, while IT courses focused on database structure and administration, information exchange through A++ Gate, web technology, and ASYCUDA maintenance and development.

358. A global ASYCUDA User Meeting (Geneva, October 2006) was held back to back with an Expert Meeting on ICT Solutions to Facilitate Trade at Border Crossings and Ports, and informed ASYCUDA user countries about strategic and software developments related to the programme, including the World Customs Organization's "Framework of Standards to Secure and Facilitate Global Trade".

359. **Results:** The impact of ASYCUDA projects can be assessed by various institutional and trade facilitation benchmarks, including increased revenue, improved trade facilitation, shorter clearance times and the availability of reliable trade statistical data. The automatic calculation of duties and taxes results increases State budget revenue, while reliable and timely trade and fiscal statistics assist Governments in planning their economic policy. In Afghanistan, for example, two transit corridors (to the borders with the Islamic Republic of Iran and Pakistan) created and computerized with ASYCUDA++ produced an immediate budget revenue increase (\$0.7 million in three months). It is likely that ASYCUDAWorld will have a major impact on e-business and e-government transactions, making international trade simpler and cheaper while making international markets more accessible to enterprises from developing countries.

360. In 2006 external consultants hired by UNCTAD undertook post-implementation reviews in Benin, Burkina Faso, Mali and Niger. The reports indicated that the Customs automation projects had been successful, with many of the objectives having been met, although efforts must be continued to stabilize national systems and projects. Final project evaluations in the Netherland Antilles and Albania provided useful advice to the national Customs authorities.

361. Some projects are more successful than others. An important factor is the willingness to change and the commitment and full support of the Government. Resistance to the institutional and procedural reforms that the programme requires could prevent projects from realizing the full benefits of automation.

3. Human resources and information and communication technologies for capacity development

(a) Building capacity through human resources development

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

363. **Objectives/features:** TRAINFORTRADE, the Virtual Institute (Vi) on Trade and Development and the Training Course on Key Issues on the International Economic Agenda 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. The programmes, which operate in the fields of international trade, trade-related services, investment, tourism and port management, target government officials, trade and transport operators, regional organizations, import/export associations, chambers of commerce, academia and NGOs dealing with trade, investment and development.

364. **Outputs:** In 2006, the three programmes implemented the activities describe below.

(i) TRAINFORTRADE Programme

365. The TRAINFORTRADE Programme continued revising, updating and translating its courses so as to better meet beneficiaries' needs.³¹ Updated versions of the workshops for the training of instructors and of technical tutors are now available in French, English and Portuguese. The Portuguese and French versions of the Modern Port Management course were validated, while two new courses on Trade Facilitation and on Basic Investment Issues were developed in the framework of the project for Cambodia and the Lao People's Democratic Republic.

³¹ The TRAINFORTRADE Programme benefited from the support of the Governments of Belgium, France and Spain, as well as of port members of the Port Training Programme (both in developed and developing countries) in implementing its technical cooperation activities. All its courses were designed in cooperation with the substantive UNCTAD Divisions and Programmes.

366. In addition, new distance-learning material was developed and uploaded on the TrainForTrade platform (<http://learn.unctad.org>) on the topics of electronic marketing in the field of tourism, the organization of a port system and technical port management (part of the course on modern port management). Also in the context of the Port Training Programme, 26 technical tutors participated in two four-day workshops in Togo (regional event) and Algeria on facilitating management of distance-learning sessions and accessing the TrainForTrade learning platform.

367. In 2006, 21 face-to-face or distance-learning training workshops were organized at the national or regional levels in English, French or Portuguese. Local languages were also used in the context of specific projects, namely Khmer and Lao. Four train-the-trainers courses, including three at the regional level, taught more than 400 participants, either as future instructors or as tutors to manage distance-learning activities. These participants are now able to take an active part in local seminars, and to initiate autonomous training schemes in their countries.

368. In Latin America and the Caribbean, more than 50 participants from 21 countries attended a nine-week distance learning session on international investment agreements (July to September 2006).³² The training activities in the Annex to the Memorandum of Understanding between ALADI and UNCTAD began to be implemented thanks to a contribution from Spain, including the update and translation into Spanish of the pedagogical material of the Workshop for Distance Learning Tutors (to be delivered for technical tutors of the ALADI secretariat and member countries in May 2007).

369. In Africa, 33 participants from Kenya, Uganda and the United Republic of Tanzania – member states of the East African Community (EAC) – were trained on the legal aspects of e-commerce (December 2006).³³ A joint UNCTAD/ITC proposal was prepared in order to support the Government of Guinea in establishing a sound framework for training in trade and export promotion issues.

370. In Asia, the TRAINFORTRADE Programme continued to implement its plan of action in Cambodia and the Lao People's Democratic Republic, intensifying the involvement of local trainers, managers and institutions, so that they can take over the training after the end of the project.³⁴

For example, an investment workshop held in the Luangprabang province (Lao People's Democratic Republic) was followed by the hiring of a national consultant to adapt existing materials and translate them into Lao, so that the course can be delivered in other provinces in 2007. The training of trainers session held in November 2006 also aimed at enhancing the local training capacities of the two countries. Some of the 17 participants already play an active role as local trainers.³⁵

371. Regarding the *Port Training Programme (PTP)*, ports in the African network and ports in Cambodia have implemented their respective action plans for 2006.³⁶ Each training cycle comprises eight modules, with a total of 240 hours of training and a final thesis. The 2006 PTP promotions were as follows: Cotonou Autonomous Port (Benin), Sihanoukville Autonomous Port and Phnom Penh Autonomous Port (Cambodia), Douala Autonomous Port (Cameroon), Empresa Nacional de Administração de Portos (Cape Verde), Conakry Autonomous Port (Guinea), Lomé Autonomous Port (Togo) and Dakar Autonomous Port (Senegal).

372. Needs analysis missions were carried out in the port communities of Algeria, the Democratic Republic of the Congo and Madagascar in order to define a PTP implementation scheme.

373. An international coordination meeting (Porto, July 2006) for the representatives of Portuguese-speaking port communities from Angola, Cape Verde, Guinea-Bissau, Mozambique, Sao Tome and Principe, and Timor-Leste resulted in individual action plans on human resources development and policies for those ports.³⁷

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

374. **Outputs:** *The Virtual Institute* continued to enhance the capacity of universities to conduct trade-related training and research in a way that addresses

³² Organized with the UNCTAD/DITE Investment Agreements Section.

³³ Organized with the UNCTAD/SITE ICT and E-Business Branch.

³⁴ As agreed upon by the regional and national steering committees.

³⁵ The possibility of extending the programme to other Asian countries is currently being examined. A joint project proposal for technical assistance in training and capacity-building in the field of international trade has been written jointly by the Chinese Ministry of Commerce and the TRAINFORTRADE Programme.

³⁶ The African action plan was adopted at the tripartite meeting of the Programme held in La Goulette, Tunisia, in December 2005; the Cambodia action plan was adopted at the PTP Steering Committee meeting held in Sihanoukville in January 2006.

³⁷ The meeting had the financial and logistical support of the Administração dos Portos do Douro e Leixões (APDL). Instructors from the Port Authority of Valencia (Spain) and from the Empresa Nacional de Administração de Portos (ENAPOR) of Cape Verde contributed to its delivery. The secretariat for the Portuguese-speaking network of the PTP was entrusted to ENAPOR.

the concerns and needs of their countries, through a customizable set of services.³⁸ In 2006, the Vi provided curricular advice to member universities, contributing to the design of the professional Masters in International Trade at the University of Dar-es-Salaam, and providing advice to the Cheikh Anta Diop University in Dakar on the structure and content of the future Masters programme on international trade policies and negotiations. Customized training packages were made available (also on CD-ROM and hard copy) on the economics of commodity production and trade (in French) and on an introduction to trade negotiation skills and strategies. Furthermore, the Vi online library has grown to more than 400 trade and development documents from UNCTAD and partner organizations such as the WTO, UNESCAP, ECA and the South Centre.

375. The Vi supported the professional development of university staff, especially those from the least developed countries, through workshops and Vi fellowships. The workshops on the economics of commodity production and trade (Dakar, June 2006)³⁹ and on trade data and trade policy analysis (Geneva, September 2006) were attended by 41 academics from 26 countries. The trade data workshop resulted in a set of recommendations to improve the links between researchers and Geneva-based policymakers and to strengthen research-based policymaking. Five fellows from the University of Dar-es-Salaam in the United Republic of Tanzania and two fellows from Cheikh Anta Diop University in Dakar, Senegal, conducted one month of research in UNCTAD in May and September 2006 respectively.

376. Through Vi study tours, students from Masters programmes at the University of the West Indies and the University of Dar-es-Salaam spent two to three weeks following a rigorous programme of topics on the international trade and development agenda that brought them into contact with experts from UNCTAD and other Vi partners, and exposed them to actual trade policymaking and negotiation. Students from Dar-es-Salaam also took a course on the economics of commodity production and markets

delivered by the UNCTAD Commodities Branch during their study tour.

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

377. Four Training Courses on Key Issues on the International Economic Agenda took place in Beirut, Belgrade, Bangkok and Cairo between June 2006 and February 2007. The three-week courses benefited 87 participants, of whom 16 were from economies in transition and 26 from LDCs. In response to the request by member States, and with the intention of strengthening links between UNCTAD's analytical work and policymaking, a series of six short courses reflecting the structure of course were developed for permanent missions in Geneva, with the first course delivered in February 2007.

378. The format and content of the Training Courses on Key Issues on the International Economic Agenda were refined in response to the needs of policymakers and the recommendations of an independent external evaluation in 2005.⁴⁰ During the design phase UNCTAD collaborated with United Nations Regional Commissions, Virtual Institute members and national experts to ensure a rich, coherent programme on trade and development. Detailed case studies and lessons learned from previous policy decisions (national investment strategies, national IT strategy, accession and post-accession to the WTO) were successfully integrated into the course, and emphasis was put on policy design and implementation. Resource persons from Virtual Institute universities and other academics are invited to the courses with the aim of using empirical research in policy formulation and facilitating the exchange of insights between academia and policymakers.

379. **Results:** In Cambodia and the Lao People's Democratic Republic, the impact of the TRAINFORTRADE Programme is evident in the local ownership of project activities. Local consultants and instructors now play a significant role in carrying out training activities and managing the project in the field, and local languages are used more extensively.⁴¹ Experts from the region, who have an in-depth knowledge of local conditions, have also been involved in the project. For instance, a consultant

³⁸ The Governments of Finland, Canada (Canadian International Development Agency) and Germany (Carlo Schmid Programme), and the United Nations Development Account, supported the Virtual Institute in 2006. The second meeting of the Virtual Institute in October 2006 agreed to focus future activities on strengthening local involvement and ownership, and supporting cooperation in the network.

³⁹ The first workshop was held in cooperation with the UNCTAD Commodities Branch, while the second one was organized in collaboration with the UNCTAD Trade Analysis and Commercial Diplomacy Branches, the World Trade Organization and the International Trade Centre.

⁴⁰ Also, a workshop for UNCTAD resource persons contributing to the course was organized in December 2006 to discuss the structure and content of the Paragraph 166 course and possible improvement of the course delivery, and a new website was launched with online registration, downloadable pre-course reading materials and exercises, and an online discussion function.

⁴¹ For example, the TRAINFORTRADE Internet platform and distance learning modules were created in Khmer.

from the Thai Board of Investment was in charge of a course on investment organized in Vientiane in 2005, while an UNESCAP official delivered a module of the course on modern port management in Cambodia. The project also tries to reach out to Cambodian and Lao provinces to increase its impact and facilitate local ownership; an example of this is the current development of a course on investment promotion, which will be delivered in the Lao provinces by a local instructor next year.

380. In the field of ports, country members of the Port Training Programme have continued to benefit from train-the-trainers activities and exchange of resources and training; according to the beneficiaries, this resulted in better port community performances. Trainees have said that the distance-learning component can be very beneficial as it makes it possible to reach a wide audience and to increase its knowledge before the face-to-face seminar.

381. The Vi now has 15 institutional (university) members, and more than 200 associate (individual) members from 73 countries. It has enriched the curricula of member universities through an enhanced range of up-to-date and high-quality resources and original teaching materials on trade and development. The Vi has also provided professional development opportunities through teaching, research workshops and fellowships. For example, thanks to the Vi fellowships, the University of Dar-es-Salaam established a team of assistant lecturers to support the implementation and sustainability of its Masters programme in international trade, while the University of Dakar built a research team specialized in trade. The Vi provided expert and policy-relevant guidance on designing and implementing the international trade Masters programme in United Republic of Tanzania and Senegal. Finally, it has encouraged links between policymakers and researchers and the use of research in policymaking.

382. The evaluations of the Training Course on Key Issues of the International Economic Agenda show that participants appreciated the design and coherence of the programme, which looks at development from the multiple perspectives of trade, finance and investment. Participants and resource persons from academia felt that the approach taken by the course would strengthen their arguments with regard to students or government officials; some of them decided to incorporate elements of the course into their own teaching programmes, which is in line with UNCTAD's strategy of increasing the long-term impact of the course. Government officials said that the course equipped them with tools to address issues that they are faced with in their work. A simulation

exercise that is part of the course was particularly appreciated in terms of providing an opportunity to formulate and negotiate solutions.

(b) The UNCTAD E-Tourism Initiative

383. **Development context:** Tourism is one of the leading services for trade in many developing countries, being a major source of employment, income and foreign exchange earnings, and offering the potential for sustainable economic diversification and entrepreneurship development, particularly of small and medium-sized enterprises.

384. **Objectives:** The UNCTAD E-Tourism Initiative is the ICT component of the UNCTAD Task Force on Sustainable Tourism for Development. A comprehensive assistance package aims to build up and strengthen local capacities and competitiveness in member countries by using ICT. With appropriate strategies and support, growing numbers of local tourism stakeholders (public and private sectors, governmental institutions and small-scale entrepreneurs) should be able to build their capacities to jointly manage their tourism sector development and marketing according to their national development strategy, and to create innovative products for new niche markets. The E-Tourism Initiative encourages a partnership mindset to pool resources and build IT-centric strategic cooperation schemes within the tourism sector.⁴²

385. **Output:** Apart from technical cooperation through training courses and seminars, the programme benefited from the support of the Governments of Canada, France, Germany and Italy in implementing its various technical assistance activities and in developing the free and open source software (FOSS)-based Electronic Tourism Platform (ETP). The UNCTAD E-Tourism Initiative also has conducted research and analysis on the use of ICTs in the tourism sector and carried out national case studies. On the technical level, the architectural principles of the ETP as well as the project infrastructure have been set up. The principal components of the ETP development and demonstration infrastructure (version control system, application server and database system) have been installed and configured on two servers. The next planned versions of the ETP will have increased

⁴² Regarding partner institutions, a Memorandum of Understanding was signed by UNCTAD with the University of Quebec in Montreal (UQAM). The UQAM/International Centre for Tourism Training and Research and the UQAM/Laboratory of Research on Technologies for E-Commerce help UNCTAD develop the Electronic Tourism Platform. In the same vein, an agreement has been reached with the Ministry of Tourism of Quebec.

functionalities with each new version (i.e. Versions 0.25, 0.5, 1 and 2).

386. In 2006, the ICT and tourism studies on Cambodia, Sri Lanka and Viet Nam identified key needs in those countries and helped prepare specialized workshops that examine the studies' findings. Training materials were developed and updated in different languages: one set of materials on ICT and tourism provides trainees with instruments for assessing the opportunities and impacts of ICTs in the tourism sector, while another set – on electronic marketing – provides tools for evaluating opportunities and outputs of ICTs in tourism marketing and access to the tourism market. Training seminars were organized for public–private audiences in Sri Lanka (October 2006), Madagascar (October 2006, part of a one–week TrainForTrade course on sustainable tourism for development sponsored by the Regional Authority of Rhône–Alpes, France) and Cambodia (December 2006).

387. The E–Tourism Initiative has also promoted consensus–building through advisory services and the organization of and participation in important e–tourism events in 2006. It was invited to the Tourism Africa meeting and was the initiator of the subregional conference “Asia–Pacific: E–Tourism for Growth/Matching Market Efficiency and Social Inclusion” (Malaysia, March 2007). The latter event concerned decision makers at the governmental, international and private sector levels from 59 countries, and provided a significant input to the development of e–tourism in the subregion.

388. **Results:** The E–Tourism Initiative's capacity–building (seminars) and research and analysis (national case studies) activities have increased knowledge and understanding of e–tourism issues among public and private sectors of several developing countries; it has also provided expert advice on e–tourism strategies. The positive results of the initial work have resulted in increased requests for seminars, greater networking among the public and private tourism sector, and the growing visibility of the E–Tourism Initiative and of UQAM involvement. In Madagascar, the work has led to new tentative cooperation schemes between the country, an NGO, the Toamasina region of Madagascar and the Rhône–Alpes region of France.

4. ICT and e–business for development

389. **Development context:** The international community has clearly recognized the need to address the digital divide between developed and developing countries in the adoption and use of ICT, including with regard to its economic and business aspects.

ICTs have considerable 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.

390. **Objectives:** UNCTAD's technical assistance in the area of ICT and e–business for development aims to strengthen the capacity of developing countries to use ICT for economic growth and productivity, to formulate ICT for development strategies and to assess the results of the latter.

391. **Output:** Technical cooperation on *ICT measurement* was strengthened in 2006, as UNCTAD began the implementation of its Development Account project on capacity–building for ICT measurement. The activities funded by the Development Account also serve as UNCTAD's contribution to the UNCTAD XI Partnership on Measuring ICT for Development.⁴³ In this context, a stocktaking of technical assistance needs on ICT statistics in developing countries was conducted in 2006, with a view to planning technical assistance activities in 2007. Work started on developing a manual for the production of national statistics on ICT in businesses, and a protocol for advisory missions on ICT statistics.

392. In 2006, UNCTAD co–organized with ITU and ESCAP a regional workshop on information society measurements in the Asia–Pacific region (Bangkok, July 2006), and contributed to and participated in a regional workshop on ICT measurement for Latin America and the Caribbean (Panama, November 2006). It also contributed to technical workshops on ICT measurement in Ghana (March 2006) and China (September 2006), and conducted an advisory mission on ICT measurement to Morocco (18–22 December 2006), which involved both national statistical offices and regulators.

393. To assist countries in joining the information economy, workshops on the *legal aspects of e–commerce* were delivered in cooperation with the TRAINFORTRADE Programme for the Lao People's Democratic Republic and Cambodia (March 2006) and the East African Community (Kenya, December 2006). Distance–learning training on legal aspects of e–commerce was provided in Mauritius. In addition, UNCTAD started to develop a manual to assist

⁴³ UNCTAD actively participates in the Partnership's Steering Committee and Task Group on Capacity Building.

UNCTAD member States in the preparation of ICT policy reviews, based on research carried out in 2005–2006 to prepare an ICT Policy Review model framework for developing countries. Other substantive research on ICT and e-business for development also fed into the preparation and delivery of a module on ICT for the Training Courses on Key Issues of the International Economic Agenda.

394. The secretariat continued developing its UNCTAD XI Partnership on FOSS through contacts with several potential partners from the public and private sectors in order to facilitate the exchange of information and experiences. An UNCTAD/UNITAR workshop on “Alternative Technologies for Development: FOSS” (New York, August 2006), held in the context of a broader event on ICT policy issues for development, was highly successful. Participants discussed the potential policy implications of ICTs worldwide, placing the FOSS issue within the international discussions and debate on ICT policy strategies in anticipation of the General Assembly discussions on ICT issues.

395. Another capacity-building activity in the area of ICT for development was in the delivery of an ICT- and e-business focused module of the Training Courses on Key Issues of the International Economic Agenda that was organized in 2006.

396. **Results:** Technical cooperation on ICT measurement has resulted in the improved availability of internationally comparable statistics on ICT for development in several countries. A number of countries have already integrated the core list of ICT indicators into their existing household and business surveys; in Latin America, for example, 6 out of 19 countries have included the core list of ICT indicators in existing business surveys. The Partnership and the core list of ICT indicators have also provided valuable guidance to several developing countries that already have developed national strategies to measure information society

developments. NGOs from other developing countries have described their challenges and needs with regard to ICT measurement.

397. The activities on the legal aspects of e-commerce enabled representatives from ministries, the private sector and academia of beneficiary countries to become better acquainted with key concepts such as intellectual property, content regulation and securing e-commerce, as well as with the UNCITRAL Convention 2005 on the use of electronic communications in international contracts. In Asia, the training helped countries to move forward in passing electronic commerce legislation before 2008, the deadline specified by the e-ASEAN initiative. In Mauritius, where the course was delivered through distance learning, participants examined the legal framework for Mauritius and the implementation of the Mauritius legislation on e-commerce adopted in 2000, with a view to encouraging policy formulation and e-commerce operations in the business community. In Africa, the workshop was prepared in the framework of the World Summit on the Information Society (WSIS) follow-up, and prepared lawmakers and government officials for the drafting of e-commerce legislation.

398. Capacity-building on FOSS enabled 52 participants from developing country Governments, international organizations, the private sector and civil society to gain insights into the key development dimensions of FOSS, particularly in connection with international policy debates and ICT strategies for development. Delegations were able to interact and exchange knowledge with FOSS experts and ICT industry representatives. A focus of discussions was the use of FOSS in Africa, in particular in public institutions and enterprises, and the policy and practical aspects of software choice.

Table 4
PROJECTS IMPLEMENTED BY THE DIVISION FOR SERVICES INFRASTRUCTURE FOR DEVELOPMENT AND TRADE EFFICIENCY

<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 of Pakistan	2001–	Pakistan
PRC0T2BQ	ACIS RailTracker Upgrade for SNCC.....	2002–	COMESA Secretariat
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/3BJ	Trade Facilitation in the Context of the Doha Development Agenda: Support to Trade Facilitation Platforms in Developing Countries	2003–	Sweden
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/4CK	ASYCUDA Technical Assistance for Roll–Out of ASYCUDA++ in Albania (Phase 2)	2004–	EC
ARM/0T/6BA	ASYCUDAWorld Feasibility Study	2006–	World Bank
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
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
BOT/0T/1AL	Implementation of ASYCUDA in Botswana	2001–	Botswana
CAF/0T/3AX	Migration au système SYDONIA++	2005–	Central African Republic
CMB/0T/6AG	Computerization of Customs Procedures and Data in Cambodia.....	2006–	World Bank
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/4AX	Support to Gabonese Customs for the Extension of ASYCUDA	2004–	Gabon
GUI/0T/4AR	Migration au système SYDONIA++.....	2004–	Guinea
HAI/0T/2AM	Migration au système SYDONIA++.....	2003–	Haiti
HAI/0T/5AM	Mise en place de SYDONIAWORLD à l'administration générale des douanes ...	2005–	Haiti
IRA/05/755	Implementation of e–customs ASYCUDAWORLD in Iran	2005–	UNDP
IVC/0T/4BV	Implementation de ASYCUDAWorld en Côte d'Ivoire	2005–	Côte d'Ivoire
JOR/0T/6AE	Implementation of ASYCUDAWORLD in Jordan.....	2006–	Jordan
LEB/0T/5BK	Implementation of ASYCUDAWORLD in Lebanon.....	2005–	Lebanon
LIT/0T/2CB	Agreement for ASYCUDA++ service, technical assistance and support.....	2002–	Lithuania

(for note see end of table)

Table 4 (continued)
PROJECTS IMPLEMENTED BY THE DIVISION FOR SERVICES INFRASTRUCTURE FOR
DEVELOPMENT AND TRADE EFFICIENCY

<i>Project number</i>	<i>Short title</i>	<i>Starting date</i>	<i>Source of fund</i>
MAG/0T/2BY	Migration to ASYCUDA++ System	2003–	Madagascar
MAU/0T/1CJ	Migration to ASYCUDA++ System	2001–	Mauritania
MLI/0T/2AT	Migration to ASYCUDA++ System	2002–	Mali
MLW/9X/8AU	ASYCUDA	1999–	United Kingdom
MOL/0T/3BC	Implementation of ASYCUDA	2003–	World Bank
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/1AX	ASYCUDA++ Preparatory Technical Assistance Project.....	2001–	Palestinian Authority
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–	United Kingdom
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
STV/0T/6AQ	ASYCUDA Migration in Saint Vincent and the Grenadines	2006–	Saint Vincent and the Grenadines
SUD/0T/3AS	Migration to ASYCUDA++	2003–	Sudan
SYR/0T/4BP	ASYCUDA Implementation in the Syrian Arab Republic.....	2005–	Syrian Arab Republic
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/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/433	ASYCUDA marketing activities.....	1994–	Multidonors
INT/9X/89S	Support for ASYCUDA implementation activities	1998–	Multidonors
INT/9X/8A3	Support for ASYCUDA implementation activities	1998–	Multidonors
INT/0T/2CS	Developing practical tools to assess trade facilitation needs and priorities in LDCs .	2003–	Norway
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
RAF/0T/6AJ	Implementation of ASYCUDA in five selected COMESA countries	2006–	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

(for note see end of table)

Table 4 (concluded)
PROJECTS IMPLEMENTED BY THE DIVISION FOR SERVICES INFRASTRUCTURE FOR DEVELOPMENT AND TRADE EFFICIENCY

<i>Project number</i>	<i>Short title</i>	<i>Starting date</i>	<i>Source of fund</i>
RAS/0T/1DA	ASYCUDA Support Mechanism for the Pacific	2002–	Japan
RLA/0T/3AD	ASYCUDA Regional Support for Americas	2003–	National Governments
<i>Human Resources and ICT for Capacity Development</i>			
INT/9X/00L	Training in the field of foreign trade	1990–	France
INT/9X/10U	TrainForTrade Trust Fund	1991–	Multidonors
INT/0T/2AH ^a	Appui aux programmes de formation TrainForTrade et programme de formation portuaire	2002–2006	El 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–	Developing country ports
INT/0T/4AJ ^a	Development of a Prototype of the UNCTAD Training Resources Platform	2004–2006	Canada
INT/0T/4AW	Strengthening of the World Trade Point Federation and its Trade Points	2004–	World Trade Point Federation
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
INT/04/X36	TRAINFORTRADE	2004–	Germany
INT/0T/6AP	Trust Fund for the UNCTAD Virtual Institute on Trade and Developmen....	2006–	Multidonor
RAF/9X/8AY	Appui TRAINMAR aux Pays Africains de Langue Officielle Portugaise	2008–	Portugal
RAF/9X/9DC	Mise en place de capacités de formation du commerce international (TRAINFORTRADE)	2000–	France
RAF/0T/2AC	Programme de renforcement des capacités de formation portuaire	2002–	Multidonors
RAS/0T/2BL	Strengthening capacity of the trade support institutions in Asian LDCs	2002–	Japan
RAS/0T/2CK	Capacity Building in the Field of Training for International Trade (TRAINFORTRADE).....	2002–	France
RAF/0T/5AL	Strengthening the Capacity of Academic Institutions in the Area of International Commodity Trade	2005–	Japan
ROA–2180(O5)	Strengthening National Capacities for Home–Grown Economic Policies through a Network of UNCTAD Virtual Institute.....	2005–	Development Account
<i>ICT and E–business for Development</i>			
INT/0T/4CC	WSIS Thematic Meeting on the “Economic and Social Implications of ICT”	2004–	Multidonor
INT/0T/5AN	Measuring ICT for development	2005–	France
INT/05/X66	Electronic Commerce.....	2005–	France
INT/0T/6AL	E–Commerce and law reform	2006–	Finland
ROA–1562(L5)	Capacity–Building for Information and Communication Technology Measurement and Policy	2005–	Development Account
<i>Office of the Director</i>			
RAF/94/A38	Développement de marchés des assurances compétitifs.....	1994–	Luxembourg

^a Project which had been “operationally but not financially completed” or “completed” in 2006.

E. Division for Africa, Least Developed Countries and Special Programmes

399. The Division for Africa, Least Developed Countries and Special Programmes (DALDC) was established late in 2006. The Division includes three subprogrammes – Africa, LDCs and Special Programmes. The establishment of the new Division is leading to rethinking in terms of strategic approach, consolidation and synchronization of the Division's Technical Cooperation activities in the future. Changes will, depending on the availability of resources, start taking place as of 2007.

400. The technical cooperation activities in 2006 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).

401. The objective of DALDC technical cooperation is to provide support 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 and the Mid-Term Review, in line with the Brussels Programme of Action (PoA). In these activities, the DALDC Programme took into account the WTO negotiations, and the commitment to contributing towards the achievement of MDGs.

402. The technical cooperation activities of the DALDC 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 Division for those different groups of countries, focusing on improving their institutional capacities and human resources in areas within UNCTAD's competence.

1. Interdivisional coordination

403. The Division has been the main instrument of UNCTAD in the implementation of the Integrated Framework for Trade-related Technical Assistance (IF). In that connection, the Division, through its capacity-building cluster, is acting as UNCTAD's focal point for the implementation of the IF and is also active in the process of transition to the Enhanced Integrated Framework following the establishment of the Task Force on the IF Enhancement by the WTO General Council in July 2006. The preparation of the diagnostic studies and the technical cooperation projects through the IF are monitored by the Division. This entails the implementation of cross-cutting activities among UNCTAD Divisions for the greater efficiency and coherence of the products and services provided by the institution.

404. At the end of 2006, 33 LDCs were members of the IF. Diagnostic Trade Integration Studies (DTIS) were completed for the Lao People's Democratic Republic, Maldives, Sierra Leone and Uganda. The DTIS process started or was in progress for six countries: Angola, Burkina Faso, Gambia, the Central African Republic, Niger and Sudan. The new IF countries are the Comoros and Vanuatu.

405. In 2006, UNCTAD's contribution to the IF implementation process through interdivisional coordination included the following:

- Provision of information and substantive inputs in the DTIS for Sudan and Niger;
- Meetings in Geneva with the IF delegations and UNCTAD divisions for technical and substantive exchanges (Chad, Sierra Leone, Mali, Guinea and Central African Republic);
- Participation in DTIS workshop in the Lao People's Democratic Republic, and in a donor round table in Mali for which UNCTAD

presented three projects in the areas of tourism, creative industries and customs;

- Organization of pre-DTIS national workshops in Niger and Sudan; and
- Organization, in partnership with UNDP Geneva, of two sensitization missions in the Comoros and Equatorial Guinea, which had requested support for their trade development strategy. These two countries were not IF members at the time of the missions. The Comoros has now been accepted. All the pre-DTIS workshops and sensitization missions were financed by the Government of Finland.

2. Projects implemented by the Division

(a) LDC–Trust–Fund–supported activities related to LDCs

406. The Trust Fund for LDCs was used to finance technical cooperation activities implemented by the Division as well as by other UNCTAD entities in support of LDCs for the implementation of the LDC III PoA, the Almaty Programme of Action and the Barbados PoA.

407. Funding was used in four broad areas in support of the LDCs, namely (i) research and policy analysis (which is related to the publication of the LDC Report 2006 and 2007) (ii) dissemination and training activities (which focus on the LDC Report 2006, 2004 and 2002) (iii) contribution to the Mid-term Review of the Programme of Action for LDCs for the decade 2001–2010; and (iv) supporting the participation of LDC representatives at various relevant workshops and expert meetings.

(i) *Research and policy analysis*

408. UNCTAD was requested by its member States to annualize the LDC Report from 2006 onwards. The annualization poses a considerable challenge, given the limited number of regular staff and regular budgetary resources. With the resources of the LDC Trust Fund, DALDC was able to carry out research and policy analysis in preparation for the forthcoming LDC Report and to hold an expert meeting on the topic of this report, namely the importance of technology and knowledge at an early stage of development.

409. The resources of the LDC Trust Fund also enabled the DALDC to finance substantive contributions, mostly by consultants, to the LDC Reports of 2006 and 2007. Seven experts on technology and knowledge issues were invited to an expert meeting held on October 2 and 3 2006 in Geneva. The meeting helped to develop, and

contributed to guiding, the research work of DALDC with a view to the forthcoming LDC Report.

(ii) *Dissemination and training activities*

410. The value of research and policy analysis is heavily dependent on the dissemination of research findings to policymakers and policy advisors in recipient countries and donor countries as well as to other intergovernmental organizations and non-governmental organizations. However, the dissemination of previous research findings on LDCs was weak. The DALDC has therefore decided to further strengthen its dissemination activities. Drawing on the resources of the LDC Trust Fund, the DALDC was able to finance more dissemination-related activities. These resources helped to finance press conferences on the 2006 Report in a larger number of LDCs than during previous years. Furthermore, resources allowed authors of the LDC Reports to give presentations of the LDC Report to policymakers and advisers in the recipient countries and donor countries. The DALDC intends to further strengthen its dialogue with policymakers in 2007. To that end it began in 2006 to plan additional dissemination activities. It will produce a series of policy briefs on the LDC Reports, and will hold a series of regional workshops on them. The workshops are an important opportunity to disseminate research findings on the development of LDCs, as well as an important opportunity to listen to and gather feedback from policymakers in the LDCs.

411. The dissemination activities will continue with the LDC Trust Fund's support and will concentrate on the LDC Report of 2006, while extending also to the LDC Reports of 2004 and 2002. The three complement each other and all three continue to have policy relevance. They examine ways in which LDCs may progress towards achieving the Millennium Development Goals, and highlight ways in which their development partners may contribute to the implementation of global action programmes. The 2002 Report highlighted the fact that economic growth can significantly reduce poverty in LDCs; the 2004 Report examined whether trade can contribute to economic growth; and the 2006 Report focused on productive capacities and growth. The DALDC expects to use more resources of the LDC Trust Fund for dissemination-related activities in the coming year because this is the best way of ensuring that country-based policymakers effectively use the results of research.

412. The DALDC received very positive feedback on the 2006 Report from policymakers in recipient countries and donor countries, and from representatives of other intergovernmental

organizations and non-governmental organizations. The report was also well received in academic circles.

(iii) UNCTAD's contribution to the Mid-term Review (MTR) of the Programme of Action for LDCs for the decade 2001–2010

413. As part of its contribution to the global Mid-term Review of progress in the implementation of the Brussels Programme of Action for LDCs by the General Assembly, UNCTAD is implementing a project supported by the Government of Austria. It undertook case studies⁴⁴ in selected LDCs and organized a preparatory meeting for the Mid-term Review which deliberated on case studies and national reports. The meeting provided opportunities to (a) exchange best practices and draw policy lessons from implementation experiences of selected least developed countries; (b) enhance dialogue between LDCs and their development partners on ways and means of improving the implementation of actions and commitments of the Programme of Action; (c) identify key development challenges facing those countries; and (d) put forward policy conclusions and recommendations aimed at assisting in the further implementation of actions and commitments of the Programme of Action at the national and international levels.

414. A publication containing a synthesis of the country case studies, policy lessons drawn from the implementation experiences of the countries covered by the project and the outcome of the Ad Hoc Expert Meeting was submitted to the regional and global preparatory processes for MTR and to the General Assembly.

(iv) Supporting the participation of LDC representatives at various relevant workshops and expert meetings

415. The LDC Trust Fund funded the participation of LDC representatives at two capacity-building workshops delivered through the Virtual Institute programme – on tools and methods for trade and trade policy analysis (Dakar, 5–9 June 2006 and Geneva on 11–15 September 2006).

416. Support was also provided for the participation of LDC experts at the session of the Trade and Development Board (28 September 2006), at the Intergovernmental Group of Experts on Competition law and Policy (30 October–2 November 2006) and

the workshop on “Enabling Small Commodity Producers” (11–13 December 2006).

(b) Other activities related to LDCs

(i) Integrated Framework – pre-DTIS capacity-building technical assistance

417. In 2006, the Division 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 during the pre-DTIS phase and beyond. The assistance has been provided through early and active participation in national preparations for the IF process to ensure country ownership, including in particular of the DTIS process. Following the successful implementation of a regional pre-DTIS workshop organized in Kigali in October 2004 and the national workshop in Sierra Leone in October 2005, an increasing demand was expressed by the LDCs for more pre-DTIS workshops in 2006. Thus, national workshops were organized in Niger in May 2006 and Sudan in October 2006. A regional workshop was organized in Senegal in December 2006. This workshop was prepared in line with the discussions of the transition team of the Enhanced Integrated Framework, which were held in Geneva and gave the opportunity to the IF countries to take part to the decision-making process and to express their views on the changes required for effective implementation of the EIF. In addition to those pre-DTIS workshops, UNCTAD contributed to sensitization missions in countries which requested support even though they were not yet IF members. The missions were aimed at preparing the countries for formulating a trade development strategy. Two sensitization missions were undertaken – in the Comoros in March 2006 and Equatorial Guinea in October 2006. The workshops and sensitization missions contributed to increased awareness of the role of trade in national development, creating a dynamic process with national stakeholders with a view to enabling those concerned to better follow and participate in the DTIS process. All the workshops were prepared in close collaboration with the IF agencies. Substantive sessions on the IF process, trade mainstreaming and the delivery of trade-related technical assistance were the main topics of the workshops, as well as of some specific sessions on the trade issues related to the national context. The pre-DTIS support has been widely recognized by the IF stakeholders as contributing to country ownership and has accordingly been considered a core activity in the context of the EIF.

⁴⁴ Case studies on Bangladesh (UNCTAD/LDC MISC/2006/4), Burkina Faso (UNCTAD/LDC MISC/2006/7), Cape Verde (UNCTAD/LDC MISC/2006/6), Ethiopia (UNCTAD/LDC MISC/2006/5) and Nepal (UNCTAD/LDC MISC/2006/3) are available at <http://www.unctad.org>.

(ii) Integrated Framework – trade mainstreaming project

418. The other contribution of the Division to the IF is the work undertaken in strengthening trade mainstreaming. The Division has initiated work aimed at identifying the best practices for trade mainstreaming, starting with a number of pilot countries. This work is benefiting from support provided by the Government of the Republic of Korea.

(iii) Integrated Framework – IF implementation activities

419. The IF Focal point in the Division continued its work on IF implementation by preparing projects, assisting the LDCs in project formulation and coordinating the technical assistance provided by UNCTAD in the context of the IF.

(iv) Integrated Framework – manual

420. The Division supervised the translation of the IF Manual into Portuguese with financing from the Government of the Netherlands. The IF Manual has been recognized as an important tool for a better understanding and awareness of the IF process and country ownership through informed participation by the various stakeholders. The IF Manual was already available in English and French.

(c) Activities related to landlocked developing countries

421. The Division participated fully 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 landlocked developing countries are focused on support for the implementation of the APoA. Specifically, the latter requests UNCTAD “to continue to consider programmes concerning electronic commerce, trade facilitation and trade issues in landlocked and transit developing countries and to carry out analytical work and technical assistance related to the transit transport problems of landlocked developing countries within its mandate”.

422. The Division was actively involved in the initial discussions on the format and substance of a

mid-term review of the Almaty PoA, which is scheduled for 2008, as decided by the General Assembly in 2006.

423. The Division continued to provide substantive backup to negotiations between China, Mongolia and the Russian Federation on a transit traffic agreement facilitating the movement of goods between and among those countries. It prepared several proposals to advance the elaboration of the annexes referred to in the text of the Draft Transit Traffic Agreement and continued to assist those countries in that process.

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

424. In 2006, technical cooperation activities in favour of SIDS concentrated on direct support to (i) two least developed SIDS (Samoa and Vanuatu) in relation to the question of graduation from LDC status; and (ii) a regional organization (the Indian Ocean Commission) in its follow-up to the 2005 international meeting to review the implementation of the Programme of Action for the Sustainable Development of Small Island Developing States.

425. Active support was provided to the Government of Samoa in the context of the 2006 review of the list of LDCs by the Committee for Development Policy (CDP) after a mission to Apia had taken place in 2005. This support involved consultations with the capital on the vulnerability profile of Samoa that UNCTAD prepared for the CDP; direct substantive support to Samoan authorities during the eighth session of the CDP in New York in March; and further assistance to relevant Samoan officials during the substantive session of ECOSOC in Geneva in July. In all instances, the support consisted in explaining the implications for Samoa of the CDP's recommendation that the country be graduated from LDC status, given Samoa's high economic vulnerability and continuous need for concessionary treatment. Ultimately, ECOSOC was unable to take a decision in 2006 on the question of Samoa's graduation, and the matter was placed on the Council's 2007 agenda.

426. Direct support, also following the 2006 review of the list of LDCs, was provided to the Government of Vanuatu at its request through a mission to Port Vila in October. Advisory services were provided to the country's highest authorities with a view to discussing and explaining (i) the implications of Vanuatu's pre-eligibility for graduation (with an anticipated loss of LDC status in 2013); (ii) Vanuatu's possible strategies in the ongoing debate on a reform of the graduation rule that would give increased importance to the vulnerability criterion for graduation; and (iii) the most

desirable approach to “smooth transition” in the event that the country was ultimately forced to lose LDC status. Research carried out during the mission revealed the possibility that some of the UN statistical data that were used by the CDP in the 2006 review of the list of LDCs and to determine Vanuatu's pre-eligibility for graduation were erroneous (overestimating the education-related performance). Statistical adjustments based on relevant fieldwork, if accepted by the CDP, could put an end to the expectation of loss of LDC status in 2013. Vanuatu asked UNCTAD to be prepared to provide relevant statistical and advisory support in relation to this issue.

427. Direct assistance was provided to the Indian Ocean Commission (IOC) at the Commission's request through a jointly organized IOC–UNCTAD forum on SIDS and the question of special treatment, held in Mauritius on 13 December 2006. The aim of that regional event was to discuss the progress made (or lack thereof), from the viewpoint of SIDS in the Indian Ocean, in relation to the outcome of the 2005 Mauritius International Meeting. UNCTAD's assistance involved substantive preparation of the event, guidance to the invited speakers, and inputs to the report.

Table 5
PROJECTS IMPLEMENTED BY THE DIVISION FOR AFRICA, LEAST DEVELOPED COUNTRIES AND SPECIAL PROGRAMMES

<i>Project number</i>	<i>Short title</i>	<i>Starting date</i>	<i>Source of fund</i>
CMB/06/001	Trade Related Assistance for Development and Equity	2006–	UNDP
MAG/9X/8AQ	Appui au développement du commerce extérieur de Madagascar	1998–	France
VAN/9X/9DK	Amélioration de l'efficacité commerciale, encouragement de l'investissement étranger, et réduction de la vulnérabilité économique au Vanuatu.....	1999–	France
INT/9X/77J	Trust Fund for Least Developed Countries: core project	1997–	Multidonors
INT/02/X10	Least developed countries	2002–	Germany
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, organized jointly with the World Bank Institute	2004–	Finland
INT/0T/4AY	Integration of LDCs, landlocked and island countries in the global economy	2004–	Italy
INT/0T/5BP	Project of Mid-term Review of the Brussels Programme of Action for LDCs, LLDCs and SIDS	2004–	Austria
RAS/0T/0AC	Support to the Forum Secretariat	2000–	Ireland

F. EXECUTIVE DIRECTION AND MANAGEMENT AND SUPPORT SERVICES

1. Strengthening result-based management of UNCTAD programme

428. Supported by the Trust Fund for strengthening result-based management, the result-based Annual Report of UNCTAD has been issued since 2005 (for 2004) in response to the request made at the eleventh Conference in São Paulo. The 2006 Annual Report was likewise issued in the spring of 2007 to support the member States' discussion on the achievements of UNCTAD in 2006.

429. The Trust Fund supported the annual in-depth evaluations of technical cooperation programmes, discussed at the autumn sessions of the Working Party. For 2006, an evaluation was conducted of UNCTAD's trade-related technical assistance and capacity-building in relation to WTO accession. The evaluation found that the assistance provided in this area had been relevant, focused and timely, pro-development and responsive to the changing needs of the beneficiary countries (TD/B/WP/190). The member States appreciated the report's findings and supported, by consensus, the report's main recommendations, in particular relating to the need to have integral assistance involving not only pre-accession assistance but also post-accession support in implementation of the agreements into which the countries had entered. For 2006, an evaluation of the technical cooperation programmes providing policy advice on foreign direct investment is underway.

430. The Trust Fund also supported efforts by the secretariat to strengthen inter-agency cooperation and coordination on evaluation and result-based management matters, such as its activities at the inter-agency United Nations Evaluation Group and its task forces. 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. In particular, on the basis of the continuing involvement of UNCTAD in the UN system-wide effort to strengthen evaluation and result-based management, UNCTAD hosted in April 2007 the Annual General Meeting of the United Nations Evaluation Group, and a seminar for the UN evaluators to strengthen their capacity through exchange of evaluation practices. This week-long event was attended by 71 evaluation professionals from many UN system organizations as well as associated international institutions such as the World Bank. It was deemed to have been an extremely successful and fruitful event within the UN system.

2. Advisory services

431. 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.

432. Under section 23 of the United Nations programme budget, for 2006 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 seven missions in 2006.

Table 6
PROJECTS IMPLEMENTED BY THE EXECUTIVE DIRECTION AND
MANAGEMENT AND SUPPORT SERVICES

<i>Project number</i>	<i>Short title</i>	<i>Starting date</i>	<i>Source of fund</i>
<i>Direction of Management</i>			
GLO/01/615 ^a	Globalization Liberalization and Sustainable Development PHASE II	2001–2006	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/0T/4BS	Strengthening Results–Based Management of UNCTAD Programmes.....	2004–	Norway
INT/0T/6AW	Civil society participation in the activities of UNCTAD	2006–	Austria
<i>Intergovernmental support service</i>			
INT/0T/4AT	Financing of Activities in Support of the Preparatory Process of UNCTAD XI; Parallel and Side Events.....	2004–	Multidonors
<i>Technical Cooperation Service</i>			
INT/0T/0BU	Support to UNCTAD's technical cooperation	2000–	Belgium
<i>Cross–divisional Advisory Services</i>			
UND12–340	Interregional advisory services.....	ongoing–	RPTC

^a Project which had been “operationally but not financially completed” or “completed” in 2006.