



**United Nations Conference
on Trade and Development**

Distr.: General
18 August 2010

English only

**Trade and Development Board
Working Party on the Strategic Framework
and the Programme Budget**

Fifty-sixth session

Geneva, 6–8 September 2010

Item 3 of the provisional agenda

**Review of the technical cooperation activities of
UNCTAD and their financing**

Report by the Secretary-General of UNCTAD

Annex I: Review of activities undertaken in 2009

Contents

	<i>Page</i>
Introduction.....	8
Cluster	
I. Capacity-building on trade negotiations and commercial diplomacy.....	8
A. Enhanced trade negotiations and trade policy formulation capacities for meeting the Millennium Development Goals.....	8
B. Support for accession to WTO.....	14
C. Services for development and trade	16
D. Capacity-building on market access, preferences, GSP, GSTP and other trade laws.....	19
II. Trade analysis capacities and information systems.....	21
A. Strengthened analytical tools and database (including on non-tariff barriers).....	21
B. Increased participation in new and dynamic sectors of world.....	23
C. Creative economy and industries.....	24
III. Commodity-sector development and poverty reduction.....	27
A. All ACP Agricultural Commodities Programme	27
B. Commodity sector development and poverty reduction – INFOCOMM.....	29
C. Commodity risk management, finance and energy	30
D. Trust fund on iron ore.....	31
IV. Competition policy and consumer protection.....	32
A. Assistance to individual countries	34
B. Assistance to regional and subregional activities.....	38
C. Peer reviews and follow-up	38
V. Trade, environment and development	39
A. Addressing environmental, health, and food-safety requirements, and their developmental and market access impact	40
B. Strengthening capacities in dealing with the trade, environment and development interface.....	46
C. Enhanced harmonization and equivalence in standards governing international trade in organic agricultural products.....	47
D. Enhanced opportunities in Biotrade.....	50
E. Enhanced opportunities in Biofuels	53
F. Trade, development and investment opportunities in the climate change regime.....	55
VI. FDI trends and issues.....	58
A. World Investment Report series.....	58
B. Capacity-building in FDI statistics	60
VII. Investment policies.....	61
A. Investment policy reviews and follow-up programme	62
B. International investment agreements	65

	<i>Page</i>
VIII. Investment facilitation.....	71
A. Investment promotion.....	71
B. eRegulations, iTrack, Investment Guides, Blue Books and Regulatory Advisory	74
C. Intellectual property	75
IX. Enterprise development	79
A. Empretec	79
B. Business linkages	82
C. Accounting	87
D. Insurance	87
E. E-Tourism	87
X. Globalization and development strategies.....	89
A. Macroeconomic and development policies: technical support to the intergovernmental Group of Twenty-Four on international monetary affairs and development (G-24)	89
B. Promoting responsible sovereign lending and borrowing	90
C. Special Programme: UNCTAD assistance to the Palestinian people.....	91
XI. Strengthening the debt management capacity of developing countries	93
A. The Debt Management and Financial Analysis System (DMFAS) programme	93
XII. Transport and trade facilitation	99
A. Trade Logistics	99
B. The ASYCUDA programme	102
XIII. ICT policies and applications for development.....	106
A. ICT policies for development	106
XIV. Cross-divisional training and capacity-building.....	110
A. TrainForTrade programme.....	110
B. The Virtual Institute on Trade and Development	113
C. Course on Key International Economic Issues.....	116
XV. Science, technology and innovation	118
A. Science, Technology and Innovation Policy (STIP) review	119
B. Network of centres of excellence on science and technology	120
XVI. Productive capacities in landlocked developing countries, small island developing States and structurally weak, vulnerable and small economies.....	121
A. LDC Trust Fund.....	122
B. Activities related to landlocked developing countries	124
C. Activities related to small island developing States.....	124
XVII. Strengthening support for trade mainstreaming into national development plans and/or poverty reduction strategy papers in LDCs in the context of the Enhanced Integrated Framework.....	125
A. Enhance Integrated Framework	125
B. Trade mainstreaming project	126
XVIII. Executive direction and management and support services.....	128
A. Strengthening results-based management of UNCTAD programmes.....	128
B. Civil society	130
C. Advisory services	131

Abbreviations

AAACP	All ACP Agricultural Commodities Programme
ACP	African, Caribbean and Pacific (Group of States)
ALADI	Latin American Integration Association
APEC	Asia–Pacific Economic Cooperation
ASEAN	Association of Southeast Asian Nations
ASYCUDA	Automated System for Customs Data
BIT	bilateral investment treaty
CBD	Convention on Biological Diversity
CARICOM	Caribbean Community
CBTF	Capacity-building Task Force on Trade, Environment and Development
CDM	Clean Development Mechanism
CEB	Chief Executives Board
COMESA	Common Market for Eastern and Southern Africa
COMPAL	Competition and Consumer Protection Policies for Latin America
COSA	Committee on Sustainability Assessment
DFID	Department for International Development (United Kingdom)
DFQF	duty-free quota-free
DMFAS	Debt Management and Financial Analysis System
DTIS	diagnostic trade integration study
EAC	East African Community
EC	European Commission
ECLAC	Economic Commission for Latin America and the Caribbean
ECOWAS	Economic Community of West African States
EIF	Enhanced Integrated Framework
Empretec	Entrepreneurship Development Programme
EPA	economic partnership agreement
ESCWA	United Nations Economic and Social Commission for Western Asia
EU	European Union
FAO	Food and Agriculture Organization of the United Nations
FAST	The Finance Alliance for Sustainable Trade
FDI	foreign direct investment
FTA	free trade agreement
G-24	Intergovernmental Group of Twenty-Four on International Monetary Affairs
GAP	Good Agricultural Practice
GATS	General Agreement on Trade in Services
GI	geographical indication
GOMA	Global Organic Market Access
GSP	Generalized System of Preferences
GSTP	Global System of Trade Preferences among Developing Countries
GTZ	German technical assistance corporation
ICC	International Chamber of Commerce
ICT	information and communications technology
ICTSD	International Centre for Trade and Sustainable Development
IDB	Islamic Development Bank
IDRC	International Development Research Centre
IFOAM	International Federation of Organic Agriculture Movements
IIA	international investment agreement
ILO	International Labour Organization
IMF	International Monetary Fund
IPA	investment promotion agency
IPR	investment policy review

IPSAS	International Public Sector Accounting Standards
ISAR	International Standards of Accounting and Reporting
ISDS	Investor–State dispute settlement
ISO	International Organization for Standardization
ITC	International Trade Centre UNCTAD/WTO
ITF	International Task Force on Harmonization and Equivalence in Organic Agriculture
KPPU	Commission for the Supervision of Business Competition of the Republic of Indonesia
LDC	least developed country
LLDC	landlocked developing country
MDG	Millennium Development Goal
MEA	multilateral environmental agreement
NAMA	non-agricultural market access
NGO	non-governmental organization
NSPR	national services policy review of the services sectors
OECD	Organization for Economic Cooperation and Development
OECS	Organization of Eastern Caribbean States
RTA	regional trade agreement
SACU	Southern African Customs Union
SADC	Southern African Development Community
SCAN	Sustainable Commodity Assistance Network
SCI	Sustainable Commodity Initiative
SECO	State Secretariat for Economic Affairs (Switzerland)
SELA	Sistema Económico Latinoamericano (Latin American Economic System)
SIDS	small island developing State
SMEs	small and medium-sized enterprises
SPS	sanitary and phytosanitary
STI	science, technology and innovation
STIP	science, technology and innovation policy
TBT	Technical Barriers to Trade
TNC	transnational corporation
TRAINS	Trade Analysis and Information System
TrainForTrade	Training Development in the Field of Foreign Trade
TRIPS	Agreement on Trade-related Aspects of Intellectual Property Rights
TWG	Technical Working Group
UNCTAD	United Nations Conference on Trade and Development
UNCITRAL	United Nations Commission on International Trade Law
UNDP	United Nations Development Programme
UNECE	United Nations Economic Commission for Europe
UNEP	United Nations Environment Programme
UNESCO	United Nations Educational, Scientific and Cultural Organization
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
Vi	Virtual Institute
VSS	Voluntary Sustainability Standards
WAEMU	West African Economic and Monetary Union
WAIPA	World Association of Investment Promotion Agencies
WHO	World Health Organization
WIPO	World Intellectual Property Organization
WIR	World Investment Report

WITS	World Integrated Trade Solution
WSIS	World Summit on the Information Society
WTO	World Trade Organization

Country/territory/region codes

AFG	Afghanistan	CYP	Cyprus
ALB	Albania	CZE	Czech Republic
ALG	Algeria	DJI	Djibouti
ANG	Angola	DMI	Dominica
ANL	Anguilla	DOM	Dominican Republic
ANT	Antigua and Barbuda	DRK	Democratic People's Republic of Korea
ARG	Argentina	ECU	Ecuador
ARM	Armenia	EGY	Egypt
ARU	Aruba	ELS	El Salvador
AZE	Azerbaijan	EQG	Equatorial Guinea
BAH	Bahrain	ERI	Eritrea
BAL	Baltic States (regional)	EST	Estonia
BAR	Barbados	ETH	Ethiopia
BDI	Burundi	FIJ	Fiji
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	GIB	Gibraltar
BKF	Burkina Faso	GRN	Grenada
BOL	Bolivia (Plurinational State of)	GUA	Guatemala
BOT	Botswana	GUI	Guinea
BRA	Brazil	GUY	Guyana
BRU	Brunei Darussalam	HAI	Haiti
BUL	Bulgaria	HON	Honduras
BVI	British Virgin Islands	HUN	Hungary
BYE	Belarus	IND	India
BZE	Belize	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	JAM	Jamaica
CHD	Chad	JOR	Jordan
CHI	Chile	KAZ	Kazakhstan
CIS	Commonwealth of Independent States	KEN	Kenya
CKI	Cook Islands	KIR	Kiribati
CMB	Cambodia	KUW	Kuwait
CMR	Cameroon	KYR	Kyrgyzstan
COI	Comoros	LAO	Lao People's Democratic Republic
COL	Colombia	LAT	Latvia
COS	Costa Rica	LEB	Lebanon
CPR	China	LES	Lesotho
CRO	Croatia	LIB	Libyan Arab Jamahiriya
CUB	Cuba	LIR	Liberia
CVI	Cape Verde		

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

Introduction

1. This annex provides a description of the main technical cooperation projects and programmes undertaken by UNCTAD in 2009. It is presented in accordance with the structure of the new thematic clusters, around which the technical cooperation projects and programmes are grouped. A table showing the individual projects implemented by each cluster follows the relevant section.

Cluster I. Capacity-building on trade negotiations and commercial diplomacy

Lead division: Division on International Trade in Goods and Services, and Commodities (DITC)

2. The programmes under this cluster aim to strengthen the capacities of developing countries, especially least developed countries (LDCs), and countries with economies in transition, to integrate beneficially into the global economy and the international trading system, and to design and implement trade policies to participate effectively and coherently in bilateral, regional (including South–South) and multilateral trade negotiations, including on goods, agriculture, and services, placing greater emphasis on practical solutions and development outcomes. They contribute to the implementation of the Aid for Trade initiative. The work under this cluster was delivered in cooperation with other intergovernmental and non-governmental agencies and other partners.

A. Enhanced trade negotiations and trade policy formulation capacities for meeting the Millennium Development Goals

1. Support to developing countries on trade policy and trade negotiations

3. *Development context:* The development context surrounding international trade witnessed a profound transformation in 2009. The global financial and economic crisis, coming on the heels of the food and energy crises, dramatically worsened economic opportunities in all economies and reversed much of the hard-won progress towards achievement of the Millennium Development Goals in many parts of the developing world.¹ The crisis also challenged the prevailing trade and development paradigm, and prompted a rethinking of prevailing economic orthodoxies and policy prescriptions. The crisis highlighted the paramount importance of sound policy, regulatory and institutional frameworks, purposeful government intervention to build diversified productive and export capabilities and adequate content, and pacing and sequencing of economic liberalization processes. It is now recognized that States need to play a primary role in proactively promoting the structural transformation of an economy to realize more resilient, inclusive and sustainable development.

4. The rapidly changing global economic landscape has had significant bearing on the trade policies and ongoing trade negotiations at multilateral, interregional, regional and subregional levels. Gearing national trade policy towards development through an integrated strategy and policy framework has become a central priority. While trade negotiations continue to be the window of opportunity through which to open up new markets, the crisis has now added a challenge; namely that of ensuring

¹ See report on “Successful trade and development strategies for mitigating the impact of the global economic and financial crisis” (TD/B/C.I/7) prepared for and discussed at the second session of the Trade and Development Commission, and the report of the Commission (TD/B/C.I/13).

that resulting agreements should be supportive of all countries' efforts to direct economies towards more sustainable growth paths and build diversified production and export capabilities through industrial and other policy interventions.

5. This has made the already significant challenge facing developing countries even more demanding, especially given continued and multiple negotiations at multilateral, regional and bilateral levels (most notably the Doha Round negotiations, and regional and interregional negotiations, such as African, Caribbean and Pacific (ACP)–EU negotiations for economic partnership agreements (EPAs), Southern African Development Community (SADC), Common Market for Eastern and Southern Africa (COMESA) etc.) against the backdrop of rapid transformation of the overarching global economic paradigm. Human, analytical, policy-related, regulatory and institutional capacity and resource constraints continue to impede their full and beneficial participation in these negotiations.

6. **Objective:** UNCTAD's support has aimed at helping developing countries, particularly the least developed countries (LDCs), to build human, regulatory and institutional capacities to better appreciate the development dimension of trade policies formulation and implementation, the trading system and trade negotiations, including their implications for meeting the MDGs. The objective is to help them establish their own trade policies and negotiating priorities and their capacity for negotiating and implementing bilateral, regional and multilateral trade agreements, and to fully reflect their critical development concerns and interests. This objective is pursued through support aimed at enhancing analytical capacities and expertise on trade policy and trade-negotiating issues in developing countries; facilitating better understanding and assessments of different elements of the negotiations in the light of their development objectives; and promoting multi-stakeholder consultations at regional and national levels. Technical support addressed key areas of the negotiations, such as agriculture, non-agricultural market access (NAMA) negotiations, services, rules, trade facilitation, the Agreement on Trade-related Aspects of Intellectual Property Rights (TRIPS), and special and differential treatment.²

7. **Outputs:**

(a) WTO Doha negotiations and regional trade agreements

8. In 2009, keeping pace with the multiple international trade negotiations, UNCTAD extended support to Geneva-based and capital-based trade negotiators and policymakers in developing countries, as well as country groupings, such as the LDCs, the African Group and the ACP Group, in their preparations for participation in the Doha Round negotiations, particularly on modalities for agriculture and NAMA, but also on services, trade facilitation, rules, TRIPS and development issues. Such support was highly solicited in the run-up to the seventh WTO Ministerial Conference (30 November–2 December). Substantive support was provided to ministerial and other high-level meetings of regional groupings, and the preparatory processes thereto, to identify their common negotiating platforms. These included: (a) the sixth LDC Trade Ministers' Meeting (Dar es Salaam, 14–16 October 2009) and the Phnom Penh Round Table on LDC WTO accessions (Phnom Penh, 28–30 September 2009); (b) the Informal African WTO Trade Ministerial Meeting (Cairo, 28 October 2009); (c) the seventh session of the ACP Ministerial Conference (Brussels, 13 November 2009); and Consultative Meeting for Trade Ministers of the Organization of Islamic Countries Member Countries (29 November) organized by the Islamic Development Bank. Capacities were also built by providing courses under paragraph 166 and Virtual Institute and training

² See below Cluster 8, paragraph 285.

modules. These contributed to their greater preparedness and technical capacities with regard to trade policy and negotiations. UNCTAD continued to provide support on regional trade negotiations among developing countries, as well as between developing countries and developed countries such as ACP–EU negotiations for EPAs.

9. UNCTAD continued to contribute to policy discussions on the operationalization and implementation of Aid for Trade. It assisted developing countries, such as the African, Caribbean and Pacific (ACP) Group of States in preparing their participation in the Second Global review.

(b) ACP–EU negotiations on economic partnership agreements

10. The ACP–EU negotiations on EPAs continued in 2009 for various ACP configurations, with a view to concluding comprehensive regional EPAs. UNCTAD extended support to ACP States and regions individually and collectively, and also on the interface between these negotiations and the WTO Doha Round negotiations, in close cooperation with partner agencies such as the ACP secretariat, the African Union, and the Commonwealth Secretariat. The studies included “Economic partnership agreements: Comparative analysis of the agricultural provisions” (UNCTAD/DITC/TNCD/2009/3). Such support activities included the following:

- (i) Support to the ACP Group of States in Geneva on issues interfacing the Doha negotiations and EPA negotiations, including the developmental aspects of WTO rules on regional trade agreements, and agricultural and non-agricultural market access negotiations, particularly in respect of preference erosion, as well as on services. For instance, UNCTAD contributed to the ACP States’ Geneva Group Retreat on Doha Round developments (24 March 2009);
- (ii) Technical support to regional configurations (e.g., EAC, COMESA and SADC) and individual ACP States as well as the African Union (AU) in preparation for EPA negotiations. Such support activities included contributions to the ACP States’ Geneva Group retreats, including on preference erosion (26 March 2009);
- (iii) Substantive contributions to various events such as national consultative workshops and technical meetings organized by the ACP Secretariat, the African Union, ECA, and the Commonwealth Secretariat. Among such instances was a regional consultation meeting of African regions on EPAs (22–23 July 2009, Botswana) to develop an African EPA template.

(c) Support for developing Africa’s trade policy and negotiating capacity

11. African countries and LDCs continue to face significant challenges in the formulation of development-oriented trade policy framework and their engagement in multilateral and regional trade negotiations. UNCTAD continued to devote particular attention to Africa and provided dedicated capacity-building support to African countries and groupings. The focus of support in 2009 was on strengthening the capacity of African countries and policymakers on trade policy formulation and on trade negotiations in WTO, EPAs, and regional integration processes.

12. UNCTAD brought substantive contributions to various technical cooperation events, for example to the national workshop on developments in the international trade system for Benin (23–26 February 2009, Cotonou) and a workshop on trade policy formulation for policymakers from Mali (5–7 May 2009, Bamako).

13. National capacity-building support was provided to Rwanda in drafting the country’s development-oriented trade policy framework. This was considered at a national workshop on Rwandan trade policy (15–16 June 2009, Kigali, Rwanda).

The framework focuses on strengthening, diversifying and improving the competitiveness of exports and ensuring that trade is integrated into the broader policy framework to be development multiplying, transmitting and inclusive, especially for the rural population. The Government is using the framework to formulate its new national trade policy.

14. UNCTAD provided technical and capacity-building support on national services policy reviews and regional negotiations, as well as the interface with EPAs, and with WTO negotiations to individual countries, as well as to SADC, SACU, COMESA, AU and ACP.

15. **Results/impacts:** UNCTAD's support has enhanced the understanding of developing-country policymakers, trade negotiators and stakeholders with regard to the developmental implications of trade policies and negotiations, and has enhanced their ability to analyse, formulate and implement trade policies and strategies in promoting their developmental interests. The feedback received from beneficiaries indicates that UNCTAD's support and activities contributed to the following:

- (a) Greater preparedness and improved ability to analyse, formulate and implement trade policies and strategies to promote their trade and developmental interests taking into account the implications of the global crisis, and to benefit from trading opportunities;
- (b) The advancement of multilateral and regional trade negotiations with greater focus on the development dimension, including the objective of achieving MDG 8 to develop an equitable, open, rules-based, predictable, non-discriminatory trading system;
- (c) Enhanced understanding by developing-country policymakers, trade negotiators, and stakeholders of the developmental implications of various technical issues under negotiation at multilateral, regional and bilateral levels;
- (d) Better-informed and better-trained trade officials in country groupings such as Africa, the LDCs and the ACP Group – as well as in individual countries – who are better equipped with expertise to assess and establish their own negotiating priorities reflecting their developmental interests; and
- (e) Greater awareness and appreciation of the importance of the coherence of bilateral and regional trade agreements with the multilateral trading system, and of strengthened regional cooperation mechanisms such as key services-related policies, regulations and institutions.

2. **Dispute settlement in international trade, investment and intellectual property, and WTO dispute settlement**

16. **Development context:** In the increasingly rules-based international trading system, beneficial participation in the global economy demands knowledge of the rules and their interpretation by designated regional and international judicial or quasi-judicial bodies.

17. **Objective:** The UNCTAD Project on Dispute Settlement in International Trade, Investment and Intellectual Property develops training materials and delivers capacity-building activities on the procedural and substantive rules and main issues in international dispute settlement by the principal dedicated institutions. The project covers international investment dispute settlement under the rules of the International Centre for Settlement of Investment Disputes (of the World Bank group); WTO's dispute settlement system as regards international trade in goods, services and intellectual property; dispute settlement in the field of intellectual

property under the rules of WIPO's Arbitration and Mediation Centre and on internet domain name dispute resolution; the rules of the United Nations Commission on International Trade Law (UNCITRAL) on international commercial arbitration as a mode of international dispute settlement as well as dispute settlement under selected regional arrangements, namely the Association of Southeast Asian Nations (ASEAN), the Common Market of the South, and the North American Free Trade Agreement. The project seeks to help developing countries avoid disputes where possible, and to manage unavoidable disputes effectively, thereby allowing their participation in the international economy to be as effective as possible.

18. **Outputs:** UNCTAD published updated training modules and outreach, and provided training courses and workshops for government officials, lawyers and trade negotiators, academics, legal practitioners, lawyers representing trade associations, corporations and law firms, and businesspeople from developing countries. Four workshops were held:

- (a) Two workshops on WTO dispute settlement were held under the UNCTAD–Ministry of Commerce and Industry of India–DFID Project on Strategies and Preparedness for Trade and Globalization in India and in collaboration with, respectively, the National Law School of India University Bangalore (4–6 May 2009, Bangalore, India) and the National University of Juridical Sciences (NUJS) (16–18 November 2009, Kolkata, India);
- (b) A national seminar on WTO dispute settlement and formulation of trade policy was held in Papua New Guinea (21–25 September, Lae);
- (c) In the framework of the Memorandum of Understanding on Capacity-Building in International Dispute Settlement in the Asia-Pacific region, concluded in 2008 with City University of Hong Kong, a workshop on Arbitration and Mediation of Intellectual Property Disputes was held with partner organizations under the project WIPO, UNCITRAL and PCA, in collaboration with the Intellectual Property Office of Guangdong Province and City University itself (Guangzhou, Guangdong, China, 23–25 November).

19. UNCTAD also provided inputs into the *First International Arbitration Forum*, organized by the European Arbitration Chamber (21 May, Kiev, Ukraine).

20. **Results/impacts:** The capacity-building and outreach activities, as well as joint activities with international, regional and national partner institutions, contributed to greater awareness, appreciation and understanding of the continuously expanding field of international economic law and dispute settlement practice in developing countries, and to more effective use of dispute settlement. Training of graduate and postgraduate students from Indian and other Asian and African developing countries in premier law schools of India created interest in the still too-little-known specialized area of WTO trade law, and is likely to contribute to the growth of local and national pools of experts, capable of applying the rules so as to avoid trade disputes, and if and when unavoidable, to effectively resolve trade disputes. Joint inter-agency training guided developing-country officials and legal practitioners from the public and private sectors from different legal systems on the interpretation of rules by international institutional and arbitral bodies, and on the legal and practical import thereof. Contributions to the conference in Kiev assisted professionals from countries with economies in transition to negotiate the maze of international rules in the area of international dispute settlement.

3. Project on strategies and preparedness for trade and globalization in India

21. **Development context:** The pace of globalization in India is rapidly increasing, yet the challenges to human development remain formidable. To achieve the Millennium Development Goals, India is focusing on promoting pro-poor globalization; building technical capacities for international negotiations; and matching this with appropriate domestic policies and human and institutional capacities to tackle the challenges of globalization.

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

23. **Outputs:** Activities included eight stakeholder consultations that were held as part of the project, mostly outside Delhi. Over 800 stakeholders, including grassroots workers and non-governmental organizations (NGOs), agricultural workers' unions, fisherfolk, farmers' associations, research institutes, government agencies and industry associations from various parts of the country, participated in these consultations and had the opportunity to express their views on the India–EFTA FTA negotiations to senior officials from the Department of Commerce and State Governments. Stakeholder consultations on WTO negotiations provided an opportunity for stakeholders to improve their understanding of the likely impact of the result of these negotiations and to convey their interests and concerns on specific negotiating issues.

24. A series of events was organized as part of the United Kingdom's World Trade Week in New Delhi on 12 June 2009. These included an exhibition entitled "Celebrating Traditional Products", a workshop on geographical indications and a national conference on the global slowdown.

25. Analytical studies quantifying the likely impact of the global slowdown on India's exports and employment and the impact on services were finalized. These studies were presented in two conferences organized by the project and in conferences in Indonesia and Taiwan Province of China. An analytical study on the impact of product patents on drug prices and consumer welfare was undertaken. Analytical studies on WTO Agriculture Modalities were undertaken to examine the likely impact of some of the provisions of the modalities on India.

26. Through targeted activities in four universities/institutions, the project sought to build the capacity of researchers to undertake research on trade issues, with an emphasis on quantifying the effects of international trade. A core group of researchers has been created which can, with some additional training, undertake quantitative analysis of various aspects of international trade. Two workshops on WTO's Dispute Settlement Mechanism were organized in premier law schools in Bangalore and Kolkata. Experts for these workshops included former members of WTO's Appellate Body. A conference on geographical indications was organized for media personnel.

27. 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. Workshops were organized for enhancing awareness of import standards in identified sectors. Product-specific websites were created for linking resource-poor farmers and artisans to international trade.

28. Activities relating to geographical indications (GI) continued to be implemented during 2009 through awareness-creation, facilitating the filing of applications for GI registration, impact-assessment studies of GI registration and post-registration activities.

29. Trade-related information continued to be disseminated through specialized trade-related web pages, virtual-sector networks and newsletters. Two documentary films showcasing some of the project activities were made.

30. **Impact:** The project has provided an institutional mechanism for consulting a wide range of stakeholders in a structured manner in order to ascertain their interests and concerns on issues related to trade and to develop possible mechanisms to address these issues. Under component II, the project has eight tier I partners and about 400 tier II partners for implementation of activities in four subsectors (fisheries, agriculture, textiles, and small and medium-sized enterprises). This gives the project a wide and deep outreach not just for component II but also for component I activities.

31. The analytical studies and broadly inclusive stakeholder consultation meetings organized under the project were useful in strengthening the preparedness of policymakers and negotiators for bilateral and multilateral trade negotiations, while keeping the pro-poor dimension of trade in view.

32. Effective intervention by the project at the grassroots level has resulted in three products securing registration as geographical indication during 2009. This will assist resource-poor artisans to leverage the uniqueness of their products for commercial gain. In addition, application for GI registration was filed for six other products during 2009. Overall, systematic initiatives on GI have raised the awareness of stakeholders and state governments, some of which have now become active facilitators in the process of GI registration. Project interventions have also assisted new exporters to obtain a better understanding of standards to be complied with in major trade markets.

B. Support for accession to WTO

33. **Development context:** Developing countries, particularly LDCs, and countries with economies in transition in the process of acceding to WTO face particular challenges in integrating into international trade and the international trading system. They are also confronted with the challenge of undertaking resource-intensive trade-related and economy-wide policy reforms and the attendant institution-building. While accession to WTO can open new economic opportunities, these countries also face the tasks of establishing strategies for and engaging in negotiations with trading partners so that their national development objectives and needs are duly reflected in the final accession commitments. The terms of accession would define their integration into the international trading system and would therefore have an important bearing on their development prospects.

34. **Objectives:** The objective of the programme is to build human, policy formulation, institutional and regulatory capacities in trade policy and negotiations in acceding countries, so as to enable them to accede to WTO on terms commensurate with their level of development in light of their individual national development objectives. The programme also aims to build their ability to implement their obligations associated with WTO membership, and to exercise their

rights to promote their national development goals. This is a major area of UNCTAD's technical assistance programme, currently assisting 21 acceding countries. The support is geared towards direct, tailor-made and hands-on assistance at all stages of the accession processes – before, during and after WTO accession. Hands-on assistance is attuned to the development realities on the ground and fully takes into account the WTO rules and obligations. The importance of development-oriented trade policy reform within the wider integrated policy framework involving all stakeholders is also a key focus of UNCTAD's support.

35. UNCTAD's intervention has included assistance in national policy reform and legislative action plans, analytical support in trade negotiating issues, the preparation of impact studies, advisory services on technical issues and the preparation of documentation including memorandum of foreign trade regimes, market access offers in goods and services, training of trade negotiators and stakeholders including parliamentarians, and the holding of multi-stakeholder consultative meetings and sensitization workshops.

36. **Outputs:** The major outputs include the following:

- (a) Improvement of acceding countries' trade-related institutions e.g. WTO units, and awareness and understanding of the rules and disciplines associated with their WTO membership and of their capacity to implement them by adopting requisite policies, legislations and measures;
- (b) Training of government officials, parliamentarians and the private sector – in acceding countries and countries in the process of application for WTO accession – in trade-related policy and WTO rules and processes, as well as the interface and coherence with national policies and regional integration processes; and
- (c) Completion and dissemination of trade-policy frameworks, studies and reviews, including legal reviews of the WTO-consistency of trade-related domestic legislations, and building up the national knowledge base to serve for the accession process.

37. In 2009, support was provided, inter alia, through provision of advisory services, training of government officials on WTO-related issues, the preparation of impact studies, and reviewing of trade-related domestic legislation for WTO-consistency. Sectoral studies and assessments on issues related to the impact of WTO accession on the economy were prepared by national experts in a number of countries. The advisory services, field missions and capacity-building activities, including Geneva-based training, were undertaken for Comoros (9–12 February 2009); the Lao People's Democratic Republic (9–12 February 2009); Algeria (27–29 April 2009); the Islamic Republic of Iran (2–3 June, 17–19 October and 8–10 December 2009); Azerbaijan (4–5 May 2009); Bosnia and Herzegovina (17–18 March and 12–13 October 2009) and the Syrian Arab Republic (7–11 December 2009).

38. **Impacts/results:** Feedback from the beneficiaries points to a high degree of satisfaction on the part of beneficiary countries with UNCTAD's assistance on WTO accession. Beneficiary countries indicated a considerable positive impact from the assistance on their efforts to accede to WTO and build the requisite policies including trade and services policies, regulations and institutions. Progress was achieved in the accession processes through awareness-building, strengthening policy reforms, providing a robust analytical basis, strengthening stakeholder consultations, the submission of documentation, and the successful holding of WTO working party discussions. At a more operational level, the following could be cited as major results:

- (a) Better appreciation of a broader policy framework and international trading system and development of productive capacity and diversification; interface with regional integration and utilization of preferential trade arrangements such as the Generalized System of Preferences (GSP) and Rules of Origin;
- (b) Greater preparedness for – and improved abilities to handle – the working party discussions, including technically sound drafting of accession documents and their timely submission;
- (c) Well-trained government officials, and enhanced institutions on the technical issues involved in the accession process, backed by sound data and impact assessments;
- (d) Improved understanding by stakeholders (civil society, parliamentarians, the media, and the business communities) involved in the accession process with regard to the role of international trade, the trading system and implications of WTO accession and the potential benefits; and
- (e) UNCTAD’s programme on WTO accession continued to build upon its growing body of experience and expertise. The programme was evaluated positively by independent evaluators and commended by the Working Party on the Strategic Framework and the Programme Budget. An independent evaluation noted, among other things, that activities under the programme were “considered to be very relevant, focused and timely, pro-development, and responsive to the changing needs of the beneficiary countries” (TD/B/WP/190; 21 July 2006). The fifty-third session of the Working Party on the Strategic Framework and the Programme Budget (7–9 September 2009) reviewed the progress made in the implementation of recommendations contained in the independent evaluation based on the progress report prepared by the secretariat.³ The Working Party noted with appreciation the unique and comprehensive technical assistance programme on accession to the World Trade Organization provided by UNCTAD, and “expressed concern regarding the decrease of the funds allocated to the technical assistance projects for developing countries acceding to the World Trade Organization (WTO) and in particular LDCs. In this regard the Working Party” invited “donors and potential donors in a position to do so to make contributions to the UNCTAD Trust Fund for WTO accession for financing these projects and, in accordance with paragraph 90 of the Accra Accord, encourages UNCTAD to strengthen those technical assistance projects and to explore new finance mechanisms for them.”

C. Services for development and trade

39. *Development context:* The services economy continues to grow, with significant bearing on the attainment of MDGs.⁴ There is a trend towards progressive liberalization of services trade with multiple negotiations at the multilateral and regional levels. In order to generate the expected development benefits for countries, it has been recognized that liberalization of the services trade needs to be properly paced and sequenced after the establishment of effective policy, regulatory and institutional frameworks. This poses a challenge for developing countries, since for many of them, regulatory and institutional

³ TD/B/WP/215.

⁴ See the report on “Services, development and trade: the regulatory and institutional dimension” (TD/B/C.I/MEM.3/5) and the report on the Multi-year Expert Meeting on Services, Development and Trade: the Regulatory and Institutional Dimension (TD/B/C.I/MEM.3/6).

frameworks are yet to be fully established. UNCTAD's comprehensive work on services, trade and development provided important reference in terms of policies and strategies for developing countries. Recent work on regulations and institutions in infrastructure services was particularly timely and relevant in view of the financial crisis and the need to strengthen infrastructure services to increase competitiveness and to contribute to sustainable development and access by the poor to essential services.

40. **Objectives:** UNCTAD's support activities are aimed at building the human and institutional capacities of key national stakeholders – policymakers and trade negotiators, civil society, entrepreneurs – to harness the opportunities arising from the strengthening of the services sector and services trade for development. This is important because the integration of developing countries into the global services economy, through increased services trade, requires policymakers and stakeholders to design and implement appropriate services and related policies and regulatory frameworks, to negotiate and implement trade agreements, to establish institutional frameworks, to create an enabling environment for entrepreneurship, and to build competitive services supply capacities.

41. Both multilateral and regional negotiations play an important role in facilitating developing countries to benefit from the fast-growing services trade, not only by securing increased market access for their exports, but also by providing them with improved access to imported producer services. Services should also contribute to their overall national development, by ensuring universal access to basic services such as health, education, energy, water services and telecommunications, as well as achievement of the Millennium Development Goals. To ensure gains from services trade liberalization, adequate content, pacing and sequencing of domestic reforms, as well as regional and multilateral liberalization, remain essential.

42. **Outputs:** UNCTAD support included national services policy reviews; group training (in Geneva and in capitals); advisory services on legal, economic and policy issues; support for stakeholder consultations; and services negotiations at regional and multilateral levels. These activities are informed by evidence-based research and analysis on such issues as market trends and the economic and legal aspects of the services economy and specific services sectors, regulatory and institutional frameworks, and international trade negotiations.

43. UNCTAD continues to assist selected developing countries in conducting country- and sector-specific national services policy reviews, including for Kyrgyzstan, Nepal and Uganda. UNCTAD's NSPRs guide a broad range of national stakeholders through a systematic review of the economic, regulatory, institutional and trade policy environments characterizing their services sectors so as to help them to generate concrete recommendations for policies and actions to advance national sectoral development objectives. National stakeholder workshops to finalize NSPRs were held in Kyrgyzstan on energy and tourism services (October/November 2009); in Nepal on tourism and IT services (19–21 February 2009); and in Uganda on construction, insurance and professional services (18–20 November 2009).

44. Technical assistance was provided to developing countries, particularly African countries and LDCs, on GATS negotiations. UNCTAD contributed to numerous technical events of developing countries (e.g. various LDC retreats), country-specific seminars (e.g. seminar on services trade in Casablanca, Morocco, 15–17 June) with the aim of providing assistance to better participate in WTO and other service trade negotiations. The topics addressed included the operationalization of LDC services modalities; disciplines on domestic regulation

and the relevance thereof to LDCs; issues related to mode 4; GATS rules (emergency safeguards mechanism, subsidies and government procurement).

45. UNCTAD provided demand-driven assistance on issues of common interest to regional groupings such as SADC, COMESA, the Andean Community, the landlocked developing countries (LLDCs), ASEAN, and the Latin American Integration Association (ALADI). For example, UNCTAD contributed to regional workshops on trade in services for ALADI (21–23 October 2009, Montevideo, Uruguay) and for CARICOM member states (15–17 July 2009, St. Johns, Antigua and Barbuda).

46. UNCTAD contributed to various SADC regional and national workshop on trade in services in finalizing the protocol for the liberalization of trade in services in the region, and provided technical advice on related negotiations in the context of the SADC Trade Negotiating Forum services meetings, as well as preparation of a major report entitled “Towards SADC services liberalization: Balancing multiple imperatives” (UNCTAD/DITC/TNCD/2008/4). UNCTAD assisted both the SADC and Eastern and Southern Africa countries in defining an approach to trade in services in EPAs. UNCTAD contributed to, inter alia, the SADC Workshop on Trade in Services (Botswana, 17–18 April 2009); the SADC Workshop on Trade in Services (10–11 November 2009, Botswana); the SADC Thirteenth Trade Negotiating Forum Services, Ministerial Meeting (15–19 June 2009, Cape Town, South Africa); the Workshop on International Trade in Services (18 June 2009, Durban, South Africa); and the SADC workshop on trade in services and trade negotiations forum (11 November 2009, Botswana).

47. Furthermore, UNCTAD contributed to the following national and regional technical events: COMESA Fourth National Meeting of the Trade and Legal Experts on the Framework on Trade in Services (20–21 April 2009, Entebbe, Uganda); the COMESA negotiations meeting for services (1–4 September 2009, Victoria Falls, Zimbabwe); and the Ugandan national workshop on services (18–20 November 2009, Uganda).

48. UNCTAD is part of an inter-agency task force for Statistics of International Trade in Services, together with OECD, the European Commission, IMF, the United Nations Statistics Division (UNSD), the World Tourism Organization (UNWTO/OMT) and WTO. UNCTAD contributed to preparation of the revised edition of the “Manual on Statistics of International Trade in Services” by setting out a statistical framework for the collection and dissemination of Trade in Services data.

49. UNCTAD also continued to follow crucial development-related issues arising in the ongoing international debate on services trade liberalization.

50. Profiling issues pertaining to the ongoing international debate on GATS negotiations in the area of temporary movement of natural persons supplying services (mode 4), trade in labour-intensive services, skills development, and recognition of qualifications. Advisory services were provided upon request to developing countries. UNCTAD contributed to various migration and development events during the course of 2009. UNCTAD organized an ad hoc expert meeting entitled “Contribution of migrants to development: Trade, investment and development linkages” (29 July 2009, Geneva), and contributed to substantive discussions on the urgency of a United Nations response to the current global economic crisis and its impact on migration. UNCTAD also participated in international forums, for instance within the deliberations of the APEC and WTO. Within the context of the Global Forum for Migration and Development, UNCTAD contributed to trade and development aspects of migration, primarily at the

interactive discussions of the GFMD (Athens roundtable discussions held 2–5 November 2009).

51. UNCTAD strengthened policy analysis and advisory services on domestic regulation in the services sector. UNCTAD continued providing technical assistance to developing countries engaged in WTO negotiations on domestic regulation, and increasingly turned the focus of its services assessments to sector-specific, domestic regulatory issues, including best practices.

52. **Results/impacts:** UNCTAD's comprehensive and innovative work on trade in services has helped developing countries, LDCs, and countries with economies in transition to assess the contribution of services to development and elaborate services policies and strategies including strengthening productive capacities; to reform their services sectors with an emphasis on development (e.g. develop pro-poor services policies, including in relation to access to essential services, and build supply capacity); to generate important data, options and reference material for negotiations and policy decisions; and to improve their participation in multilateral and regional services trade negotiations. Such support has enhanced the technical capacity of developing countries' ministries and state agencies in charge of various services sectors, of services trade negotiators and policymakers in Geneva and in capitals, and of the relevant regional institutions.

53. By addressing emerging challenges, UNCTAD has continued to adapt its technical assistance on services to the realities of a highly dynamic services economy, and to strengthen the linkages between the three pillars of its work. Research and analytical work, and associated technical assistance activities, were scaled up with the introduction of the Multi-year Expert Meeting on Services, Development and Trade: the Regulatory and Institutional Dimension in 2009 and by conducting national services policy reviews.

D. Capacity-building on market access, preferences, GSP, GSTP, and other trade laws

54. **Development context:** The Generalized System of Preferences (GSP), instituted in 1971 under the aegis of UNCTAD, has contributed over the years to creating an enabling trading environment for developing countries, particularly LDCs. Following the WTO Hong Kong Ministerial Decision in 2005, improvements were made to various schemes to grant duty-free and quota-free market access for LDCs. Challenges arise for beneficiaries in fully exploiting the market access opportunities available under these schemes, including by effectively meeting the rules of origin requirements. The provision and utilization of trade preferences is a key goal of the United Nations Programme of Action for LDCs and the MDGs.

55. The Global System of Trade Preferences Among Developing Countries (GSTP) was established in 1988 as a framework for the exchange of trade preferences among developing countries. Participants are currently engaged in a third round of negotiations (the São Paulo Round), launched at UNCTAD XI in 2004, to undertake further liberalization of trade among them.

56. **Objectives:** The objective of UNCTAD's support on GSP and other preferential arrangements is to help developing countries – particularly LDCs – to increase utilization of GSP and other trade preferences. Such support includes raising awareness and enhancing understanding among exporters and government officials in beneficiary countries of the trading opportunities available under the schemes; strengthening understanding of technical and administrative regulations and laws governing preferential market access, particularly rules of origin; and disseminating relevant information for users of GSP and other preferential schemes.

57. The objective of UNCTAD's support to GSTP is to increase trade among developing countries through facilitating market access negotiations and the operation of GSTP and benefiting from it, and by providing substantive and administrative support to GSTP participants for them to conduct the third round of GSTP negotiations.

58. *Outputs:*

1. Generalized System of Preferences (GSP) and other trade preferences

59. UNCTAD has continued to promote greater awareness and understanding among developing countries of ways and means of better utilizing the preferences available under GSP and other preferential schemes through regular dissemination of relevant information on the dedicated website, provision of administrative support on certificate of origin Form A, compilation, updating and processing of trade data, the publication of handbooks on the GSP schemes, for example the GSP Handbook on the Scheme of the European Community, and newsletters, and provision of technical cooperation and capacity-building activities. A training session on various GSP schemes and rules of origin was held for the Syrian Arab Republic (9 December) within the framework of a training course on WTO accession, to build and strengthen understanding of the trading opportunities available under GSP schemes and of the rules and regulations required to benefit from such opportunities. The seminars benefited from the cooperation of partner agencies such as WTO. UNCTAD also administers notification of certificates of origin and proposed amendments to Form A.

2. Global System of Trade Preferences among Developing Countries

60. UNCTAD continued to provide technical and administrative support for the implementation of the GSTP Agreement, the operations of the GSTP Committee of Participants, and the conduct of the third round of GSTP negotiations.

61. On 2 December 2009, the GSTP Negotiating Committee met in special session at ministerial level and adopted the Decision on Modalities that provides for a linear cut of at least 20 per cent on at least 70 per cent of participants' dutiable tariff lines, to be combined with request-and-offer and/or sectoral negotiations on a voluntary basis. Exceptionally, participants with duty-free tariff lines accounting for more than 50 per cent of their total national tariff lines may apply the linear cut for a product coverage equivalent to at least 60 per cent of their dutiable tariff lines.

62. Participants will submit their offers by way of draft schedules of tariff concessions by the end of May 2010 at the latest, verify their draft schedules of concession, engage in consultations and request-and-offer negotiations, and notify no later than 30 September 2010 their finalized schedules of concessions, which will be an integral part of the Final Agreement of the São Paulo Round. Other elements of the Decision include further work on GSTP rules of origin and certificates of origin as well as assisting WTO-acceding countries.

63. *Results/impacts:* UNCTAD's support in this area has contributed to building the knowledge base and to wider dissemination of GSP-related information, including through the preparation of GSP handbooks and GSP newsletters, and the compilation of GSP trade data, as well as improved understanding and awareness of GSP among exporters and government officials in some individual beneficiary countries.

64. UNCTAD's support to participants in GSTP has ensured its smooth functioning and has facilitated the conduct of the third round of GSTP negotiations by GSTP participants, which is expected to further expand and deepen South-South trade and cooperation.

Table 1. Capacity-building on trade negotiations and commercial diplomacy

<i>Project number</i>	<i>Short title</i>	<i>Date</i>	<i>Source of fund</i>
BYE/09/001	Accession to the World Trade Organization through strengthening national institutional capacity and expertise	2009–	UNDP
IND/0T/2CC	Strategies and preparedness for trade and globalization in India	2002–	United Kingdom
INT/9X/00M	Negotiations for a GSTP among developing countries	1990–	Multi-donor
INT/0T/0AG	Building capacity through training in the settlement of disputes in international trade, investment and intellectual property	2001–	Multi-donor
INT/0T/2CT	Training in LDCs and developing countries on trade policies formulation	2003–	Norway
INT/0T/4AU ^a	Capacity-building for integration into the multilateral trading system	2004–2009	Norway
INT/0T/4BQ ^a	Support for SADC regional integration and the multilateral trading system	2004–2009	European Commission
INT/0T/4CN	Project for WTO accessions	2004–	Germany
INT/0T/5AU ^a	Project for WTO accessions	2005–2009	United Kingdom
INT/0T/7AF	Development implications of services trade liberalization	2007–	Canada
INT/0T/7BG ^a	Project for assistance to developing countries on services, development and trade negotiations	2007–2009	United Kingdom
INT/0T/8BD	Assistance aux pays membres de l'OIF engagés dans le processus d'accèsion à l'OMC	2008–	France
RAF/0T/3AI	Joint Integrated Technical Assistance Programme Phase II	2003–	Multi-donor
RLA/0T/6BF	Support for 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
ROA-2159 (N6)	Promoting subregional growth-oriented economic and trade policies towards achieving the MDGs in Arab countries of West Asia and North Africa	2008–	Development Account

^a Project that had been “operationally but not financially completed” or “completed” in 2009.

Cluster II. Trade analysis capacities and information systems

Lead division: Division on International Trade in Goods and Services, and Commodities (DITC)

65. The programmes under this cluster aim to strengthen analytical, statistical and information bases and tools for trade and trade-related decision-making – including by addressing non-tariff barriers – in developing countries, LDCs, and countries with economies in transition, at the national, regional, South–South and international levels, and for enhanced global understanding of the interactions among trade, competitiveness and development (see Accra Accord, para. 96).

A. Strengthened analytical tools and database (including on non-tariff barriers)

1. Trade Information System and Database

66. *Development context/objectives:* TRAINS is an information system intended to increase transparency in international trading conditions. It is intended more specifically for government officials and researchers, by providing them with comprehensive, 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 in that it includes information on tariffs, preferential margins, rules of origin and other regulations affecting the export

interests of developing countries vis-à-vis the preference-giving countries. A subsystem (TRAINS for the Americas) has been developed in collaboration with the Inter-American Development Bank for extension of the database with information on bilateral preferential trade agreements, as well as extended coverage of non-tariff measures. For the purpose of dissemination, a piece of computer software – the World Integrated Trade Solution (WITS) – has been developed. This is a web-based, client-server application, which has been developed jointly with the World Bank. Free and unlimited access to TRAINS is provided to member governments through WITS. TRAINS is available to other parties that make a minimum contribution to the UNCTAD trust fund created for this purpose.

67. **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: 167 volumes of tariff schedules, 50 of which are for 2009 and 111 for 2008; 56 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 the WITS software continued to increase in 2009. Over 3,000 of the approximately 15,000 licences issued to users of WITS were issued in 2009.

68. The widespread use of TRAINS, particularly in the publications of such organizations as the World Bank and IMF, attests to its usefulness. Internally, TRAINS served as a primary data source for various research papers aiming at measuring the potential impact of the current WTO multilateral trade negotiations as well as for GSTP negotiations. In addition, the Database continued to furnish tariff and trade data to the Agricultural Market Access Database, which, in turn, is often referenced as an information source in many publications on trade in agriculture.

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

70. TRAINS has contributed data for the calculation of MDG indicators on market access.⁵ At the beginning of 2004, UNCTAD, WTO and ITC together decided to create the Common Analytical Market Access Database, putting together all data sources collected or received by each organization, thereby creating the most comprehensive market access database in the world.

2. Trade policy and capacity-building

71. **Development** context: The participation of developing countries in international trade is tied to trade policy and market access conditions. Central to the task of promoting inclusive globalization is the reduction in protectionist measures on products produced by LDCs and its impact on productive capacity. In this regard, better understanding of trade policies and their effect on trade flows is important in helping countries to integrate into the global economy.

72. In 2009, two issues of particular interest for developing countries were the economic slowdown and the proliferation of preferential trade agreements. Regarding the economic slowdown, the sharp reduction of trade has created new challenges for developing countries, especially these relying on exports as the main engine for economic growth. In this context, the analysis of the effect of trade policies has become more relevant as the economic crisis has underscored the

⁵ Namely Indicator 8.6 (Proportion of total developed-country imports from developing countries and least developed countries, admitted free of duty) and Indicator 8.7 (Average tariffs imposed by developed countries on agricultural products and textiles and clothing from developing countries).

importance of proactive government policies. Regarding the proliferation of preferential trade agreements, developing countries should consider a number of related issues such as rules of origin, preferential erosion, and utilization rates that could hinder the efficacy of such agreements in promoting export-led economic growth.

73. UNCTAD has also continued its collaboration on research project publications with other international organizations (World Bank, WTO, UNDESA, USITC, UNESCAP).

74. **Objectives:** UNCTAD's work includes research and analysis on trade policies and their effect on trade flows and providing capacity-building support in these areas. In particular, in 2009, work focused on: (a) the overall assessment of market access conditions, (b) the analysis of existing tariff policies and their effect in promoting or hindering least developed countries' exports; (c) the utilization of policy space within the existing WTO rules; (d) the economic crisis and sharp reduction in international trade, and its implications on developing countries; (e) the determinants of adjustment to trade liberalization in labour markets with a focus on the informal sector; (f) comparing economic reforms and trade policies in major emerging markets; and (g) forecasting of major economic indicators in emerging countries.

75. **Outputs/Results:** UNCTAD provided capacity-building by teaching several courses (sponsored by the Virtual Institute) on the technical tools to analyse trade flows (Senegal, April 2009; Uganda, June 2009; United Republic of Tanzania, September 2009). UNCTAD also provided information services and training modules on trade and development policymaking, in Geneva, to a large number of international affairs students from universities in Belgium, Germany, the Republic of Korea, Switzerland, the United Kingdom and the United States.

B. Increased participation in new and dynamic sectors of world trade

76. **Development context:** Increasing participation by developing countries in dynamic and new sectors of world trade is vital for promoting economic diversification and development, particularly for contributing to the achievement of the Millennium Development Goals and the goals and objectives of the 2005 United Nations World Summit Outcome. The process of identifying new and dynamic sectors of exports, and formulating strategies for successfully developing such export sectors, will necessarily upgrade a country's capacity at formulating trade policy. Entering into new and dynamic sectors of world trade can create the multiplier effects of accelerating growth, increasing the domestic value-added of exports, and enhancing employment and the quality of jobs in developing countries – especially LDCs and other commodity-dependent economies.

77. In light of the current economic slowdown, new opportunities for diversifying into new/dynamic exports are increasingly found in non-traditional trade relationships, that is to say, in South–South trade (trade between developing countries). Enhancing South–South trade is a way of restoring the power of trade as the engine of economic growth.

78. **Objectives/features of the programme:** The project (INT/OT/6BI) conducts research and analysis, with a view to: (a) identifying export sectors with strong growth prospects for Africa; (b) assessing Africa's stand in selected new and dynamic sectors in world trade; and (c) assessing the economic viability of Africa participating in dynamic and new sectors of world trade, in terms of – among other things – available resources, infrastructure, market-access conditions and constraints, and South–South trade potential. The development account project (ROA-2166 (O6)) aims to strengthen the new supply capacity of several developing

countries by using innovative approaches to development and trade, and to organizational learning and information-sharing.

79. **Outputs/Results:** A study entitled “Dynamic exports of Africa: A chance for inclusive development” was completed and submitted for printing. This study identifies the new and dynamic exports in African countries, and analyses the patterns of export diversification in different subregions in Africa, as well as suggesting ways for making business linkages between major foreign direct investors and local small and medium-sized enterprises (SMEs) and among SMEs. A study entitled “Revealed factor intensity indices at the product level” introduces a technique to measure the factor intensity of exported products, at the most detailed product classification level. The measure helps investigation of – among other things – the evolution of a country’s exports patterns in terms of diversifying from labour-intensive products to capital- or skill-intensive products.

80. A number of regional and national workshops were conducted throughout the year, which include the following: a regional workshop for Latin America entitled “Enhancing new and dynamic sectors of exports and non-tariff barriers in international trade”, organized in cooperation with the Andean Community, held in Lima, Peru (July 2009); a regional seminar on enhancing developing countries’ new and dynamic sectors of exports, organized in cooperation with ESCAP, held in Bangkok, Thailand (November 2009); and a regional workshop for the Southern African Customs Union and a national workshop for Lesotho on “Enhancing the development of dynamic exports and new exports”, held in Maseru, Lesotho (December 2009).

81. A national diagnostic study was also conducted for Rwanda, which identified opportunities and constraints in further promoting the country’s dynamic exports (fully washed coffee) and a new export (silk).

C. Creative economy and industries

82. **Development context:** At UNCTAD XI, the São Paulo Consensus called upon 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). In the context of UNCTAD XII, the Secretary-General’s high-level panel on the creative economy and industries for development recognized that UNCTAD’s work in the area of the creative economy and the creative industries should be pursued and enhanced. It was felt that UNCTAD should continue to fulfil its mandates and assist Governments on issues related to the development dimension of the creative economy, in line with the three pillars of UNCTAD’s work: (a) consensus-building, by providing a platform for intergovernmental debates; (b) policy-oriented analysis, by identifying key issues underlying the creative economy and the dynamics of creative industries in world markets; and (c) technical cooperation, by assisting developing countries to enhance their creative economies for trade and development gains.

83. In 2009, in fulfilling its mandates, the UNCTAD secretariat provided demand-driven policy advice to governments; continued to carry out policy-oriented research to identify issues and policy options; promoted synergy inside the United Nations system aiming at complementarities and policy coherence; and undertook technical cooperation projects to assist developing countries in enhancing their creative capacities for trade and development gains.

84. **Output/results:** A renewed partnership was shaped between UNCTAD and UNDP's Special Unit for South-South Cooperation for Technical Assistance aiming at "Cooperation in the framework of the Shanghai Expo". The United Nations is participating in the Shanghai World Expo 2010 by programming and facilitating activities in the United Nations Pavilion under the theme "One Earth, One UN".

85. The United Nations Pavilion will house exhibitions and host activities that highlight both the work of the United Nations in cities and the challenges posed by urbanization. UNCTAD and UNDP will carry out a series of joint activities, including Global Creative Economy Week and implementation of the Creative Corridors. The purpose is to portray how creative activities contribute to better, more liveable cities with better lifestyles.

86. In response to the success of the publication and its wide dissemination, the "Creative Economy Report 2008 – The Challenge of Assessing the Creative Economy: Towards Informed Policymaking" is almost sold out. UNCTAD is entering phase II of its partnership with UNDP's Special Unit for South-South Cooperation, and is planning an updated version of the Creative Economy Report.

87. As the first study to present the United Nations perspective on this new topic, the report contributed to sensitizing governments to the vast potential of the creative industries for boosting sustainable economic growth, employment and trade. There are greater political calls in both developing and developed countries for nurturing creative capacities for development gains:

- (a) Political support and public awareness about the unrealized potential of the creative industries for development has been manifested in several intergovernmental forums;
- (b) Several governments, including in developing countries, are giving prominence to creative industries in their policy strategies and prioritizing the creative economy at their national development strategies;
- (c) A growing number of events putting a spotlight on the creative economy have taken place worldwide in both developed and developing countries. This is an illustration of how strategic policies around the creative economy are being shaped; and
- (d) Multi-agency cooperation in the area has increased. UNCTAD set up the Multi-Agency Informal Group on Creative Industries in 2004, and since then, UNCTAD, UNDP, UNESCO, WIPO, ILO and ITC have built greater synergies for cooperation and have undertaken some joint activities.

88. In 2009, several activities and actions were undertaken by UNCTAD in the context of the multi-agency project on "Strengthening the creative industries in five selected ACP countries through employment and trade", which is being jointly implemented by UNCTAD, UNESCO and ILO with funds provided by the ninth European Development Fund of the European Commission and institutional support from the ACP Secretariat. The beneficiary countries are: Fiji, Mozambique, Senegal, Trinidad and Tobago, and Zambia. A specificity of this pilot project is that by bringing together the competences of the three implementing agencies, it will be simultaneously tackling issues related to economic, social and cultural aspects in a holistic and strategic manner. The project was designed to respond to the needs expressed by ACP countries, by offering policy guidance and capacity-building activities to help transform local talent into a catalyst for dynamic creative industries that can foster economic growth and sustainable employment and can optimize trade opportunities.

89. UNCTAD prepared two policy-oriented studies entitled “Strengthening the creative industries”, for Mozambique and for Zambia, which will be issued and disseminated in 2010. These studies were the result of successful collaboration with the Governments of Mozambique and Zambia, and were carried out with the participation of core national stakeholders, including government agencies, the creative community, national associations, and civil society. These policy-oriented reports were prepared as part of UNCTAD’s contribution to the first phase of implementation of the project, consisting of an analysis of research conducted in both countries (Mozambique and Zambia), leading to recommendations for policy action and pragmatic initiatives on how to strengthen the creative industries in order to generate jobs, revenues and trade, and with the overall objective of fostering development and reducing poverty, thereby contributing to achievement of the United Nations Millennium Development Goals. In the second phase, the implementing agencies will provide technical assistance and capacity-building to implement, follow up on and monitor the recommended plan of action.

90. UNCTAD also organized two high-level policy dialogues on creative industries in Mozambique and Zambia in July and August 2009. The purpose was to submit the final draft of the policy-oriented studies for discussion and validation by the Government and stakeholders. The sessions were also successful in setting the basis for an interministerial institutional mechanism to facilitate cross-cutting policy actions involving several ministries with competences in areas related to the creative economy.

91. UNCTAD was also invited to co-organize and/or address a number of international, regional and national creative industries-related conferences and events in 2009, which took place in Asia, Africa, Latin America and Europe. Among these activities were: a lecture on the creative economy at the European Parliament, February 2009; a high-level policy dialogue on the creative economy held in Bangkok in collaboration with the Thailand International Institute for Trade and Development and the Thailand Creative and Design Centre, in March 2009; a keynote speech at the Bilbao Creative International Forum in Spain, in March 2009; a keynote address at the international colloquium “Culture and creativity: Vectors for development organized in the context of the European Year of Creativity and Innovation”, held in Athens, Greece in March 2009; consultations held with the Minister of Culture, and addressing the second National Conference on Culture in Mozambique in May 2009; addressing the Annual Conference of the Performing Arts Association of Europe, in Geneva in May 2009; presenting UNCTAD’s perspectives on the seminar on cultural diversity organized by the Brazilian Ministry of Culture in June 2009; co-organizer of the EU–Africa Campus on Cultural Cooperation, held in Mozambique in July 2009; as partners at the UNDP–Global Assets Exchanges Forum held in Shanghai, China, in September 2009; presenting a keynote address and holding consultations with the Ministry of Culture at the International Seminar Cultural Sector Today, in Colombia in September 2009; giving the keynote speech at the annual ceremony of the Utrecht School of Arts in the Netherlands in September 2009; as a partner and co-organizer at the fifth World Summit on the Internet and Multimedia Conference, China, organized by the International Federation of Multimedia in November 2009; at the International Creative Industries Forum in Beijing, China; addressing the seminar on creative design and another seminar on cultural indicators held in São Paulo, Brazil in November 2009, and presenting the Creative Economy Report at the Seminar on the Creative Economy in Buenos Aires, Argentina, in November 2009.

Table 2. Trade analysis capacities and information systems

<i>Project number</i>	<i>Short title</i>	<i>Starting date</i>	<i>Source of fund</i>
INT/9X/00J	TRAINS: development and dissemination of selected computerized trade data	1991–	Multi-donor
INT/0T/6BH	Adjusting to trade liberalization in selected developing countries	2006–	Norway
INT/0T/6BI	Strengthening participation of selected developing countries in dynamic and new sectors of world trade	2006–	Norway
INT/06/001	Creative Economy Report	2006–	UNDP
INT/0T/7BA ^a	Pilot project on collection and quantification of non-tariff measures (NTMs) database	2007–2009	Switzerland
INT/0T/8AZ	The operational aspects of a joint programme strengthening the creative industries in five selected African, Caribbean and Pacific Countries through employment and trade expansion	2008–	ILO
ROA-2166 (O6)	Enhancing effective participation of developing countries in dynamic and new sectors of international trade	2008–	Development Account

^a Project that had been “operationally but not financially completed” or “completed” in 2009.

Cluster III. Commodity-sector development and poverty reduction

Lead entity: Special Unit on Commodities

92. The programmes under this cluster aim to improve the capacity of commodity-dependent developing countries, LDCs, and countries with economies in transition, to harness development gains from the 2008 boom in commodity prices and enhanced international cooperation to address trade and development problems associated with the commodity economy, including the food crisis and poverty reduction (Accra Accord, paras. 91–93, 98 and 183).

A. All ACP Agricultural Commodities Project

93. *Development context:* The EU-funded All ACP Agricultural Commodities Programme (AAACP) is intended to help improve the incomes and livelihoods of agricultural producers in commodity-dependent developing countries within the ACP Group. UNCTAD’s activities under the programme aim to contribute to this objective through human and institutional capacity-building activities.

94. The main issues being addressed under UNCTAD’s work plan are:

- (a) Capacity-building at the regional level to enhance the functioning of agricultural commodities markets;
- (b) Access to key market information, through two channels: (a) UNCTAD’s INFOCOMM portal, available at <http://www.unctad.org/INFOCOMM/anglais/indexen.htm> and (b) technical assistance to provide market information services of relevance to commodity chains stakeholders at national/regional levels, in particular through the UNCTAD INFOSHARE software;
- (c) Building consensus regarding the necessary conditions for successful national and regional commodity exchanges;
- (d) Building consensus regarding the necessary conditions for successful warehouse receipt systems and supply chain finance; and
- (e) The creation and launching of a portal concerning sustainability claims (organic, sustainable agriculture, fair trade, geographical indications etc.).

The Sustainability Claims Portal <http://www.unctad.org/scp> is aimed at informing both EU consumers and ACP producers on the requirements of the labels concerned .

95. **Objectives/features:** The Programme is implemented in five ACP regions: Pacific, Caribbean, Central Africa, West Africa, and East and Southern Africa. For each region, UNCTAD's objective is to contribute towards the development of regional/national supply chain strategies which integrate market information systems, innovative commodity value chain finance, and use of the sustainability claims portal.

96. **Outputs:** The main achievements during the period under review are the following:

- (a) Market information systems: (i) Infoshare upgrading (the Infoshare tool was upgraded into a fully customizable software application that can be easily tailored to different settings and requirements). A technical possibility to introduce dissemination of the market information by SMS (request from Fiji) was explored with the assistance of UNCTAD's ITSS; and (ii) Infoshare system set up in Cameroon; three sets of tailor-made training courses organized in Cameroon (two-fold focus: use of the Infoshare software and enhancement of participants' market intelligence skills);
- (b) Warehouse receipt systems and supply chain finance: (i) the draft TORs on the review of the legal and regulatory framework in Fiji were completed. (ii) in the Caribbean, a regional training workshop on factoring/receivable discounting was conducted; (iii) UNCTAD participated in and contributed to the Nutmeg Sector Strategy Development Workshop II in Grenada. Based on the outcome of Workshop II, a study on the improvement of nutmeg value chain financing in Grenada is under preparation; (iv) in West Africa, the first draft reports on the establishment of a guarantee fund for cotton in Côte d'Ivoire and on the development of a financing mechanism for gum arabic in Mali were completed and reviewed; (v) in East and Southern Africa, as a first step for the review of warehouse receipt systems and inventory credit in the region, field missions were conducted in seven countries (Kenya, Madagascar, Malawi, South Africa, Uganda, the United Republic of Tanzania, and Zambia). A regional capacity-building workshop was conducted in conjunction with COMESA and the East and Southern Africa Grain Council;
- (c) Commodity exchanges: staff missions and preparation of consultation missions in the CARIFORUM, Central African Economic and Monetary Community (Cameroon), ECOWAS and COMESA regions. Staff mission to Jamaica and Trinidad and Tobago, to Cameroon, and participation in a subregional EAGC/FAO workshop in the United Republic of Tanzania. A national capacity-building workshop on the establishment of a commodity exchange in Cameroon was conducted as a follow-up to the Coffee National Strategy Development Workshop. In East and Southern Africa, a joint regional capacity-building workshop with the Supply Chain Finance team was organized in conjunction with COMESA and the East and Southern Africa Grains Council; and
- (d) Sustainability Claims Portal: Further development of content, including translation into French, preparation of launch in the regions and continuation of the enhancement of the portal.

B. Commodity sector development and poverty reduction – INFOCOMM⁶

97. **Development context:** Commodity-dependent developing countries continue to face difficulties in getting broad-based, well-organized and verified information. The imperfect nature of the information and the disequilibrium in the distribution of information lead to what is termed “asymmetric information” on price, quality, quantity, credit and many other relevant variables. Long-established commodity-related sources of information are relatively dispersed, are not provided for free, and are not always well structured. Above all, there is a massive flow of electronic news and information, usually quite diverse and hardly accurate. It is therefore costly, time-consuming and rather difficult to identify a relevant set of unbiased, specialized information in a specific commodity sector. As a result, policymakers do not always have the proper analytical tools to assess the rapid changes in commodity market structures, to adjust their policies accordingly and to be able to improve their competitiveness. Similarly, emerging commodity operators and smallholders are looking for intelligence sources and 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 structured information on commodities are a prerequisite for establishing effective production and trading strategies.

98. **Objectives/features:** To promote market information and transparency, reduce the asymmetry in accessing strategic commodity-related information, improve the understanding of commodity structures and provide access to the analysis vital to the formulation of pertinent policies for commodity production, marketing, processing and financing. To design information and communication technology (ICT) tools in this field that improve developing countries’ access to key information and data at both domestic and international levels. To manage, organize and develop, in a practical and innovative manner, knowledge management and sharing instruments for assisting the decision-making process in both the public and private sectors. Targeted work to increase knowledge and strengthen domestic and international capacities has given impetus to material and effective actions. Such work usually takes the form of a series of activities interlinking commodity information, market intelligence and knowledge management. The UNCTAD programme in this area is designed to review, adapt and disseminate information – useful for the different strategic, informational, organizational and economic aspects of the commodity sectors – on a series of products in an innovative way.

99. **Outputs:** The development of international knowledge-management tools, including the market information in the commodities area (INFOCOMM) project. Outputs in 2009 were the following:

- (a) Maintenance and enhancement of the INFOCOMM online knowledge management instrument, through which key strategic information on selected commodity and energy products is available. In 2009, the INFOCOMM site had 40 commodity profiles containing information on all aspects of commodity markets and regularly updated links to other sites with up-to-date price and market information covering 24 commodities in three languages (English, French and Spanish). In 2009, besides site maintenance and regular updating, and following the brainstorming consultation with major international experts in the area of market intelligence services, a new technology and layout upgrading of the website

⁶ Some activities for the INFOCOMM project were developed under the AAACP Programme.

was implemented using Content Management System, a technology that may allow INFOCOMM to develop a more structured outsourcing strategy. Furthermore, a strategy aiming to enhance existing partnerships with authoritative sources of information as well as develop new ones, especially with international commodity bodies (notably the ones dealing with minerals, ores and metals) was elaborated in order to provide INFOCOMM with more compact information on a wider range of products as well as update commodity profiles on a more sustainable basis and to take the opportunity of partners' comparative added-value in regard to specific commodity market information. This strategy will continue to be implemented in 2010, depending on financial support from donors; and

- (b) Building partnerships with selected authoritative sources of information and organizations with a specific skill or expertise. In 2009, unofficial discussions were conducted with the International Cotton Advisory Committee; as well as the Centre de Coopération Internationale en Recherche Agronomique pour le Développement, in order to strengthen and, above all, enlarge the scope of the current partnerships linking those institutions with UNCTAD.

C. Commodity risk management, finance and energy - Thirteenth African Oil, Gas and Mines Trade and Finance Conference and Exhibition, 10–13 November 2009

100. Development context: Improving access to commercial energy is an essential requirement both in terms of mitigating environmental concerns and as a precondition for the social and economic development of Africa, where most of the least developed countries are located. However, sustaining access to commercial energy, such as oil and gas, heavily depends on the conditions governing international energy markets, the pricing, the access to finance, and the procurement practices of petroleum products. At the international level, oil and gas prices are highly volatile, making African countries extremely vulnerable to shocks in international energy markets, as oil and gas often account for a sizeable amount of total imports and can absorb a substantial amount of export earnings. Furthermore, hikes in oil prices impact on the ability of the importing developing countries to service their debts, and they jeopardize the effect of debt relief provided to them. For the exporting countries, high prices may present an opportunity to launch programmes that contribute to development, but volatile prices present huge challenges in revenue management. Furthermore, the extent to which mineral-rich developing countries can turn their resources into a wealth-creating instrument depends, among other things, on the following: comprehensive information, including geoscience data; the terms and contractual arrangements prevailing on the exploitation of the resources; and the ability of the host country to devise and enforce regulations and policies which leverage sustainable development.

101. Similarly, in the mining sector of developing countries, exploitation of the natural resources has failed to generate jobs, to create linkages with the broader economy and to address environmental degradation. In both the energy and mining sectors, however, additional critical factors that need to be addressed to spur development include increasing investment, transparency and accountability, and combating corruption etc.

102. With the aim of contributing to finding solutions to the above-mentioned challenges, UNCTAD has been organizing, every year since 1996, an oil, gas and mines trade and finance conference in different locations in Africa. The thirteenth conference took place in Bamako, Mali, in November, 2009.

103. **Objectives:** The objective of the annual conference is to provide a platform for high-level policy dialogue between producers and consumers, investors and host countries and other stakeholders on topical issues that play an important role in the sustainable development of the extractive industries. The conference also aims to foster constructive partnerships and cooperation, including regional, South–South, North–South and triangular.

104. **Outputs:** The conference attracts an average of 500 delegates from over 30 countries on the continent and abroad, including key decision-makers: investors, legal experts, executives of major and small oil and mining companies, and delegates from academia, research institutions and civil society.

105. Dialogue between stakeholders, the sharing of experiences, and lessons learned from good and bad practices have resulted in redesigning policies and legal frameworks to promote the impact of the energy and mining sectors on overall national development. Some of the outputs include successful development of local content policies, effective price risk management strategies and risk-mitigating programmes to offset carbon dioxide emissions, the building of capacity in response to price developments, attracting finance for trade and infrastructure development, etc. The conference has also provided instruments to exporting countries for reducing the asymmetries of information and negotiating a more equitable share of revenue and better distribution of wealth created from the industries.

106. At the thirteenth conference held in Mali in November 2009, ministers representing Africa’s energy and mines adopted a resolution mandating UNCTAD to establish a Natural Resources Information Exchange. The purpose of this platform is to provide continuous and interactive information using information and communications technologies (ICT) to facilitate access to organized, standardized and exhaustive information on geoscientific data as well as other data related to the exploitation, transformation and commercialization of natural resources, by policymakers, investors and entrepreneurs.

D. Trust fund on iron ore

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

108. **Outputs:** The *Market Report on Iron Ore* is an annual publication (usually issued in May) containing updated information 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 September, continues a series that started in 1989. It contains tables with worldwide and country-specific data for iron ore production, exports, imports and prices, as well as pellet production, exports and production capacity and other data relevant to the world iron ore market. A statistical update (only available in electronic form) is published in November. In 2009, the *Market Report on Iron Ore* was issued in June (UNCTAD/SUC/2009/2), and *Iron Ore Statistics* was issued in November (UNCTAD/SUC/2009/4).

109. **Results:** Demand for the Trust Fund’s publications has been rising steadily for the past 20 years from iron ore producers, shipping agents, steel companies and consultants on the iron ore and steel markets. The publications provide up-to-date, accurate and comprehensive information on developments in the world market for iron ore, including both statistical data and analyses. In 2009, the clients’ base of subscribers grew by approximately 15 per cent, with corresponding growth in the Project’s budget. The printing of *Iron Ore Statistics* was first made in an

environmentally friendly format. The *Market Report on Iron Ore*, as well as the activities of the Trust Fund, were presented to major international conferences on iron ore and steel.

Table 3. Commodity sector development and poverty reduction

<i>Project number</i>	<i>Short title</i>	<i>Starting date</i>	<i>Source of fund</i>
MOZ/0T/7AB ^a	Support to the Mozambique horticultural sector	2007–2009	United Kingdom/ComMark
INT/9X/42Z	Collection and dissemination of iron ore statistics	1994–	Multi-donor
INT/9X/9C2	L'intelligence économique au service des plus démunis	1999–	France
INT/0T/4AF	Selected commodity issues in the context of trade and development	2004–	Finland
INT/0T4/CM ^a	Partnership on sustainable economic development and mining	2005–2009	Multi-donor
INT/0T/5BQ ^a	SPS/A model for the development of a private/public safety control system for the horticultural exports	2005–2009	Standard Trade Development Facility
INT/0T/7BE	All ACP Agricultural Commodity Programme	2007–	EC
INT/0T/9AX	Global Commodity Forum	2009–	Common Fund For Commodities
RAF/9X/9DE	Improving oil and gas trade and finance in Africa	1999–	Multi-donor

^a Project that had been “operationally but not financially completed” or “completed” in 2009.

Cluster IV. Competition policy and consumer protection

Lead division: Division on International Trade in Goods and Services, and Commodities (DITC)

110. The programmes under this cluster aim to create capacities in developing countries and countries with economies in transition to prepare and implement national and regional (including South–South) competition laws and frameworks that reflect prevailing conditions for achieving domestic and international competitiveness, and enhanced international cooperation for better implementation of the United Nations Set of Multilaterally Agreed Equitable Principles and Rules for the Control of Restrictive Business Practices, in particular section F (Accra Accord, paras. 103, 104 and 74).

111. **Development context:** UNCTAD is the focal point on all work related to Competition Policy and Consumer Protection within the United Nations system. The mandate, which dates from the adoption of the UN Set on Competition in 1980, has as objective number one: “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 TNCs, in developing countries.

112. 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.

113. 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 nor 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, advisory and training programmes, particularly to developing and less-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.

114. **Objectives:** The programme aims at assisting developing countries, including the LDCs, as well as countries with 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 assisting countries and regional groups to better evaluate the implications of regional cooperation on competition issues.

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

- (a) Provision of information about anticompetitive practices, their existence and possible adverse effects on the economy. This may involve a study on these practices in a specific country;
- (b) Introductory seminars 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 that are in the process of drafting competition legislation in the form of provision of information on such legislation in other countries or advice on drafting competition law and related legislation;
- (d) Advisory services for the setting up or strengthening of competition authorities, which usually includes preparation of an institutional framework report, the training of officials responsible for the actual control of anticompetitive practices, including the judiciary, which may involve training workshops and/or on-the-job training with competition authorities in countries having experience in the field of competition;
- (e) Seminars and workshops for countries that have already adopted competition legislation, have experience in the control of anticompetitive practices, and wish to better enforce competition legislation or consult each other on specific cases and exchange information;
- (f) Assistance to countries or regional organizations that 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 the competition law and policies of interested countries, including assistance for follow-up activities on the recommendations of Peer Reviews;

- (h) Assistance to developing countries, including the LDCs, as well as countries with economies in transition, with a view to helping them better evaluate the implications of regional and bilateral cooperation on competition issues;
- (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 national, regional and international levels, as well as strategies for international cooperation in this area, and
- (j) Assistance in formulating appropriate sector regulations and competition policies.

116. **Output:** In 2009, UNCTAD continued its demand-driven efforts to assist in the creation of competition culture with the following outputs:

A. Assistance to individual countries

117. 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, as well as strategies for international cooperation in this field. The main areas of UNCTAD's technical assistance were as follows:

1. Competition advocacy

118. 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. These activities contributed to raising awareness about the role of competition and promoting a competitive culture.

119. Thus, activities related to the UNDP/UNCTAD meeting on evaluating needs assessment of the competition agency and developing a joint project on competition in the Syrian Arab Republic (Damascus, 9–13 February) provided an opportunity for raising awareness of the new law among stakeholders as well as advocating with government departments and agencies exempt from regulations of the law the need for coherence between competition legislation and other policy objectives. A workshop on the Interface between Competition and Trade Challenges was held in Santo Domingo (Dominican Republic) on 22–23 April. It allowed awareness to be enhanced for a wide range of officials from various relevant government bodies on different issues related to the interface between trade and competition, in particular on the role of competition policy in trade and regional integration. In parallel to the workshop, a special meeting was held to approve the extension of the COMPAL programme to the Dominican Republic, and an appropriate work programme for the implementation of the project was elaborated.

120. A national seminar on competition policy at Espíritu Santo University and a competition workshop at the IDE Business School were held in Guayaquil, Ecuador, on 4–6 November. They allowed upgrading of participants' knowledge on various issues related to competition law and policy. A national seminar on competition law and policy held in Sao Tome and Principe on 7–8 December provided an

opportunity for awareness-raising for representatives of different groups of civil society on the importance of competition law and policy in a market economy.

2. Assistance in the preparation of national competition laws

121. Within the framework of efforts to help countries draft and/or review their competition legislation, a consultative meeting on the interface between competition authority and sector regulators was held in Kigali, Rwanda on 17–20 January. In the course of this meeting, an agreement was achieved on the provisions related to sector regulation in national competition legislation. A meeting held on 9 March in the Ministry of Commerce in Phnom Penh, Cambodia, contributed to the elaboration of the national consumer protection law and of the required institutional framework. It was followed by another meeting aimed at starting the elaboration of concrete measures in this area. Parliamentary and stakeholders' workshops on the Competition Bill were held in Luanda, Angola, on 21–22 April. They contributed to a better understanding of the contents of the Bill by members of Parliament and stakeholders in order to ensuring its passing by the Parliament.

122. In the course of a mission to Accra on 29 March–3 April, an agreement was achieved with national stakeholders on the structure and follow-up activities of a project on the elaboration of competition and consumer protection laws and policies and the creation of the appropriate enforcement agencies in Ghana. The Draft Competition Bill of Lesotho was presented for the consideration of stakeholders and the Government of Lesotho during a meeting held on 17–18 September in Maseru. A monitoring meeting with national consultants on the COMPAL programme was held in San José (Costa Rica) on 1–2 October. This provided substantive backstopping to national consultants in order to finalize the work of drawing up regulations in the area of the interface between competition authorities and IPRs, as well as drafting a manual on ad hoc administrative proceedings for the competition authority. A national seminar on competition policy at Espiritu Santo University and a competition workshop at the IDE Business School, held in Guayaquil, Ecuador, on 4–6 November, provided an opportunity to have an in-depth discussion of the draft Ecuadorian competition law having links with consumer protection issues.

123. An advisory mission was undertaken to Gaborone, Botswana, on 17–18 November, to advise government officials and Members of Parliament on the content of the Competition Bill before presenting it to Parliament. A meeting with the President of Paraguay and a seminar on competition law and policy took place in Asunción on 9–10 November. These provided an opportunity for raising the awareness of the President and of high-level government officials about the importance of passing the Competition Bill in Parliament and for receiving their support in this area. A national workshop on the draft Competition Bill was held in Sao Tome and Principe on 9 December. This provided an opportunity for revising and preparing the draft Bill for its submission for adoption.

3. Training of competition case handlers

124. Within the framework of the Workshop on Investment Agreements and Competition Policy held in Mbabane, Swaziland, on 18–20 March, UNCTAD provided technical advice on the Economic Partnership Agreements negotiation process to the staff of the Ministry of Trade and Industry. Another workshop – a workshop for lawyers and sector regulators on the application and enforcement of the national competition law – was held in Mbabane on 20–23 July.

125. A workshop on merger control for the staff of the Indonesian competition authority was organized in Jakarta, Indonesia on 14–15 May. This contributed to building up government officials' knowledge in the area of merger control with a view to enforcement of the national competition legislation in this area. This

workshop was followed on 18–20 May by a workshop on the validation of the KPPU Manual on Competition Law and Policy. This provided an opportunity to validate the UNCTAD Competition Manual and other training and testing materials in order to adapt them to specific features of Indonesian competition law and policy and to use them for training both trainers and new staff at the Indonesian competition authority.

126. A training of trainers course on competition law and policy, consumer protection and investment policies was organized in Geneva on 8–12 June 2009. It provided an opportunity to impart training skills to officials from the Kurdistan regional government in Iraq, provided greater awareness on competition law and policy and investment issues among participants, and contributed to the establishment of links with governmental and academic circles for promoting competition advocacy. A study tour to the Australian Competition and Consumer Commission for officials from Bhutan was organized in Canberra on 22–27 May. The study tour aimed at: (a) finalization of the institutional framework for a consumer protection agency; and (b) training on the application of the Consumer Protection Law. It contributed to a better understanding of issues required for the creation of an efficient consumer protection agency and for using IT in handling and tracking complaints and processing reports. It also resulted in the acquisition of a simplified version of the IT software for use in Bhutan

127. A meeting to review regulations on the application of competition legislation and to elaborate terms of reference for several sectoral studies was held in Santo Domingo (Dominican Republic) on 16–17 July. It allowed participants to enhance their awareness of different issues related to competition legislation and to develop an operational work plan for future activities. A workshop on the linkage of consumer protection issues and the informal sector was organized in La Paz on 20–21 July. It provided an opportunity for raising awareness about the existing shortcomings in different sectors and about the need to elaborate coherent competition and consumer protection policies. The COMPAL's work programme for the Plurinational State of Bolivia has also been drafted. A workshop on linkages between competition policy and IPRs was held on 23–24 July in Quito, Ecuador. It provided an opportunity to share experiences on the situation in the pharmaceutical sector in Latin America and to decide on preparing a relevant study on Ecuador. A training workshop on investigation techniques for competition case handlers was organized in Managua, Nicaragua, on 24–30 September for the staff of the newly created competition authority. It allowed finalization of the UNCTAD manual on investigation techniques of the best competition practices. A training workshop on competition law and policy organized in Asunción, Paraguay, on 11–12 November provided an opportunity to increase awareness among officials from the Ministry of Trade and Industry on specific aspects of competition cases. A training workshop for case handlers on the enforcement of competition legislation was held in Iquitos, Peru, on 17–20 November. During the workshop, the staff of the provincial office of the regional competition authority was trained in specific aspects of enforcing competition legislation

4. Institution-building

128. Support from UNCTAD to countries that have adopted national legislation, and also to newly established competition agencies, included activities in support of institution-building. In this respect, the UNDP/UNCTAD meeting on evaluating the needs assessment of the competition agency and developing a joint project on competition (Damascus, Syrian Arab Republic, 9–13 February) significantly contributed to starting the operations of the Syrian Competition Commission. An induction workshop for the Board of Commissioners of the Competition and Fair Trade Commission of Malawi (Mangochi, 23–24 March) was followed by assistance

in recruiting new staff of the Commission. It provided an opportunity to enhance knowledge on the role of Commissioners in the administration and enforcement of competition law and policy, and also to recruit new staff members. A fact-finding mission was organized on 14–16 September in Montevideo to the newly created Competition Commission of Uruguay. It allowed the finalization of a project document on the enforcement of competition and consumer protection agencies of Uruguay. Consultations with provincial and municipal authorities held in Iquitos, Peru, on 16 November, allowed awareness to be increased regarding the importance of strengthening the local office of the competition authority.

5. Consumer protection

129. A workshop on competition and consumer laws and policies was held in Paro, Bhutan, on 5 March. It was aimed at seeking coherence between different legislation enforced by different partners and identifying synergies between assistance provided by various donors, including UNCTAD, on consumer protection. The workshop resulted in the identification of one UNCTAD/UNDP common project. It was followed by a meeting on the findings of the UNCTAD market survey on the state of safety of consumer products, guarantees, labelling, prices and warrants (Paro, 6 March). The meeting allowed disseminating the results of the survey, exchanging views, and feedback on the acquired experiences and future process. It was agreed that future surveys should be held annually and monitored by the Government.

130. A meeting held on 10 March in the Ministry of Commerce in Phnom Penh, Cambodia, contributed to the elaboration of the national Consumer Protection Law and of the institutional framework for its implementation. A consultative meeting for all stakeholders aimed at starting the elaboration of concrete measures in this area was organized back-to-back with the review of the Consumer Protection Law. A follow-up consultative meeting on drafting the Consumer Protection Law was held in Phnom Penh on 19–20 October. Its aim was to present the draft Consumer Protection Law and seek for commentaries to be incorporated into the revised final draft. A consultative meeting on the consumer protection law and a seminar on consumer protection and fair trading were held in Vientiane, Lao People's Democratic Republic, on 22–23 October. As a result of these meetings, commentaries on and details of the draft Law were considered, and the procedure of further work was agreed upon, including the schedule of additional meetings before presenting the final draft to the Government. A consultative meeting on the development of a communication strategy for consumer protection advocacy was held in Gaborone, Botswana, on 17–19 August. The meeting initiated the preparation of the consumer protection strategy manual which will serve as the basis for a consumer protection advocacy programme.

131. A national workshop on consumer law and policy was organized for civil society and sector regulators in Lilongwe, Malawi on 24–25 September. A national seminar on consumer protection and a related information dissemination event were held in Cuenca, Ecuador, on 29–31 October. They provided an opportunity to increase awareness of consumer protection issues and of the UNCTAD guidelines on consumer protection among different groups of the population, including indigenous people and owners of SMEs. Prospects for the future national project on consumer protection under the COMPAL programme were discussed, too. Study tours on consumer protection issues were organized, for officials from Botswana, to the Australian Competition and Consumer Commission (24–26 November) and to the Hong Kong Consumer Council (1–2 December). These study tours served the purpose of improving participants' understanding of different aspects of work, and increasing their knowledge of different consumer protection issues, including on advocacy programmes and capacity-building initiatives in this area.

B. Assistance to regional and subregional activities

132. UNCTAD technical cooperation and capacity-building activities were increasingly provided within the framework of regional and subregional activities.

1. COMPAL

133. Activities carried out under the programme on competition and consumer protection policies for Latin America (COMPAL), supported by SECO (Switzerland), contributed significantly to strengthening competition and consumer protection law and policies in five Latin American beneficiary countries (Plurinational State of Bolivia, Costa Rica, El Salvador, Nicaragua and Peru). This comprehensive programme comprises the preparation of sectoral studies, reports, manuals, guidelines, brochures, seminars, workshops and training activities targeting various stakeholders. Following the successful implementation of COMPAL I (2005–2008), resources were obtained for launching, in 2008, the COMPAL II programme (2009–2012), including Colombia as the sixth beneficiary country and comprising activities at both national and regional levels. Under the COMPAL II regional component aimed at strengthening cooperation between beneficiary countries and disseminating lessons learned from COMPAL activities throughout Latin America, a regional seminar was jointly organized by UNCTAD and SELA in the Bolivarian Republic of Venezuela on 20–21 April. Meetings in the field to launch COMPAL II at national levels and dissemination events on the results of COMPAL I were held in San José on 16–17 April, in Bogotá on 22–24 April, and in Lima on 27–28 April. In addition, with support from the regional component and the COMPAL Platform for Action (see box), technical assistance was provided in 2009 to the Dominican Republic, Ecuador, Paraguay and Uruguay.

2. AFRICOMP

134. The new Competition Programme for Africa (AFRICOMP) was officially launched in Geneva on 22 June 2009. This new initiative was taken in response to the mandate given by the Accra Accord (paragraph 104 (g)), and it aims at helping African countries develop appropriate administrative, institutional and legal structures for effective enforcement of competition and consumer law and policies. Most of UNCTAD's technical cooperation activities in Africa in the second half of 2009 were undertaken within the frameworks of AFRICOMP. The programme provides for a more coordinated and streamlined approach in technical cooperation activities, based on the needs of each beneficiary country while promoting regional cooperation. It emphasizes beneficiaries' ownership, and the demand-driven aspect of technical cooperation. The programme further seeks to establish closer links with the private sector, as well as with NGOs and local learning institutions.

3. Cooperation with other regional and subregional organizations

135. UNCTAD continued its assistance to the Southern African Customs Union (SACU) with the preparation of common rules for competition policy and unfair trade practices. A SACU technical workshop for the development of the SACU Draft Cooperation Agreement on Competition Policy Enforcement and an Annex on Unfair Trade Practices (art. 40 and 41 of SACU agreement) was co-organized by UNCTAD and the SACU secretariat in Windhoek, Namibia, from 23 to 25 March 2009. It allowed finalizing art. 40 for presentation to the Council of Ministers of SACU, and agreed on the follow-up work on art. 41 of the SACU agreement. Advisory assistance on the implementation of the SADC regional cooperation agreement on competition and consumer law and policy was provided to SADC member States during the regional seminar on Competition Law in Policy for SADC (Gaborone, Botswana, 18–21 August).

136. The regional “Seminar on trade and competition: Prospects and future challenges for Latin America and the Caribbean” (Caracas, 20–21 April) was jointly organized by SELA and UNCTAD, with a view to identifying areas of further research and recommendations for policymakers to deepen regional integration and promote economic development. The seminar discussed a wide range of issues and agreed on recommendations for a regional agenda on trade and competition for Latin American and Caribbean countries.

C. Peer reviews and follow-up

137. With a view to ensuring coherence between overall governmental approaches to privatization and liberalization of trade and investment regimes, UNCTAD has initiated the organization of ad hoc voluntary peer reviews on competition law and policy. Such reviews provide an ideal forum to review how economic reforms can promote development and ensure that markets work for the poor. The tenth session of the IGE provided a framework within which UNCTAD held a Voluntary Peer Review on competition law and policy in Indonesia.

138. The peer review report, prepared by consultants after a fact-finding mission to Indonesia, was presented and reviewed. The Voluntary Peer Review highlighted the challenges and opportunities faced by the Commission for the Supervision of Business Competition of the Republic of Indonesia (KPPU) and addressed the issues of independence, investigative tools, and law reform. UNCTAD also looked at the way forward in tackling the issues that had arisen from the peer review report and discussion, and presented a technical assistance project to address the report’s findings and recommendations. The proposed assistance included: (a) improving the legal and institutional framework; (b) strengthening institutional and human resource capacity within KPPU; (c) advocating competition law and policy; (d) enhancing understanding of the need for consumer protection; (e) designing ways for cooperation between KPPU and sector regulators and other government bodies. In 2010, on the occasion of the Sixth United Nations Conference to Review All Aspects of the Set, the voluntary peer review will be carried out on the competition policy of Armenia, further to a request by that Government.

Table 4. Competition policy and consumer protection

<i>Project number</i>	<i>Short title</i>	<i>Starting date</i>	<i>Source of fund</i>
DOM/0T/8AU	Extension of the COMPAL programme to the Dominican Republic	2008–	Spain
MOZ/0T/9AZ	Delivering as one, Mozambique	2009–	UNDP
INT/8X/603	Training programme on restrictive business practices (competition policies)	1986–	France, Norway, Sweden
INT/0T/1CO ^a	Institutional and capacity-building in the area of competition law	2001–2009	United Kingdom
RLA/0T/3BF	Strengthening institutional and capacity-building in the area of competition and consumer law and policy in Latin American countries	2003–	Switzerland

^a Project that had been “operationally but not financially completed” or “completed” in 2009.

Cluster V. Trade, environment and development

Lead division: Division on International Trade in Goods and Services, and Commodities (DITC)

139. The programmes under this cluster aim to strengthen the capacity of developing countries to formulate and implement mutually supportive trade,

environment, climate change and sustainable development objectives, and to increase attention to developing countries' sustainable development objectives in international discussions (Accra Accord, paras. 99–102 and 105).

A. Addressing environmental, health, and food safety requirements, and their developmental and market access impact

1. Consultative Task Force on Environmental Requirements and Market Access for Developing Countries

Optimizing the developmental and market-access impact of voluntary sustainability standards for developing country producers/exporters

140. **Development Context:** The rapid growth of Voluntary Sustainability Standards (VSS) (setting specific requirements for health, safety, environmental, animal-safety and social norms) has brought both benefits and constraints to developing countries. Although voluntary in nature, their expansion has made it increasingly clear that to maximize benefits from such standards and effectively manage their impact on sustainable development and market access, developing-country Governments must have access to comprehensive, credible and independent information (in particular related to the implementation of proactive national policies and programmes in producing countries), engage directly with a wide variety of key actors, and evaluate and place VSS within a broader sustainable development strategy. By increasing their access to credible information and engaging with key actors, governmental and private sector decision-makers can expand their knowledge of VSS; directly influence their development (inter alia: their transparency, inclusiveness, governance, costs, requirements and applicability); identify opportunities and threats posed by VSS and effectively integrate them into national strategies to leverage the catalytic effects of VSS and promote their own sustainable development agendas. This necessitates policy coherence, institution-building, and improved technical and quality-assurance capacities, as well as effective national stakeholder dialogue, and the development of public–private partnerships.

141. There is considerable concern in developing countries that VSS may undermine the hard-won gains on transparency, legitimacy and least trade restrictiveness of standards under the WTO TBT and SPS agreements. This concern is unlikely to dissipate in the absence of: (i) clear criteria that distinguish environment and social-protective from trade-protective VSS (this concerns not only the nature of the VSS, but also procedural issues, such as the ways in which they are prepared, adopted and implemented); and (ii) tangible evidence that VSS lead to concrete economic, environmental and social gains in exporting developing countries.

142. **Objectives and features of activities:** The activities aim: (a) to achieve a regular and well-informed dialogue among developing country decision-makers in government, the private sector and civil society. The focus is on understanding, anticipating, coping with and maximizing the developmental benefits of VSS; and (b) to reach an efficient exchange of experiences among developing countries on best practice in proactively dealing with VSS. These objectives are achieved by:

- (a) Providing credible, independent analysis of the effectiveness and impact of VSS in developing countries, including on SMEs;
- (b) Assisting interested countries and producer groups in effectively analysing, and where appropriate, implementing VSS;

- (c) Gathering information and assuring constructive dialogue, linking with key stakeholders through specific and well-respected stakeholder platforms and programmes;
- (d) Drawing into the dialogue decision-makers in developed countries on standard-setting and standard governance issues;
- (e) Responding to identified knowledge gaps of VSS, enhancing coordination with and making full use of analytical and empirical work of other institutions; and
- (f) Using the policy dialogue to facilitate informed discussion in other international forums on VSS, in particular in WTO, but also in FAO, UNEP, and UNIDO.

143. **Output and results:** UNCTAD has been collaborating with other international organizations (FAO, ITC, World Bank) to prepare a “Guide for decision-making on proactive use of food-related sustainable standards”. Several discussions with stakeholder groups were held on clarifying the objectives and practicability of the Guide and the outline resulting therefrom. Three rounds of consultations were held at FAO, the World Bank and UNCTAD in 2009, and an outline was agreed upon. A first draft paper for the decision-making guide was commissioned in November 2009. The Guide will address the following main issues:

- (a) Support developing-country capacity in analysing market opportunities and related market trends (domestically, regionally and internationally); as well as their production; processing and trading capacities and constraints;
- (b) Define specific sustainable development objectives within the context of the analysis;
- (c) Enhance understanding on how sustainability standards and programmes fit (and can enhance or hinder) sustainable development objectives;
- (d) Identify existing gaps to achieving these sustainable development goals, including potential challenges related to effective implementation of sustainability standards such as related to standards and their governance; to supply capacities and supportive institutional and technical infrastructure; related to policy issues; and to business strategies;
- (e) Review national and local capacities for the enabling hard and soft infrastructure needed to close those gaps in terms of physical infrastructure; verification, certification, and accreditation institutions; existing capacities in the public sector with respect to standards and trade; assessment of service providers and other sources of support that are available domestically;
- (f) Analyse sustainable financial strategies, which would include both public and private investment approaches; and
- (g) Review policy strategies that can be developed to proactively cope with a plethora of sustainability standards and avoid/reduce multiple inspection and certification requirements and the associated high costs.

144. In collaboration with the Philippine Department of Agriculture and the Philippine Food Processors and Exporters Association, UNCTAD prepared a project on Strengthening the National Programme on Good Agricultural Practice (GAP) for Fresh Fruit and Vegetables in the Philippines, which was approved for funding support by the FAO/WHO/WTO Standard and Trade Development Facility (STDF) as project STDF no. 267. Implementation of this project will start in 2010.

145. The specific objectives of the project are:

- (a) Setting up and supporting the work of a multi-stakeholder Technical Working Group (TWG) on GAP, which develops, in a logical and consistent manner, recommendations for the government and the private sector on strengthening the National GAP Programme for fresh fruit and vegetables;
- (b) Through the TWG, making recommendations on the breadth and depth, beneficiaries, and best forms for strengthening the National GAP Programme that encompass supportive and flanking policies and measures to encourage the greater use of GAP principles in horticultural export production (placing emphasis on food safety, environmental and social issues);
- (c) Through the involvement of all key stakeholders in the TWG discussions, ensuring better policy coordination related to GAP issues among key governmental institutions dealing with food safety, and the main private sector associations; and
- (d) In their deliberations, the TWG will place key attention on appropriate support and flanking measures to small farmers so that the pro-poor thrust of the National GAP Programme is assured.

Making sustainability standards work for small-scale farmers in developing countries

146. ***Development context:*** Organic agriculture offers an impressive array of economic, food security, environmental, social and health benefits for developing countries. While domestic markets for organic products in developing countries are growing, the vast majority of certified organic products are exported to developed countries, particularly in Europe and North America. Demand for organically grown produce in supermarket shelves as well as in the food processing and catering industry has been rapidly expanding in recent past. In fact, recently this has been the most dynamic growth segment of total global demand for organic produce.

147. As many of the buyers in these markets are either members of GLOBALGAP or apply the GLOBALGAP requirements, there is increasing interest to demand that organic producers also meet the requirements of GLOBALGAP (aimed at ensuring consistent application of Good Agricultural Practices with a particular focus on health and safety of fresh produce). This results in double inspection and certification requirements and potential loss of market for many organic farmers, particularly small-scale farmers. For traders and retailers and other buyers of organic produce, the costs and difficulties of sourcing doubly certified products leads to higher costs, reduced range of products and increased risk of supply interruptions.

148. ***Objectives and features of activities:*** Based on some preliminary analysis, UNCTAD found that there is some common ground between GLOBALGAP and organic agriculture objectives and requirements, and therefore UNCTAD launched activities on exploring practical options for achieving partial equivalence between GLOBALGAP and organic certification systems or other arrangements to streamline the certification process at the scheme level for dual certifications. The objective is to launch a consultative process between GLOBALGAP and IFOAM standard setting bodies on these practical options, with a view to achieving a practically applicable approach for achieving partial equivalence or streamlining the inspection and certification process aimed at drastically reducing the inspection and certification costs of small-scale organic farmers and significantly improving access to the large overseas markets of big retailers.

149. **Output and results:** The UNCTAD secretariat prepared a study that compared the EU organic agriculture requirements (as a representative organic guarantee system) with those of GLOBALGAP for fruit and vegetables.

150. The study provided a sound springboard for discussions at an ad hoc Expert Meeting on Facilitating Access of Small-scale Organic Farmers in Developing Countries to Supermarket Shelves (held in Geneva on 10-11 December 2009), organized by UNCTAD in collaboration with the secretariats of GLOBALGAP (FoodPlus GmbH) and the International Federation of Organic Agriculture Movements (IFOAM).

151. The meeting brought together some 30 representatives of all key stakeholder groups, including producers from around the world, traders, retailers, standard setters and certification bodies to discuss:

- (a) practical experiences in production and sales of doubly certified products;
- (b) the findings of the comparative study;
- (c) practical options for achieving partial equivalence between GLOBALGAP and organic certification systems or other arrangements to streamline the inspection and certification process at the scheme level for dual certifications;
- (d) a roadmap of activities for further development and implementation of such scheme(s) (e.g. further analysis, field testing and operationalization of equivalence approaches).

152. The meeting identified two practical options to move ahead and a set of criteria for successful solutions. Both approaches take certified organic products as the starting point. They are:

- (a) “Organic Plus” approach: Development of additional modules on food safety (particularly contamination) and occupational health and safety to accommodate GLOBALGAP requirements to be combined with mandatory or voluntary organic certification.
- (b) “Interpretative guidelines” approach: Creating organic interpretive guidelines for organic production under GLOBALGAP certification, which would have the effect of eliminating some requirements that are non-applicable to organic production schemes and advising how yet other requirements could be addressed by auditors and certification reviews in a streamlined way.

153. During the workshop, small groups discussed the merit of each of these options against some specific criteria. These groups made a number of recommendations on the further elaboration of both approaches resulting from the criteria-based discussion. The criteria included: access for producers (particularly small-scale organic farmers); acceptability to supply chain; flexibility (including link with other systems); leadership to move forward; ownership; and cost and simplicity.

154. The meeting that both the “Organic Plus” and “GLOBALGAP Interpretive Guidelines” approaches would have value, that there seem to be no insurmountable barriers in developing them, and therefore that both approaches should be pursued as solutions. Further analysis will show whether both approaches might be combined as a modular one. In February 2010, the standards governance bodies of GLOBALGAP and IFOAM endorsed the recommendations on the two proposed approaches and decided to collaborate in their further development along the lines of the roadmap that was developed at the ad hoc expert meeting.

2. Sustainable Commodity Initiative

Impact assessment and cost benefit analysis: the Committee on Sustainability Assessment (COSA)

155. **Development context and needs of beneficiary countries:** The rapid growth of sustainability standards has created both opportunities and challenges for developing-country producers, and, in particular, smallholders. To date, however, there is has been no globally accepted framework or methodology for measuring the costs and benefits related to the implementation of a sustainability standard programme, leaving producers, policymakers, businesses and the international donor community without independent, credible and comparable information to better understand the costs, benefits and impacts of investing in these programmes. Without this information, the programmes themselves cannot effectively improve, and the externalities associated with sustainable production and trade cannot be internalized into the products value chain.

156. To address this issue, the Sustainable Commodity Initiative created an internationally recognized methodology and associated tools for measuring the costs and benefits of implementing sustainability programmes at the producer level. This programme is called the Committee on Sustainability Assessment (COSA).

157. **Objectives/features:** COSA is designed to provide credible, scientifically robust field-level data on the actual costs and benefits of implementing a sustainability programme, from an environmental, social and economic perspective. An international advisory panel and high-level scientific committee guided the development of the indicator set and the approach and methodology of the process. Both tangible and intangible indicators are measured. COSA began work in the coffee sector and was unanimously approved by the council of the International Coffee Organization in 2008. It is, however, structured to be adapted to other sectors, and this has already occurred for the cocoa sector.

158. COSA is currently being applied in three countries (in the United Republic of Tanzania and in Colombia in the coffee sector; and in Côte d'Ivoire in the cocoa sector). It is now being set up for application in Brazil, Kenya and Viet Nam for the coffee sector and in Ghana for cocoa.

159. Data is collected at the farm, village, and marketing level (coop, exporter etc.). COSA trains local institutions and data collectors in the use and application of the survey to promote local uptake and value of the tools. COSA uses two forms of comparison: time-based (collecting over a number of years), and against a control (non-certified) sample. Propensity scoring methodology is used to match treatment (certified) with control farms to increase the ability to attribute the change measured to the specific standard programme. The analysed data will be made publicly available through ITC's Trade for Sustainable Development data platform.

160. **Output and results:** In terms of output, the following specific results were achieved:

- (a) Assessment Tools: Set of field-level surveys (farmer, village and marketing intermediary) are available for coffee and cocoa in English, French, Spanish, Swahili, Portuguese and Vietnamese;
- (b) COSA Database Functionalities: Creating and downloading surveys; translating surveys; entering and storing data (query functions are now being developed for the database to facilitate customized searches). The COSA database will be interfaced with ITC's T4SD data platform; and
- (c) Other tools being developed include: Trainers' Guide; Field Guide; Sample Methodology and Sample Setting Tool, and Simplified Farmer Accounting

tool. These tools are designed to increase the usability by key stakeholders of the COSA programme.

161. COSA was tested in five countries and a report on that work was published in 2008, called Seeking Sustainability (<http://www.sustainablecommodities.org/cosa/update>).

162. The first round of data has been gathered and is now being analysed for the United Republic of Tanzania, for Colombia (coffee) and for Côte d'Ivoire (cocoa). A report on the results of this work is planned for July 2010.

163. SCI's partner organization, CATIE, is also applying COSA in five countries in Central America, and these data will be available in mid-2010 for comparison.

164. Once the data are processed and analysed, more complete results will be presented. This process however has already sparked a great deal of interest and activity on measuring impacts, both by standards bodies, industry groups, and public entities. The SCI plans to work with key stakeholder groups (producers, standards bodies, policymakers, the private sector, NGOs and researchers) to present and interpret the data to improve the development, implementation, viability and impact of sustainable production and trade.

Capacity-building for sustainable agricultural producers: the Sustainable Commodity Assistance Network (SCAN)

165. ***Development context and needs of beneficiary countries:*** Increasing demand on producers to meet international environmental, social and economic (sustainability) standards, and the simultaneous dismantling of public technical assistance services, have left many producers with insufficient technical assistance support to meet these increasingly stringent, complex and multi-dimensional market requirements. This runs the risk of greater marginalization of producers (in particular smallholders, who lack the capacity to access private support) and could potentially lead to negative impacts on poverty reduction and sustainable development (stringent sustainability standards tend to amplify existing inequalities). To date, of those that are providing technical assistance, there has been almost no coordination of technical assistance provision in both content and delivery of services. The technical assistance that is available often focuses on compliance with programme requirements and does not address the fundamentals of sustainable farm and business management. This has resulted in fragmented, insufficient and incomplete service delivery that is unable to address the scale of producers' technical assistance support needs. Smallholder producers are not gaining the management skills they need to be effective business and resource managers, and are at risk of not being able to access markets effectively.

166. In response, the Sustainable Commodity Initiative formed an international network of service providers (including all many of the leading standards bodies related to sustainability in agriculture) to coordinate and collaborate on the content and delivery of technical assistance. The programme is called the Sustainable Commodity Assistance Network (SCAN).

167. ***Objectives/features:*** SCAN aims at facilitating the delivery of coordinated and needs-based technical assistance to smallholder producer groups on sustainable business and sustainable farm management to increase their ability to manage their natural and human resources and improve their access to sustainable markets.

168. SCAN is an international network of 20 leading partner organizations with SCAN platforms established at the national level in producing countries of SCAN representatives and other key public and private actors active in the sector in the target country. The focus is on pre-certification issues of sustainable farm and sustainable business management.

169. **Output and results:** At the international level, the SCAN platform has formed and identified the following five key areas for support: Good Agricultural Practices, Financial Literacy and Risk Management; Organizational Development; Marketing and Market Information; and Quality Management Systems and Traceability.

170. Four pilot countries were selected (Honduras, Peru, the United Republic of Tanzania, and Viet Nam). National-level needs assessments were conducted in those countries. Three of them have established SCAN platforms to undertake specific tool and curriculum development projects (Honduras, because of political problems, was put on hold). Current tool development projects include: Group Internal Control Systems for Group Certification and Coffee Renewal Manuals (Peru); Low-Entry Quality Management Systems (United Republic of Tanzania) and Farmer Association Manual (Viet Nam). These tools will be validated by the international platform and can then be adapted to other countries.

171. As well a sister programme of the SCI, the Finance Alliance for Sustainable Trade (FAST), has partnered with SCAN to provide training on financial literacy through the SCAN platforms. Producers who receive this training are entered into a “FAST-track” category, which makes them preferred recipients of credit and financial services from FAST members.

172. The international process of establishing the SCAN network has been a milestone in promoting cooperation and collaboration at this level. However, to date, specific training activities have not occurred at the producer level, which is the true goal of SCAN. These are scheduled to begin between May and July 2010 in the three target countries.

B. Strengthened capacities in dealing with the trade, environment and development interface

173. **Development context:** During the period under review, the WTO negotiations on the liberalization of international trade in environmental goods and services, provided for in paragraph 31(iii) of the Doha Ministerial Declaration have been taking place mainly at the technical level. They have also served as one area for “outcome testing” through bilateral or plurilateral discussions, as members have sought to clarify the deal, its value and the scope for flexibilities. Particular attention was drawn to issues relating to climate change, specifically goods and services used in conjunction with renewable energy sources and non-tariff measures influencing trade in these goods and services.

174. **Objectives/features:** UNCTAD’s activities have been geared towards promoting substantive links between the mandate and the negotiations and running reality tests on the various negotiating approaches. Attempts to link trade and climate change had brought into focus energy, competition and investment issues – areas where considerations relating to “markets” rather than those relating to “trade” informed the core of policy concerns.

175. **Output:** A series of consultations had been held with the Bangkok Group, which brought together the developing member delegations that have taken special interest and active part in the negotiations, namely Argentina, Brazil, China, Cuba, Ecuador, Egypt, Malaysia, Mexico, the Philippines, South Africa and Thailand. The Group continued to serve as the main consultative and coordinating mechanism for the developing-country delegations.

176. UNCTAD facilitated a meeting of focal points in Newly Independent States for trade and environment in WTO, and a round table on trade, energy and climate change; both took place in Moscow, in February 2009. On the sidelines of these

events, consultations were held with EcoAccord regarding a Russian version of the monthly “Bridges”, published by EcoAccord jointly with the ISTSD.

177. Working meetings were held in Tashkent, Uzbekistan, in May 2009. The meetings focused on trade, technology and environmental linkages.

178. Working meetings were held with the Government of Qatar, in Geneva, in September 2009, on ways and means of promoting natural gas as an economic and environmental choice in the WTO negotiations and implications for other areas of work in WTO.

179. **Results:** The technical discussions with individual delegations and within the Bangkok Group (throughout 2009, following the timeline of the technical discussion in WTO) had clarified the scope for the various negotiating approaches to particular environmental areas, specifically climate-positive goods, solid and hazardous waste management; water and waste water treatment; air pollution control and environmental technologies.

180. The meeting in Moscow was used as an opportunity to “mirror” the negotiations and to improve the command of WTO issues across the spectrum. An added value of the meeting was enhanced coordination at the expert level among trade, environmental and customs authorities, and an exchange of up-to-date information on, and evaluation of, environmental infrastructure services in the various parts of Russia, of the legal and administrative regimes influencing the delivery of these services, and of technology requirements in specialized environmental services such as remediation and clean-up. The meeting revealed a growing need for advisory services targeted towards particular industries. A preliminary request for such services has already been made by the Ministry for Economic Development and Trade. Assistance provided to EcoAccord in developing information sources in NIS was tied in with the plans of ICTSD’s and EcoAccord for extending their activities to Russian-speaking countries, particularly Belarus and countries in Central Asia.

181. The meeting in Tashkent was instrumental in exploring options for technology transfer, with specific examples of sound, proven and adequate environmental technologies, and for building domestic capacity in “green” goods and services, including in a free economic zone being launched in the Navoi region. The scope for regional approaches within the framework of the Eurasian Economic Community was also discussed.

182. The meeting with Qatari delegation examined issues relating to renewable energy and natural gas in the context of WTO and other relevant forums.

C. Enhanced harmonization and equivalence in standards governing international trade in organic agriculture products

183. **Development context and needs of beneficiary countries:** At present, agriculture faces unprecedented challenges and exciting opportunities globally. The challenges result from the need to secure food supply for a rapidly growing human population, while at the same time having to minimize the adverse impacts of agricultural production on the environment. Exciting opportunities relate to new management options, opened up by alternative production targets, technological developments and changing consumer preferences.

184. A shift towards sustainable agricultural production entails the adoption of comprehensive, more system-oriented strategies. Such strategies include farm-derived inputs and productivity based on ecological processes and functions. Furthermore, it involves the traditional knowledge and entrepreneurial skills of

farmers. The most consistent system-oriented sustainable practice is organic farming. Because of bans or restrictions on the use of many direct control techniques such as pesticides, herbicides, fast acting fertilizers or veterinary medicines, organic farmers rely heavily on preventive and system-oriented practices.

185. No other form of agriculture and food production can claim to offer so many benefits to consumers and can provide such a bounty of public goods to producers as organic farming and food systems. Organic production is particularly suited to and productive as well as remunerative for small-scale farmers.

186. **Objectives/features:** UNCTAD primarily aims at easing market access for fresh organic food products, strengthening the production capacity of organic produce, notably among groups of small-scale farmers, assisting interested developing country governments and using best policy practice for promoting organic production, and facilitating harmonization and equivalence among the approximately 70 existing mandatory and voluntary standards for organic production.

187. **Output and results:** UNCTAD, FAO and the International Federation of Organic Agriculture Movements (IFOAM) have been working closely together since 2001 to facilitate trade in organic products through harmonization and equivalence. This has been through the UNCTAD-FAO-IFOAM International Task Force on Harmonization and Equivalence in Organic Agriculture (ITF, 2003–2009) and its successor project, Global Organic Market Access (GOMA), launched in June 2009.

188. In February 2009, the ITF tools and final recommendations were presented to organic sector stakeholders at a workshop at Biofach (Germany), the world's largest organic trade fair. The ITF tools are:

- (a) Equitool – a tool for determining equivalence between organic standards; and
- (b) IROCB – the International Requirements for Organic Certification Bodies – which is a set of performance requirements for organic certification. It is based on ISO 65 and adapted for the organic sector.

189. ITF has been participating in the ISO 65 revision process with a view to making the norm better suited for control of processes as well as final products. IROCB has been submitted as an input into this revision process.

190. In April 2009, ITF organized a regional workshop for Central American countries and the Dominican Republic in Santo Domingo in cooperation with the Inter-American Institute for Cooperation on Agriculture (IICA) and the Government of the Dominican Republic. The objective was to present the ITF tools and recommendations for application in the region to the key public and private sector actors involved in organic agriculture production, certification, regulation and trade. It was reportedly the first regional meeting that brought together the government focal points (competent authorities) with the heads of the organic agriculture movements. The workshop was followed by a meeting of the Organic Agriculture Regional Commission of Competent Authorities of Central America and the Dominican Republic. Participants agreed that the priority for the region was to develop a common organic agricultural standard, and then, as a second step, to use the ITF tools to facilitate international and regional trade based on the common standard. ITF/GOMA was asked to help. In the second half of 2009, a joint ITF-IICA project was developed, to start in 2010.

191. In June 2009, the Norway-funded FAO/IFOAM/UNCTAD project on GOMA was launched. GOMA project activities include:

- (a) Outreach to share knowledge about the ITF tools and possibilities for cooperation;
- (b) Pilot projects to test the tools in various environments;
- (c) Technical assistance to governments and private sector stakeholders to implement the tools and related recommendations;
- (d) Facilitation of new regional initiatives for cooperation on harmonized organic standards development and multilateral equivalence; and
- (e) Analysis of the organic trade system and evaluation of the trade-facilitating.

192. GOMA is currently focusing on regional organic standards development in Central America and a scoping study and consultation in Asia for cooperation on harmonization and equivalence. The latter included consultations with the Certification and Accreditation Administration and the Ministry of Agriculture of China in May about their role in regional harmonization and participation in October in Bangkok in the Working Group of Agriculture of the Greater Mekong Strategy Programme (organized and financed by the Asian Development Bank).

193. In the framework of the UNEP–UNCTAD Capacity-building Task Force on Trade, Environment and Development (CBTF), the following activities were implemented in 2009:

- (a) A study on providing an Overview of Organic Agriculture in East Africa is under preparation; and
- (b) The CBTF study “Best practices for organic policy” was translated into French and Spanish.

194. CBTF funded and co-organized with national partners in the public and private sector the following regional and national activities:

- (a) The African Organic Conference 2009, including the preceding East African Organic Conference (19–22 May, Kampala, Uganda). This was the first organic conference directed at all African countries, and it played an important role in building and expanding networks between organic stakeholders all over the continent. The conference served as a platform to share experiences, knowledge and skills between stakeholders of countries whose organic sectors are at different development levels. Stakeholders of organic sectors throughout Africa came together to learn, network, and discuss the potential of organic agriculture. Moreover, present obstacles were addressed and possible solutions were discussed. It was preceded by a West African and an East African Organic Conference, the latter being funded and mainly organized by CBTF. The two regional conferences served as a platform to discuss regional challenges, opportunities, and achievements and to elaborate future plans. Links and networks between the national organic stakeholders and within the region were strengthened;
- (b) Burundi: A one-day awareness-raising workshop, followed by a two-day training workshop on organic agriculture (18–20 November). The workshop helped to raise awareness, inform stakeholders on the subject, and, together with the launch of the Burundi Organic Agriculture Movement, helped to give a boost to the sector development in the country;
- (c) Ethiopia: The one-day Ethiopian Organic Forum: Public–Private Partnership (9 July) created awareness among policymakers and facilitated public–private dialogue. As a direct output of the meeting, the attending government officials approached CBTF with a request for help in developing a better system for third-party certification and supporting

- (d) Rwanda: A two-day organic stakeholder workshop to strengthen the cooperation of the sector and work on an action plan for organic agriculture (30 November–1 December 2009);
- (e) United Republic of Tanzania: One national and two regional stakeholder meetings to promote the implementation of the national Organic Agriculture Development Programme (NOADP), as well as two meetings of a taskforce to include the findings of the stakeholder meetings into an action plan for the implementation of NOADP (regionals: June, September 2009; national: 28 August 2009);
- (f) Uganda: A national stakeholder consultation on the Ugandan draft organic policy, as well as several meetings of the organic policy group, to include the findings of the different consultations in the draft (27 August 2009); and
- (g) Kenya: Consultations with key Kenyan public and private sector stakeholders regarding development of a Kenyan organic agriculture policy.

195. In November, the CBTF, in cooperation with UNITAR, launched the first-ever online training course on Successful Organic Production and Export. The course attracted worldwide attention, with more than 600 participants from 80 countries and territories. This course builds the capacities of participants to understand organic farming and its benefits, and enables them to overcome production and export challenges. It provides step-by-step guidance for conversion to organic farming, as well as monitoring benchmarks for quality assurance in order to meet the necessary standard and certification requirements for accessing local and international markets. The entire value chain and its formation is covered, from the moment an uncultivated piece of land is brought under organic production or a conventional farm is converted into an organic farm, until products reach markets. The course focuses, in particular, on meeting the requirements of the EU market. Participation was enthusiastic and the feedback very positive. Course details are available at <http://www.unitar.org/pft/cbtf>.

D. Enhanced opportunities in biotrade

196. *Development context:* Biodiversity, as the source of many products and services utilized by society, is being lost at accelerating rates, caused by the widespread overexploitation of biological resources, the introduction of alien species, and the transformation of habitats. Biodiversity loss often destabilizes and reduces the productivity of ecosystems, weakening their ability to generate products and services and their capacity to deal with the natural disasters and stress caused by humans, such as environmental pollution, degradation and climate change. The sustainable use of biodiversity is thus fundamental for long-term sustainable development. Developing countries, which are often endowed with rich biodiversity, face the great challenge of combining poverty alleviation and economic growth with the sustainable use and conservation of biodiversity. Trade in products and services derived from biodiversity could be part of the solution to this problem.

197. Research shows that market interest and demand for biodiversity products and services is growing, giving countries that are rich in biodiversity a comparative advantage. However, developing countries often lack the capacity to turn this into competitive advantage, meaning that the traded volumes of sustainably obtained

biodiversity goods and services remain relatively low. The importance of trade as a positive incentive measure for biodiversity conservation is increasingly recognized at the national and international level, and efforts are under way to promote trade that takes into account ecological and social issues. UNCTAD's BioTrade Initiative and BioTrade Facilitation Programme support sustainable development through trade and investment in biological resources in line with the three objectives of the Convention on Biological Diversity (CBD).⁷ These programmes respond to the limited capacity of developing countries to benefit from the international markets for products whose production processes enable sustainable use and conservation of biodiversity.

198. **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, both for domestic and international markets. The 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 to reconciling biodiversity conservation with the development aspirations of local communities in biodiversity-rich areas in developing countries. It also seeks to facilitate sustainable trade in biodiversity products and services through innovative collaborative arrangements that enhance sustainable bio-resource management; it supports BioTrade product development, value-added processing and market entry; it promotes product differentiation and improves access to trade and pre-export finance; and it articulates concerns related to biotrade in the policy environment that affects such trade.

199. **Output:** UNCTAD, through its BioTrade Initiative and BioTrade Facilitation Programme, 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. In Indonesia, an initial assessment of biotrade value chains was conducted in Aceh, and an initial list of biodiversity-based sectors such as natural ingredients, handicrafts and aquaculture has been identified. In addition, with the support of national and international experts, as well as companies and BioTrade partners such as SIPPO, the prioritization of sectors has been conducted. Technical assistance was also provided to the BioTrade Programme in Colombia to support biotrade activities implemented under the new phase of the BioTrade Programme. In Uganda, the BioTrade Initiative continued to support the mainstreaming of BioTrade sectors into national development strategies as well as in strengthening the competitiveness of BioTrade SMEs involved in the natural ingredients and wildlife trade sectors. In addressing the constant need to define and measure biotrade's contribution to sustainable development as well as the conservation/sustainable use of biodiversity in a harmonized and structured manner, a BioTrade Impact Assessment System was developed and finalized. In addressing trade barriers relevant to biotrade, UNCTAD continued to assist developing-country negotiators in their participation in the ongoing revision of the Novel Foods Regulation, particularly on issues related to development and legal considerations, history of safe use assessment, and important definitions and concepts, as well as in identifying priorities and strategic options.

⁷ 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.

200. Events organized by the Initiative included: (i) a workshop on “The Business of BioTrade: Conserving biodiversity through using biological resources sustainably and responsibly”, held in Geneva, November 2009. This provided a platform to share experiences, challenges and opportunities encountered in promoting private sector engagement in the conservation and sustainable use of biodiversity; (ii) a workshop on “Promoting an international enabling environment for biodiversity-related economic incentive measures”, Geneva, November 2009. The workshop increased participants’ understanding of the international legal framework for emerging biodiversity-related markets, and also provided a platform to discuss and analyse relevant legal issues regarding the formulation and implementation of trade-related economic incentive measures for the sustainable use and conservation of biodiversity.

201. UNCTAD also continued implementing activities under biodiversity-related MEAs such as the CBD, and supported the Convention in specific areas such as access- and benefit-sharing, technology transfer and cooperation, private sector engagement, and 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, continued its work towards supporting the achievement of the 2010 Biodiversity Target.

202. In increasing the awareness and understanding of BioTrade issues by public and private stakeholders, the Initiative has participated in various seminars, workshops, conferences as well as relevant discussions of international development processes, such as the following:

- (a) International Conference on Sustainable Production, Trade, Consumption and Lifestyle, 17 to 18 February, Nuremberg, Germany;
- (b) Multi-Stakeholders Consultations on Bio-cultural Protocols, 1 April, Paris, France;
- (c) In-cosmetics Munich and “The Beauty of Sourcing with Respect” conference, 23–24 April, Munich, Germany;
- (d) Side event on “Making the private sector a full partner in CITES implementation”, 7 July, Geneva, Switzerland;
- (e) First meeting of the “Commission for Biodiversity, Ecosystems, Finance and Development”, 11 September, New York;
- (f) CBD International Workshop on Incentive Measures, 12–14 October, Paris, France;
- (g) EXPOSUSTENTAT, 26–28 October, São Paulo, Brazil;
- (h) CBD Third Meeting on Business and the 2010 Biodiversity Challenge, 30 November to 3 December, Jakarta, Indonesia; and
- (i) Third International Fresenius Conference on Novel Foods, 7–8 December, Frankfurt, Germany.

203. In accordance with paragraph 102 of the Accra Accord, the BioTrade Initiative continued “to support the creation of an enabling policy environment to foster private sector engagement in the sustainable use and conservation of biodiversity”. The workshop on “The Business of BioTrade: Using biological resources sustainably and responsibly” provided a platform to discuss the possibility of developing a BioTrade incentive measures framework, which identifies key challenges and drivers. With the economic slowdown, there is a risk that BioTrade companies will sacrifice their engagement in implementing biodiversity conservation and sustainable use practices and favour traditional practices to expand

production, reduce costs and generate additional income. Policymakers need to address these challenges faced by the value chain actors so that agreements, which could be translated into viable private sector practices, could be defined. The workshop highlighted that the BioTrade Initiative's work has generated a set of incentive measures for the sustainable and responsible use of biological resources. For the most part, these are voluntary, market-based measures, which directly engage the private sector in activities supporting the conservation of biodiversity. Biotrade incentive measures are making an important contribution to the conservation of biodiversity, and the work of the BioTrade Initiative and its partners should be broadened to enable more countries and more ecosystems to benefit from the BioTrade approach to the sustainable and responsible use of biological resources.

204. Biotrade activities are being implemented worldwide, and there is a constant need to obtain real, precise and comparable information to monitor the conservation and sustainable use aspects of the species and ecosystems used. Within the BioTrade network, independent efforts by national and regional programmes and by partners to measure and report on the impact of the activities supported have taken place, however, the data obtained are not always comparable. The development of the BioTrade Impact Assessment System, based on the three basic approaches of value chain, adaptive management and ecosystem, is, therefore, a milestone.

205. Developing countries have expressed concerns on trade-related biodiversity issues as well as on the need for an adequate international trade policy framework for the development of emerging markets. Regulations such as the European Regulation on Novel Foods and the European Community Regulation on Chemicals and their Safe Use – REACH – within the Sanitary and Phytosanitary (SPS) and Technical Barriers to Trade (TBT) Committees of the WTO may hinder their access to emerging biodiversity markets. The Initiative is continuously supporting them in addressing existing and potential barriers to trade through research and analytical work as well as capacity-building activities.

E. Enhanced opportunities in biofuels

206. *Development context:* Conventional fossil fuels, such as petroleum and its derivatives, coal, and natural gas, are the primary sources of energy worldwide. The increasing greenhouse gas emissions stemming from ever-escalating dependence on fossil fuel combustion are the single most important source of greenhouse gas concentration in the atmosphere, causing human-induced climate change. Continued over-dependence on fossil fuels has economic, social, climate and biodiversity impacts, especially to the most vulnerable developing countries.

207. The production of biofuels – clean-burning, carbon-neutral fuels derived mainly from agricultural crops – has a number of benefits: it can reduce dependency on fossil fuel imports and increase energy security; it promotes job creation, economic diversification and rural development; and it reduces greenhouse gas emissions, thus helping to combat global warming. The new Kyoto policy environment is likely to significantly increase the demand for low- or no-carbon-emitting energy, including biofuels. Overall, the greatest potential for the production of biofuels can be found in developing countries; whereas developed countries – in meeting their Kyoto commitments – potentially provide the greatest markets. However, greater penetration of biofuels in energy markets requires enhanced policy coherence, as it involves agriculture, energy, trade and climate policies. A well-targeted multi-sectoral approach is required if developing countries are to capture investment opportunities and development gains from the new emerging markets for biofuels. Increased production, domestic use and trade in biofuels may offer a real

and pragmatic alternative to both developing and developed countries to meet their commitment to combat climate change and to achieve the Millennium Development Goals.

208. **Objectives/features:** The UNCTAD BioFuels Initiative offers a facilitating hub for programmes already under way in a number of institutions. The Initiative, with its partners, adds value by providing interested countries with access to sound economic and trade policy analysis, capacity-building activities, and consensus-building tools. It tailors national strategies, based on specific national circumstances and needs. It attempts to share lessons from success cases – and to illustrate problems that are encountered by developed and developing countries alike in dealing with the technical, political and economic aspects of biofuels. The Initiative works closely with the private sector towards the ultimate goal of developing the business and sustainable development case for increased production, domestic use, and trade in biofuels. More specifically, the BioFuels Initiative helps assess the potential that specific developing countries have to engage, in the growing worldwide production, use and trade of biofuels. In doing so, it looks at the possible opportunities and impacts on domestic energy policies, food security, environmental management, job creation and rural development. It deals with trade flows, tariff regimes and market access and market entry issues affecting international trade in biofuels. It assesses emerging investment opportunities for developing countries, including the use of the Clean Development Mechanism (CDM) under the Kyoto Protocol. It provides policy guidance, ideas and examples on how to overcome barriers when engaging in this new market.

209. **Output:** UNCTAD's Biofuels Initiative continued to offer a facilitating hub for programmes or initiatives already under way in a number of institutions. Together with its partners, it has provided developing countries with access to sound economic and trade policy analysis, capacity-building activities and consensus-building tools. It has maintained its 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, the UNFCCC, the G8 Global Bioenergy Partnership (GBEP), UNEP–Risoe, UNIDO, the EPFL/WEF Roundtable for Sustainable Biofuels (RSB), the International Federation of Agricultural Producers, and the Inter-American Development Bank, among others. Analytical studies on cross-cutting issues were conducted to assist developing countries in assessing the biofuels option. The publication entitled *The Biofuels Market: Current Situation and Alternative Scenarios* (UNCTAD/DITC/BCC/2009/1) presented possible scenarios for the biofuels industry, describing how the sector could evolve depending on the policy and strategies that individual countries may select based on the assumption that individual choices may have global impacts. The Initiative also prepared a paper exploring the potential of the development agenda of biofuels. The study focused on South–South and triangular cooperation initiatives, and also on the opportunities and challenges in achieving the Millennium Development Goals through the development of a sustainable biofuels industry in countries with comparative advantage.

210. In 2009, the UNCTAD BioFuels Initiative participated in the following conferences, trainings and seminars:

- (a) Energy Pact Conference, 16–17 March, Geneva, Switzerland;
- (b) Ethanol Summit, 1–3 June, São Paulo, Brazil;
- (c) WMO Dialogue on “Biofuels, trade policy and sustainable development”, 17 June, Geneva, Switzerland;

- (d) UNECE Committee on Sustainable Energy, 18–20 November, Geneva, Switzerland;
- (e) Various meetings of the Roundtable on Sustainable Biofuels.

211. The UNCTAD BioFuels Initiative has continued to assist developing countries in their policy analysis and decision-making process on whether biofuels is an option for them in achieving energy security and sustainable development goals. The analytical study on “The Biofuels Market: Current Situation and Alternative Scenarios” was an important undertaking in addressing current concerns on the role biofuels play in the pursuit of energy security. Identifying possible scenarios, presenting alternative decision paths and possible implications would greatly assist countries in deciding whether biofuels is an option. Each scenario described how the sector could evolve depending on the policy and strategies individual countries may select. It also provided insights on the economic, energy, environmental and trade repercussions of specific policy development. The BioFuels Initiative has maintained key partnerships with various United Nations agencies, institutions and organizations, which have made it possible to exploit synergies and avoid overlapping. It continued its active collaboration with the Roundtable on Sustainable Biofuels, an international initiative, which brings together farmers, companies, non-governmental organizations, experts, governments, and intergovernmental agencies concerned with ensuring the sustainability of biofuels production and processing. The UNCTAD BioFuels Initiative has successfully responded to the high level of interest of developed and developing countries in various aspects of the emerging issue of biofuels. The biofuels option, if well assessed, planned and sequenced, could offer win-win opportunities to developing countries in terms of climate change benefits, rural development, decent work and energy diversification.

F. Trade, development and investment opportunities in the climate change regime

212. *Development context:* Global concerns over the impact of climate change, particularly its adverse effect on developing countries, and the related significant economic costs associated with inaction, have put climate change very high on the international agenda. The projected climate impacts will hurt developing countries most, because their economies are more reliant on climate-sensitive sectors such as agriculture and fisheries. Developing countries are also more vulnerable because they have limited human, institutional and financial capacity to anticipate and respond or adapt to climate change and natural disasters. As developing countries are already economically vulnerable, their economies – and particularly those of the least developed countries – often rely on few exports and face negative terms of trade. To make their economies more resilient – both in general economic terms, and to the effects of adverse climate change – they will need to diversify. Economic diversification can be spurred by well-targeted foreign direct investment (FDI) into a variety of productive sectors.

213. The Kyoto Protocol provides important investment opportunities for developing countries through the CDM. Developing countries need to be ready to seize the opportunities for sustainable development offered by the CDM and ensure that these are captured domestically in a manner that lessens their economies’ vulnerability, increases their energy security, and augments their chances of integrating themselves into the globalized world economy on more equitable terms. Investment under the CDM – which may not necessarily follow traditional FDI flows – may provide an opportunity for investment that assists developing countries in diversifying their economies. Such investment flows may carry opportunities for

technology transfer and for the fostering of indigenous technologies. The current climate change negotiations are generating important emerging trade and investment opportunities for developing countries, particularly in the area of bioenergy. UNCTAD's Climate Change Programme has a significant role to play in the international climate change debate on the effects of – and policy responses to – global climate change, as well as to the United Nations-wide response strategy. In particular, the programme focuses on addressing the economic aspects of climate change, and its trade and development implications.

214. **Objectives/features:** Admitting that future economies will be carbon-constrained, the programme plays a significant role in preparing developing countries for the expected shifts in relative prices and in relative production costs stemming from the introduction of climate policies and measures. It contributes to a smoother transition to a regulated-carbon economy. As there is a growing commitment to more active climate change policy, both at the national and international level, the UNCTAD Climate Change Programme addresses issues such as the trade competitiveness aspects of climate change policies; trade, development gains and investment opportunities arising as climate change measures are adopted, creating new markets for more efficient, innovative and less carbon-intensive products and processes; investment promotion and development gains in developing countries, which may derive from the development of projects under the CDM; and compatibility issues between climate policy and trade rules.

215. **Output:** Through the Climate Change Programme, UNCTAD supported African countries in articulating their interests in the ongoing climate change negotiations, in particular on issues related to trade and sustainable development. An analytical study of the current negotiating text prepared by the Chair of the Ad Hoc Working Group on Long-term Cooperative Action under the Convention was prepared. It focused on areas where African countries may have an interest within the Bali Road Map, specifically as they relate to nationally appropriate mitigation actions (NAMAs), adaptation, technology transfer and finance. The results of the study were presented at the technical session of the African Ministerial Conference on the Environment, pre-Conference of the Parties (COP15) meeting, held in Addis Ababa on 21–23 October. It also further proposed a strategic approach towards the integration of adaptation into development planning. Additionally, UNCTAD made a presentation on trade and climate change – “Advancing development gains in the trade and climate change agenda”. It focused on key issues of interest for Africa in the interface of the trade and climate change regimes and addressed a few areas where the African group could seize opportunities under the climate accord, which is expected to be finalized at COP15 or soon thereafter. On the occasion of COP15, UNCTAD jointly organized a side-event with the African Union Commission, entitled “Development opportunities for African countries under a post-2012 climate change regime” which was held on 11 December in Copenhagen, Denmark. The event was organized to assist African negotiators in articulating their interests in the ongoing climate change negotiations. It also provided a platform to discuss key elements for consideration in shaping Africa's policies and responses to the challenges posed by climate change. Discussions also focused on the potential and challenges of strategic policies such as NAMAs as well as their potential in achieving both sustainable development goals and climate change objectives under the new climate change regime.

216. In 2009, the Climate Change Programme actively participated in various conferences, meetings, seminars and roundtables such as:

- (a) Africa Progress Panel workshop on “Kick-starting Africa's carbon markets”, 17–18 November, Geneva, Switzerland;

- (b) WTO seminar on “Climate change, trade and competitiveness”, 17 October, Geneva, Switzerland;
- (c) COP15 of the UNFCCC, 7–18 December, Copenhagen. Denmark;
- (d) Various United Nations–organized side-events during COP15 such as: Nairobi Framework – Status and Future Impacts in Africa, 11 December; Advancing Work on Adaptation to Climate Change: A UN System, 14 December; First Steps Towards a Low-Carbon United Nations, 15 December; International Cooperation on Technology Transfer: Time for Action, 16 December; and the main United Nations side-event entitled “The UN System Delivering as One on Climate Change”, 16 December.

217. **Results:** In assisting developing countries in enhancing their trade competitiveness and in seizing investment opportunities arising from the introduction of climate change policies and measures, an expert meeting on “Trade and climate change: Trade and investment opportunities and challenges under the CDM” took place in April 2009. The expert meeting contributed to a deepened understanding of the CDM and how the participation of developing countries can be enhanced. It has reinforced the need for capacity-building to increase developing countries’ awareness of the benefits that the CDM may offer in achieving sustainable development goals. Trade, investment and sustainable development opportunities under the CDM exist, and UNCTAD is well placed to conduct analytical, technical and capacity-building activities to ensure their increased and effective participation in the CDM. The CDM has created a dynamic carbon market and despite its imperfections, it has a great potential in generating investments to foster a more pragmatic transition towards a less carbon-intensive economy in developing countries. In considering one of the outcomes of the expert meeting, UNCTAD became one of the implementing partners of the Nairobi Framework. UNCTAD’s membership enables highlighting and including the issue of trade and climate change in the activities implemented by its partners under the Framework and could also explore the potential of South–South cooperation. In addition, the recent partnership with the African Union Commission signals a strengthened UNCTAD presence in the African region.

Table 5. Trade, environment and development

<i>Project number</i>	<i>Short title</i>	<i>Starting date</i>	<i>Source of fund</i>
UGA/0T/4BT	Biotrade initiative in Uganda	2004–	Norway
GLO/05/379	Biofuels initiative: trade, investment and capacity-building opportunities	2005–	UNFIP
INT/9X/77V	Biotrade initiative programme	1997–	Multi-donor
INT/0T/2AQ ^a	Building capacity for improved policy and negotiations on key trade and environment issues	2002–2009	United Kingdom
INT/0T/3AC	Biotrade facilitation programme for biodiversity products and services	2003–	SECO/Netherlands
INT/0T/3BB	Consultative task force on environmental requirements and international trade	2003–	Netherlands
INT/0T/5AJ	Modelling national lists of environmental goods	2005–	Canada
INT/0T/6BP	Challenges and opportunities of implementing biodiversity-related MEAs	2006–	Switzerland
INT/0T/7BC ^a	The biofuels market: current situation and alternative scenarios	2007–2009	Italy
INT/0T/8AS	BioTrade Facilitation Programme, Phase II	2008–	Switzerland
RAF/0T/8BE	Promoting production and trading opportunities for organic agricultural products: A tool for poverty reduction and environmental protection in East Africa	2008–	Austria

<i>Project number</i>	<i>Short title</i>	<i>Starting date</i>	<i>Source of fund</i>
RLA/04/339	Implementing the Biotrade Initiative, phase II	2004–	UNFIP
ROA-1245B (AE)	Building capacities in the Asia-Pacific region to address the financial implications of external shocks and climate change mitigation through innovative risk-management instruments	2009–	Development Account

^a Project that had been “operationally but not financially completed” or “completed” in 2009.

Cluster VI. FDI Trends and Issues

Lead division: Division on Investment and Enterprise (DIAE)

218. The programmes under this cluster aim at increasing understanding of various key issues and policies relating to public and private investment issues and of the impact of foreign direct investment (FDI) on development.

A. World Investment Report series

219. **Development context:** As recognized in the Monterrey Consensus of the International Conference on Financing for Development and the Accra Accord, foreign direct investment (FDI) has become an increasingly important factor in economic development, especially as an instrument for the integration of countries into the global economy. The *World Investment Report* (WIR) series provides up-to-date and comprehensive data on issues pertaining to FDI and transnational corporations (TNCs), analyses trends and developments in FDI, examines the implications of activities by TNCs related to these trends, and assesses both international and national policy issues of relevance to developing countries. The WIR series is a key instrument to help policymakers improve their understanding of emerging FDI-related issues and policy implications for development, and as a result, to enhance their ability to formulate FDI policies that will contribute to their development objectives. Therefore, the series serves as an essential tool to formulate FDI policies, which feeds into UNCTAD’s technical assistance work.

220. **Objectives/features:** WIR identifies ahead-of-the-curve topics in order to provide timely analyses and insights to help developing countries and the international community make informed policy decisions on developments in relation to FDI- and TNC-related issues. It serves as a policy decision-making input and an analytical instrument for improving national capacities to attract and benefit from FDI, and as a capacity-building tool.

221. The preparation of the Report involves the following interrelated activities:

- (a) Policy analysis and research: An extensive peer review of the WIR outline, drafts and final text. The preparation of each chapter and section involves dialogue with relevant experts (especially those from developing countries) on the topics being analysed;
- (b) Capacity-building workshops and seminars: These enable policymakers, researchers and other experts from developing countries to directly contribute salient experience, knowledge and information for each WIR. As such, these activities constitute a key element of the peer review process;
- (c) Dissemination of the Report’s findings and results: Dissemination begins with the organization of over 70 press conferences in national and international venues on the Report’s launch date, followed by regionally-

based seminars/workshops for policymakers in developing countries. These workshops allow stakeholders from developing countries to discuss the results of the research and policy analysis, including ways and means of using them in concrete policymaking and implementation;

- (d) Dedicated experts networks: In order to maintain the Report's consistent quality, dedicated networks of experts are maintained and supported through a range of activities, including seminars and conferences. The South FDI Experts Network, for example, consists of scholars and other researchers from the South helping the WIR team on South-related issues;

222. **Outputs:** In 2008–2009, a set of major activities related to the preparation and dissemination of WIR09 was undertaken. These included, among other things, the following:

- (a) Background studies were commissioned to serve as inputs to the WIR09, subtitled “Transnational Corporations, Agricultural Production and Development”;
- (b) Many companies were interviewed to gain insights into their FDI activities and corporate investment plans for the preparation of the Report;
- (c) WIR09 was launched worldwide in over 70 countries in September 2009;
- (d) Databases on FDI, mergers and acquisitions (M&A) and largest TNCs were maintained and updated. These databases are made available to the public;
- (e) An ad hoc expert meeting was organized in Geneva on 10 February 2009 on agricultural production and development;
- (f) Three regional seminars were organized in Addis Ababa, Ethiopia (2–3 April), in São Paulo, Brazil (8–9 April) and in Tianjin, China (16–17 April). On all three occasions, regional experts were invited to discuss issues on TNCs in the agricultural production. Substantive comments on the WIR09 draft were also received;
- (g) The Global Seminar was organized in Geneva (18–19 May) to discuss and review with outside experts the penultimate final draft of the WIR09;
- (h) Lectures and presentations were conducted on the WIR findings, including during sessions such as the one organized by the Islamic Development Bank on WIR08 in Casablanca, Morocco, in January 2009; and a lecture in the context of the preparations of the WIR09 was given at FAO in June 2009 in Rome, Italy;
- (i) Presentations on the impact of the crisis on FDI inflows were conducted in May 2009 at the Regional High-Level Consultative Conference of the ESCWA Member Countries in Damascus, Syrian Arab Republic, and at the International Business Summer School at UNCTAD. Similar presentations were made in July to GSP participants, and the Ministry of Foreign Affairs of the Republic of Indonesia and the Mission of Indonesia in Geneva organized one in Jakarta and another in Bandung. The World Investment Report was repeatedly mentioned at these events and the overview of WIR08 was distributed;
- (j) Presentation of the World Investment Prospects 2009–2011, an input to WIR09, was made at the fifth TIF Business Forum in September 2009 in Thessaloniki, Greece; and

- (k) A brainstorming session on TNCs and the New Challenges for Development (11–12 November) to discuss potential issues that are relevant to the future *WIR10*.

223. **Results:** The *WIR09* highlighted the role of TNCs in agricultural production. The wide dissemination of the findings and policy recommendations of the Report were facilitated by an extensive media launch and the possibility to freely download the entire report from the UNCTAD website. In 2009, launching activities took place in 74 locations in 72 countries. The Report received wide public interest, as demonstrated in global press coverage (1,200 press articles). The WIRs are now a standing agenda point on the annual meetings of the Academy of International Business and of the European International Business Academy. In response to the continued interest in the topics covered in the WIRs, UNCTAD received multiple requests from both developed and developing countries to make keynote interventions or to organize workshops and seminars.

224. The findings and recommendations of the Report were widely disseminated through seminars, worldwide launch events, and presentation at UNCTAD's intergovernmental meetings. The fifty-sixth session of the Trade and Development Board in 2009 expressed that "The publication of the *WIR09 – Transnational Corporations, Agricultural Production and Development* was both timely and important, especially in view of the recent food crisis, concerns on food security, and the international efforts to fight hunger under MDG 1".

225. For 19 years, WIR has assisted developing-country governments in formulating and implementing development-orientated investment policies. During this period, different stakeholders have benefited from the analyses contained in the WIR, including from information on investment flows and policy trends. Another contribution of the WIR to the international community is that the databases used for the preparation of the Reports are made available for easy access through the UNCTAD website.

B. Capacity-building in FDI statistics

226. **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 and 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", held in December 2005, and reiterated by the Investment, Enterprise and Development Commission (Geneva, 4–8 May 2009), UNCTAD continues to provide technical cooperation in the area of FDI statistics. The Accra Accord (para. 147) also requests UNCTAD to "develop its activities in collecting and analysing data on TNC activity and relevant national and international laws and regulations, and strengthen its assistance to help LDCs formulate better policies on the basis of accurate and up-to-date information".

227. **Objectives/features:** The overall objective of the project is to increase FDI inflows to developing countries, particularly LDCs, by formulating FDI policies based on quality FDI data and information of TNCs operating in the region or the country. This project aims at enhancing the capacity of government agencies in these countries to compile, disseminate and analyse data on FDI and TNC activities through implementing internationally recommended methodological standards, and at enabling national authorities to maintain high-quality and up-to-date databases. The project also intends to strengthen networking among national authorities

involved in FDI data compilation and reporting, and in FDI policy issues and investment promotion activities, so as to facilitate the exchange of experiences.

228. **Outputs:** A number of activities were implemented in cooperation with the COMESA Secretariat in the framework of the project “Support to decision-making and policy formulation on foreign direct investment in the context of the MDGs and the Monterrey Consensus”. These included training workshops, a presentation to COMESA countries of the UNCTAD Training Manual on Statistics of Foreign Direct Investment and Operations of Transnational Corporations in three volumes published in 2009. Seven national workshops on FDI statistics and TNC activities were also organized for COMESA member States in Uganda (16–17 February), Swaziland (23–26 February), Seychelles (9–12 March), Djibouti (16–19 March), Comoros (15–18 June), Burundi (6–9 July) and the United Republic of Tanzania (1–4 September). In addition, upon request from beneficiary countries, two national workshops on the methodology of compilation of FDI statistics were held in Albania (27–29 April 2009) and Belarus (12–15 October 2009) in cooperation with the local investment agencies, central banks and other relevant agencies and ministries.

229. **Results:** National workshops enhanced the capacity of some 120 government officials in implementing the COMESA/UNCTAD Common Survey and establishing an effective survey system to collect and disseminate data on FDI flows and stock and activities of foreign affiliates of TNCs. It raised awareness of internationally accepted standards and guidelines regarding the compilation of data on FDI and the activities of TNCs, and it helped in facilitating the understanding of definitions and methodologies in this area, and in providing advice on specific issues and challenges of particular interest to the country. These workshops also made 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. For example, some countries are undertaking their annual national survey on FDI statistics (Madagascar, Uganda), while others are carrying out a survey on capital flows including FDI (Kenya, Mauritius, Zambia).

Table 6. FDI trends and issues

<i>Project number</i>	<i>Short title</i>	<i>Starting date</i>	<i>Source of fund</i>
OMA/0T/9AF	Oman-UNCTAD triangular initiative on South–South cooperation	2009–	Oman
INT/0T/2CW	Development and dissemination of selected data on FDI and the operations of transnational corporations	2003–	Multi-donor
INT/0T/3BR	World Investment Report series	2003–	Multi-donor
ROA-2106 (M6)	Support to decision-making and policy formulation on foreign direct investment in the context of the MDGs and the Monterrey Consensus	2008–	Development Account

Cluster VII. Investment policies

Lead division: Division on Investment and Enterprise (DIAE)

230. The programmes under this cluster aim at an increased ability of beneficiary countries to create an environment conducive to attracting and benefiting from investment for development, their increased understanding of key and emerging issues related to international investment agreements (IIAs) and their development dimension, enhanced capacity in negotiating and implementing investment treaties, and managing investor–State disputes.

A. Investment policy reviews and follow-up programme

231. *Development context:* The investment policy review (IPR) programme is a technical assistance programme that evaluates the policy, regulatory and institutional environment for foreign direct investment (FDI). In line with the requesting country's overall economic and social development objectives, it proposes concrete and action-driven recommendations aimed at attracting higher levels of beneficial FDI.

232. *Objectives/features:* The IPR process promotes ownership and learning. It takes place in five consecutive phases, which are sequenced to promote synergies:

- (a) *Government ownership.* The reviews are initiated at the request of governments, and the counterpart government ministry or agency is involved throughout the process to foster ownership and coherence.
- (b) *IPR evaluation and advisory report.* The preparation of the IPR report starts with a diagnostic phase which includes a fact-finding mission to the country by UNCTAD technical staff. At this stage, policymakers at the highest level and a wide range of stakeholders are brought into the process, including line ministries and agencies, universities and other research institutions. Meetings are also held with representatives of the private sector, non-governmental institutions and the donor community active in the country.
- (c) *Country ownership and intergovernmental review.* Beneficiary countries agree to go through a review process which includes a national stakeholders' workshop to discuss the findings of the draft report and review its recommendations. It is followed by an intergovernmental peer review, which draws upon the experiences of other countries in attracting and benefiting from investment, including benchmarking against international best practices. Based on inputs gathered through the peer review process, the IPR reports are generally finalized over a period of 10–12 months.
- (d) *Implementation and follow-up technical assistance.* The review process is designed with one key purpose: making FDI work for sustainable development. The finalization and publication of the IPR report only mark the beginning of the process. The focus of this process is on delivering technical assistance to beneficiary countries to help them meet their development objectives by attracting higher desirable levels and types of FDI inflows, maximizing their developmental benefits and limiting the potential negative impacts. The implementation phase is carried out through short-term action plans and multi-agency medium-term technical assistance.
- (e) *Implementation report and additional follow-up actions.* About five years after the completion of the review report, UNCTAD conducts an assessment of the implementation of recommendations and makes proposals for further and longer-term technical assistance.

233. *Outputs:* In 2009, the main outputs delivered by the investment policy review and follow-up programme included:

- (a) Publication of the investment policy reviews for Belarus, Burkina Faso, Burundi, Mauritania and Sierra Leone. As part of the process, UNCTAD organized national workshops in four countries (Belarus, Burkina Faso, Burundi and Sierra Leone) to discuss the findings of IPRs and to gather comments from stakeholders including government, private sector and civil society stakeholders;

- (b) The IPR intergovernmental reviews, featuring the participation of UNCTAD's member States and representatives of the private sector, were held in Geneva for four countries: Burkina Faso (June), Dominican Republic (May), Nigeria (May) and Viet Nam (February);
- (c) Work was undertaken to prepare three new IPRs, including El Salvador, Guatemala, and the former Yugoslav Republic of Macedonia. The fact-finding missions took place in May (El Salvador) and November (Guatemala);
- (d) A *Blue Book on Best Practices in Investment Promotion* was launched in Nigeria in August;
- (e) Technical assistance activities were carried out in a number of countries to support the effective implementation of the IPR recommendations on issues dealing with investment promotion strategies, international investment agreements, business planning and taxation. The countries that benefited from these activities included Benin, Belarus, Burundi, the Dominican Republic, Ethiopia, Ghana, Guatemala, Morocco, Nigeria, Rwanda and Sierra Leone;
- (f) A meeting of experts was held in May to discuss best practices and lessons deriving from the IPR programme on issues related to: (i) corporate taxation, tax incentives and special economic zones; (ii) attracting and developing skills and human capital; and (iii) attracting FDI in infrastructure with a special focus on roads and electricity.

234. **Overall results:** Investment Policy Reviews seek to improve the investment framework, policies and strategies of developing countries in order to allow them to attract higher levels of FDI and derive the largest development gains, while avoiding as much as possible the potential costs. Furthermore, the activities to support the implementation of the IPR recommendations and to build capacity on international agreements and investor-State disputes have also contributed to enhancing the international framework for investment. The direct impact of these activities is difficult to measure, as it is not usually possible to directly attribute improvements to one specific project, policy or measure. However, FDI flows to a number of countries that have undertaken IPRs in the past have increased, sometimes very significantly.

235. A more direct benchmark of the impact of IPRs is the extent to which governments themselves find the recommendations useful and have implemented them. In this respect, the impact of IPRs has been and continues to be quite obvious:

- (a) Countries have overwhelmingly expressed their interest in the IPRs and have stated that they found their recommendations useful, adapted to their needs, and actionable. This is illustrated in the number of requests for follow-up technical assistance, as well as in the number of countries that have requested to benefit from the programme.
- (b) In the cases of Egypt, Ghana and Uganda, UNCTAD prepared Implementation Reports. The reports showed that these countries have implemented many of the IPR recommendations. Additional desk research conducted by UNCTAD on other countries also showed very encouraging results in terms of implementation of IPR recommendations.
- (c) The beneficiary countries have also demonstrated their commitments at the highest policymaking level. In Sierra Leone, the Minister of Trade and Industry attended the entire national workshop (October 2009), actively

took part in the discussions, and stressed the fact that the IPR recommendations will guide investment policy in his country. In Burkina Faso, the recommendations of the IPR were discussed at a Cabinet meeting chaired by the Prime Minister in the spring of 2009. In addition to sharing the recommendations of the IPR, the meeting aimed at fostering coordination among line ministries to ensure their effective implementation. Also, the President of Burkina Faso inaugurated, in November 2009 in Ouagadougou, the first session of the Advisory Investment Council (a proposal of the IPR). President Museveni of Uganda chaired the Cabinet meeting to discuss the action plan of the Uganda IPR. In Rwanda, the IPR was subject to a cabinet-level discussion, including the Prime Minister, and was presented to parliamentarians and national stakeholders. High-level representatives from beneficiary countries have also participated in the UNCTAD intergovernmental presentations, e.g. the Prime Minister of Morocco; the Deputy Prime Minister of Viet Nam; the Minister of Economy, Planning and Development of the Dominican Republic; and the Minister of Commerce, Enterprise Promotion and Handicrafts of Burkina Faso.

236. **Results** by country are as follows:

- (a) *Belarus*: Presented the main findings of the IPR at a national workshop in April and published the report which included the comments gathered from stakeholders. Delivered technical assistance activities to support the implementation of the IPR recommendations through three workshops on: collecting and analysing FDI statistics; assessing business plans for investment proposals; and understanding key issues and methodologies related to investor targeting.
- (b) *Benin*: Conducted a training workshop in July on investment promotion strategies for government officials.
- (c) *Burkina Faso*: Presented the IPR at a national workshop in Ouagadougou to gather comments from stakeholders. Following its publication, the IPR was presented at an intergovernmental meeting in Geneva featuring the presence of high-level government officials and several international investors.
- (d) *Burundi*: The IPR was presented at a national workshop in Bujumbura to benefit from the views of government officials, the private sector and civil society. UNCTAD also prepared detailed comments on a draft law to create the investment promotion agency.
- (e) *Dominican Republic*: The main findings and recommendations of the IPR were discussed at an intergovernmental presentation in Geneva in May. The country also benefited from UNCTAD's technical assistance in the area of investment dispute prevention.
- (f) *Ethiopia*: The technical assistance activities focused on developing investment promotion strategies in two regions of the country. Work was also underway to prepare the assessment of the implementation of the IPR recommendations.
- (g) *Ghana*: Published the IPR Implementation Report and proposed additional technical assistance. UNCTAD also provided support on issues related to international investment agreements and model bilateral investment treaties.
- (h) *Guatemala*: Undertook the fact-finding mission to prepare the IPR.
- (i) *Mauritania*: Published the IPR.

- (j) *Morocco*: Provided support in terms of international investment agreements and model bilateral investment treaties.
- (k) *Nigeria*: Launched the *Blue Book on Best Practices in Investment Promotion* and provided comments on the draft national tax policy.
- (l) *Rwanda*: Continued with assistance on the implementation of the new immigration policy and the reform of the mining sector.
- (m) *Sierra Leone*: The IPR was presented at a national workshop in Freetown to benefit from the views of government officials, private sector and civil society. UNCTAD also provided assistance for the development of a model bilateral investment treaty.
- (n) *Viet Nam*: Continued work on the action plan with the Government for the implementation of the IPR recommendations.

237. **Requests from member States for an investment policy review:** Official written requests for investment policy reviews have been received from 28 countries: Azerbaijan, Bangladesh, Bahrain, the Plurinational State of Bolivia, the Central African Republic, Chad, Chile, the Congo, the Democratic Republic of the Congo, Djibouti, Fiji, Gabon, Guinea-Bissau, Kazakhstan, Kuwait, Kyrgyzstan, Madagascar, Malawi, Mali, Mongolia, Nicaragua, Papua New Guinea, the Philippines, the Republic of Moldova, Saint Lucia, Suriname, Swaziland, and Trinidad and Tobago.

B. International investment agreements

238. **Development context:** In spite of the economic and financial crisis, international investment rulemaking remains a cornerstone of countries' efforts to attract and benefit from foreign direct investment (FDI). In 2009, 128 new investment agreements were concluded, bringing the total number of all investment-related agreements to 5,882 at the end of the year. At the same time, several countries embarked on a review of their IIAs and related investor-State dispute settlement systems. International investment rules have helped avoid a slide-back into protectionism and beggar-thy-neighbour policies as countries all over the world were struggling to face the effects of the global economic and financial crisis. However, in the recent past, international investment rules and policies have increasingly given rise to unanticipated side-effects, sometimes constraining domestic investment and other policies, as evidenced, amongst other things, by the rising number of investor-State arbitration cases. Overall, IIAs and their implementation remain an important challenge for developing countries, which have to balance the need to integrate IIAs into their economic development policies without undermining the effectiveness of the agreements. This underlines the continued need to build the human and institutional capacities that will enable developing countries to make better use of IIAs for attracting and benefiting from FDI.

239. **Objectives/features:** The primary objective of UNCTAD's work in this area is to help developing countries participate more effectively in international investment rulemaking through policy analysis, technical assistance and consensus-building. 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 an intergovernmental forum on investment rulemaking with a view to facilitating consensus-building.

240. **Outputs/Results:** In 2009, the work programme on international investment agreements continued to implement the mandate contained in paragraph 151 of the Accra Accord. The IIA work programme is the key focal point in the United Nations system for dealing with all matters related to IIAs, and continues to provide the forum to advance the understanding of issues related to IIAs and their development dimension, including with reference to investor–State dispute resolution. Its work is implemented through the three main pillars.

1. Intergovernmental consensus-building

241. The following meetings of the intergovernmental machinery provided an occasion to establish clear synergies between the consensus-building work and technical cooperation.

Multi-year Expert Meeting on Investment for Development

242. The first session of the Multi-year Expert Meeting on Investment for Development focused on “The development dimension of international investment agreements”. The meeting was held on 10–11 February 2009. Two hundred and twenty-one IIA negotiators, practitioners and experts from over 100 countries and international organizations attended the meeting.

243. The meeting offered a timely opportunity for experts to discuss issues related to the international investment regime in the context of the global economic crisis. Through the deliberations, the meeting also helped enhance developing countries’ capacity to negotiate development-friendly investment agreements and to participate in the debate on the international investment regime.

244. In conjunction with the expert meeting, several other meetings were organized, taking advantage of the pull factor of the gathering and UNCTAD’s role as the internationally recognized IIA forum, with a view to creating additional synergies. These included the ad hoc meeting on the “Feasibility of an advisory facility on international investment law and investor–State disputes for Latin American countries” (9 February, Geneva), and the meeting of the Working Group on Investment of the Heiligendamm Process (Divonne-les-Bains, 12 February 2009).

Commission on Investment, Enterprise and Development

245. The first session of the Commission on Investment, Enterprise and Development took place 4–8 May 2009. Held in the context of the global economic crisis and the slowdown in foreign direct investment, the Commission provided an opportunity for member States and investment and development stakeholders to discuss key and emerging investment issues and their development implications, as well as policy options. The topic of IIAs was also touched upon in the high-level joint session of the investment commission and the WAIPA, where countries reported on their experiences with IIAs and the extent to which such agreements helped attract FDI or helped stem protectionist tendencies, including in the current crisis. In its agreed conclusions, the Commission “calls upon UNCTAD to continue its role as the United Nations focal point for all matters related to IIAs, through its research and policy analysis, technical assistance and capacity-building and intergovernmental deliberations”.

246. Following the outcomes of the expert meetings and the recommendations of the Commission, the online IIA network (more than 1,300 IIA experts are now members) has been updated and utilized to launch expert exchange and collective learning on two topics. The discussion stream on the “definition of investment protectionism” was launched in May 2009, followed by the exchange on the “Most-favoured-nation (MFN) provision”.

Ad hoc expert meeting

247. An ad hoc expert group meeting on “Key issues in the evolving system of international investment rules” was held on 4 December 2009 in Geneva. The meeting was attended by almost 60 participants from diverse backgrounds. The objective was to peer-review the two sequels of earlier IIA issues series papers on “Scope and definition” and on “The Most-favoured nations clause”. Through its novel format of breakout groups, the meeting allowed for interactive discussions and creative brainstorming. Cutting-edge issues, relating, inter alia, to the benefits of multilateral consensus-building and to the relationship between climate change and IIAs were also addressed.

Other forums

248. In terms of other forums, UNCTAD’s IIA work programme also participated in the APEC Seminar for Sharing Experience on Improving Investment Policy, in the APEC Investment Experts Group II and III, and the APEC Senior Officials Meetings II and III in Singapore (18–19 May and 28–29 July).

249. ***Research and policy analysis:*** This work concentrates on monitoring trends, identifying and analysing emerging issues in international investment rulemaking from a development perspective, and providing up-to-date and comprehensive information on the IIA system. The main tools included:

Analysing key and emerging issues

250. The (pink paper) series on “Issues in IIAs” continues to be the primary reference tool for negotiators and lawmakers from both developed and developing countries. Each issue contains a definition of the subject matter, a stocktaking of its use in existing IIAs, an examination of the interaction with other issues, and an elaboration of the economic and development implications of its specific drafting in a treaty context. The series is used as a learning and reference tool for UNCTAD training courses, and has been used for training by a number of countries in their own national staff development programmes. In 2009, the IIA Work Programme started to update booklets on the issues of Scope and Definition and Most Favoured Nation Treatment. Amongst the novel features of the updates is the focus on developing policy options, with a view to identifying practical solutions for IIA negotiations, which can help maximize development benefits and minimize attendant risks.

251. The (yellow paper) series “*International Investment Policies for Development*” has become an important strategic tool for policymakers, providing analysis of difficult technical issues that may arise in the context of international investment rulemaking and their impact on development (see annex 1 for a list of subjects covered). In 2009, two new volumes were published, on “The Protection of National Security in IIAs” and “The Role of International Investment Agreements in Attracting Foreign Direct Investment to Developing Countries”.

Monitoring trends

252. In 2009, the IIA Work Programme took the lead in following up the G-20 London summit call to “monitor and report publicly on the [G-20 members’] adherence to these undertakings”. In response to UNCTAD’s overall mandate to monitor investment policy developments, a report on “Investment Policy Developments in G-20 countries” during the global economic crisis was published on 8 July 2009.

253. This was followed by the joint “WTO–OECD–UNCTAD report on G-20 trade and investment measures”, launched on 14 September. The report surveyed investment measures, investment measures related to national security, emergency and related measures, as well as the conclusion of international investment

agreements. Another contribution of the IIA Work Programme was made to UNCTAD's *Investment Policy Monitor* (http://www.unctad.org/en/docs/webdiaeia200911_en.pdf). The objective of the Monitor is to provide policymakers and the international investment community at large with up-to-date information about the latest developments in this area.

Providing up-to-date information

254. The online publication of the *IIA Monitor* (now the *IIA Issues Notes*) provided comprehensive and up-to-date information on recent developments in IIAs and Investor State Dispute Settlements (ISDS). In 2009, three new issues were published on the latest developments in investor-State dispute settlement, selected recent developments in IIA arbitration and human rights, and recent developments in international investment agreements.

255. Five databases are maintained (four of which are available online), as follows:

- (a) The online database of bilateral investment treaties (BITs) contains a country-by-country listing of 2,700+ BITs and a compilation of 1,800+ BITs texts;
- (b) The online database of double-taxation treaties contains a country-by-country listing of 2,800+ double-taxation treaties;
- (c) The online database on treaty-based investor-State dispute settlement cases contains detailed and systematic information and web links for known treaty-based investor-State disputes;
- (d) The online compendium of international investment instruments contains the texts of 270+ international investment instruments agreements dealing with investments at the bilateral regional and multilateral levels (such as FTAs and RTAs), as well as country model texts of BITs, searchable by key word; and
- (e) The IIA mapping exercise that maps in detail the substantive provisions of BITs and other IIAs and records their differences and similarities, currently covering 765 BITs and 48 FTAs and RTAs (the IIA mapping is not available online).

256. The *IIA Newsflash*, launched in 2009, is a new service developed by the IIA Work Programme to comprehensively inform the IIA community (through the IIA network) of latest developments in the field (treaties and arbitrations).

2. Capacity-building

257. The work consisted of the following elements:

258. *Regional training activities*: The 10-day intensive training courses on the negotiation of IIAs allow negotiators to delve deeply into key issues related to the negotiation of such agreements. Based on the UNCTAD series *Issues in IIAs*, they include modules on key concepts and substantive issues relevant to the negotiation of IIAs, procedural issues and negotiation skills. They also include a simulation exercise on negotiating an investment agreement. In 2009, one distance learning course and three regional training courses were organized, bringing the total number of training courses to 23 for all regions.

259. The advanced training courses on the management of investment disputes strengthen the capacity of government officials and practitioners in the management of investor-State disputes in the implementation of their recently signed investment agreements, train participants in the latest related developments in ISDS, and promote the exchange of lessons learned and the experiences of countries in the

area. These courses also include a mock arbitration exercise. Five courses have already been organized for Latin American countries, the last being held in Chile from 9 to 18 November 2009.

260. These courses are preceded by preparatory distance-learning courses that allow participants to familiarize themselves with the main concepts in IIAs and ISDS. Distance-learning courses are delivered in cooperation with Train-for-Trade through an internet learning platform. The IIA work programme is also delivering regional courses responding to the needs of a specific audience and region.

261. *Ad hoc technical assistance*: The IIA-related work ranges from advisory work on specific IIA negotiations, the development of model BITs, the drafting of investment laws in follow-up to recommendations of the IPRs, and sensitization seminars on FDI and IIAs for Government officials from different ministries and other stakeholders. This work is also included in several One UN initiatives. In 2009, Bangladesh, Benin, Botswana, Cambodia, Cape Verde, Chile, the Dominican Republic, Ethiopia, Ghana, Guatemala, Guinea, Malaysia, Morocco, Sierra Leone, Sudan, Swaziland, Turkey and Uruguay benefited from the work. A further 12 countries benefited in the context of the CARICOM Investment Code negotiations of investment and services provisions.

262. These activities are sometimes carried out simultaneously with the production of an *IIA Review* – a report consisting of a review of the national and international legal framework on investment, a study of the main provisions of the IIA network and substantive and policy recommendations. In 2009, such reviews were carried out for Botswana, Guatemala and Morocco, and are sometimes followed by the drafting of a model agreement on investment, such as the ones for Botswana, Guatemala and Turkey.

263. The IIA work programme also developed specific technical assistance and advisory services in the area of ISDS and alternative dispute resolution. This includes the organization of specialized workshops on investor–State dispute settlement that deal with both procedural and substantive issues, and the necessary institutional arrangements, and more recently, the Dispute Prevention Policies (DPP) programme, which focuses on dispute avoidance and mediation as alternatives to international investment arbitration. In 2009, the Dominican Republic and Guatemala benefited from this service.

264. In addition, UNCTAD is engaged with the Academia de Centroamerica, the Organization of American States and the Inter-American Development Bank, in the pursuit of a feasibility study on an advisory facility on investor–State disputes for Latin American countries. Nine technical meetings were held in 2009.

265. *Co-organization and participation in specific conferences and seminars*: UNCTAD's IIA work programme also contributes its technical expertise and materials to a number of regional and international organizations and meetings. It regularly coorganizes international and regional seminars on specific issues in IIAs. In 2009, a joint regional seminar for Arab countries was organized in cooperation with the Cairo Regional Centre for International Commercial Arbitration on investor–State dispute settlement, entitled “Challenges and perspectives for Arab countries” (23–30 March, Cairo, Egypt); in addition, an APEC/UNCTAD regional training course on the core elements of IIAs was held (15–19 June, Kuala Lumpur, Malaysia), as was the APEC/UNCTAD/Philippines conference on international investment treaties and investor–State disputes (9–11 December 2009).

266. Recently, the IIA work programme has undertaken a new approach to strengthen the capacity of government officials. In order to assist the countries in properly addressing the challenges that arise from the complex and fragmented

system of IIAs and in particular the impact of ISDS cases, the first Peer Forum on Investor–State Dispute Settlement was organized in cooperation with the University of Miami’s School of Law (15–17 July 2009). The purpose of the meeting was to allow for an open discussion among peers of key issues relating to IIAs and the settlement of ISDS and to create a space for dialogue and sharing of experiences.

267. Cooperation with international and regional organizations dealing with investment issues is another important activity. This included, in particular, the APEC Investment Experts Group, and the APEC Committee on Trade and Investment. Contributions were also made to the ASEAN Coordinating Committee on Investment; and meetings of IDLO. Regular participation in the OECD investment committees and UNCITRAL meetings related to investor–State arbitration are also taking place. This year, UNCTAD/IIA also participated in the organization of the eighth OECD Global Forum on International Investment (7–8 December 2009) and the WAIPA investment conference.

268. Other work included presentations on various issues related to the international regulatory framework for investment; and participation in related conference and seminars. The IIA work programme also engaged with the student community and made briefings on IIAs to the European Law Students’ Association (6 April, Geneva), to the University of Basel on IIAs and TRIMs (23 April, Geneva) and to the Amsterdam Law School (6 May, Geneva).

269. **Overall assessment and impact:** In 2009, 119 countries benefited from UNCTAD’s IIA work, including 28 LDCs. UNCTAD’s IIA work was positively acknowledged and evaluated in 2009, including at the highest policy level. For example, members of the G-20, in the Leader’s Statement of the Pittsburgh summit, “welcome[d] the latest joint report from the WTO, OECD, IMF, and United Nations Conference on Trade and Development (UNCTAD) and ask them to continue to monitor the situation within their respective mandates, reporting publicly on these commitments on a quarterly basis” (para. 48, Leaders’ Statement: The Pittsburgh Summit). UNCTAD’s IIA work was also positively acknowledged in the “Concluding report of the Heiligendamm process” (paras. 15–17). With regard to individual activities, assessments were carried out following each activity. Feedback received in 2009 was overwhelmingly positive – with, on average, more than 80 per cent of participants rating the activities as either excellent or very good. Statistical information on the use of UNCTAD’s online IIA databases reveals that they attracted a total of 35,163 visitors in 2009 (corresponding to an average of 2,930 visitors per month (average data for 11 months), up from 30,914 in 2008 (2,576/month), 27,520 in 2007 (2,293/month), and 20,926 in 2006 (1,744/month) – representing a 68 per cent increase in four years.

270. In 2009, 119 countries benefited from UNCTAD’s IIA work, including 94 developing countries (including 28 LDCs), 5 countries with economies in transition, and 20 developed countries. Geographically, UNCTAD’s work reached 32 countries in Asia and the Pacific, 36 countries in Africa, 31 countries in Latin America and the Caribbean, and 20 countries in Europe and the Northern Hemisphere.

Table 7. Investment policies

<i>Project number</i>	<i>Short title</i>	<i>Starting date</i>	<i>Source of fund</i>
BYE/08/001	Investment Policy Review of Belarus	2008–	UNDP
ETH/0T/5AH ^a	Strengthening investment promotion and facilitation in Ethiopia at the federal and regional levels	2005–2009	Netherlands
GHA/0T/7BW ^a	Ghana Investment Policy Review	2007–2009	Germany

<i>Project number</i>	<i>Short title</i>	<i>Starting date</i>	<i>Source of fund</i>
NIR/0T/8BX	Blue Book on Best Practices in Investment Promotion and Facilitation for Nigeria	2008–	Japan Bank for International Cooperation
PAL/0T/3BZ	Institutional support and capacity-building for investment retention	2003–	Norway
GLO/0T/7BV	Technical assistance and capacity-building in developing countries on the establishment of pharmaceutical production capacities	2007–	Germany
INT/9X/77S	Quick response window for Advisory Service on Investment and Technology	1997–	Switzerland
INT/9X/8A2	Investment guides and capacity-building for least developed countries	1998–	Multi-donor
INT/0T/0BG	Capacity-building on international investment agreements	2000–	Multi-donor
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/3AO	Support to the UNCTAD/ICC Investment Advisory Council	2003–	Norway, Germany
INT/0T/3AW	Investment policy reviews in French-speaking countries	2003–	France
INT/0T/3BH	Integrating IPR policies in sustainable development strategies	2003–	UK/DFID
INT/0T/5AT	FDI in tourism – the development dimension	2005–	Canada
INT/0T/5BE	Mobilizing corporate contributions to economic development	2005–	Multi-donor
INT/0T/5BU	Capacity-building and transfer of knowledge to investment promotion agencies in developing countries	2005–	Sweden
INT/0T/6BS	Investment policy review of Viet Nam: Follow-up assistance, Viet Nam and Zambia	2006–	Ireland
INT/0T/7BX	Best practices for building an environment conducive to investment and development	2007–	Germany
INT/0T/8AC	Assistance in formulating investment policies and building human and institutional capacities for sustainable development	2008–	Sweden
INT/0T/8AY	Policies and capacity-building: Best practices for building an environment conducive to investment and development	2008–	Australia
RAF/0T/5BL	Supporting the establishment of pharmaceutical production capacities in least developed countries	2005–	Germany
ROA-2106 (N4)	Investment promotion through public–private partnerships	2004–	Development Account

^a Project that had been “operationally but not financially completed” or “completed” in 2009.

Cluster VIII. Investment facilitation

Lead division: Division on Investment and Enterprise (DIAE)

271. The programmes under this cluster aim at strengthening developing countries’ capacity to create and manage the policy and institutional framework for attracting and retaining foreign investment and at developing an operating climate that maximizes the contribution of FDI to development objectives.

A. Investment promotion

272. **Development context:** With the globalization of economic activities, more and more developing countries are seeking FDI. This has resulted in proactive policies by these countries to attract and retain foreign investment in order to generate employment and improve access to technology and know-how, as well as management and marketing skills.

273. **Objectives:** To assist developing countries in strengthening their capacity to create and manage the policy and institutional framework for attracting and

retaining foreign investment and in developing an operating climate in which FDI and international business can thrive and contribute to development.

274. **Features:** The investment promotion programme provides advisory services and training and prepares publications related to investment policies, legislation and regulations, institutional arrangements and good governance to attract FDI, investment promotion strategies and investment facilitation practices. Special attention is being paid to strengthening investment promotion programmes in LDCs.

1. Advisory services

275. *Ethiopia:* On 30 June 2009, UNCTAD submitted two investment promotion strategy papers for the Ethiopian Regional Investment Commissions of Oromia and the Southern Nations, Nationalities, and People's Region. *Malta:* UNCTAD contributed to an advisory report that reviewed an investment promotion strategy for Malta Enterprise.

2. Publications

276. Four publications related to investment promotion and facilitation were prepared in 2009, including two publications under the Investment Advisory Sector:

- (a) The *Investment Guide to the Silk Road*, UNCTAD/DIAE/IA/2009/6, was jointly prepared with UNDP China and updated by UNCTAD in 2009. The publication was launched on 3 September 2009 on the occasion of the sixth International Investment Promotion Forum in Changchun, China. The Guide has been distributed among the international business community.
- (b) *Promoting Investment and Trade: Practices and Issues*, UNCTAD/DIAE/PCB/2009/9 (Investment Advisory Series, Series A, No. 4). The publication was launched on 12 October 2008 on the occasion of the World Investment Conference, hosted by the World Association of Investment Promotion Agencies (WAIPA) in Milan, Italy. It has been widely distributed among IPAs, including WAIPA member agencies.
- (c) The *World Investment Forum Report*, UNCTAD/DIAE/PCB/2008/3, with accounts of the deliberations and activities that took place during the 2008 World Investment Forum, was published in 2009.
- (d) *Promoting Foreign Investment in Tourism*, UNCTAD/DIAE/PCB/2009/16 (Investment Advisory Series, Series A, No. 5) was finalized in December 2009. It is scheduled to be published in the beginning of 2010.

2. Training

277. A number of training activities were carried out in partnership with the World Association of Investment Promotion Agencies (WAIPA), and several events were organized in cooperation with other international organizations and national institutions. These include:

Capacity-building workshops

278. **Regional and interregional:**

- (a) An UNCTAD–WAIPA regional workshop for Africa (1 to 3 April 2009), entitled “Promoting and retaining investment in times of economic crisis”, was held in Dar es Salaam, United Republic of Tanzania. The workshop had 34 participants, from 17 investment promotion agencies (IPAs) and 11 countries.
- (b) A workshop entitled “Promoting investment in tourism” was held in Geneva, Switzerland (6 May 2009). The event, which had 40 participants,

focused on the link between tourism investment and development, and on the role of public–private partnerships in infrastructure development.

- (c) A training workshop on investment promotion for diplomats posted in Geneva was held on 9 June 2009. The training was organized in cooperation with the Virtual Institute. In total, 25 officials from 17 countries and two international organizations benefited from the training.
- (d) UNCTAD contributed as a partner organization in a training workshop for investment promotion officials of member countries of the Organization of Islamic Countries. The workshop took place in Kuala Lumpur, Malaysia from 8 to 9 November 2009.
- (e) An UNCTAD–WAIPA regional workshop for South America (30 November to 2 December 2009), entitled “Investor targeting in the services sector”, was held in Buenos Aires, Argentina. In total, 33 IPA representatives from seven countries participated in this training event.

279. *National:*

- (a) *Indonesia:* On 28 May 2009, a workshop on investment promotion for Indonesian diplomats posted in Africa and the Middle East was organized in Cape Town, South Africa. The number of trainees was 21.
- (b) *Ghana:* From 23 to 24 June 2009, an investment promotion training workshop for Ghanaian diplomats was held in Accra. The workshop had 50 participants.
- (c) *Benin:* An investment promotion training workshop for Beninese diplomats was organized. The workshop had 36 participants, and was held place in Cotonou from 28 to 29 July 2009.
- (d) *Mozambique:* In the context of the One UN Programme, a training workshop for the Centre for Investment Promotion of Mozambique was held in Maputo from 14 to 15 December 2009. The workshop had 22 participants.

Study tours

280. From 30 March to 3 April 2009, a study tour to the Foreign Investment Ombudsman’s Office in KOTRA, Republic of Korea, was organized jointly by UNCTAD, KOTRA and WAIPA. Nine IPA professionals from eight developing countries and one developed country participated in the study tour. The objective was to showcase best practices and exchange experiences in aftercare services and investment retention. During the study tour, presentations were given and open discussions were held with officials of the Foreign Investment Ombudsman Office and other KOTRA staff. The study tour also included visits to a number of Korean agencies, such as a local Investment Support Centre and international companies.

4. **International meetings/networking events**

- (a) The UNCTAD–WAIPA Investment Conference 2009 was held on the occasion of the first session of UNCTAD’s Investment, Enterprise and Development Commission (4 to 8 May 2009). It attracted over 150 participants, including high-level government representatives, investment promotion officials, business executives and academics. The Conference focused on issues relevant to IPAs in light of the global economic crisis.
- (b) The sixth International Investment Promotion Forum was jointly organized by UNCTAD and the Ministry of Commerce of China in Changchun, China, on 3 September 2009. The Forum addressed immediate and longer-term

impacts of the economic crisis on global FDI flows. It also provided guidance to policymakers and IPA managers on how to retain FDI in times of crisis and how to prepare for the recovery. Over 300 high-level policymakers, investment promotion officials and senior managers of international companies participated in the event.

B. eRegulations, iTrack, Investment Guides, Blue Books and Regulatory Advisory

281. *Development context:* Transparent and simple rules and procedures are key to establishing an enabling environment for private sector development. UNCTAD has conceived a series of tools and services to help government facilitate business and investment, through improved transparency, simplification, and the introduction of eGovernment schemes. The eRegulations system is a turnkey eGovernment software allowing administrations to publish their procedures online. iTrack is an electronic monitoring system designed to speed up the processing of investors' project applications. The Investment Guides provide information on the business environment and on key emerging investment opportunities. The Blue Books propose action plans on how to improve the investment framework. Regulatory Advisory is granted towards improving business and investment-related regulations at the national level, and at the regional level to promote the exchange of good regulatory practices and harmonization.

282. *Objectives/features:* All tools and services developed by the Business Facilitation Programme aim to (a) improve the business/investment climate and legal frameworks; (b) reduce administrative barriers to business development, in particular for small businesses; (c) increase domestic and foreign investment; and (d) promote Good Governance and decrease corruption.

283. *Outputs:* The eRegulations system is operational in Colombia, Comoros, El Salvador, Ethiopia, Guatemala, Mali, Morocco, Nicaragua, the Russian Federation (Moscow City), Rwanda and Viet Nam. Procedures were updated and new procedures were documented in Colombia, Comoros, El Salvador, Guatemala, Mali, Nicaragua, the Russian Federation (Moscow City), Rwanda and Viet Nam. National training sessions were held in Colombia, Comoros, El Salvador, Mali, Nicaragua, Rwanda and Viet Nam, and a regional training was organized in Panama for several Latin American countries. A regional Latin American eRegulations portal was created to allow for comparison of procedures among five Latin American countries. The iTrack software is ready for implementation in Benin and in the Lao People's Democratic Republic. Investment Guides were developed for Benin, the Lao People's Democratic Republic and Morocco, and others are in preparation for Comoros, Kenya, Rwanda and Zambia. A Blue Book was developed, and launched in Nigeria by the President. Regulatory Advisory was granted in Morocco for codification of the investment law, and in Rwanda to improve immigration regulations in order to attract foreign talent.

284. *Results: Transparency:* Procedures documented in the eRegulations system are now completely transparent and widely accessible in all countries where the system is operational. Every day, hundreds of visitors consult this information online. The Investment Guides to Benin and to the Lao People's Democratic Republic are key contributions to raising awareness of regulatory frameworks in those countries. *Simplification:* Simplification took place in various countries, as a result of the review of processes that administrations had to undertake before publishing their procedures through the eRegulations system. Steps and requirements were eliminated. *Exchange of good practices and South-South cooperation:* Countries learned from good (and less good) practices presented through the eRegulations

national systems and in the Investment Guides and Blue Books. South–South cooperation is being initiated among eRegulations user countries to exchange regulatory information (Colombia and Viet Nam) and to assist in the implementation of eGovernment tools (Morocco and Mali). *Good Governance and public participation*: The programme encourages public–private dialogue on improving the regulatory framework and its application by national administrations. Private sector representatives are part of the monitoring board of national eRegulations systems and are associated with the drafting of the Investment Guides and of the Blue Books. The private sector is engaged in reviewing progress in transparency and in proposing simplifications, on the occasion of workshops, and through direct comments they can post on the eRegulations website. *Improvement of the investment climate/benchmarks*: Discussions are under way with Transparency International and with the World Economic Forum (World Competitiveness Report) regarding the integration in their respective indexes/benchmarks of the transparency progress made by the eRegulations system user countries.

C. Intellectual property

285. *Development Context*: There is increasing recognition that intellectual property (IP) regimes should be well tailored to countries' development levels. Developing countries seek assistance in ensuring that their IP regimes are supportive of their specific development objectives, such as public health, transfer of technology, access to knowledge, investment in certain sectors, and innovation.⁸

286. *Objectives and key features of the work programme*: Responding to the mandate received from member States at the ministerial conference in Accra, as well as requests received from the WIPO Development Agenda and the World Health Assembly's Resolution 61.21 on a Global Strategy and Plan of Action on Public Health, Innovation and Intellectual Property, UNCTAD is implementing a work programme on the development dimensions of IP rights. The work programme conducts research and analysis on trade and development aspects of IP, and facilitates consensus-building in international discussions on issues at the interface between investment and IP. The overall objectives of UNCTAD's work programme on the development dimension of IP rights include deepening the understanding in developing countries of the relationship between IP and development, identifying ways and means to use flexibility in international IP architecture to promote the technological capabilities and other public policy objectives of developing countries, examining the implications of regional and bilateral trade and investment agreements for developing countries' IP policies, and providing a forum for the exchange of experiences and best practices in the formulation of development-oriented IP policies.

287. *Major Output*:

1. Work programme on access to medicines, investment and local pharmaceutical production in developing countries

288. UNCTAD has been implementing a work programme on access to medicine, investment and local pharmaceutical production since 2006 with the financial support of Germany and the United Kingdom. The programme aims at assisting developing countries and LDCs in particular, to establish domestic IP regimes that facilitate increased access to affordable medicines, and, where feasible, to create local or regional pharmaceutical production and supply capacities, including in cooperation with investors.

⁸ See above: cluster 1 paragraph 6.

289. *Capacity-building*: From 7–9 December 2009, UNCTAD carried out a “Workshop on flexibilities in international intellectual property rules and local production of pharmaceuticals for the Southern, Central and West African Region,” which was held in Cape Town, South Africa. The workshop was organized jointly with Capacity-building International, Germany (InWEnt), in collaboration with the International Centre for Trade and Sustainable Development (ICTSD) and the Trade Law Centre for Southern Africa (Tralac). The beneficiaries of this three-day workshop are stakeholders (government officials, local pharmaceutical companies, academia etc.) from 16 Southern, Western and Central African countries, as well as the African Regional Intellectual Property Organization (ARIPO). The Workshop was the final series of regional workshop organized by UNCTAD.

290. *Research and policy advice*: UNCTAD completed the preparation of *Using Intellectual Property Rights to Stimulate Pharmaceutical Production in Developing Countries: A Reference Guide*. An advanced-stage draft of the Guide is being used as the basis to facilitate regional workshops and advisory services for stakeholders from selected developing countries. The Guide is currently being finalized.

291. In May 2009, UNCTAD finalized an advisory report entitled “The interface of intellectual property and competition law in Thailand: International and comparative perspectives”, in response to a request for technical assistance from the Government. The advisory report, which examines the question of the IP/competition law interface in the area of patents and pharmaceuticals, plant variety protection and seeds, and digital media and copyrights, has taken on board comments received at the December 2008 presentation at Bangkok (see Progress Report for 2008) and additional written comments from domestic stakeholders that were submitted in early 2009.

2. UNCTAD country case studies on transfer of technology for local pharmaceutical production in developing countries

292. In response to the new mandate under the World Health Assembly’s resolution 61.21 on a Global Strategy and Plan of Action on Public Health, Innovation and Intellectual Property, UNCTAD has been requested to analyse cases of transfers of technologies to developing countries regarding the local production of pharmaceutical products. This activity is carried out under the umbrella of a broader project implemented by the World Health Organization and funded by the European Commission. The objective of the UNCTAD case studies is to identify factors that are key to successful transfers of pharmaceutical technology to enable viable production of medicines in developing countries. The case studies cover Argentina, Bangladesh, Colombia, Cuba, Ethiopia, Indonesia, Jordan and Uganda.

293. *Research and policy advice*: In 2009, UNCTAD completed field work for the case study of Uganda and Ethiopia in 2009 on technology transfer and pharmaceutical production under the project with WHO. The field work analysed the case of Sino-Ethiopian Associate (Africa) PLC (SEAA) – a joint venture founded in 2001 by an Ethiopian company, Zaf Pharmaceuticals PLC, and two Chinese companies, Dandong JINWAN (Group) Co. Ltd. and China Associates (Group) Co. Ltd. – from Ethiopia, and the case of Quality Chemicals-Cipla Joint Venture from Uganda. The first drafts of the reports of the case study are under review.

294. *Consensus-building*: UNCTAD and ICTSD organized the African Dialogue on Technology Transfer for Local Manufacturing Capacity on Drugs and Vaccines in Cape Town, South Africa, on 10–11 December 2009, with the support of WHO and the European Commission. The Workshop brought together a selected group of international experts and policymakers as well as other relevant stakeholders from Africa in order to explore existing and new incentives, models, and initiatives to facilitate transfer of technology in local manufacturing for public health purposes.

The preliminary findings of the case studies in Ethiopia and Uganda undertaken by UNCTAD on technology transfer and pharmaceutical production were presented during the workshop.

3. The UNCTAD–ICTSD project on intellectual property rights and sustainable development

295. The UNCTAD–ICTSD Project on Intellectual Property Rights and Sustainable Development that was launched in 2001 is intended to address the concerns voiced by developing countries with respect to the implementation of the TRIPS Agreement and new developments in the area of IP rights contained in multilateral treaties and regional and bilateral free trade agreements. UNCTAD and ICTSD have recently launched a series of Policy Briefs on the issues related to the implementation of the 45 WIPO Development Agenda recommendations. The project aims at improving the understanding of the development implications of IP rights and facilitating informed participation in ongoing multilateral, regional and bilateral negotiations, as well as assisting national authorities in the implementation of international IP commitments and adoption of forward-looking national IP policies.

296. *Capacity-building and technical assistance:* Under the new phase of the joint UNCTAD–ICTSD Project on IP rights and Sustainable Development, UNCTAD is producing, upon request by a developing country or least developed country, a number of reports on the “Development dimension of intellectual property (DDIP)”. The objective of a DDIP report is to examine developing countries’ and LDCs’ policy, legal and institutional framework for IP rights, particularly as it relates to important development objectives such as innovation, technology, investment, competition, education and health. During 2009, UNCTAD finalized the first DDIP Report for the Government of Uganda. The policy recommendations contained in the DDIP are based on stakeholder interviews and peer reviews undertaken throughout 2008 and 2009.

297. In addition, based on two requests from Rwanda’s Ministry for Trade and Industry (MINICOM), UNCTAD and ICTSD completed both a “Draft report of needs assessment diagnostic: Technical and financial cooperation needs for the implementation of the TRIPS Agreement in Rwanda” and a “Draft Rwanda intellectual property policy and implementation strategy”. Both documents were based on stakeholder interviews and were unanimously endorsed at the “Workshop on the Draft National Intellectual Property Policy and IP Needs Assessment”, organized in collaboration with the Government of the Republic of Rwanda and ICTSD on March 9, 2009, in Kigali, Rwanda.

298. *Research and policy advice:* In 2009, UNCTAD and ICTSD prepared the following Policy Briefs in order to stimulate further discussion and assist the implementation of the WIPO Development Agenda: (i) Addressing the Interface between Patents and Technical Standards in International Trade Discussions, February 2009 (Policy Brief no. 3); (ii) Negotiating Trade, Innovation and Intellectual Property: Lessons from the CARIFORUM EPA Experience from a Negotiator’s Perspective, September 2009 (Policy Brief no. 4); and (iii) The Bayh-Dole Model in Developing Countries: Reflections on the Indian Bill on Publicly Funded Intellectual Property, October 2009 (Policy Brief no. 5).

299. *Consensus-building:* On 23 February 2009, UNCTAD and ICTSD jointly organized a roundtable discussion to examine the findings of the WTO dispute resolution panel report in China, “Measures affecting the protection and enforcement of intellectual property rights”, and to discuss its implications for the future of intellectual property rights enforcement. On 16 April 2009, UNCTAD, ICTSD and the World Bank Institute held a joint dialogue on “The negotiation and implementation of IPR provisions in preferential trade agreements: Experiences and

lessons learned.” On 7 July 2007, UNCTAD, WHO, UNIDO and ICTSD held a ministerial breakfast roundtable at the ECOSOC high-level segment on “Global public health, high-quality and low-cost pharmaceutical production in developing countries”.

300. UNCTAD and ICTSD participated in the organization of a conference on “Promoting innovation and managing intellectual property for development” in collaboration with the Research, Development and Innovation (RDI) programme of the Ministry of Higher Education and Scientific Research of Egypt, with WIPO, and with the European Commission, from 10–11 May 2009, in Cairo.

301. **Impact/results:** The “Workshop on flexibilities in international intellectual property rules and local production of pharmaceuticals for the Southern, Central and West African Region” was widely attended by participants from 16 African countries; as well as the regional IP organization ARIPO. Participants included government agencies, private sector and civil society that work on access to medicine and pharmaceutical production in developing countries. Exit questionnaires from the workshop show that participants were very satisfied with the content of the three-day workshop.

302. The DDIP Report for Uganda and the advisory report for Thailand became direct input to the domestic processes to help ensure that the countries maximize their strategic use of important TRIPS Agreement flexibilities. The “Draft Rwanda intellectual property policy and implementation strategy” was submitted by the Ministry of Trade and Industry of Rwanda for cabinet approval with a view to securing budgetary allocation and institutional arrangements for implementation. Rwanda is in the process of submitting the “Draft Report of Needs Assessment Diagnostic: Technical and Financial Cooperation Needs for the Implementation of the TRIPS Agreement in Rwanda” to the TRIPS council of WTO.

Table 8. Investment facilitation

<i>Project number</i>	<i>Short title</i>	<i>Starting date</i>	<i>Source of fund</i>
BRA/0T/4CG	Promotion of inter-firm cooperation in northeast Brazil	2005–	GTZ (Germany)
CVI/0T/9AL	Delivering as One, Cape Verde	2009–	UNDP
ELS/0T/9AI	Investment Policy Review of El Salvador	2009–	El Salvador
MOZ/0T/9AZ	Delivering as One, Mozambique	2009–	UNDP
RWA/0T/8BN	Delivering as One, Rwanda	2008–	UNDP
ROM/0T/1CZ	Empretec phase I – Romania	2002–	Romania
UGA/07/001	Uganda Business Linkages Promotion Programme	2007–	UNDP
ZAM/0T/7BH	Business Linkages	2007–	Norway
INT/0T/4CL	Fostering entrepreneurship and SME development in developing countries and countries with economies in transition	2004–	UNDP
INT/0T/7AE	Building productive capacities for LDCs	2007–	Sweden
INT/0T/7CA	Empretec networks to promote entrepreneurship and enterprise development	2007–	Spain
ROA-2180 (L6)	Strengthening SMEs’ competitiveness in the tourism sector of six African developing countries of the ECOWAS subregion	2008–	Development Account
ROA-2106 (P6)	Building productive capacities in developing countries to enhance their participation in global supply chains	2008–	Development Account

Cluster IX. Enterprise Development

Lead division: Division on Investment and Enterprise (DIAE)

303. The programmes under this cluster aim at an enhanced understanding and capacity of beneficiary countries to develop policies aiming at stimulating enterprise development.

A. Empretec

304. *Development context.* Entrepreneurship is one of the key factors in the developmental process, and SMEs are the main engine of economic growth. The dynamism of these enterprises, their adaptability, flexibility and innovative capacity have made them a cornerstone of ongoing economic reforms in both developed and developing countries. Such enterprises contribute significantly to the economy in terms of output, employment and innovation. In most countries, they account for over half of gross employment and domestic product. Entrepreneurial behaviour is closely associated with change, creativity, knowledge, innovation and flexibility – factors that have gained new significance as sources of competitiveness in an increasingly globalized world economy.

305. *Objectives/features:* Empretec is a capacity-building programme that provides entrepreneurship training and technical assistance to promote the development of SMEs by promoting entrepreneurship; fostering individual entrepreneurial capabilities; building institutional capacity at the country level; and encouraging employment creation, investment, and linkages between SMEs and TNCs.

306. The main beneficiaries of Empretec are existing microenterprises and small and medium-sized 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, support agencies for small and medium-sized enterprises); and governments.

307. *Outputs/results:* Fifty-eight national Empretec centres have been installed, including 26 SEBRAE/Empretec centres located in Brazil. Since the programme's inception in 1988, Empretec has been assisting entrepreneurs through local market-driven business support centres. To date, over 182,000 entrepreneurs have received entrepreneurship training (from over 500 experienced UNCTAD/Empretec certified master and national trainers) and follow-up support services. The number of entrepreneurship training workshops held by all the centres worldwide has reached 7,000.

308. In 2009, Empretec consolidated its presence, expanded some programmes, and started new ones. On the basis of the positive results achieved by Empretec in Jordan and Romania, these countries' respective Governments committed substantial funding to ensure that the programmes were maintained in 2009.

309. The Government of Romania incorporated Empretec into its national strategy for development of SMEs. At present, there are 11 regional centres throughout Romania. Four additional entrepreneurship training workshops were conducted for about 120 participants. As a result, the number of workshops held has reached 48, while the number of certified participants has reached almost 920. Twelve national trainees (assistant trainers) are being trained to become national Empretec trainers.

310. In 2009, the certification process of three national trainers was finalized in the Dominican Republic. Entrepreneurship training activities continued in the United Republic of Tanzania, where 91 entrepreneurs participated in four workshops. In Peru, three entrepreneurship workshops were held in different regions of the country, training a total of 77 entrepreneurs. The certification process for three and four national Empretec trainers started in the United Republic of Tanzania and in Peru, respectively. The selection of a national counterpart in the United Republic of Tanzania (the Tanzania Private Sector Foundation) allowed the planning of activities required to complete the certification of national Empretec trainers by the end of 2010. Entrepreneurship training activities also started in Ecuador and Zambia. In Ecuador, an inter-agency committee, with the participation of the Ministerio Coordinador de la Política Económica, the Instituto de Economía Popular y Solidaria, the Ministerio de Relaciones Exteriores, Comercio e Integración and the Agencia Ecuatoriana de Cooperación Internacional, has been created. This committee is responsible for guiding the process of establishing Empretec and for selecting the most qualified local counterparts from the proposals received. UNDP will participate in the meetings as an observer representing UNCTAD. A pilot training workshop was organized in Quito in November 2009 in collaboration with SECAP. Planning activities to build local capacity through the certification of local Empretec trainers started in Zambia, too, following the identification of the Zambia Development Agency as a local counterpart for the Empretec programme.

311. The 2009 annual meeting of Empretec directors took place in Amman, Jordan, from 26 to 28 October 2009. Empretec directors from 21 countries attended the event, and welcomed the participation of representatives of three new countries – the Dominican Republic, the United Republic of Tanzania, and Zambia – which recently joined the Empretec network. Directors discussed the challenges SMEs are facing in their respective countries during the global economic crisis, and how Empretec centres can assist SMEs in mitigating its impact on their operations. The annual event was also instrumental in presenting new tools and instruments developed by UNCTAD, such as Empretec's new "Entrepreneur's Guide", a manual designed to help those who participated in the Empretec training workshops to put their learning into practice.

312. The Empretec Africa Forum – a regional networking initiative by all African centres to reinvigorate the Empretec programme – defined its strategic plan and organization. The key objective behind the forum is that only shared intelligence among partner centres can ensure the promotion of entrepreneurship in Africa in the most effective way, as it helps to avoid duplication and to standardize services among African Empretec centres. The Empretec Nigeria Foundation registered both the business name "Empretec Africa Forum" under the laws of Nigeria, and the Forum as an NGO that will operate throughout Africa.

313. In 2009, three regional training-of-trainers workshops for a total of 65 Empretec trainers were organized in collaboration with SEBRAE (Brazil): two in Africa (Nigeria and Uganda) and one in Latin America (Brazil), with the objective of harmonizing the methodology for conducting the Entrepreneurship Training Workshop, discussing the methodology, and sharing experiences among Empretec trainers. SEBRAE shared with participants their experiences of the six-day version of the Empretec training workshop.

314. In 2009, UNCTAD and Empretec centres launched the second edition of the Women in Business Award. The Award is granted to women-owned businesses that have successfully used the business development services of the Empretec centres in their respective countries and have excelled in developing innovative business ideas, providing jobs, and increasing income. For the second round of awards, technical experts Pierre Kunz of Genilem – a Swiss association for coaching start-

up firms – and Piero Formica, of the International Entrepreneurship Academy at Jönköping University, Sweden, selected the finalists from a large group of women nominees who have benefited from the business development services of UNCTAD's Empretec programme. In making their selection, the experts took into account criteria such as entrepreneurial talent, company performance, the extent to which the business and its outreach is local, national, or international, and the uniqueness and superiority of the products or services offered. The candidates represent a number of business sectors, including fashion, shipping, education, and biotechnology. From the 10 finalists, the first-, second- and third-place winners were chosen by a distinguished panel of judges.

315. There was also an increasing number of requests for the creation of Empretec centres (22), and for the provision of customized training programmes for specific target groups (e.g. exporters, farmers, women entrepreneurs, young graduates). Information on the programme and its support services is regularly provided, upon request, to interested institutions, and can also be found on the Empretec website – <http://www.empretec.net>. Fund-raising efforts to meet these requests have been initiated.

316. **Impact:** Overall, the 32 existing centres have continued to deliver training and services. An impact evaluation exercise is being undertaken to measure the impact of the training and follow-up services in four countries, including two with recently installed Empretec centres. The aim is to introduce a common evaluation system in all the centres, and to regularly monitor entrepreneurship development after the training. The introduction of the Empretec programme in new countries contributed to the expansion of the existing network of Empretec centres, and also created synergies and cooperation among existing and more experienced centres. During 2009, efforts continued to develop further cooperation between Empretec centres in developing countries. For example, Empretec Uganda trainers ran an entrepreneurship training workshop in the United Republic of Tanzania in 2009, and Empretec Uruguay provided trainers for five workshops delivered in the Dominican Republic. Trainers from the Empretec centre in Brazil conducted workshops in Jordan and the United Republic of Tanzania, and began the certification process for local trainers.

317. Training activities at the regional level allowed the introduction of a six-day version of the training, which is cost-effective and meets the needs of entrepreneurs in developing countries. In addition to core services and follow-up support (entrepreneurship training, advisory and business consultancy services) to local entrepreneurs and SMEs, Empretec centres developed their own package of special products to meet local demand, to partner with other SME-support organizations and public institutions, and to address specific groups of beneficiaries. Forty per cent of the centres, both in Africa and in Latin America, established programmes to strengthen business relations between local SMEs and TNCs. One third of the centres facilitate access to credit to their customers and are involved in public-private partnerships, often in cooperation with prominent universities and training centres. Such collaboration evolved further in government-supported youth empowerment programmes (Uganda) and successful mentoring services and training programmes for young graduates (Colombia, Ghana, Guyana and Nigeria). In Uganda, some 200 young people participated in specially designed entrepreneurship training activities developed by the local Empretec centre catering for the large share of graduates that the local job market cannot absorb. The Desafio SEBRAE award, which started as a Brazilian business simulation game for youth, crossed the borders and was launched by other Latin American centres. Spreading quickly among young people at universities, the contest has been seeing ever-increasing participation by numerous academic institutions and attention from the local media.

Some centres in Latin America promoted and participated in public–private partnerships targeted at specific groups. The Empretec centres in Colombia and Guatemala, for instance, delivered training to people living in vulnerable situations (indigenous groups, people with low literacy skills, youth), with the support of social programmes.

318. The annual directors' meeting strengthened the collaboration between UNCTAD and the network of Empretec centres, and improved the cooperation amongst them. Synergies and mutual exchanges of experiences have been identified as key elements to working together in five specific areas, namely the organization of further regional training of trainers on the six-day entrepreneurship training, the promotion of a regional forum of Empretec centres on the African continent, the organization of study tours to exchange best practices in Africa and Latin America, and the introduction of the impact assessment of the Empretec programme.

B. Business linkages

319. *Development context:* Many developing economies have recorded impressive growth rates over recent years. However, this positive development is yet to translate into broad-based wealth and employment creation, due to weak linkages between the capital-intensive sectors which have driven growth and the rest of the economy. One way to overcome this challenge is to facilitate business linkages between large firms and local SMEs, as way of distributing wealth, alleviating poverty and helping smaller firms integrate into the global economy. More importantly, business linkages connect the main sectors driving economic growth to the rest of the economy, and improve the competitiveness and performance of SMEs that account for most of the employment in developing countries.

320. *Objectives/features:* The UNCTAD Business Linkages Programme is a multi-stakeholder initiative that transforms linkages between SMEs and TNCs into sustainable business relationships. This improves the performance, productivity and efficiency of the entire industry through training, mentoring, information exchange, improvements to quality, innovation, and technology transfer. It helps TNCs reduce costs through local sourcing and specialization, and offers SMEs access to markets, training opportunities, international business practices, business information and financial resources.

321. *Outputs/impacts:* Results by country areas are as follows:

322. *Argentina:* UNCTAD's national business linkages programme, launched in November 2008, identified the National Development Bank of Argentina (Banco de la Nación), the Empretec Foundation, and the National Investment Promotion Agency (Prosperar) as main counterparts of the project. Two main sectors were selected as a priority: dairy and automotive. Expert reviews determined that a business linkages programme between TNCs, or large local companies, and SMEs operating in these sectors would be particularly useful in Argentina to tackle economic recovery. To access international production networks, local Argentinean suppliers need to be assisted in: achieving financial access to be able to invest in the human capital and technology necessary to upgrade their business; improving their production and managerial procedures; and obtaining ISO conformity certifications. For example, in the automotive sector, several TNCs have expressed their interest in establishing a business linkages programme: Toyota, Ford, Peugeot-Citroen SA and Fiat-IVECO. There is great potential in this sector, due to the existence of around 400 car-part producers in Argentina, 90 per cent of which are SMEs. In addition, the automotive industry is the third-largest export sector in Argentina. In 2009, the Empretec Argentina Foundation organized an Empretec business linkages workshop for 60 automotive producers in Buenos Aires to discuss key strategies and best

practices for implementing linkages in the automobile sector, as well as a follow-up negotiation workshop. Empretec Argentina also organized an Empretec training workshop for 20 dairy producers in Rafaela, as well as a follow-up negotiation workshop. The aim of these training activities was to assist in the upgrading of domestic suppliers in both the automotive and dairy sector, involved in the linkages programme.

323. Several TNCs expressed their interest in an agreement to participate in the business linkages project in Argentina. In the automotive sector, these are Toyota, Ford, Peugeot-Citroen SA and Fiat-IVECO. In the dairy sector, these are Bodegas Esmeralda and Quickfood. The National Development Bank fully supported the programme and facilitated access to credit for the companies participating in the programme. The programme is expected to expand substantially in 2010.

324. **Brazil:** In 2009, the business linkages project known as Projeto Vínculos continued fostering sustainable business linkages in the northeast of Brazil. Several companies, institutions and government agencies are involved. In Pernambuco, the project has enlisted 50 SMEs and 5 TNCs (Philips, Gerdau, Alcoa, Atlântico Sul and Copergás). The SMEs received training and consulting services to help improve their competitiveness as suppliers to some of the major TNCs in the state. In the state of Ceará, seven TNCs are helping 48 suppliers upgrade in strategic areas identified by the purchasing TNCs. This has enabled some of the SMEs to start supplying to other TNCs and initiated businesses among themselves. Concrete steps have been taken to connect the project to the UNCTAD/Empretec programme and to extend the project to other Brazilian states with the support of SEBRAE – the Brazilian Micro and Small Business Support Service. The region of Pernambuco (Brazil) also organized two study tours aimed at sharing the methodology developed by the Projeto Vínculos with other countries where UNCTAD is currently implementing the business linkages programme: Argentina, Chile, the Dominican Republic, Peru, Uganda, the United Republic of Tanzania, and Zambia.

325. A monitoring and evaluation system embedded in the project showed that SMEs participating in the project more than doubled their sales and increased employment by 5 per cent in 9 months. The involvement of four main SME service providers in the state has led to an alignment of the SME policies. This is manifested through coordinated implementation and cost-sharing of the project's activities. The sustainability of the project's initiatives in Pernambuco is on track, given the fact that the project's training costs are entirely covered by the participating companies, with the institutions contributing only logistics, and the project funding only covering overall coordination costs, which is gradually being handed over to the local institutions. In Pernambuco, a 100 per cent increase was recorded among the participating SMEs in strategic areas identified by the purchasing TNCs, such as quality management and corporate social responsibility. In Ceará, the technical training has been provided by the SME support institutions (SEBRAE and SENAI), both of which have seconded full-time staff to the project. This will contribute to the sustainability of the initiative, knowledge-transfer, and ownership of the linkages project in Ceará. Furthermore, Banco do Nordeste has joined the project, with a commitment to facilitate and improve access to finance for SMEs enlisted in the project.

326. **Mozambique:** UNCTAD's national business linkages programme, launched in June 2008, identified the National Investment Promotion Centre and Enterprise Mozambique as main counterparts of the project. Three priority areas of intervention were selected, namely sustainable tourism, agribusiness (barley growing for beer production), and mining. In particular, a pilot project has been implemented in the agribusiness sector, in cooperation with CDM Breweries (a subsidiary of SAB Miller of South Africa), which has a significant investment in

Maputo, manufacturing a range of beers for the domestic market. The majority of beers for local sale are manufactured using barley as the base ingredient, but all the barley is imported (mostly from Europe). In 2009, a pilot group of 65 small farmers, producing barley for the first time, received UNCTAD's Farming as a Business training. The ultimate objective of the Farming as a Business training programme is to provide farmers with the appropriate level of analytical skills and business management tools that will guide them towards making sound business decisions. Farming as a Business emphasizes a shift from subsistence farming to farming for profit. Additionally, 20 farming leaders received the Empretec entrepreneurship leadership training, in order to strengthen the organizational skills of farmers' associations.

327. The Mozambican Government got fully involved in the project, through the National Investment Promotion Centre (Ministry of Planning) and the Ministry of Agriculture. CDM financially supported the technical testing, and part of the costs of the pilot project aimed at producing barley in the province of Manica. UNCTAD brought its knowledge of best practices to the process, and took care of the training and coordination of farmers, through its local Empretec counterpart (Enterprise Mozambique).

328. **Peru:** Two sectors – agribusiness and mining – have been identified as the areas with most potential for linkages development. The counterpart of the business linkages project is the investment promotion agency Proinversión. Three regions were selected, and field visits took place to involve regional governments in the project. Three workshops with transnational corporations in the agribusiness and mining sectors were organized, as was participation in the Agribusiness Fair held in Lima in September 2009. Memorandums of understanding with five transnational corporations are in preparation.

329. Training needs of suppliers have been identified. In the agribusiness sector, two TNCs are ready to start the pilot phase. Other companies from the region of Lambayeque have expressed interest in the project, too. The Ministry of Production confirmed its interest in co-financing the training of SMEs.

330. **United Republic of Tanzania:** The business linkages programme in the United Republic of Tanzania was officially launched during the second semester of 2009. UNCTAD co-organized, in December 2009, an Entrepreneurship Training Workshop designed for suppliers participating in the project. The participants received their certificates in the presence of the Supply Managers of the TNCs which they partner with in the project.

331. The first training workshop held was highly valued by both participants (SMEs) and by TNCs. The local counterpart has assigned its Aftercare Unit to specifically coordinate the implementation of an action plan, which was refined and agreed upon in December 2009.

332. **Uganda:** A full-fledged national business linkages programme was launched in June 2008. Three main areas of intervention were prioritized, namely telecommunications, automotive and agribusiness. In particular, three large TNCs signed up to be part of the project: the South African telecommunications company MTN, Toyota Uganda, and Nile Breweries – a subsidiary of SABMiller. On the SMEs' side, in 2009 the programme provided assistance to four farmer clusters in the greater north of Uganda, which are growing sorghum for Nile Breweries Ltd., thereby having an impact on hundreds of families directly. As far as the other areas of activity are concerned, 10 SMEs supplying various services to MTN Uganda and 6 SMEs supplying various services to Toyota Uganda have signed up to be part of the programme.

333. According to the external evaluation concluded in July 2008, SMEs participating in the project grew up to 460 per cent, employment increased by 100 per cent, and productive efficiency improved by up to 25 per cent. Additionally, thanks to their improved business skills, more than 2,500 rural SMEs were able to transform their farming activity from subsistence to real business, diversify their product range, and benefit from new credit schemes enabling farmers to save and access small loans. In the second half of 2009, three large TNCs renewed their commitment to be part of future linkages promotion activities: the South African telecommunication company MTN, Toyota Uganda, and Nile Breweries. At the policy level, several TNC concerns have been addressed: Nile Breweries was facing difficulties over land lease renewal. This was taken up and solved at the government level. Toyota Uganda raised concerns regarding the speed of processing and errors in vehicle documentation by the Uganda Revenue Authority. Such concerns were addressed at senior Uganda Revenue Authority levels. MTN raised issues related to infrastructure development. Their concerns have been taken to the Presidential Investor Round Table.

334. **Zambia:** An awareness workshop for the members of the Economic Affairs Committee of the Parliament of Zambia as well as for representatives of national institutions and donors took place in October 2009. UNCTAD presented its research on investment policies conducive to business linkages and coordinated the inputs of international experts from Brazil, Ireland and Uganda. A second two-day workshop was also organized in October 2009 for the Heads of Agencies involved as stakeholders in the business linkages programme. Representatives from FAO, ECA and IFC also agreed to support the programme. Studies of the value chains and business linkages opportunities have been conducted in four sectors: furniture, IT, horticulture, and the meat and leather subsectors.

335. The awareness workshop was highly appreciated, and was very useful for discussing, with parliamentarians, the policy implications of business linkages. At the end of the national institutions' workshop, participants adopted a joint action plan. Representatives from the private sector, Tata, and Zambia Breweries gave testimonials of the ongoing business linkages being developed. The workshops' organization and content was rated by most participants as very good .

C. Accounting

336. **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 investment, 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 and foreign investors require reliable and comparable financial and non-financial information. A comprehensive economic development strategy would include programmes aimed at promoting best practices in the area of corporate transparency and disclosure.

337. **Objectives/features:** The programme promotes exchanges of views among experts from member States on issues related to 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 round tables. It disseminates best practices through technical guidance on various aspects of corporate transparency and disclosure.

338. *Output/results:* During 2009, UNCTAD continued its contribution to promoting best practices in the area of corporate reporting, including accounting, corporate governance disclosure and corporate responsibility.

339. The twenty-sixth session of ISAR discussed capacity-building needs of member States in corporate accounting and reporting. The discussion covered the following areas: IFRS, accounting by SMEs, corporate governance disclosure, corporate responsibility reporting (for SMEs) and metrics and assessment tools to better evaluate the state of accounting infrastructure in developing countries with a view to better targeting assistance in the future. Delegates agreed to communicate to the UNCTAD secretariat requests for technical cooperation in the areas ISAR deals with. Such requests will be addressed through bilateral or multilateral technical cooperation projects.

340. In the area of corporate governance disclosure, the ISAR reviewed a number of studies including: reporting practices among large enterprises in 12 emerging markets; an inventory of disclosure requirements in 24 emerging markets; and a country case study covering Pakistan. With respect to corporate social and environmental reporting, ISAR reviewed a study on climate change-related disclosure by the largest transnational corporations, and a country case study covering Brazil.

341. On 6 October 2009 – on the eve of the twenty-sixth session of ISAR – the UNCTAD secretariat held a workshop on the practical implementation of International Public Sector Accounting Standards (IPSAS). The event was organized in cooperation with the International Federation of Accountants. Members of the IPSAS Board updated delegates on the latest developments in relation to IPSAS. Delegates exchanged experiences on practical implementation of IPSAS.

342. During the reporting period, 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 signed in 2004, UNCTAD has been contributing to its committee and board meetings.

343. UNCTAD continued providing technical assistance to the International Organization for Standardization (ISO) Working Group on Social Responsibility. The purpose of this working group is to develop a new ISO standard on social responsibility, including guidance on good practices in social responsibility reporting. The UNCTAD contribution to this task group is to facilitate the drafting of the new ISO standard, including aspects of reporting and communicating with stakeholders. This work builds on the expertise of the programme, particularly in reference to the work of the group of experts on environmental, social and corporate governance disclosure.

344. UNCTAD also co-organized a regional conference on corporate governance which took place in Cairo, Egypt, in June 2009. This event – co-organized with the Egyptian Ministry of Investment and the Egyptian Institute of Directors – facilitated an exchange of best practices among company executives, regulators, and international experts. Coinciding with this event, UNCTAD and the Egyptian Institute of Directors delivered a technical training workshop on corporate governance disclosures.

345. In July 2009, the UNCTAD secretariat organized a conference on the financial crisis and its implications for the international financial reporting architecture and financial stability. This event was a follow-up to the twenty-fifth session of ISAR. It

featured leading experts in the area of international financial reporting. Delegates exchanged views on the causes and impact of the financial crisis, and reiterated the importance of a single set of high-quality financial reporting standards for fostering financial stability and restoring investors' confidence.

346. In November 2009, UNCTAD co-organized a conference on sustainable stock exchanges with the offices of the United Nations Global Compact and the United Nations Principles for Responsible Investment. The event took place at the United Nations headquarters in New York, and featured a high-level audience of chief executive officers from stock exchanges and institutional investors around the world, as well as senior regulators. Participants exchanged experiences in promoting new environmental, social and governance stock indices and new listing rules to promote improved corporate disclosures in this area. This work built on the corporate responsibility and corporate governance disclosure work of UNCTAD.

D. Insurance

347. *Development context:* The UNCTAD Insurance Programme aims at helping developing countries and countries with economies in transition to enhance economic growth and development through effective development and supervision of the insurance sector. In 2008, UNCTAD's mandate in the area of insurance was strongly reaffirmed at UNCTAD XII. Indeed, several paragraphs (117, 133 and 157) of the Accra Accord refer to the role of UNCTAD in providing developing countries with technical assistance in the insurance sector. The particular needs of African countries and small vulnerable economies in this area are emphasized in paragraph 157.

348. *Objectives:* The UNCTAD Insurance Programme is aimed at providing developing countries with technical assistance, with a view to helping them to develop their insurance and reinsurance markets, update their regulatory frameworks, comply with the international standards, strengthen their supervisory authorities, produce skilled human capital in the insurance sector, better integrate global markets, and improve the competitiveness of their economies. In addition, the development of insurance products (life insurance, credit insurance, property insurance, catastrophe insurance, social security etc.) is expected to have a positive impact on the social protection of populations and to encourage the creation of new businesses.

349. *Outputs/results:* The project entitled "Strengthening SMEs' development and access to financing and insurance in Morocco and Tunisia" is aimed at helping the Moroccan and Tunisian financial and insurance sectors to provide SMEs with affordable and well-tailored products and services, with a view to participating in the economic and financial development of these countries and to helping SMEs measure up to international competition. In this context, two studies were carried out in 2009 in Morocco on SMEs' access to financing and to insurance products. Specific policy recommendations have been prepared, and will serve as a basis for discussions with the Moroccan Government, financial institutions, and the insurance sector. The next steps will include the organization of national roundtables on financial and insurance sectors, and training sessions for SMEs and insurance intermediaries, as well as the implementation of similar project activities in Tunisia.

350. The ad hoc Expert Meeting on Capacity-Building for the Insurance Sector in Africa was held on 23 February. According to the Chair of the meeting in his closing remarks, "UNCTAD is a really powerful tool available for African countries". The insurance sector in Africa is in urgent need of international technical assistance to bring it up to international standards and best practices. UNCTAD was encouraged to play a catalytic role in promoting and supporting South-South and

regional cooperation mechanisms aimed at strengthening insurance sectors, including the diffusion of insurance knowledge and sharing of experiences and best practices. The African Insurance Organization requested UNCTAD to assist African countries in strengthening their insurance sectors by providing support in the area of capacity-building and advisory services. The following areas are major priorities for the African Insurance Organization: (a) supervisory and regulatory capacity-building; (b) the African Centre for Catastrophe Risks; and (c) human capital development.

E. E-Tourism

351. **Development context:** The use of information and communications technologies (ICTs) has completely transformed the value chain in tourism – in the ways that local suppliers can interact and cooperate to develop new value-added services and sell them directly to increasingly demanding markets, and how they manage the revenues gained. E-tourism enables those developing countries that are in a position to exploit it to bypass some of the stumbling blocks associated with more traditional tourism marketing and distribution channels, and offers tourism SMEs unprecedented opportunities to increase their competitiveness. Three elements are crucial in this regard: the participation of the private sector, including SMEs; support from the public sector; and the use of ICT as the core of a system facilitating cooperation among the different stakeholders. To this end, governments should adopt policies and take actions to gather, around ICT, the SMEs and other partners active in the tourism sector. Incentives should be put in place to encourage the pooling of resources, the development of partnerships, and strategic cooperation within the tourism sector.

352. **Objectives:** For communities with small enterprises, access to the market can be difficult or impossible. UNCTAD's objective is to improve opportunities and capacities for SMEs and public authorities in the targeted countries to access and take advantage of the fast-growing internet-based tourism market and to build a solid and long-term partnership. Through capacity-building, UNCTAD contributes to help local suppliers structure their products in such a way as to make them visible, accessible and competitive in the global marketplace. This could help destinations to take ownership of their brands and products in order to plough more revenues into the local economy. This implies efforts to develop the relevant human resources and encourage tourism-specific entrepreneurship, through sensitization and financial and technical support, especially for small enterprise development.

353. **Outputs:** Designed for both public and private audiences, the UNCTAD capacity-building tool is now fully operational. This package (five training modules plus software: the "Data Collector") aims at building local consensus on e-business tourism solutions and equipping local stakeholders with behavioural, organizational and technological tools required for a successful implementation of suitable e-business models. Starting in 2009, a first series of capacity-building activities has been carried out in Benin, Burkina Faso, Guinea and Mauritania. In 2009, assistance provided included technical advice, the provision of pedagogical guides and tools including UNCTAD Free Open Source System software, training of high-level public officials and private stakeholders on e-tourism issues, support to multi-stakeholder dialogue, and networking through recruitment of local consultants. Four high-level briefing sessions were carried out, in Mauritania (April 2009), Burkina Faso (May 2009), Guinea (September 2009) and Benin (October 2009), making a total of about 90 public and private stakeholders. Additionally, three national workshops were held, in Mauritania (May 2009), Burkina Faso (June 2009) and Benin (December 2009). During these five-day seminars, 36 Mauritanian participants were trained (12 from the regions; 32 male and 4 female; 12 from the

public sector and 24 from the private sector). In Burkina Faso, the figures show that 33 stakeholders were trained (18 male and 15 female; 14 from the public sector and 19 from the private sector). In Benin, 30 stakeholders attended the workshop (6 from the regions; 20 male and 10 female; 15 from the public sector and 15 from the private sector). It should also be noted that part of this assistance package was made available to the participants at the TrainforTrade/e-Tourism workshop on “Tourism for development” held in Possotome, Benin, in September 2009 within the context of the Integrated Framework. In parallel, in the context of the Memorandum of Understanding signed with the University of Quebec in Montreal, Canada, (UQAM/LATECE), UNCTAD is continuing with the development of the Electronic Tourism Platform.

354. **Results:** Advice on e-tourism strategies has been provided by experts, and up-to-date teaching material and software has been produced. There is now an increasing awareness of the challenges and opportunities for beneficiary countries, as well as an increased understanding by decision-makers (at public and private levels) of the positive externalities of ICT for tourism SMEs. Local capacity and skills have been improved in the preparation and implementation of innovative e-business models in the tourism sector. A post-workshop action plan has been endorsed by local counterparts in Mauritania. Beninese participants stressed the necessity of involving policymakers and trade operators, and called for an increased use of ICTs in tourism to help fight poverty. Burkina Faso set up a committee for strengthening public–private partnership and for monitoring follow-up to recommendations, including the implementation of a destination management system for promoting national tourism assets through the internet. Additionally, these results have led to a growing number of requests for seminars, greater networking among the public and private tourism sector, and increased visibility of UNCTAD in e-tourism.

Table 9. Enterprise development

<i>Project number</i>	<i>Short title</i>	<i>Starting date</i>	<i>Source of fund</i>
MOR/0T/7AI	Promotion des investissements dans la région orientale du Maroc	2007–	Morocco
INT/0T/6AT	Investment Gateway System	2006–	Multi-donor
RAF/0T/8AJ	Strengthening SMEs’ development and access to financing and insurance in Morocco and Tunisia	2008–	Spain

Cluster X. Globalization and development strategies

Lead division: Division on Globalization and Development Strategies (GDS)

355. The programmes under this cluster aim at contributing to the achievement of the expected accomplishments of the strategic framework related to increased understanding of the global economic environment and of policy choices at the national and international levels, improved empirical and timely statistics, and in the case of the occupied Palestinian territories, improved policy and institutional capacities and enhanced international cooperation for the recovery and sustained development of the economy.

A. Macroeconomic and development policies: Technical support to the Intergovernmental Group of Twenty-Four on International Monetary Affairs and Development (G-24)

356. **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 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.

357. **Objectives/features:** 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 reform of the international monetary and financial system, to enhance their ability to cope with the consequences of increasing global interdependence, and to improve their capacity to deal with international financial instability.

358. **Outputs/description of activities:** In 2009, four studies prepared under the project were made available to a broader audience through their publication in the *G-24 Discussion Paper Series*. The meetings of the Technical Group provided an excellent opportunity to discuss research results and policy recommendations emanating from the regular work programme of UNCTAD with policymakers from G-24 countries. Specifically, the activities under the project were closely interrelated with the analytical work of UNCTAD, towards the annual *Trade and Development Report* and the Report to the General Assembly on “External debt and development”.

359. **Results:** The project has helped strengthen the policymaking capacity of its members and other developing countries. Specifically, it has contributed in recent years to major progress in the ongoing reform of IMF governance structures aimed at increasing the quotas and voting rights of developing countries at 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 helped, in particular, to strengthen South–South cooperation on international monetary and financial issues. The Technical Group meetings, in addition to creating new knowledge among the participants, served as useful forums for the exchange of experiences among policymakers from developing countries.

B. Promoting responsible sovereign lending and borrowing

360. **Development Context:** There are no agreed principles for responsible sovereign borrowing and lending, and there are widely differing views of what constitutes responsible practices. Moreover, an increasing interest in engaging in responsible lending and borrowing has been observed during recent years both from the lender and from the borrower side. Borrowers, especially from developing countries, have brought the issue to the fore by questioning lending motives, the lenders’ active involvement in projects gone wrong and the use of borrowed funds by previous governments. Therefore, a different approach in the form of guidelines on responsible sovereign lending and borrowing which can be part of an international consensus is needed.

361. **Objectives/Features:** The project financed by Norway seeks to establish a forum for broad dialogue among lender and borrower States and other stakeholders aiming to develop a set of international guidelines to promote and foster

mechanisms to enhance responsible sovereign lending and borrowing. The project will also study closely connected topics such as the analysis of new sovereign lenders and their lending practices, including the re-emergence of export credits and impacts on future debt sustainability. A global debt portal targeted at borrowers, lenders, policymakers, debt managers and researchers will be created.

362. **Output:** The first months of activity under the project have been spent preparing the ground for the establishment of an Expert Group and an Advisory Group. These two groups will be the major forums in which a set of draft guidelines will be prepared and discussed. This has involved very extensive interaction and consultations with key stakeholders among NGOs, academia, the private sector and international organizations, as well as government representatives, both through their representations in Geneva and their respective headquarters. The project contracted out the first legal background paper in July 2009, on a collaborative effort between Duke University and the law firm of Cleary, Gottlieb, Steen and Hamilton (on a pro bono basis).

363. In addition, two sessions of the seventh UNCTAD Debt Management Conference were organized in conjunction with the project, using the Conference for the formal establishment of the expert and advisory groups. In this way, essential synergies have been achieved between these different UNCTAD initiatives.

364. **Results:** This project has started to raise awareness among stakeholders and the international community of engaging in responsible sovereign lending and borrowing practices. As a result of the project, UNCTAD has (a) established an ad hoc expert group and an advisory group to work on the drafting of the guidelines; and (b) intensified cooperation with different stakeholders to promote a broad dialogue and discussion on best practices for sovereign lending and borrowing.

C. Special programme: UNCTAD assistance to the Palestinian people

365. **Development context:** The economy of the occupied Palestinian territory continued to perform well below potential in 2009. There were signs of improvement in GDP growth and other indicators, but these need to be interpreted cautiously in view of the wider context. Territorial fragmentation, inequalities and welfare divergence continued to grow, aid dependence deepened, and access to natural and economic resources shrank. Private investment continued to be hampered by mobility restrictions as well as by the risk of new restrictions being introduced at any moment. While direct damage incurred by the 2008–2009 Israeli military occupation in Gaza is estimated at one third of the economy's output in 2006, before Gaza's blockade, the indirect cost of the war has been greater. The economic and humanitarian situation in Gaza has continued to worsen. Despite funds being allocated for economic rehabilitation and reconstruction, the blockade and closures imposed on the occupied Palestinian territory have ensured that these funds have not had a sufficiently tangible economic impact.

366. **Objectives/features:** UNCTAD, in close coordination with international development agencies, is assisting the Palestinian Authority not only to address the immediate needs but also to support building the economic institutions. The programme involves quantitative and qualitative research work in search of innovative solutions to the unique problems facing the Palestinian economy. UNCTAD's programme of technical assistance to the Palestinian people draws on the results of the secretariat's research and policy analysis and on the international experience of the secretariat as a whole. The programme aims at addressing the economy's emerging needs under four clusters: (a) development strategies and trade policy; (b) trade facilitation and logistics; (c) public finance modernization and reform; and (d) enterprise, investment and competition policy. UNCTAD's work is

guided by the United Nations Strategic Framework for 2010–2011; paragraph 44 of the Accra Accord; paragraph 35 of São Paulo Consensus; paragraph 167 of the Bangkok Plan of Action; and General Assembly resolutions 56/111 (paras. 6 and 7) and 43/178 (para. 9).

367. **Output:** UNCTAD technical assistance activities in the area of trade facilitation registered a number of tangible achievements under the ASYCUDA customs modernization project. The ASYCUDA World system has been introduced to – and is now being used in – all customs offices in the West Bank. This places the Palestinian Authority among the first 10 customs authorities in the world to adopt this system. Key achievements also include an expanded and well-trained team of Palestinian customs experts; establishing a community of customs experts in the private sector; and designing and delivering tailor-made training manuals for present and future use by Palestinian Customs. The secretariat has also been supporting the Palestinian Shippers' Council (<http://www.psc.ps>) through advisory services to assist the Council in launching new products to address the emerging needs of its members and the Palestinian community of importers and exporters at large. Furthermore, in cooperation with UN-ESCWA, UNCTAD is finalizing a survey-based policy paper for guiding Palestinian capacity-development efforts.

368. The secretariat has also achieved progress in the area of development strategies and trade policy within the context of a project to promote subregional growth-oriented economic and trade policies towards achieving the Millennium Development Goals (MDGs) in selected Arab countries. In 2009, project activities brought together a group of policymakers, experts, and representatives of civil society institutions from the occupied Palestinian territory and four Arab countries to discuss, assess and recommend measures related to the impact of macroeconomic and trade policies policy on achieving MDG 1 (poverty reduction) and MDG 8 (regional integration).

369. However, programme sustainability in the volatile field conditions is also undermined by the lack of predictable extrabudgetary resources. To date, and despite the secretariat's appeals to the donor community, several projects remain unfunded. This shortfall has obliged the secretariat to put on hold planned project activities in the area of investment and enterprise development. This includes activities under the EMPRETEC Palestine programme, especially Phase II which involves extending the programme to Gaza, as well as activities involving building the Palestinian Investment Promotion Agency's capacity to launch an aftercare programme for existing investors.

370. **Results:** The relevance and responsiveness of UNCTAD's work is reflected in the endorsement of its annual report on assistance to the Palestinian people, presented to the fifty-sixth session of the Trade and Development Board, by almost all members. UNCTAD's analysis of the economic crisis in the occupied Palestinian territory was also appreciated by the United Nations heads of agencies in the field, who incorporated the secretariat's assessments in their work. Furthermore, UNCTAD studies and reports on the war-torn Palestinian economy were cited in specialized and academic publications, and received wide coverage from all types of global media (agencies, press, radio and internet). The secretariat has also received and responded to several enquires by donors (particularly the EC) regarding specific technical interventions in the occupied Palestinian territory. As a result of UNCTAD technical assistance activities, the Palestinian Authority is empowered to exercise the full range of customs functions from day one following its assumption of control over external borders; the Palestinian shippers are benefiting from tailor-made services; the occupied Palestinian territory is a member of an emerging regional knowledge network, which would elevate the debate on pro-poor strategies for regional integration in the region.

Table 10. Globalization and development strategies

<i>Project number</i>	<i>Short title</i>	<i>Starting date</i>	<i>Source of fund</i>
PAL/0T/5AS ^a	Technical assistance for the establishment of the Palestinian Shippers' Council	2005–2009	European Commission
INT/0T/0AL ^a	G-24 Technical Support Service, phase IV (IDRC)	2001–2009	Canada
INT/0T4AK	Preparation for the UNCTAD XI high-level interactive round table on trade and gender	2004–	Canada
INT/0T/8CF	Promoting responsible sovereign lending and borrowing	2008–	Norway

^a Project that had been “operationally but not financially completed” or “completed” in 2009.

Cluster XI. Strengthening the debt management capacity of developing countries

Lead division: Division on Globalization and Development Strategies (GDS)

371. The programme in this cluster encompasses the activities of the Debt Management and Financial Analysis System (DMFAS) Programme in support of promoting economic policies and strategies at national, regional and international levels that are supportive of sustained growth, inclusive and sustainable development, employment creation, and hunger and poverty eradication in developing countries.

A. The Debt Management and Financial Analysis System (DMFAS) programme

372. *Development context:* Effective debt management is an intrinsic part of sound public financial management and overall good governance. Active public debt management is also an important tool for ensuring that countries maintain sustainable levels of debt, in pursuit of their broader development objectives.

373. Debt management remains a challenge for most developing countries. In order to attain sustainable debt levels and to use debt instruments as an efficient tool for development, prudent debt management and the availability of reliable and timely debt data are essential. Many governments lack the appropriate institutional, human and technical capacity for handling public resources and liabilities more effectively.

374. Among the key challenges faced by developing countries in managing debt are dealing with high staff turnover and the updating of skills, organizational procedures and information management systems in order to keep pace with the dynamic changes in global finance and public financial management practices.

375. The recent crisis has emphasized the critical role that effective debt management plays in achieving debt sustainability in developing countries and has reinforced the continued relevance and need for the Programme's work. The availability of reliable and timely debt data is essential for prudent risk analysis and the elaboration of government strategies aimed at ensuring sustainable debt levels.

376. The DMFAS Programme is committed to providing sustained support for development. Over a period of nearly thirty years, it has supported the changing debt management needs and challenges of 102 institutions in some 66 countries. Having originated as a means to help countries build good external debt databases, the Programme's scope has gradually widened to helping countries manage public domestic as well as private external debt. It has also expanded in terms of the debt management functions that it supports, from debt recording to assisting countries in

377. The DMFAS Programme's role in helping developing countries strengthen their debt management can be seen against the background of major UNCTAD conferences along with numerous United Nations resolutions on debt and development, the 2009 Conference on the World Financial and Economic Crisis and Its Impact on Development, the Monterrey Consensus, the Doha Declaration on Financing for Development, the Millennium Development Goals, and other internationally agreed development commitments.

378. In the Accra Accord, specific reference is made to the Programme's work in paragraph 40, in which it states that "UNCTAD should continue to provide technical assistance and support for developing countries in building national capacities through the Debt Management and Financial Analysis System (DMFAS) programme". In paragraph 32, the Accord further states that "debt sustainability is essential for underpinning growth and, with effective debt management, important to efforts in achieving national development goals".

379. **Objectives/features:** The aim of the DMFAS Programme is to help developing countries and countries with economies in transition build their debt management capacity, in support of good governance, development and poverty reduction.

380. By working directly with the countries, along with international and regional organizations involved in debt, the Programme identifies best practices in debt management, and translates them into specialized products and services. These are shared with countries through technical cooperation projects, and through international and regional conferences and workshops. The DMFAS products and services are global public goods.

381. The Programme provides countries with the following: (a) capacity-building through the provision of a specialized DMFAS system designed to meet the operational, statistical and analytical needs of debt managers and bodies involved in developing public debt strategies, and training in its use; (b) capacity-building through the Programme's advisory services, including needs assessments and advice on technical, administrative, and institutional debt management issues, and assistance in software installation and maintenance; (c) capacity-building in debt management skills, including through the Programme's modules on debt data validation, statistics and debt analysis.

382. **Outputs/description of activities:** The DMFAS Programme supported capacity-building in debt management at the national, regional and international level throughout the year, through the organization of on-the-job training, national and regional workshops, study tours and interregional seminars, as well as through needs assessments and project evaluation missions.

383. In addition to ongoing permanent support provided to countries via its central operations, the DMFAS Programme managed 37 funded projects at the country level and one at the regional level during 2009 (38 funded projects overall). New projects were signed in 2009 for seven current or former user institutions (in six countries). They included: Angola (Ministry of Finance and Central Bank), Argentina (Ministry of Finance), Djibouti (Ministry of Finance), Islamic Republic of Iran (Central Bank), two for Panama (Ministry of Finance) and Zambia (Central Bank).

384. A regional project was also signed for French-speaking West Africa. Financed by the French Government and in line with UNCTAD's special focus on Africa, it covers four DMFAS user countries, namely Burkina Faso, Côte d'Ivoire, Mauritania and Senegal, and one non-DMFAS user, Mali, for training activities.

385. One new institution – the province of Buenos Aires (Argentina) – started implementation of its first project document with the DMFAS Programme. This technical assistance project is for the installation of DMFAS, the building of a domestic public debt database, the strengthening of its debt reporting and analytical capacity, and the interfacing of DMFAS with its integrated financial management system.

386. The Programme paid particular attention to the needs of heavily indebted poor countries (HIPCs). Of the 40 countries receiving relief under the HIPC initiative in 2009, 20 were DMFAS clients. In addition to training and advice in debt management, and providing a system containing features linked to HIPC relief, the Programme's assistance in helping countries build comprehensive debt databases actively contributes to their chances of reaching completion point.

387. In 2009, the Programme continued its support to governments in linking debt management to other government financial management systems. It also explored linking DMFAS with aid management systems.

388. In the early part of 2009, enhancements were made to the most currently used version of the DMFAS system – DMFAS 5.3 – to include new debt totals for net projections (one for stocks, one for flows) and a new feature covering interest on outstanding debt. During the year, DMFAS 5.3 was also installed in Angola (Ministry of Finance and Central Bank), Djibouti (Ministry of Finance), Islamic Republic of Iran (Central Bank) and Guinea-Bissau (Ministry of Finance).

389. Extensive support to all DMFAS system users, including assistance and advice on a wide range of functional and technical issues, was made available by the helpdesk to all DMFAS system users throughout the year.

390. In November 2009, the DMFAS Programme launched its latest major version of the software – version 6. This followed the successful final beta-testing in October by DMFAS user clients. DMFAS 6 responds to changes in debt management practice, such as shifts from external public to domestic public debt, and official (multilateral and bilateral loans) to commercial (debt securities). This version extends to all aspects of debt management, whether they be back office (e.g. recording), middle office (analytical) or front office (negotiation, issuance). It is faster, more user-friendly, and web-enabled, and it contains stronger analytical features and reporting functions, improved security, a new and better reorganization module, the ability to handle debt securities (money market instruments, bonds and notes) and an auctions module, among other new features. The Programme undertook its first installation of DMFAS 6 in the Ministry of Finance of Panama, in December.

391. The Programme also intensified its collaboration with other providers of technical assistance in debt management. Collaboration included the regular sharing of information on technical assistance activities, such as mission schedules and reports, the organization of joint workshops, participation in each others' events (including providing resource persons) and contribution to and support for each other's activities and efforts.

392. At the branch level, the DMFAS Programme collaborated with the Debt Research Unit of the Debt and Development Finance Branch in a number of areas, including input to a number of UNCTAD and United Nations reports, in the sharing of contact information, in the organization of UNCTAD's seventh Debt Management Conference in November, and in the development and delivery of the DMFAS debt portfolio analysis module.

393. The DMFAS Programme held its seventh DMFAS Advisory Group meeting in November. Established by the Trade and Development Board in its decision 462

(XLVII) of September 2000, the role of the Advisory Group is to advise the Secretary-General of UNCTAD on issues affecting the Programmes, including options for ensuring their financial sustainability.

394. The Programme also organized its annual donor meeting in November, following UNCTAD's seventh Debt Management Conference and the DMFAS Advisory Group meeting.

395. **Results:** In 2009, 83 per cent of all DMFAS country beneficiaries since the launch of the Programme in 1981 continued to chose the DMFAS system for the management of their day-to-day debt. Nearly all have reached the capacity of maintaining a regularly updated and validated database and are able to use it for monitoring and internal reporting, and nearly three quarters have reached the level of using the DMFAS system for external reporting and statistical purposes.

396. In 2009, half of all countries (20) with heavily indebted poor country (HIPC) status were DMFAS beneficiaries. The installation and use of DMFAS was one of the triggers for the \$500 million in debt relief accorded to the Central African Republic and the \$1.2 billion in debt relief accorded to Haiti, accorded in June.

397. In addition to its ongoing support to all DMFAS clients, in 2009 the Programme managed 38 funded projects covering country and regional capacity-building activities. This included 30 projects carried over from previous years, and seven signed in 2009. The latter included seven new national projects: Angola (Ministry of Finance and Central Bank), Argentina (Ministry of Finance), Djibouti (Ministry of Finance) and the Islamic Republic of Iran (Central Bank), two projects for Panama (Ministry of Finance), Zambia (Central Bank), and one regional project (for French-speaking West Africa). Implementation of project activities also started for a new DMFAS user institution – the Province of Buenos Aires – which signed its first project document with the DMFAS Programme at the end of 2008.

398. More than 100 national and regional capacity-building missions took place. These included on-the-job training, national and regional workshops, study tours, and needs assessment and project evaluation missions. Over 500 debt officials benefited from this capacity training, during which their debt management, procedures, reporting and analytical skills were strengthened. Furthermore, certain capacity-building workshops resulted in the production of clearly verifiable outputs. This included official statistical bulletins for eight countries (Bangladesh, the Central African Republic, Egypt, Haiti, Rwanda, Sudan, Togo and Yemen) and a first-time-produced draft debt portfolio review for Yemen.

399. The Programme's continued support to its beneficiaries in 2009 included Helpdesk response to 487 client queries.

400. By the end of the year, DMFAS 6 was ready for implementation in countries and was already installed in the Ministry of Finance of Panama. Future DMFAS 6 installations in other DMFAS client countries were also being considered in the negotiation of new project documents.

401. In 2009, seven institutions also updated their current debt database to a newer version (to DMFAS 5.3), and updates to the current versions being used (i.e. not to new versions) were made in 15 institutions. Furthermore, four institutions started development of interfaces between the DMFAS system and other integrated financial management information systems within their Government. This included Burkina Faso (Ministry of Finance), Jordan (Ministry of Finance), Indonesia (Ministry of Finance) and Panama (Ministry of Economy).

402. In 2009, the intensification of its collaboration with other providers of technical assistance in debt management included collaboration with the

Commonwealth Secretariat (DMFAS resource person at private sector external debt meeting in September), Debt Relief International (shared mission information, participation in DRI meeting in June), the International Monetary Fund (co-organization of workshops on statistics in July, collaboration with AFRITACs, member of Task Force on Statistics), the Macroeconomic and Financial Management Institute of Eastern and Southern Africa (joint workshop in December), the International Aid Transparency Initiative, IATI (participation in several meetings regarding debt/aid data linking), the International Organization of Supreme Audit Institutions, the INTOSAI Development Initiative (contribution to development of public debt auditing e-learning course, including two DMFAS resource persons at workshop in April), Pôle-Dette (collaboration in organizing joint workshops, participation in regional workshop on debt management procedures in December), the Latin American and Caribbean Debt Group (participation in annual meeting in April), the United Nations Development Programme (during missions, through the One United Nations initiative), and the World Bank (as implementing partner of the World Bank Debt Management Framework; DMF, DMFAS participated in four DMF missions to Cambodia, the Democratic Republic of the Congo, the Republic of Moldova, and Zambia; 90 per cent of DMFAS clients report to the World Bank Debtor Reporting system).

403. Collaboration between the DMFAS Programme and the Debt Research Unit of the Debt and Development Finance Branch resulted in the organization of a highly appraised and attended seventh UNCTAD International Debt Management Conference, in November. More than 340 officials from over 100 countries (mostly from country capitals) participated in the Conference.

404. Branch collaboration included the DMFAS contribution to an UNCTAD publication prepared by the Debt Research Unit entitled *Responding to the Challenges Posed by the Global Economic Crisis to Debt and Development Finance*. It also included a contribution by the DMFAS Programme to the Branch-produced report examining the impact of the financial and economic crisis on developing countries, as well as the Branch-prepared annual report of the United Nations Secretary-General on external debt and development, entitled "Towards a durable solution to the debt problems of developing countries", which was the background document to the General Assembly negotiations on the resolution on external debt and development (at the General Assembly's sixty-fourth session). In addition, in 2009 a member of the Debt Research Unit contributed to the elaboration and delivery of the DMFAS debt portfolio analysis module. Synergies were also strengthened between technical assistance and research work at the field level.

405. The seventh DMFAS Advisory Group meeting in November was attended by 161 participants from capitals. An important component of the meeting was the presentation of the results of the Mid-Term Review of the Programme's performance in implementing its current strategic plan (2007–2010). The external consultants who conducted the review reported that the Programme was effective, efficient and very relevant. Of the DMFAS beneficiaries surveyed for the Review, 94 per cent found that the Programme addressed debt recording and debt statistics issues well or very well and the vast majority rated the Programme's technical assistance as important or very important to them.

406. The results of the 2009 donor consultation meeting demonstrated a high level of satisfaction from donors with the achievements of the Programme. The continued support for the Programme from the donor community is an important and positive indicator of satisfaction with its ability to meet its objectives. Ensuring the long-term financial sustainability of the Programme, however, remains a challenge, and as recommended by the Mid-Term Review, firm multi-year commitments from donors are needed.

Table 11. Strengthening the debt management capacity of developing countries

<i>Project number</i>	<i>Short title</i>	<i>Starting date</i>	<i>Source of fund</i>
ALB/0T/6AN	Implementation of DMFAS version 5.3	2006–	Albania
ANG/0T/9AJ	Instalación del SIGADE 5.3 y capacitación avanzada para la gestión de la deuda con enlace a sistemas integrados	2009–	Angola
ARG/0T/8BL	Strengthen public debt management capacity in Argentina	2008–	Argentina
ARG/0T/8BU	Fortalecimiento de la capacidad de gestión de la deuda pública de la Provincia de Buenos Aires	2008–	Argentina
BDI/0T//0AN	Renforcement des capacités de gestion de la dette	2000–	Burundi
BGD/04/017	Capacity-building for management of foreign aid in Bangladesh	2004–	UNDP
CAF/0T/7AJ	Renforcement des capacités de gestion de la dette à la Direction de la Dette	2007–	African Development Bank
CHD/0T/6BE ^a	Intégration informatique de la Direction de la Dette	2006–2009	Chad
COS/0T/7AL	Fortalecimiento de las capacidades para la gestión de la deuda en Costa Rica	2007–	Costa Rica
CVI/0T/9AL	Delivering as One, Cape Verde	2009–	UNDP
DJI/0T/8BB	Renforcement des capacités de gestion de la dette à la Direction du financement extérieur	2008–	Djibouti
DOM/0T/2BJ	Implantación del SIGADE en la Secretaría de Estado de Finanzas	2002–	Dominican Republic
EGY/0T/7AO ^a	Strengthening debt management and IT support	2007–2009	United States
EGY/0T/7BQ	Strengthening public debt management	2007–	Egypt
ETH/0T/4AN	Capacity-building in debt and financial management	2004–	Ethiopia
ETH/0T/4BE ^a	Installation of DMFAS 5.3 – capacity-building in debt and financial management	2004–2009	Netherlands
GEO/0T/5BR ^a	Implementation of DMFAS version 5.3	2005–2009	Georgia
HAI/0T/8AX	Renforcement des capacités de gestion de la dette du Ministère de l'Économie et des Finances et de la Banque de la République d'Haïti	2008–	World Bank
HON/0T/4AH	Fortalecimiento de las capacidades para la gestión de la deuda en Honduras	2005–	Honduras
INS/0T/3BI	Implementation of DMFAS 5.3	2003–	Indonesia
INS/0T/7AG	Enhancing external debt recording and management in Indonesia	2007–	Australia
IRA/0T/8BW	Upgrade and installation of version 5.3 of the Debt Management and Financial Analysis System in the Central Bank of Iran	2008–	Islamic Republic of Iran
LIT/9X/9D6 ^a	Capacity building in debt and financial management	1999–2009	Lithuania
NIC/0T/4BW	Capacity-building in debt management in Nicaragua	2006–	Inter-American Development Bank
PAN/09/001	Programa de fortalecimiento y modernización de la gestión económica y fiscal	2009–	UNDP
PAN/0T/9AA	Fortalecimiento de las capacidades para la gestión de la deuda en Panamá	2009–	Panama
PHI/0T/8AB	Implementation of UNCTAD's DMFAS system within the Bangko Sentral ng Pilipinas	2008–	Philippines
RWA/0T/6BO	Integrated support project to MINECOFIN – DMFAS update and training	2006–	UNDP
SUD/0T/4BG	Capacity-building in debt and financial management	2004–	Norway
TOG/0T/8AN	Renforcement des capacités de gestion et de production de statistiques de la dette à la Direction de la dette publique	2008–	African Development Bank
TRI/9X/8BD	Implementation of DMFAS 5.0 in Trinidad and Tobago	1998–	Trinidad and Tobago
TRI/0T/2AB	Installation of DMFAS 5.2 – Capacity-building in debt and financial management	2003–	Trinidad and Tobago

<i>Project number</i>	<i>Short title</i>	<i>Starting date</i>	<i>Source of fund</i>
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–	Bolivarian Republic of Venezuela
YEM/0T/7BO	Strengthening debt reporting and institutional integration in debt management	2007–	Yemen
ZAI/0T/4CB ^a	Renforcement des capacités de gestion de la dette à l'office de gestion de la dette publique	2004–2009	Democratic Republic of the Congo
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–	Multi-donor

^a Project that had been “operationally but not financially completed” or “completed” in 2009.

Cluster XII. Transport and trade facilitation

Lead division: Division on Technology and Logistics (DTL)

407. The projects under this cluster provide technical assistance and capacity-building in the fields of trade logistics, and customs automation through ASYCUDA.

A. Trade logistics

408. *Development context:* A central aspect of development is the ability to trade competitively in the global economy, and efficient and reliable transport services are a prerequisite for reaching overseas markets. Transport and insurance costs are particularly high for developing countries, which makes the logistics of trade a crucial factor in determining the marketability of goods for those countries.

409. Developing countries are faced today with challenges ranging from basic transport infrastructure and logistical needs to reforms in the enabling policy, administrative, procedural and legal environment. UNCTAD's technical cooperation activities in the areas of transport and trade facilitation aim at establishing a favourable domestic environment for international trade transactions, based on effectively implemented international instruments, recognized best commercial practices and common standards. UNCTAD's work in this area not only encompasses transport and trade facilitation, policy and legislation, but also includes proficient activities in modernized customs procedures (i.e. customs automation programmes under the Automated SYstem for CUstoms DATA - ASYCUDA).

410. Customs services help Governments deal with national and international policies associated with revenue collection, combating of fraud, facilitation of legitimate trade, and enhancement of border and trade chain security. They control the import of prohibited and restricted goods and provide statistical data on external trade for governments' analysis and planning. The efficiency of the customs service is an essential part of a country's good governance policy and an essential tool for trade facilitation.

411. *Objectives/features of the programme:* UNCTAD's technical cooperation proposes specific actions to make the best use of available trade and transport-related assets. The focus is placed on eliminating, wherever possible, any barriers that might increase the transaction costs or create unnecessary delays. UNCTAD's approach to technical assistance and capacity-building relies on defining and implementing trade and transport facilitation programmes on the basis of the

specific needs of developing countries, including the modernization of customs, using information technology to speed up and simplify the goods clearance process.

412. **Outputs:** In 2009, UNCTAD cooperated on a number of occasions with other organizations in managing seminars, workshops, training courses and national projects.

1. Emergency customs modernization and trade facilitation project in Afghanistan

413. In 2009, the Trade Facilitation Component of the Emergency Customs Modernization and Trade Facilitation Project in Afghanistan, funded by the World Bank, continued its successful implementation at the Ministry of Commerce and Industry providing support to the Ministry's Transit and Trade Facilitation Department.

414. UNCTAD organized the one-week WTO self-assessment workshop, where a task force of 40 stakeholders from the public and the private sector undertook an analysis of Afghanistan's situation with regard to the trade facilitation measures that are currently being negotiated at the World Trade Organization.

415. In the area of transit, the project activities focused on support to the negotiations between Afghanistan and Pakistan on the Afghanistan–Pakistan Transit Trade Agreement and its protocols. The draft agreement had previously been drafted by UNCTAD.

416. In 2009, the Memorandum on the Foreign Trade Regime was formally submitted to WTO – an important step towards Afghanistan's WTO membership negotiations and a significant success for the UNCTAD project.

417. Finally, UNCTAD supported Afghanistan's national freight forwarders' association in the undertaking of a national survey of freight forwarding companies.

2. Trade and Transport Facilitation Project (TTFP-II) in Pakistan

418. In 2009, this World Bank–financed project formally began, and the first funds were disbursed to UNCTAD in December.

3. Capacity-building in developing countries to support their effective participation in the WTO negotiations process on trade facilitation

419. In 2009, UNCTAD's activities in support of the ongoing trade facilitation negotiations within the framework of WTO's Doha Development Agenda entered into their fifth year. The negotiations over implementation-related questions intensified, amidst progress made on the content and language of the legal rules that might be included in the emerging WTO agreement on trade facilitation. At the centre of the implementation-related discussions are the quest for a new approach to special and differential treatment linked to technical assistance, and the role and contribution of international organizations and standard-setting bodies in support of developing countries in the implementation process.

420. UNCTAD's work was targeted at strengthening institutional and human capacities to plan, implement and monitor trade facilitation reforms, mainly through the following activities: (a) setting up inter-agency working groups; (b) reinforcing regional cooperation; and (c) assisting with trade facilitation needs assessments. As an annex D organization, UNCTAD participated as lead facilitator in national trade facilitation needs assessments in the following developing countries: Afghanistan, Cape Verde, Comoros, Senegal and Togo. Furthermore, UNCTAD conducted advisory missions and national workshops on the WTO negotiations on trade facilitation in Cape Verde, Guinea, Indonesia, Mongolia and Nicaragua. Trade facilitation–related activities in Cape Verde were conducted as part of the One

United Nations Cape Verde project, while those conducted in Guinea as part of the TrainForTrade Guinea project and those of Indonesia related to the Virtual Institute's P166 course on Key Issues in International Trade. In collaboration with the Agency for International Trade Information and Cooperation, UNCTAD organized two regional workshops on the WTO negotiations on trade facilitation – one for the Asian region (in Cambodia) and one for selected African countries (in Zambia).

421. Recognizing the role of regional economic communities and their secretariats to increase coordination in countries during the WTO negotiations, UNCTAD further strengthened its collaboration with the Organization of East Caribbean States (OECS) and the West African Economic and Monetary Union (WAEMU). UNCTAD financially supported the regular participation of delegates of the OECS member States and the secretariat's staff in the meetings of the WTO Negotiating Group on Trade Facilitation, and provided both financial and substantive support to national and regional working groups on trade facilitation. UNCTAD also contributed to a regional WAEMU workshop on the trade facilitation negotiations and to work on a regional Single Window facility in Côte d'Ivoire.

422. Further to these national and regional activities, UNCTAD organized three brainstorming meetings for Geneva-based delegations. These meetings encouraged an open discussion on the proposals for special and differential treatment provisions and the implementation questions, both of which are critical to developing countries. As part of UNCTAD's series of Technical Notes on Trade Facilitation, UNCTAD produced a technical note on multi-agency working groups on trade facilitation. This technical note summarizes UNCTAD's long-standing experience with creating and supporting collaborative trade facilitation, and was submitted as a working document in the relevant WTO negotiations. UNCTAD and UNECE created and have been maintaining a repository of country experiences in collaborative trade facilitation platforms and committees.

423. In accordance with paragraph 107 of the Accra Accord, and with a view to "providing technical assistance to landlocked developing countries and transit developing countries", legal advice was also provided in relation to the draft Afghanistan–Pakistan Transit Trade Agreement, and also on new draft port legislation of Serbia. In addition, UNCTAD continued to review, comment and input into relevant training materials, related to transport law and regulation, including the Administrative and Legal Management of Ports, in the context of the UNCTAD Port Training Programme.

4. Other capacity-building activities in transport and trade facilitation

424. UNCTAD continued to provide advisory services on a broad range of substantive legal and regulatory issues, as well as to provide information, documentation, data and clarifications in response to requests from various governmental and intergovernmental entities and non-governmental organizations.

425. In response to a request for assistance from the Government of Rwanda, UNCTAD was responsible for the design of a logistics and distribution services strategy aimed at turning Rwanda into a logistics and distribution hub in the East African region.

426. UNCTAD experts also formed part of the teaching body of UNCTAD capacity-building programmes, notably the UNCTAD courses on key issues of international trade (P.166 Course), the Port Training Programme (Malaysia, Maldives and the United Republic of Tanzania) and the Virtual Institute. UNCTAD contributed to module 4 of para. 166 of the course with a two-day introduction to international transport and trade facilitation. Focus was placed on recent

developments in transit and maritime infrastructures and services, as well as on the issues, stakes and main players in the ongoing negotiations on trade facilitation at WTO. UNCTAD also worked with the International Association of Freight Forwarders in running a training-of-trainers programme in June in Damascus, Syrian Arab Republic, and at the Association's world congress meeting held in Geneva, Switzerland, in September.

427. **Results and impact:** Within the Doha Development Round at WTO and in the current phase of the negotiations, UNCTAD's activities focus, above all, on capacity-building and advisory services. While at the beginning of the negotiations UNCTAD had mainly organized and contributed to awareness-raising and training seminars, today we have moved towards more tailor-made national and regional cooperation while also continuing the development and updating of technical material.

428. It is very important that at the national level, countries can count on a functioning mechanism to prepare, undertake and continuously update the national assessments of trade facilitation needs and priorities. These mechanisms may be called – for example – collaborative platforms, task forces, inter-institutional working groups, or trade facilitation committees. They involve all key stakeholders from the public and private sector who have a role to play in the national trade facilitation agenda. The same collaborative mechanisms are also required when implementing trade facilitation reforms. The importance of these collaborative mechanisms is also reflected in their inclusion in the draft WTO Trade Facilitation Agreement (article 14), which was sponsored by countries with which UNCTAD had previously cooperated.

429. UNCTAD and the UNECE have together created a web-based repository of such trade facilitation working groups, where so far 13 countries share information about the structure and scope of activities of their national task forces. This information helps annex organizations to understand the challenges that such task forces face and to provide further tailor-made support to strengthen their capacity.

B. The ASYCUDA programme

430. **Development context and objectives/features:** The Automated System for Customs Data, better known under the name ASYCUDA, is a customs management system covering most foreign trade procedures, ranging from manifests and customs declarations to accounting, transit and suspense procedures. Its objective is to modernize customs operations, using information technology to speed up and simplify the goods clearance process.

431. **Outputs:** In 2009, there were more than 61 operational ASYCUDA technical assistance projects, including 11 regional/interregional projects. The ASYCUDA programme is the largest technical cooperation programme within UNCTAD, present in over 90 countries.

432. In the framework of a regional project being implemented in cooperation with the Secretariat of the Common Market for Eastern and Southern Africa (COMESA), activities continued in operational sites using the ASYCUDA++ system such as in Comoros, the Democratic Republic of the Congo, Eritrea, Seychelles and Swaziland.

433. Activities for the implementation of ASYCUDA++ or for the migration to ASYCUDA++ continued in Afghanistan, Botswana, Cameroon, the Democratic Republic of the Congo, Guinea and Malawi. New projects for the implementation of the ASYCUDA++ system began in Guinea-Bissau, Equatorial Guinea and Sierra Leone.

434. A technical assistance project funded by the European Union continues to support cooperation activities with the Secretariat of the Central African Economic and Monetary Community. It aims at improving the current national systems and developing and implementing a regional transit system, based on the latest internet-based version of the ASYCUDA system.

435. The latest internet-based version of the ASYCUDA system is operational in Albania, Côte d'Ivoire, Georgia, Haiti, Jordan (for both the National Customs Administration and the Aqaba Economic Free Zone Authority), Lebanon, the occupied Palestinian territories, the Republic of Moldova and the Syrian Arab Republic, covering the full customs clearance process. In 2009, ASYCUDA's latest version went live, and implementation activities started or continued in Cambodia, Gibraltar, the Islamic Republic of Iran, Liberia, the Libyan Arab Jamahiriya, Maldives, Sao Tomé and Príncipe, Sri Lanka, Tunisia, the Bolivarian Republic of Venezuela, and Zimbabwe.

436. In 2009, UNCTAD continued to provide remote technical assistance and support (online, mail, phone etc. for system maintenance) and in the field (for implementation of new releases, adaptation to new hardware or software platforms, improvement of functionalities etc.). Approximately 240 missions undertaken by staff or consultants (training excluded), were organized in the beneficiary countries. In the spirit of South-South cooperation, more than 60 per cent of these missions were carried out by experts from ASYCUDA-user countries.

437. Regarding know-how transfer and capacity-building, in 2009, 74 ASYCUDA training sessions were held worldwide at the national and regional level on customs and ICT. The functional courses covered mainly selectivity and risk management, and customs valuation and implementation of transit, while the ICT courses focused on database structure and administration, information exchange and telecommunications, web technology, and ASYCUDA maintenance and development.

438. A comprehensive overview of the system, and a presentation of its functionality and of the benefits to be expected by the governments concerned are available on UNCTAD's ASYCUDA website at <http://www.asycuda.org>. The site provides updated news regarding the ASYCUDA country projects; information about customs computerization; and links to the organizations working on customs matters, such as WCO and WTO. A secure area of the website, the ASYCUDA community domain, has access reserved to user countries. It contains technical and functional information relating to the system and hosts discussion groups and forums.

439. **Results:** The consistent enforcement of the customs and related legislation nationwide and the automatic calculation of duties and taxes results in increases to State budget revenue, and reliable and timely trade and fiscal statistics assist governments in planning their economic policy. It is likely that ASYCUDA's latest version 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. Shorter clearance times and the faster release of cargoes and means of transport will also have a significant impact on the environment.

440. The willingness to change and the commitment and full support of the Government are crucial factors for the success of the projects. Customs reform and modernization programmes procedures – which accompany the implementation of ASYCUDA – may face resistance from inside or outside Customs, which could prevent the full benefits of the automation process from being realized. Thus,

mobilization, awareness sessions and permanent communication with all stakeholders are essential steps in the implementation of the project.

Table 12. Transport and trade facilitation

<i>Project number</i>	<i>Short title</i>	<i>Starting date</i>	<i>Source of fund</i>
AFG/0T/4CE <i>a</i>	Emergency customs modernization and trade facilitation project in Afghanistan	2004–2009	World Bank
ALB/0T/7BF	Implementation of ASYCUDAWorld in the Customs Department	2007–	Albania
BDG/0T/7AN <i>a</i>	Manifest implementation in Chittagong	2007–2009	Asian Development Bank
BZE/0T/7BU	ASYCUDA	2007–	Belize
CAF/0T/3AX	Migration au système SYDONIA++	2005–	Central African Republic
CHD/08/001	Appui au PAMFIP, Renforcement des capacités de la Douane	2008–	UNDP
CMB/0T/6AG	Computerization of customs procedures and data in Cambodia	2006–	World Bank
CMR/0T/6AB	Soutien à l'administration des douanes	2006–	Cameroon
CVI/0T/9AL	Delivering as One, Cape Verde	2009–	UNDP
DMI/0T/7BY	ASYCUDA	2007–	Dominica
GAB/0T/4AX	Support to Gabonese Customs for the extension of ASYCUDA	2004–	Gabon
GAM/0T/8BH	Migration of ASYCUDA system from version 2.7 to ASYCUDA++ Gambia	2008–	Gambia
GEO/0T/7AA	Implementation of ASYCUDAWorld in the Customs Department	2007–	Georgia
GIB/0T/7AM	ASYCUDA feasibility study in Gibraltar	2007–	United Kingdom/DFID
GIB/0T/9AM	Implementation of ASYCUDAWorld	2009–	Gibraltar
GUI/0T/4AR	Migration au système SYDONIA++	2004–	Guinea
HAI/0T/5AM	Mise en place de SYDONIA World à l'administration générale des douanes	2005–	Haiti
IRA/05/755	Implementation of e-Customs ASYCUDAWorld in Iran (Islamic Republic)	2005–	UNDP
IVC/0T/4BV	Implémentation de ASYCUDAWorld en Côte d'Ivoire	2005–	Côte d'Ivoire
JOR/0T/6AE	Implementation of ASYCUDA World in Jordan	2006–	Jordan
JOR/0T/7AQ	Implementation of ASYCUDA World in Jordan	2007–	United States
LEB/0T/5BK	Implementation of ASYCUDA World in Lebanon	2005–	Lebanon
LIB/0T/8AP	Implementation of ASYCUDAWorld in the Libyan Customs Directorate	2008–	Libyan Arab Jamahiriya
LIR/0T/8CD	ASYCUDAWorld Project in Liberia	2008–	Liberia
MAG/0T/2BY	Migration to ASYCUDA++ system	2003–	Madagascar
MAU/0T/5BD	Migration des Douanes mauritaniennes à la version++ du SYDONIA	2005–	Mauritania
MDV/08/001	Support to Maldives Customs Service to upgrade ASYCUDA	2008–	UNDP
MLI/0T/2AT	Migration to ASYCUDA++ system	2002–	Mali
MLW/9X/8AU	ASYCUDA	1999–	United Kingdom
MOL/0T/8AQ	ASYCUDA technical assistance and support	2008–	Republic of Moldova
MOL/0T/9BA	Implementation of valuation control in the Moldovan ASYCUDAWorld system	2009–	Republic of Moldova
NAM/0T/2AI	Migration to ASYCUDA++	2002–	Namibia
NCA/0T/3AU <i>a</i>	Implementation of ASYCUDA++	2003–2009	New Caledonia
NEP/0T/6BR	Consolidation of customs automation	2006–	Asian Development Bank
NIR/0T/5AB <i>a</i>	Implementation of ASYCUDA++ in the Nigerian Customs Service	2005–2009	Nigeria
PAL/0T/7AV	Implementation of ASYCUDAWorld in Palestine	2007–	EC

<i>Project number</i>	<i>Short title</i>	<i>Starting date</i>	<i>Source of fund</i>
PHI/9X/43G	ASYCUDA	1994–	Philippines
PHI/0T/8AH	Enhancement of ASYCUDA Risk Management	2008–	EC
PNG/0T/4AP	Installation of ASYCUDA in Papua New Guinea	2004–	Papua New Guinea
PRC/0T/2BW	Installation du système du SYDONIA++	2002–	Congo
PUE/0T/7AX	Modernización del sistema de control de carga y mercancías con el ASYCUDAWorld	2007–	United States
RWA/0T/2BX	Migration to ASYCUDA++	2003–	United Kingdom
SIL/0T/8AA	Implementation of ASYCUDA++ in Sierra Leone	2008–	United Kingdom
SRL/0T/7BL	ASYCUDAWorld in Sri Lanka	2007–	Sri Lanka
STP/0T/9AB	ASYCUDA project	2009–	United States
STV/0T/6AQ	ASYCUDA migration in Saint Vincent and the Grenadines	2006–	Saint Vincent and the Grenadines
SYR/0T/4BP	ASYCUDA implementation in the Syrian Arab Republic	2005–	Syrian Arab Republic
TIM/06/001	Support for automation of customs processes in Timor-Leste	2006–	UNDP
TOG/0T/2AN	Migration to ASYCUDA++	2002–	Togo
TRI/0T/1BW	Simplification of customs procedures and data using ASYCUDA++	2004–	Trinidad and Tobago
TUN/0T/7AT	Coopération pour la modernisation et l'automatisation des procédures douanières	2007–	Tunisia
UGA/0T/1AP	Migration to ASYCUDA ++ Customs Modernization Programme	2001–	Uganda
URT/0T/2CY	Migration to ASYCUDA ++	2002–	United Republic of 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
ZIM/0T/7AC	Implementation of ASYCUDAWorld in Zimbabwe	2007–	Zimbabwe
INT/9X/31Y	Introduction of multimodal transport and microcomputer software programmes	1993–	Multi-donor
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 and least developed countries to support their effective participation in the WTO negotiations process on trade facilitation	2004–	Multi-donor
RAF/0T/2AG	Migration to ASYCUDA system from version 2.7 to ASYCUDA++ in ECOWAS	2002–	ECOWAS
RAF/0T/6AJ	Implementation of ASYCUDA in five selected COMESA countries	2006–	EC
RAF/0T/6BC	Establishment of the SEATAC	2006–	Norway
RAF/0T/7AW	ASYCUDA Regional Support Centre for Africa (Ouagadougou)	2007–	Multi-donor
RAF/0T/8AL	Strengthening ASYCUDA implementation in Southern and Eastern Africa	2008–	Botswana
RAF/0T/8AT	Interconnexion des douanes d'Afrique Centrale	2008–	EC
RAS/0X/0DX	ASYCUDA implementation and support in the Asia/Pacific region	2000–	Multi-donor
RAS/0T/1BR	International multimodal transport operations in the ECO region: trade facilitation component	2001–	IDB and ECO
RAS/0T/1DA	ASYCUDA support mechanism for the Pacific	2002–	Japan
RLA/0T/3AD	ASYCUDA regional support for the Americas	2003–	National governments
RLA/0T/8BO	Implementation of ASYCUDAWorld in the Customs administrations of Anguilla, Montserrat, and the Turks and Caicos Islands	2008–	European Commission

^a Project that had been “operationally but not financially completed” or “completed” in 2009.

Cluster XIII. ICT policies and applications for development

Lead division: Division on Technology and Logistics (DTL)

441. This cluster of activities supports research, analysis and capacity-building in developing countries, with regard to policymaking in the field of information and communications technologies (ICTs) (including the statistical measurement of ICT diffusion and usage) and their economic applications. During 2009, a new multi-donor and multi-year trust fund on ICT Policies for Development was created to support technical assistance activities within UNCTAD's work on ICT: INTOT9AS.

A. ICT policies for development

442. **Development context:** Through the outcome of the World Summit on the Information Society (WSIS), the international community recognizes the need to address the digital divide between developed and developing countries in access to and use of ICTs, including with regard to economic and business aspects. ICTs have considerable potential to enhance the competitiveness of enterprises in developing countries, provide better access to markets, generate new opportunities for economic diversification, create jobs, and reduce poverty. Accordingly, ICT policies have been incorporated in the national development strategies and policies of many developing countries.

443. UNCTAD works to promote ICT and e-business for development, through technical cooperation in the areas of ICT measurement and e-commerce and law reform, and, in particular, by building the capacity of countries to produce information economy statistics that will enable them to formulate and implement evidence-based ICT for development policies, and by helping countries to harmonize their legal frameworks and create an enabling environment for electronic commerce. UNCTAD also undertakes ICT Policy Reviews on request.

444. **Objectives/features:** UNCTAD aims to strengthen the capacity of developing countries to use ICTs for economic growth, productivity and development, to formulate and improve ICTs for development strategies, and to assess the results of these policies by developing appropriate mechanisms for monitoring and evaluation, including through the production of internationally comparable statistical indicators.

445. **Output:** As part of UNCTAD's assistance to developing countries in the area of ICT measurement, the revised edition of the *Manual for the Production of Statistics on the Information Economy* was presented at the fortieth session of the United Nations Statistical Commission in February 2009. In collaboration with other members of the Partnership for Measuring ICT for Development, the Manual has been translated into French, and is scheduled to be translated into Spanish and Arabic in the first half of 2010. UNECA financed the translation into French, UNESCWA financed the translation into Arabic, and UNECLAC financed the translation into Spanish. The Manual provides a practical tool and reference document for developing and transition economies in their production of official statistics on the ICT sector, ICT trade, and the use of ICT by businesses. It is also the main reference document for the UNCTAD training course on measuring the information economy.

446. In order to increase its capacity to roll out technical assistance on measuring the information economy, UNCTAD – jointly with ITU – organized a training of trainers on ICT measurement (Geneva, June 2009). The new trainers were given the skills and knowledge to deliver UNCTAD (and ITU) training courses on ICT

measurement, as well as to provide advisory services for national ICT data collection strategies.

447. UNCTAD delivered its training course on measuring the information economy for English-speaking Caribbean countries from 26 to 30 January 2009. The course was held in Port of Spain, Trinidad and Tobago, and was attended by 25 participants from 13 countries. It was organized jointly with the ITU and UNECLAC.

448. Africa is the continent for which the lack of ICT indicators is the most accentuated. Against this background, UNCTAD delivered two regional training courses for African countries during 2009. From 13 to 24 July, the first such course was organized in Addis Ababa, Ethiopia, in collaboration with the ITU and UNECA, focusing on English-speaking African countries. One of the instructors who attended the training of trainers earlier the same year delivered the training on behalf of UNCTAD. The course had 20 participants from 14 African countries.

449. The second course in Africa was held on 7–11 December in Rabat, Morocco. This course was organized together with the UNECA, and it targeted French-speaking African countries. It was the first time that the UNCTAD training course on measuring the information economy had been conducted in French. Some 22 participants from 15 countries attended.

450. In March 2009, UNCTAD participated in a workshop organized by the Economic and Social Commission for Western Asia (UNESCWA), in Dubai, on the measurement of e-commerce and external trade indicators. In April, UNCTAD contributed to the fifth Regional Workshop on Information Society Measurement in Latin America and the Caribbean, held in Rio de Janeiro, Brazil and organized by UNECLAC.

451. UNCTAD also provided technical assistance to Morocco. Upon invitation from the Ministry of Industry, Trade and New Technologies, a mission to Rabat was conducted in July 2009 to provide advice on the establishment of a national observatory for ICT and on information economy core indicators that could be collected, in the context of a multi-stakeholder workshop.

452. With regard to technical assistance related to the project on ICT and Law Reform, UNCTAD continued its activities in the East African Community (EAC), in Cambodia, in the Lao People's Democratic Republic and in Latin America, and also implemented new activities in Central America.

453. In the EAC, where UNCTAD has been active since 2007 for the harmonization of cyberlaws in the five Partner States, a training workshop on the "Legal aspects of e-commerce" was organized for 19 officials in Burundi (Bujumbura, 21–25 September 2009). The workshop was organized in cooperation with UNCITRAL. At the regional level, the draft EAC Legal Framework for Cyberlaws prepared by UNCTAD in 2008 was considered by the EAC Technical Committee for Information Technology in October 2009. The Committee proposed a number of recommendations for partner States, such as making specific provisions in their cyberlaws for electronic payment systems and certification infrastructure. The Committee also recommended that issues of intellectual property rights, competition law and tax law be considered in the next phase, as planned in 2008 when the Framework was prepared. The Sectoral Council of the EAC will consider and adopt the Framework for Cyberlaws in February 2010.

454. UNCTAD furthermore supported a workshop on Legal and Regulatory Framework for the Knowledge Economy, organized by UNECA during the Meeting of the Committee on Development Information, Science and Technology (CODIST) from 28 April to 1 May 2009. It analysed the formulation and modalities for

adoption of legal and regulatory frameworks, which is one essential element towards the creation of an enabling environment for the knowledge economy.

455. In Asia, technical assistance was primarily offered to Cambodia and the Lao People's Democratic Republic. Further to the draft cyberlaws prepared in 2007 for the two countries, national sensitization workshops on the draft e-commerce legislation for 30 key stakeholders were held in each country in April 2009.

456. In Latin America and the Caribbean, the distance learning course on "Legal aspects of e-commerce" was delivered for 90 participants from Costa Rica, the Dominican Republic, El Salvador, Guatemala, Honduras, Nicaragua and Panama, in January and February 2009. This course was followed by a face-to-face regional workshop on cyberlaws jointly organized with the Ministry of Foreign Affairs of El Salvador, and held in San Salvador from 23 to 27 March 2009. Some 24 participants from seven countries exchanged views on e-business issues, reviewed related existing laws, and discussed plans for the creation of a regional harmonized legal framework for internet-based commerce. The *Study on Prospects for Harmonizing Cyberlaws* in Latin America was published in June 2009 and provides a basis for advancing the plans towards a harmonized legal framework to support the development of internet-based commerce in ALADI countries. It presents a comparative review of the laws and bills of 11 ALADI member States in key policy areas, and takes stock of regional ICT policy initiatives. The study became available in English in February 2010. A similar study for Central America and the Caribbean, based on the results of the 2009 workshop in San Salvador, is scheduled for publication in the first semester of 2010.

457. In addition, UNCTAD was invited by the OECD to provide comments in view of the revision of the Guidelines on Consumer Protection prepared in 1999. A note was prepared and presented on the occasion of the Conference on Empowering E-Consumers, which was run by the OECD with the support of the United States Federal Trade Commission, in December 2009 in Washington, D.C.

458. Project EGY0T8BQ, signed in August 2008 between the Ministry of Communication and Information Technology and UNCTAD, got under way in 2009, with a first field mission carried out in May. UNCTAD's review intends to serve as one of several inputs into the country's new national ICT strategy to be prepared next year. The mission met with high-level representatives of the Ministry of Communication and Information Technology and affiliates, as well as local and international companies. Stakeholders were invited to share with the UNCTAD team their overall assessment regarding the successful implementation of certain policies/initiatives, as well as bottlenecks they may have encountered or foreseen. Desk research and analysis of the results of the first mission, as well as preparation for the second mission, were carried out in 2009. This first review of its kind is expected to be finalized during the first half of 2010.

459. **Results:** In the case of measuring ICT, UNCTAD continued its leading role in the Partnership on Measuring ICT for Development – as part of its Steering Committee, as leader of its Task Group on Capacity-Building, and as a member of its Task Group on Impacts.

460. During the course of 2009, UNCTAD trained statistical experts on measurement of the information economy in another 42 countries. This included a large number of countries which to date have not produced ICT statistics according to the international standards agreed upon by the Partnership. This technical assistance should contribute to the availability of more such statistics in the near future, enabling more informed policymaking in the beneficiary countries, as well as more transparent benchmarking and cross-country comparisons.

461. The training courses allowed for the creation of networks of experts on ICT measurement in different regions of the world. These networks can be tapped in the future to further disseminate ICT measurement core indicators and methodologies, which are necessary to design internationally comparable ICT statistics. It is also hoped that the presence in these countries of a focal point that is familiar with the core indicators devised by the Partnership will help to raise awareness in countries of the importance of producing internationally comparable statistics on ICT in business, as well as assist UNCTAD when collecting national data. Finally, these networks provide a pool of expertise that may be used for further training and dissemination activities at the country level, for example through distance learning and training of trainers.

462. In 2009, UNCTAD significantly increased its means to implement technical assistance to support developing countries' efforts to produce internationally comparable ICT statistics. With the training of trainers and the translation into other languages of its training manual and pedagogical material, UNCTAD will now be able to ensure training activities and advisory missions in more countries and regions.

463. Thanks to UNCTAD's capacity-building activities in the area of measuring ICT, there has been an improvement in the availability and quality of ICT indicators related to the use of ICT by enterprises. The number of developing countries conducting surveys of the ICT use by enterprises is increasing, and the quality of the data supplied is improving too. In 2009, Lesotho became the first LDC to be included in UNCTAD's *Information Economy Database*.

464. The ICT and law reform project addresses the challenge of increasing the level of competent human resources with ICT and legal knowledge, as well as accompanying the development and implementation of cyberlaw in beneficiary countries. In the EAC, the project has assisted decision-makers, law-makers, parliamentarians and legal professionals from EAC partner States to better understand the legal implications of e-commerce and to advance the adoption of cyberlaws in each State. The cooperation with the EAC secretariat has encouraged institutional ownership and commitment since the beginning of the project. Also, further coordination with UNECA has allowed increased synergies in the development of legal frameworks in Africa. During 2009, the work on developing a regional framework progressed in parallel with the development of legislation at the national level in the EAC partner States.

465. Further to the workshop held in Cambodia, the draft E-Commerce Laws were circulated for finalization among the private sector representatives and concerned stakeholders, in particular, members of the Telecommunications and Information Technology Sub-Working Group and the Law, Tax and Governance Working Group to gather their comments which were received in December.

466. The Study on "Prospects for harmonizing cyberlaws in Latin America" contributed to a greater awareness among policymakers of the current situation in ALADI member States. This should help in fostering a regional harmonized cyber-legislation framework.

467. In the case of the ICT Policy Review of Egypt, the main results will emerge only in 2010. A draft review is being prepared on the basis of the findings of the first mission and desk research. A second mission was held in early January 2010. Ultimately, recommendations will be proposed to the Government to help elaborate its strategy for the period 2011–2014.

Table 13. ICT policies and applications for development

<i>Project number</i>	<i>Short title</i>	<i>Starting date</i>	<i>Source of fund</i>
EGY/09/001	National ICT Policy Review for Egypt	2009–	UNDP
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–	Multi-donor
INT/0T/6AL	E-commerce and law reform	2006–	Finland
INT/0T/9AS	ICT policies for development	2009–	Common Fund For Commodities
ROA-1562 (L5)	Capacity-building for information and communications technology measurement and policy	2005–	Development Account

Cluster XIV. Cross-divisional training and capacity-building

Lead division: Division on Technology and Logistics (DTL)

468. **Development context:** The need to secure developing countries' beneficial integration into the globalized world economy can be satisfied only if these countries build resources, knowledge and skills that will allow them to achieve their development objectives. In this context, UNCTAD seeks to develop local capacities for trade as a key to growth and development.

469. **Objectives/features:** This cluster is instrumental in the achievement of the objectives of subprogramme 4 (Technology and Logistics) of the UNCTAD section of the United Nations Strategic Framework for the period 2010–2011. The programmes under this cluster, namely TrainForTrade, the Virtual Institute, and the Course on Key International Economic Issues, aim to enhance sustainable local capacity in the fields of trade, finance, investment, tourism and other interrelated areas and their links with development, as well as local teaching and research capacities on trade and development in academic institutions in developing countries and countries with economies in transition. They do so through technical assistance and cross-divisional capacity-building, focusing on human resources development, training, networking and academic support. The mandate for these programmes is confirmed by Accra Accord paragraph 162.

A. TrainForTrade programme

470. **Outputs:** In 2009, TrainForTrade continued revising, updating and adapting its courses so as to better meet beneficiaries' needs.⁹

471. Following the action plan adopted by the National Steering Committee in March 2009, the four-year TrainForTrade project funded by the European Commission in Angola successfully continued its activities. The first national workshop to train Angolan distance-learning tutors was delivered in March 2009 for 23 participants, 10 of whom were women. It was followed by a workshop on "Productive capacities, economic growth and poverty reduction in LDCs, with the example of Angola" for some 40 Angolan officials (5–10 November 2009) with the aim of strengthening Angolan capacities in the field of trade policies. In addition, a

⁹ The TRAINFORTRADE Programme benefits from the support of the Governments of France, Greece Ireland, Portugal and Spain, as well as the European Commission and port members of the Port Training Programme (both in developed and developing countries) in implementing its technical cooperation activities. All its substantive courses are designed and delivered in cooperation with other UNCTAD divisions and programmes.

workshop on “Sustainable tourism for development” was run for 29 tourism operators in Luanda (16–20 November 2009).

472. The first activities of the pilot joint UNCTAD–ITC project in Guinea funded by the French Agency for Development (AFD) were implemented in 2009. They included a technical mission on trade facilitation, a training of technical tutors in Conakry for distance-learning experts, and a hybrid training (combining distance learning and traditional face-to-face delivery) on international investment agreements, which only partly took place due to September’s events in Conakry. On 4 December, a coordination meeting between the executing agencies and the Ministry of Commerce was held in Geneva in order to reschedule the agreed activities.

473. The joint UNCTAD–ITC TrainForTrade project on “Promotion of sustainable and community-based tourism in Benin”, financed under Window II of the Integrated Framework (IF), has seen the rolling out of activities for the communities including 29 tourism operators, in March and September 2009. As a result, a rehabilitation plan for historical houses in the city of Abomey, to be converted into small lodgings for international tourists, has been drafted by the Abomey authorities, with the technical support of the French town of Albi and the technical expertise of ECO-Benin, a local NGO.

474. The last activities of the TrainForTrade project for Cambodia and the Lao People’s Democratic Republic were implemented in 2009. In the Lao People’s Democratic Republic, these included a seminar on investment promotion and investor targeting, for 30 participants, held in the Borkeo province of the Lao People’s Democratic Republic (29–31 July 2009), and a train-the-tutor workshop and a train-the-trainer workshop, for 16 participants each (held, respectively, on 15–19 June and on 12–17 October 2009), while in both the Lao People’s Democratic Republic and in Cambodia, TrainForTrade accompanied the work of local authorities on drafting a law on consumer protection. During the sixth regional steering committee of the project on 3 May 2009, the Lao People’s Democratic Republic and Cambodia signed the Terms and Conditions of the TrainForTrade Network, setting the framework for cooperation after the end of the project in December 2009.

475. TrainForTrade also continued its activities in Latin America and the Caribbean, consolidating its results with successful course deliveries with the support of the Government of Spain. A four-week distance learning course on “Legal aspects of e-commerce” was delivered to 90 participants from Costa Rica, the Dominican Republic, El Salvador, Guatemala, Honduras, Nicaragua and Panama (January–February 2009). It was followed by a face-to-face regional workshop on cyberlegislation held in San Salvador (23–27 March 2009) for 24 participants from seven countries. Two studies on the harmonization of cyberlaws in Latin America and in Central America and the Caribbean were published as a result of these activities. A distance-learning regional course on international investment agreements was delivered in Spanish via the UNCTAD distance-learning platform to 48 policymakers and local experts from 17 SELA member States (26 October–27 November 2009). In Guatemala, 16 participants from Central America and the Caribbean participated in the first TrainForTrade course on sustainable tourism held in Spanish (16–20 November 2009).

476. *Port training:* In 2009, French-speaking African ports that are members of the TrainForTrade Port Training Programme organized new training cycles of the Modern Port Management course. A total of 161 port operators benefited from the national deliveries and 78 trainers and technical tutors were trained in the port communities of Cotonou (Benin), Douala (Cameroon), Conakry (Guinea) and Dakar

(Senegal). The port of Djibouti joined the network in October. In addition, a training of trainers was delivered in Dakar for the ports that are members of the network, with the financial support of the Government of Greece. Two trainings of technical tutors were delivered too, in Conakry in August and in Djibouti in October.

477. In September 2009, TrainForTrade organized two seminars on modern port management in cooperation with the Port of Luanda, Angola, for 35 participants, from the ports of Luanda, Cabinda, Soyo, Namibe, Lobito and Amboim, as well as from national authorities.

478. In cooperation with Dublin Port Company and Irish Aid, TrainForTrade organized the second Train-the-Trainers Workshop for English-speaking Port Communities, in Dublin, Ireland (30 June–15 July 2009). Twenty-five senior managers from Djibouti, Ghana, Indonesia, Malaysia, Maldives and the United Republic of Tanzania were trained on methods and tools of management in ports. Following this training, each of these countries designated a focal point and identified participants and local instructors for the first local training cycle. As a result, a total of 118 middle managers have been trained in Asia and Africa under the pilot phase of the UNCTAD Port Training Programme. The first four modules of the Modern Port Management course have been delivered in each of the countries of the network. A train-the-tutor session was also organized in Malaysia, hosted by Kuantan Port Consortium (10–13 November 2009) and attended by 16 representatives from the port communities of Malaysia, Maldives and the United Republic of Tanzania.

479. The official launch of the Port Training Programme in Guatemala took place in June 2009. Middle managers from the National Port Commission and the ports of Quetzal and Santo Tomás de Castilla were trained on modules 1–4 of the Modern Port Management course from June to October 2009. In addition, a train-the-tutors took place in Guatemala City in June 2009.

480. The Port Training Programme for Peru was officially launched in Lima in July 2009. Middle managers from the National Port Authority and the port community of Callao were trained on the first four modules of the Modern Port Management course in various sessions.

481. TrainForTrade, in cooperation with the port authorities of Valencia and Gijón, and with the support of the Spanish Government, organized the second train-the-trainers workshop for Guatemala, Mexico and Peru, which was held in Valencia, Spain (September–October 2009).

482. **Results:** The TrainForTrade programme contributed to building self-sustained training frameworks in beneficiary countries and regions by strengthening local capacities and increasing networking activities. In particular, the programme:

- (a) Developed standardized training materials that can be adapted to the local needs of each beneficiary country; such materials were translated into local languages, thereby increasing the outreach of training activities to local provinces and facilitating local ownership and generation of knowledge;
- (b) Promoted the activities of national steering committees – such as those set up in the framework of TrainForTrade projects in Angola and Guinea – that bring together key stakeholders in trade-related training and capacity-development activities and work on annual action plans, thereby building institutional capacities;
- (c) Identified local specialists who could serve as trainers in their subject matter, and provided them with the pedagogical skills necessary to deliver the courses locally; and trained IT tutors who played a significant role in

facilitating the management of distance-learning sessions as well as the access to the TrainForTrade learning platform in their respective countries. One hundred and sixty-six trainers or distance-learning tutors participated in the courses in 2009 and have been delivering training in the framework of TrainForTrade workshops; and

- (d) Trained trade operators from both the public and the private sectors of developing countries – a total of 44 face-to-face and distance learning workshops benefited 1,070 trade operators (including 299 women) from 39 developing countries, including 17 LDCs. About 164 of these trainees followed distance-learning courses all over the world. Nine train-the-trainer courses, six of which were for distance-learning tutors, were organized for 166 African, Asian and Latin American trade operators; they are now able to take an active part in local seminars and to initiate training schemes in their countries.

483. An example of the positive results obtained by TrainForTrade is the distance-learning strategy that was implemented in Guinea to train participants from various Guinean ministries and entities on international investment agreements. Following their participation in a TrainForTrade train-the-tutors workshop organized in Conakry in August 2009, local tutors were able to deliver the online International Investment Agreements course. This was done in a classroom in Conakry equipped with a generator and a direct internet connection through an individual satellite dish. DVDs were also made available to all participants for the multimedia presentation.

484. Another example was the course on sustainable tourism for development, which took place in Angola (November 2009). Participants were able to follow multimedia presentations, and the e-learning platform proved to be an efficient tool to maintain contacts with participants after the training, as well as to facilitate future local and regional deliveries by Angolan trainers.

485. Some experts could not travel to Angola to deliver the first two modules of the Modern Port Management course in September 2009. However, TrainForTrade experts filmed them in advance, and were able to show multimedia presentations to the Angolan participants. The experts also contributed online to the chat and forum sessions with the participants. The flexibility of this e-learning approach added value to the course for the participants from the six main Angolan ports.

B. The Virtual Institute on Trade and Development (Vi)

486. *Outputs:* The Virtual Institute continued to assist universities in member countries to enhance their capacity at delivering trade-related academic programmes and research in a way that addresses the concerns and needs of their countries. To this end, it offered them a menu of customized services provided in cooperation with partners from other UNCTAD programmes and international organizations and drawing on their analytical work. During the period under review, the Virtual Institute was financially supported by the United Nations Development Account, and the Governments of Finland, Spain and Norway.

487. The year 2009 was particularly important for the Vi, as it marked the fifth anniversary of its creation in 2004. The network grew from 28 to 31 countries, including 7 new university members from Brazil, Colombia, Ethiopia, Mexico, Switzerland and Viet Nam. At the end of 2009, the Vi university network consisted of 51 universities, including 31 core members and 20 of their national partners.

488. In the area of support for teaching, the Vi provided advisory and curriculum support to universities in Uganda and Benin on the development of trade-related master's programmes. In order to adapt generic Vi teaching materials to the context

of the countries in which they are used, the Vi provided grants and expertise for 11 “localizations” of its teaching materials (on regional trade agreements, trade data analysis, competitiveness and development, and transfer of technology) to member universities in Chile, Egypt, Jordan, Kenya, the Russian Federation and Uganda, and in the West Indies. Additionally, it organized three study tours, lasting one to two weeks each, and with tailored training programmes, at UNCTAD and Vi partner institutions (WTO, ITC, WIPO, ICTSD, the South Centre) and permanent missions, for more than 90 students from the Russian Federation, the Caribbean, and Colombia, and a shorter session thereof for its members in Switzerland.

489. In the area of professional development for academics, the Vi organized three national professional development workshops on trade data analysis, for 83 participants from LDC universities (in Senegal, Uganda and the United Republic of Tanzania), sponsored by the Government of Finland and delivered in cooperation with UNCTAD’s Division on International Trade. Vi members in Latin America benefited from two workshops on the World Integrated Trade Solution (WITS), co-funded by the Government of Spain and UNCTAD’s Division on International Trade, which contributed resource persons. Two one-day workshops on international trade logistics, and on trade policy and negotiations, were organized in Mauritius, in cooperation with UNCTAD’s Division on Technology and Logistics and its Division on Africa, Least Developed Countries and Special Programmes. Through its partners, the Vi facilitated the provision of workshops on market analysis tools (delivered by ITC) for Uganda, and on trade negotiations and policies (WTO) for Senegal. Ten academics (three from LDCs, sponsored by the Government of Finland, and seven from Latin America, funded by the Government of Spain) participated in the Vi fellowship programme at UNCTAD, working on the development of new courses or the preparation of research papers.

490. In the area of virtual services, the Vi website (<http://vi.unctad.org>) continued to provide access to teaching resources, including more than 600 papers and studies from UNCTAD and partner organizations, to 1,607 individuals from 138 countries, and served as a communications tool for UNCTAD expert group meetings. The “News” section of the site was kept active, with 48 news items published in 2009. Four quarterly Vi electronic newsletters were produced and distributed to nearly 3,500 recipients on its e-mailing list. In 2009, the Vi website surpassed its first million hits, an increase of more than 60 per cent over the previous year. The Vi developed 10 new multimedia teaching resources for its members, in addition to presentations from short courses for Geneva-based diplomats organized by an associated UNCTAD programme, as well as a documentary video about its work. It continued its videoconferencing services, by offering seven presentations of UNCTAD’s flagship reports (TDR, WIR, IER) for its members in Brazil, Chile, Jordan, the Russian Federation and Uruguay.

491. In the area of activities of the Vi university network, the first half of the year saw organization of the fourth meeting of the network in Geneva in May, attended by 32 university representatives. In response to members’ requests, the focus of the meeting was on joint Vi research projects. The thrust of the second part of the year was on the finalization of two joint research projects funded by the Government of Spain, and the presentation and discussion of their findings at regional workshops. The project on regional integration and cooperation in Latin America consisted of seven papers drafted by academics from Vi universities in Argentina, Brazil, Chile, Peru, Spain and Uruguay, and was implemented in cooperation with the UNCTAD Division on Globalization and Development Strategies. The papers were presented at two regional workshops hosted by Vi university members, namely the University of the Republic, in Uruguay (3–4 December), and the Catholic University, in Peru (7 December). The topic of the second joint research project, conducted in

cooperation with the UNCTAD Division on Investment and Enterprise, was Corporate Social Responsibility in Latin America. It encompassed five papers, produced by Vi university members from Argentina, Chile, Colombia, Spain and Uruguay. A regional workshop on the issue was organized in cooperation with EAFIT University (19 November, Medellín, Colombia).

492. The Vi also used its networking capacity to facilitate North–South cooperation projects among members which were then granted donor funding. Among these were projects between members in Spain and Viet Nam relating to the strengthening of higher learning and research in Viet Nam; and the project between Germany, and Belarus, Brazil, Chile, India, Jordan, Mauritius, South Africa, Uganda and the United Republic of Tanzania, on teaching of and research into finance, trade and development. Vi universities in Chile, the Russian Federation, Spain and Switzerland also offered preferential access to other members of the network to some of their training programmes.

493. In a number of instances, the Vi and WTO joined their forces, by providing support to the same universities. In 2009, eight Vi member universities were selected – in Argentina, Chile, Jordan, Kenya, Mauritius, Mexico, the Russian Federation and Senegal – to participate in the WTO Chairs Programme. WTO will provide the chairholders with funding to the tune of 200,000 Swiss francs to implement teaching, research and outreach activities in the coming four years.

494. **Results:** The Virtual Institute contributed to enhanced teaching and research of trade and development issues at member universities by providing support for the development of both individual and institutional capacities in this area.

495. In terms of its impact on individuals' (i.e. academics' and students') professional capacities, the Vi:

- (a) Provided university students and staff at member universities with up-to-date teaching resources and materials on topical international economic issues and related national policies, which are relevant for/adapted to the specific contexts of their countries, and can enrich their existing courses and inspire new ones. "Generic" Vi teaching materials, as well as their "localized" versions adapted to the contexts of individual countries, were used in teaching nearly 15,500 students of undergraduate and postgraduate courses in economics, business and law;
- (b) Enhanced academics' research skills, and their capacity to teach topical international trade and development issues through professional development workshops, Virtual Institute fellowships, and the participation in research projects linked to the local adaptation of Vi teaching materials or joint research among Vi members. For instance, the knowledge from the investment workshop helped participants improve their teaching, in particular through the use of exercises from the workshop in tutorials in Mauritius, adding content to courses on trade law in Ethiopia, or contributing to national discussions on investment provisions of EAC–EU EPAs in the United Republic of Tanzania. Academics participating in the fellowship programme used the access to data, literature and Geneva-based experts to further the preparation of their research papers; and
- (c) Improved students' knowledge of international economic issues and understanding of policymaking processes through interaction with international experts from UNCTAD, WTO, ITC and other organizations, as well as the representatives of permanent missions, during Vi study tours and videoconference presentations by UNCTAD staff. This helped the students

be better prepared to deal with practical trade and economic policy issues in their future careers.

496. In terms of the institutional impact, the Virtual Institute:

- (a) Through targeted professional development activities for academics, contributed to the establishment of larger teams of lecturers/researchers at universities who have built trade-related competencies and skills and are now involved in teaching and researching these issues. Twenty-eight staff per member university are currently involved in the Virtual Institute;
- (b) Contributed to the strengthening of existing – and at times, to the introduction of new – undergraduate and graduate programmes and courses on trade and development issues. These programmes are essential for developing countries, as they seek to increase the quality and quantity of their trade professionals; and
- (c) Supported academic cooperation (both South–South and North–South), and the creation of a community of practice in trade teaching and research among its university members through network meetings, joint projects and other forms of cooperation; and contributed to the strengthening of their capacity to interact, share and cooperate across different countries and cultures.

497. An independent evaluation of Vi activities was undertaken in 2009 by an expert affiliated with the United Kingdom’s Overseas Development Institute. The expert concluded that the customized Vi services, sustainable long-term support, responsiveness to members’ needs, and proactive approach, as well as the Vi network’s global scope, make the Vi very relevant and highly valued by member universities – a statement supported by 79 per cent of them. It also serves UNCTAD as a tool for a two-way exchange with universities and a means to contribute to developmental thinking and education of future decision-makers in developing countries. According to the evaluator, the Vi has had a clear measurable impact on beneficiary universities in terms of: (a) enhancement of their trade-related teaching; (b) strengthening of policy-relevant local research capacity through localizations and joint research projects; (c) establishment of international research collaborations between universities from different continents; (d) increased access to trade-related teaching through the website of the Virtual Institute; and (e) laying the groundwork for the long-term sustainability of the Vi’s activities by focusing on the development of local capacity – as opposed to relying on outside expertise, and supporting departments and institutionalized academic programmes, as opposed to individuals.

C. Course on key international economic issues

498. *Outputs:* The course on Key Issues on the International Economic Agenda continued to enhance the knowledge and understanding of contemporary economic issues among trade policy officials, finance and investment experts from relevant ministries, and academics from the UNCTAD Virtual Institute network. A particular focus was on the development of appropriate trade-finance-investment policies that produce development gains and meet the development objectives of participating countries. The course continued to deliver a coherent programme, which has always been adapted to each region’s specificities.

499. The 2008–2009 biennium saw a continued oversubscription of candidates – government officials and academics – nominated to attend the course. The courses were oversubscribed by 180 per cent; the secretariat received 200 applications but could only accommodate 111 participants. This situation indicated the growing

appreciation of the course by past participants and their supervisors and by Geneva-based delegates, all of whom proposed colleagues or their staff to participate in the course.

500. In 2009, a total of 69 participants from 51 countries, of which 19 were from LDCs, attended the three regional courses organized in 2009: for Africa in Cairo, Egypt (January 2009); for Latin America and the Caribbean in Medellín, Colombia (August 2009), and for Asia and the Pacific in Jakarta, Indonesia (November 2009).

501. The format and content of the regional courses were refined in response to the needs of policymakers, and to reflect the most recent developments in the world economy. During the design phase, UNCTAD collaborated with the United Nations regional commissions, Virtual Institute members, and national experts, to ensure a rich, coherent programme on trade, finance, investment and development. Detailed case studies and lessons learned from previous policy decisions were successfully integrated into the course, and emphasis was placed on policy design and implementation. Academics were invited to the courses, with the aim of enriching the debates with an academic perspective and facilitating the exchange of insights between academia and policymakers.

502. In response to requests by member States, and with the intention of strengthening links between UNCTAD's analytical work and policymaking, a series of six short courses on topical international economic issues was offered to permanent missions in Geneva between April and December 2009. These short courses were attended by 183 delegates.

503. **Results:** The evaluations of the regional courses on Key Issues on the International Economic Agenda showed that participants appreciated the integrated approach to development taken by UNCTAD in designing a programme that looks at development from the multiple perspectives of trade, finance and investment, and that illustrates how appropriate policies can contribute to economic growth and the development process in general.

504. Many participants in the African course indicated that for their countries to benefit from trade, they needed to improve the productive capacities of their sectors, diversify, add value to their products, and promote TNC-SME linkages. A country needs to adopt appropriate policies and take responsibility for its own development. One participant mentioned that he is spearheading the industry policy review in his country and that the course was useful for him in this regard. Another mentioned that the course helped make inferred contributions to the formulation of national trade policies for development. Yet another indicated that the course had enhanced his contribution to meeting his country's commitments under the GATS. The simulation exercise in this case was an important eye-opener to the various stages of negotiations.

505. Several participants from the Latin American and Caribbean course indicated that the course improved their knowledge and understanding of what development means and what lessons could be taken for their countries. The course enhanced their skills and sharpened their critical thinking about the environment in which international trade takes place. This included a better grasp of the positive role, but also of the limitations of FDI, as well as a better understanding of the financial crisis and its implications for the global economy. The latter, for some researchers, would help with their work on financial integration in Latin America. Following the course, participants also felt that they were better prepared to deal with negotiations in services at the multilateral level, as well as the regional levels. The simulation exercise was an added value, as it brought together various issues discussed over the other modules of the course. Many appreciated the unique participatory approach and the wealth of knowledge brought about by the presenters.

506. In the course for the Asia-Pacific region, participants indicated they had learnt about the challenges and the importance of coordination and coherence in the preparation for trade negotiations. Several mentioned the necessity of having a clear strategy when undertaking trade and investment negotiations. Yet others acknowledged that the debates, arguments and case studies reflected the current economic situation, which affected all governments. For some, the most important lesson was how to design the best policies to contribute to a country's economic development, taking into account both internal and external factors. One academic indicated that she would share the course knowledge with her students and departments and would undertake further research on trade. One participant indicated that she would raise proposals on investment policies reviews and target the relevant divisions in her ministry. Another mentioned that the course was unique, and that the knowledge and skills learnt were very useful, particularly for trade negotiations.

507. In the evaluations conducted at the end of the autumn 2009 series of short courses, all the diplomats who had attended short courses invariably stated that the courses had raised their awareness of trade topics. They all said that the training and debates, as well as the materials received, were directly useful for their work, for instance in WTO negotiations.

Table 14. Cross-divisional training and capacity-building

<i>Project number</i>	<i>Short title</i>	<i>Starting date</i>	<i>Source of fund</i>
ANG/0T/7AP	TrainForTrade	2007–	EC
BEN/0T/8BR	TrainForTrade, PADEx Project, Component II	2008–	ITC
GUI/0T/8AF	Renforcement des capacités de la Guinée en matière de commerce international à travers la formation	2008–	France
INT/9X/00L	Training in the field of foreign trade	1990–	France
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/5BS	TrainForTrade – Portuaire de Valence	2005–	Spain
INT/0T/6AP	Trust Fund for the UNCTAD Virtual Institute on Trade and Development	2006–	Multi-donor
INT/0T/6AR	TrainForTrade Trust Fund	2006–	Multi-donor
INT/0T/7BR	UNCTAD/TrainForTrade Port Training Programme for English-speaking Developing Countries	2007–	Ireland
RAS/0T/2CK	Capacity-building in the field of training for international trade (TrainForTrade)	2002–	France
RLA/0T/6BJ	Appui aux activités de formation UNCTAD–ALADI	2006–	Spain
ROA-2180 (O5)	Strengthening national capacities for home-grown economic policies through a network of the UNCTAD Virtual Institute	2005–	Development Account

Cluster XV. Science, technology and innovation

Lead division: Division for Technology and Logistics (DTL)

508. The programmes under this cluster seek to support (a) capacity-building in developing countries with regard to the design and implementation of effective national systems of science, technology and innovation, and to support technology transfer; and (b) South–South cooperation in science and technology.

A. Science, Technology and Innovation Policy (STIP) reviews

509. **Development context:** Science, technology and innovation (STI) play a fundamental role in supporting and strengthening the economic, social and environmental dimensions of the development process. Not only is STI a major driver of economic growth, but it can also provide answers to the challenges of managing scarce natural resources, reducing pollution, addressing climate change, preserving biodiversity, and broadening the range of options available to people in terms of general quality of life. As knowledge-based and technology-intensive processes generate an increasing share of added value, developing countries need to upgrade their capacity to generate and absorb knowledge and technology and related capacities. Developing countries need to continuously fine-tune their STI-related policies across all sectors of the economy, in order to provide an enabling environment for technological upgrading and catch-up, and also to support innovative development at both the enterprise and government levels.

510. **Objectives/features:** The product of an interactive process with the Government, the STIP reviews aim at assisting developing countries to assess the effectiveness of their STI-related policies and to adjust their policies and institutions in order to build a national STI framework that is conducive to technological growth and innovative development. STIP reviews include an analysis of the country's strengths, weaknesses, opportunities, and threats to development. They identify the different elements – legal instruments, policies, measures and practices – that make up their current STI framework; they pinpoint systemic and structural weaknesses; they evaluate the STI-related components of sectors of national priority; and they provide options and recommendations.

511. **Outputs:** The STIP Review of Angola was finalized and published in 2009. The substantive activities for the STIP Review of Lesotho were completed during 2009 and will be printed in the first half of 2010. The review focused on the institutional arrangements needed to implement the STI policy that had been designed by Lesotho in collaboration with UNESCO. The STIP Review of Mauritania, which experienced delays due to extraordinary political events in the country, was completed in 2009, following new elections and the normalization of international relations. The review is being processed in UNCTAD and translated into French for publication in the first half of 2010. The review focused on capabilities in STI at the national level, and in the mining and oil industries. It called for a more focused effort to strengthen the skills base and STI capabilities in support of national development in the context of a national strategy. The STIP Review of Ghana, which was undertaken in collaboration with the World Bank, will be published in 2010 following peer review and clearance. The review examined the R&D and innovation systems, along with STI capabilities at the national level. Special attention was given to agriculture, herbal medicine, and ICTs in the education system. It made a number of suggestions for improving the R&D and innovation systems, better harnessing STI capabilities to support industry, and better reflecting STI in the national development strategy. Some of the preliminary findings of the reviews for Ghana and Lesotho were presented and discussed at the twelfth session of the United Nations Commission on Science and Technology for Development (CSTD) on 25–29 May 2009 in Geneva, which led to a sharing of national experiences among developing countries on national STI policies and strategies.

512. Funding has been made available from the United Nations Development Account in order to meet requests from the Latin American and Caribbean region. In this regard, preparatory work began with regard to STIP reviews for the Dominican Republic, El Salvador and Peru. Such activities are being carried out in full

partnership with UNECLAC. In Peru, a STIP review team and a national inter-ministerial team of government counterparts have been established. The outline of the review has been agreed, and the first fact-finding mission took place during the second half of October 2009. The STIP review team has produced drafts of several chapters of the review report, and is currently refining them on the basis of feedback received. A second mission will take place in early 2010 to consolidate the information received and to plan future activities.

513. In El Salvador, it has been proposed to the Government to implement the STIP project as part of a broader joint ECLAC–UNCTAD programme for technical cooperation in the area of STI. It is expected that in the first quarter of 2010, the inter-ministerial team and the STIP review team of experts responsible for conducting the review will be established. In the Dominican Republic, the national focal point has been designated and contact has been established. The focus of the review has been broadly defined, namely the STI institutional capabilities. This would be anchored on the implementation process of the country's first National Plan on Science, Technology and Innovation 2008–2018, the first phase of which is "Institutional strengthening." Desktop research is being undertaken in addition to materials provided by the counterpart agency in order to prepare a draft annotated outline of the Review.

514. Additionally, to support the STIP review process, a virtual space for all relevant stakeholders has been established. National stakeholders and members of the STIP review team can participate (by invitation only) in the platform and share policy papers, background material and comments. Moreover, the virtual space also provides an overview of the key milestones of the project, activities to be carried out, and expected outputs.

515. A project concept note to conduct a STIP review in Iraq was endorsed by the Government of Iraq and the Economic Reform and Diversification Sector Outcome Team in January 2010 and submitted to the Iraqi Trust Fund Steering Committee Support Office for consideration by the Iraqi Strategic Review Board.

516. There are still a number of outstanding requests to conduct STIP reviews that have not been met because of funding shortfalls. Efforts have been made, in this regard, to seek funding from extrabudgetary resources.

B. Network of centres of excellence on science and technology

517. *Development context:* Efforts by developing countries to bridge the technology gap and build national STI capacities can benefit significantly from enhanced scientific networking and from improved access to the STI capabilities existing in other developing countries.

518. *Objectives/features:* The Network of Centres of Excellence was established in late 2005, with the support of the Italian Government, to build on the resources of a number of outstanding scientific and technological institutions in developing countries, using them as regional hubs of learning and training on science and technology applications. The training courses organized by the Network of Centres of Excellence enable scientists and engineers from developing countries, especially from Africa, to update their professional expertise in modern scientific environments. They also strengthen professional linkages within the scientific community and facilitate the mobility of science and technology professionals.

519. *Outputs:* A training session on cybersecurity was organized in 2009 in Tunisia in collaboration with the National Agency for Computer Security – which was also the only certified Computer Emergency Response Team in Africa. Fifteen engineers from French-speaking countries in Africa benefited from the course. The training

session discussed the issue of cybersecurity from a management and policy perspective, and reviewed important elements of the legal framework necessary to combat cybercrime. Participants benefited from several visits to key cybersecurity institutions in Tunis. They had the opportunity to discuss the security aspects of e-government projects at the National IT Center and at the Tunisian Agency for Internet. They also visited the National Agency for Electronic Certification and the Tunis technology park, where major investments take place in the field of information security.

520. Participants have continued to benefit from the course well after its conclusion. The website platform at <http://noce.unctad.org> which is designed to facilitate post-training interaction among members of the network and participants in the training courses, has been used on a regular basis both during and after the course. Participants have exchanged insights on cybersecurity issues and have been able to receive advice from other experts regarding specific cybersecurity threats. Moreover, the participants with support from staff at the National Agency for Computer Security have set up a group to design cybersecurity strategies relevant to the African context.

Table 15. Science, technology and innovation

<i>Project number</i>	<i>Short title</i>	<i>Starting date</i>	<i>Source of fund</i>
ANG/06/001	STIP	2006–	UNDP
INT/0T/6AD	Network of centres of excellence in new and emerging technologies in developing countries	2006–	Italy
INT/0T/2AU	Special trust fund for activities of science and technology for development	2002–	Multi-donor
INT/0T/7CB	Special trust fund for activities related to the Commission on Science and Technology for Development with regard to WSIS follow-up	2007–	Switzerland
ROA-2106 (M5)	Capacity-building for policymaking on the promotion and application of science and technology to meet the Millennium Development Goals	2005–	Development Account
ROA-1356A (AC)	Strengthening science, technology and innovation policies for development in Latin America	2009–	Development Account

Cluster XVI. Productive capacities in landlocked developing countries, small island developing States and structurally weak, vulnerable and small economies

Lead division: Division for Africa, Least Developed Countries and Special Programmes (ALDC)

521. The programmes under this cluster focus on activities that promote economic restructuring, re-specialization and productive capacity-building in least developed countries (LDCs), landlocked developing countries (LLDCs), small island developing States (SIDS), and structurally weak, vulnerable and small economies, taking into account the implications of these countries' geographical handicaps with regard to the nature and structure of competitive economic activities and the composition of external trade.

A. LDC Trust Fund

522. **Objectives:** The objective is to provide support through technical assistance activities to LDCs 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 activities are consistent with the decisions adopted at UNCTAD XII. In these activities, the secretariat took into account the commitment to contribute towards the achievement of the Millennium Development Goals.

523. **Development approach:** Contributing to strengthening national policymaking capacities through launching more widely and disseminating more proactively the findings of policy analysis and research work and through training and policy dialogues with policymakers and academia in the countries concerned and the international community; and building a network of researchers and policymakers at national levels and international experts to promote exchanges of views and experiences on policy and practical programmes and on projects relevant to the development needs of the countries.

524. **Activities:** The Trust Fund for LDCs was used to finance technical cooperation activities implemented by ALDC in support of least developed countries for the implementation of the Programme of Action of the Third United Nations Conference on the Least Developed Countries.

525. The trust fund enabled the commissioning of research inputs by governance specialists on ways of improving public sector reforms in LDCs and the problem of building growth-promoting governance capabilities, as well as on a number of specific issues related to the governance of the development of productive capacities. These issues included the design of industrial policy and the promotion of innovative activities in domestic firms, ways to enhance government-business relations, the scope of enhancing domestic financial resource mobilization, and the governance of natural resource development.

526. The *Least Developed Countries Report 2009*, subtitled *The State and Development Governance*, focused on the issue of governance and the role of the State in promoting development. It further deepened policy analysis on the "how" of promoting productive capacities, including specific chapters on macroeconomic policy, developmental agricultural policy, and developmental industrial policy. Seven background papers on various aspects of governance in LDCs were also published electronically.

527. The report was launched in five LDCs plus France, Kenya, South Africa, Switzerland and the United Kingdom. One hundred and ten international and national newspapers, journals and magazines gave extensive coverage to the launch of the *Least Developed Countries Report 2009*. Presentations of the policy proposals in the report or earlier LDC reports were made to LDC focal points at ECOSOC, to EIF focal points at the Global Workshop on Mainstreaming Trade in Poverty Reduction Strategies, and to policymakers and advisors in various recipient countries and donor countries.

528. An expert meeting was organized to prepare inputs for the *Least Developed Countries Report 2010* on international support mechanisms for the LDCs in the light of the financial crisis. A technical expert meeting was also held on the feasibility of designing new international financial support measures to promote enterprise innovation in LDCs. This built on the policy analysis in the *Least Developed Countries Report 2007* and *Least Developed Countries Report 2008* and sought to develop a deliverable for the Fourth United Nations Conference on the Least Developed Countries (LDC-IV) which will be held in Turkey in 2011.

529. In 2009, the Division on Africa, Least Developed Countries and Special Programmes assisted in: (a) analysing the potential contribution of horticultural exports including tropical fruits from African LDCs, considering horticulture as an important source of more diversified and higher-value non-traditional exports; (b) assessing the poverty-reducing impact of horticultural exports (especially tropical fruits) by creating employment opportunities for the rural poor, notably women; and (c) enabling LDCs, through export diversification, to acquire new knowledge and technology in producing and marketing high-end products. These activities also contributed to closely examining an appropriate and flexible policy approach that is required to encourage the private sector to respond to the opportunities and challenges of the rapidly changing world market. In addition, through a series of national case studies, the potential for inter-African trade in horticulture, including tropical fruits, and the role of regional and subregional economic (or trading) blocs was explored. These activities enabled UNCTAD to undertake case studies on the horticultural subsector of Ethiopia, Mali, Senegal, Uganda and Zambia. Policy lessons were also drawn from the successful experiences of Ghana and Kenya; these could be applied to the situations of most LDCs, especially in the production and export of horticulture.

530. A preparatory expert meeting of LDCs for LDC-IV was held in Kampala, Uganda, on 28–30 October 2009. The preparatory expert meeting deliberated on the research findings of the various case studies and adopted policy conclusions and summary recommendations for the consideration during the preparatory processes and at the conference itself. The meeting drew more than 65 experts and senior officials from 37 least developed countries from the Africa, Asia and Pacific regions, and from United Nations agencies, international organizations, private sector and civil society.

531. In response to Rwanda's request to UNCTAD for assistance in support of its aspiration to become a service-based economy through the development of a customer care strategy including training capacity-building, the Division participated in a joint mission to Rwanda with the Turkish International Cooperation and Development Agency (TIKA) mission. The mission concluded with a statement of intent between TIKA and Rwanda to consider the establishment of a multi-discipline regional training centre in Kigali. Furthermore, in response to Haiti's request for assistance in terms of better benefiting from its status as an LDC, an advisory mission was funded and proposals for assistance are being developed.

532. **Results:** UNCTAD was able to enhance the quality of its analytical and policy-related work by drawing on the expertise of leading international specialists on issues relevant to the LDCs.

533. Feedback on the LDC Report 2009 has confirmed the enhanced quality as demonstrated by: a letter received from the Executive Director of the United Nations Office for Partnerships, which particularly praised the emphasis in the report on “enabling conditions for knowledge-based structural change”, while the African Capacity-Building Foundation (ACBF) stated that “it is heartening to note that the coverage of this report is very much in sync with ACBF's traditional mandate”. Ms. Rita Chilongozi, Executive Assistant to the President of Malawi wrote that “the report is quite comprehensive and valuable for Malawi”. At the fifty-sixth session of the Trade and Development Board, the representative of the Group of 77 and China stated that the discussion of the role of the state in the Report was “particularly useful and constructive”.

534. The series of national case studies, followed by the pre-LDC-IV expert meeting, which focused on the potential contribution of horticultural exports including tropical fruits from African LDCs, resulted in the adoption of summary

recommendations as a basis for launching substantive and technical preparations for the regional- and global-level preparatory process for LDC-IV. The outcomes will assist LDC delegations in formulating and articulating their negotiating interests during the preparatory process. This will greatly assist in improving the effective participation of LDCs in the preparatory process and at the Conference itself.

B. Activities related to landlocked developing countries (LLDCs)

535. UNCTAD in 2009 actively supported a number of LLDCs through the provision of advisory services on specific development challenges. This notably took place in the framework of a seminar on foreign direct investment (FDI) and infrastructure development in LLDCs which was held in Geneva on 24 March 2009. This event explored the potential contribution of FDI to infrastructural development in these countries, and focused on relevant FDI promotion policies and infrastructure projects. Though not country-specific, the seminar helped several LLDCs to improve their understanding of the problems associated with infrastructure development.

536. Beside the question of the availability of an infrastructure for domestic and cross-border transport services, it is increasingly recognized that a mix of exports involving a greater share of services and “low-bulk, high-value” products could help reduce the transaction costs that LLDCs incur in international trade as a result of market distance and transit hurdles. UNCTAD offers policy advice to LLDC decision-makers who are interested in allowing this type of economic shift to take place. This implies a well-functioning economic infrastructure (energy, telecommunications etc.), including relevant utilities. FDI could play a critical role in the development of such infrastructure and related services.

537. UNCTAD was also instrumental in organizing the third Meeting of Trade Ministers of LLDCs, which took place in Ezulwini, Swaziland, on 21–22 October 2009. This event was preceded by numerous technical assistance activities in the form of consultations and advisory services. This facilitated a wide understanding of the impact of the economic crisis on the development prospects of LLDCs, and helped the group formulate its position on relevant development issues in the Ezulwini Declaration. The positive impact of this work was evidenced by the high turnout of LLDCs at the meeting, particularly the active and dynamic participation of delegations from African LLDCs.

C. Activities related to small island developing States (SIDS)

538. In 2009, technical cooperation activities in support of SIDS focused on five countries – Cape Verde, Maldives, Samoa, Tuvalu and Vanuatu – of which Maldives received the largest part of the relevant attention.

539. A technical assistance project for the benefit of Cape Verde was finalized during the presence in Geneva, in December 2009, of a national delegation to the seventh session of the Ministerial Conference of the World Trade Organization. The UNCTAD project will examine the feasibility of developing offshore legal services in the country, in keeping with Cape Verde’s economic transformation strategy. The project is ready for implementation, subject to the institutional and financial framework that the Government is expected to work out.

540. A major technical assistance exercise was carried out for, and at the request of, the Government of Maldives. This consisted of a study of the concessions Maldives has been enjoying by virtue of its LDC status, and of suggestions for a “smooth transition strategy” for the country in the context of its upcoming graduation from LDC status (January 2011). The study was complemented by a “road map” for the

Government, specifically for an intensified dialogue with development partners on issues of preferential market access, concessions in the multilateral trading system, concessionary development financing, and technical assistance, including under the auspices of the Integrated Framework. UNCTAD will remain available to the Government of Maldives for any follow-up to this work throughout the year 2010, which, in principle, is the last year of LDC status for Maldives.

541. Technical assistance was provided to the Government of Samoa during the fourth quarter of the year, at the request of that country's permanent representative in New York, in the context of Samoa's request for a moratorium on the countdown to graduation from LDC status after the country was struck by a tsunami on 29 September 2009. Further assistance was also extended to Tuvalu and Vanuatu, two potential graduation cases, to strengthen their capacity to arrive at a possible consensus on a "smooth transition" with their development partners.

Table 16. Productive capacities in LLDCs, SIDS, and structurally weak, vulnerable and small economies

<i>Project number</i>	<i>Short title</i>	<i>Starting date</i>	<i>Source of fund</i>
HAI/9X/9BV	Entrée d'Haïti dans le Caricom	1999–	France
MAG/9X/8AQ ^a	Appui au développement du commerce extérieur de Madagascar	1998–2009	France
VAN/9X/9DK ^a	Amélioration de l'efficacité commerciale, encouragement de l'investissement étranger, et réduction de la vulnérabilité économique au Vanuatu	1999–2009	France
INT/9X/77J	Trust Fund for Least Developed Countries: Core project	1997–	Multi-donor
RAS/0T/0AC	Support to the forum secretariat	2000–	Ireland
ROA-2184 (N5)	Developing local capacities for the identification of growth opportunities through resource mobilization	2005–	Development Account

^a Project that had been "operationally but not financially completed" or "completed" in 2009.

Cluster XVII. Strengthening support for trade mainstreaming into national development plans and/or poverty reduction strategy papers in LDCs in the context of the Enhanced Integrated Framework

Lead division: Division for Africa, Least Developed Countries and Special Programmes (ALDC)

542. UNCTAD's assistance under this cluster proactively focuses on tailored support for LDCs' efforts in the formulation of a trade policy framework as a basis for identifying and sequencing trade priorities. This assistance aims at capacity-building for in-country implementation of the EIF.

A. Enhanced Integrated Framework (EIF)

543. In 2009, UNCTAD continued participating actively in the intensive preparatory work for the operationalization of the Enhanced Integrated Framework. With the adoption of the Monitoring and Evaluation Framework, the presentation of the Tier 2 Guidelines which are almost finalized at the time of writing, and approval of the Tier 1 projects, the Integrated Framework is now almost fully operational.

544. Although the Integrated Framework was in a period of transition from the old Integrated Framework to the Enhanced Integrated Framework, in-country activities have continued, with the support of UNCTAD and other agencies. The activities

undertaken were made possible thanks to financial support from bilateral partners (the Governments of Finland, France, Italy, the Republic of Korea and the United Kingdom). These included support towards the implementation of the EIF from the preliminary stages of the process through to project implementation, in the form of pre-Diagnostic Trade Integration Studies (DTIS) workshops, advisory missions and participation in Integrated Framework meetings.

545. In 2009, the project funded activities that provided support for a better participation and coordination of the LDC group in the EIF board meetings. In particular, support was provided to the LDC group in Geneva to better understand the new architecture of the EIF. Several informal meetings were held with LDC representatives on the design of the revised DTIS template and the Monitoring and Evaluation Framework. Since the majority of LDCs have now completed the DTIS, particular attention was paid to how the DTIS updating should be carried out, and several aspects of the DTIS template were discussed to better tailor it to the needs of the LDCs. Particular emphasis was placed on the need to conduct a deeper analysis of the mechanisms of trade policymaking and its functioning during the making of the DTIS and its updating. Capacity and legitimacy of trade policy decision-making is in fact a key element to mainstream trade issues into the development plans. The meetings on the Monitoring and Evaluation served to better understand the format and information required in the log-frames at the programme, country and project level and the contribution that may be expected by the National Implementation Arrangements to adapt the framework to national priorities.

546. Advisory missions to assist countries in their post-DTIS phase have been carried out in Cambodia and Mozambique. In the case of Cambodia, a project document is being elaborated to be funded from the multi-donor trust fund established at national level to implement the action matrix. In Mozambique, assistance has been required in the post-DTIS phase and in updating the action matrix. Discussions have been held on the follow-up. Missions to Comoros, the Lao People's Democratic Republic, Uganda and Vanuatu led to the formulation of projects based on the action matrices of the respective countries. These included assistance with the formulation of the following projects: rules of origin in the Lao People's Democratic Republic; "Improved capacity for trade policy formulation and trade information" in Sierra Leone, in partnership with ITC; and some components of the project "Programme d'appui au développement des exportations PADEX-Benin" in Benin. Other projects are in the pipeline, such as "Setting-up of the National Agency of Investment Promotion" and "Customs modernization" in Comoros; "Support to Maldives Customs Service to upgrade ASYCUDA" in Maldives; and "Review the National Priority Action Agenda (PAA) and the Trade Act" and "Customs inland freight station and the Import Tariff Act review" as well as trade facilitation-related activities in Vanuatu. In addition, pre-DTIS support activities were provided to Bhutan through a national EIF sensitization workshop. A mission was organized to Mozambique to discuss possible assistance to advance in the EIF and the updating of the DTIS.

B. Trade mainstreaming project

547. In addition to contributing to the above-mentioned activities under the Integrated Framework, activities under the trade-mainstreaming project are summarized below.

548. The project contribution during this reporting period included the support to the LDC group in Geneva in better understanding the new architecture of the EIF. Several informal meetings were held with LDC representatives on the design of the revised DTIS template and the Monitoring and Evaluation Framework. Since the

majority of LDCs have now completed the DTIS, particular attention was paid to how the DTIS updating should be carried out, and several aspects of the DTIS template were discussed to better tailor it to the needs of the LDCs. The meetings on Monitoring and Evaluation served to better understand the format and information required in the log-frames at the programme, country and project level and the contribution that may be expected by the National Implementation Arrangements to adapt the framework to the national priorities.

549. The mainstreaming project continued to assist the LDC in their implementation of the quota-free negotiations and related rules of origin in the context of the non-agricultural market access negotiations and agricultural trade negotiations. In this context, several briefings and technical meetings were prepared, including a study on the issue of disproportionately affected countries.

550. Updates of the briefings on the issues of duty-free quota-free (DFQF) negotiations, rules of origin and trade facilitation were prepared for the LDC ministerial conference held in Dar es Salaam in October 2009 and distributed among participants and LDC delegations. Substantive comments and backstopping were provided in the preparation of other substantive briefs for the conference.

551. As a subset of its activities, a new project has been formulated aimed at exploiting the newly created trading opportunities offered by the DFQF initiative by marketing traditional products through the adoption of geographical indications and other related legislation.

552. The decision of October 2008 by the Heads of State of Eastern and Southern Africa for the expeditious establishment of an FTA among the COMESA, EAC and SADC, and the instructions to develop a roadmap within six months for the establishment of an FTA, gave rise to the establishment of a working group to draft the FTA agreement.

553. Technical assistance was extensively provided during different sessions of the working group for the drafting of the draft tripartite text of the Free Trade Area among COMESA/EAC/SADC, its annex on rules of origin and other relevant legal text.

554. The aim of these activities, as in the past year, was to support the Tripartite Task Force in its efforts to coordinate and develop common strategies and policies to achieve better integration and coordination among the three regional economic committees.

555. The first part of a handbook on trade preferences and rules of origin granted by Quad countries (i.e. by Canada, the European Union countries, Japan and the United States) was published in 2009. The second part of the handbook on trade preferences and rules of origin granted by developing countries under the DFQF initiative has been finalized. Assistance has been provided to Cambodia's commerce ministry in dealing with a series of issues involving rules of origin, and a comprehensive project document has been recently approved.

556. Following an understanding between the Inter-American Development Bank, the COMESA secretariat, DFID of the United Kingdom, and UNCTAD, extensive work was undertaken to adapt software developed by the Inter-American Development Bank related to understanding and use of rules of origin, and compliance with rules of origin, for use in the African region. The software was finalized in 2009 and the dissemination is taking place in 2010.

Table 17. Strengthening support for trade mainstreaming into national development

<i>Project number</i>	<i>Short title</i>	<i>Starting date</i>	<i>Source of fund</i>
COI/0T/9AR	Programme de renforcement des services du commerce et de l'investissement	2009–	UNDP
MLI/0T/8AW	Elaboration de la politique commerciale du Mali	2008–	Mali
LAO/09/001	Integrated Framework Trade Policy Project: Capacity-building for MOIC's Department of Import and Export	2009–	UNDP
SIL/08/001	Integrated Framework Trade Policy Project: Improved trade policy capacity in Sierra Leone	2008–	UNDP
INT/0T/3BY	DCS: pre- and post-diagnostic trade integration study (DTIS) capacity-building	2003–	Finland
INT/0T/4AY	Integration of LDCs, landlocked and island countries in the global economy	2004–	Italy

Cluster XVIII. Executive direction and management and support services

Lead entities: Division of Management and the Office of the Secretary-General (DOM and OSG)

557. Activities under this cluster include support services projects from which all divisions benefit, as well as projects under the direct responsibility of the Office of the Secretary-General. Trust fund projects in support of activities for cooperation and outreach with civil society are also included in this cluster.

A. Strengthening results-based management of UNCTAD programmes

1. UNCTAD Annual Results Report

558. With support from this trust fund, the results-based annual report of UNCTAD has been issued since 2005 in response to the request made at the eleventh conference in São Paulo. The 2008 UNCTAD Annual Report continued to serve both to inform member States of UNCTAD's achievements in that year, and to present the work of the organization to a broader audience. Feedback from a readership survey on the annual report indicated that most readers found the report to be useful in enhancing their understanding of UNCTAD's work.

2. Independent in-depth evaluations mandated by the Trade and Development Board

559. In 2009, the Working Party was presented with the independent in-depth evaluation of UNCTAD's commodities programme. This evaluation focused on assessing the relevance, effectiveness, impact and sustainability of activities implemented by the commodities programme based on their mandates from UNCTAD's eleventh conference in 2004, and further reviewed the relevance of the existing areas of work in the light of the new mandates from the Accra Accord that emerged from UNCTAD XII in April 2008. At the fifty-third session of the Working Party on the Strategic Framework and the Programme Budget, member States welcomed the independent evaluators' report as a very important contribution towards strengthening the programme, and endorsed the recommendations of the external evaluators.

3. Strengthening the evaluation function within the United Nations system

560. In 2009, the Trust Fund enabled the secretariat to participate actively in inter-agency cooperation and coordination initiatives on evaluation and results-based management matters. These activities have contributed towards harmonizing evaluation systems and methodologies, which will provide member States with a more coherent and transparent overview of United Nations system results. For instance, UNCTAD is involved in developing a United Nations Evaluation Group (UNEG) Guidance Manual, and an accompanying user-friendly Handbook on How to Integrate Human Rights and Gender Equality in Evaluations. These publications will provide the United Nations system with practical support on how human rights and gender equality perspectives can be integrated in the various steps of the evaluation process: planning, design, implementation, dissemination and use. By improving the quality of United Nations evaluations, the Guide will contribute to strengthening the role of evaluation as an agent for change, learning, decision-making and accountability in furthering the realization of human rights and gender equality. UNCTAD also participated in the development of performance indicators for the evaluation function, the UNEG quality checklist for evaluation reports, and good practice guidelines for the follow-up to evaluations, as a member of the Evaluation Quality Standards Task Force within UNEG.

4. Contribution of UNCTAD to system-wide coherence: Support to inter-agency activities carried out by UNCTAD as lead agency of the Inter-Agency Cluster on Trade and Productive Capacity, including training of United Nations resident coordinators and economic advisors

561. Thanks to the funds available in the trust fund, UNCTAD participated in a number of meetings organized by the United Nations Development Group (UNDG) on issues related to system-wide coherence.

562. "From Paris to Accra and Beyond" – UNDG workshop on UNCT engagement in the changing aid environment", February 2009. The workshop aimed at bringing together 25 United Nations country teams (UNCT) under the leadership of resident coordinators and UNDG members to reflect on the implications of the Accra Agenda for Action and the United Nations Financing for Development Process for the UNDG. As lead agency of the CEB Inter-Agency Cluster on Trade and Productive Capacity, UNCTAD took the occasion of this meeting to inform United Nations country teams and resident coordinators about the activities of the Cluster, and initiated bilateral contacts with a view to setting up possible inter-agency trade-related programmes in a number of countries.

563. *Bhutan*: Inter-Agency Workshop on the Enhanced Integrated Framework (EIF) organized by the CEB Cluster on Trade and Productive Capacity and with the participation of the Cluster in the United Nations country teams (UNCT), March 2009. The objective of the mission was to identify the main trade-related assistance needs that the inter-agency Cluster (and UNCTAD in particular) could address. The capacity of the Cluster in organizing joint missions and joint operations and in "bridging" the EIF and the United Nations country plans was clearly demonstrated and can serve as an example for other EIF countries.

564. UNCTAD participated in the regional training-of-trainers workshop organized by UN-DOCO for United Nations country teams in the Asian region, held in Bangkok, Thailand, in March 2009. The regional training was an opportunity to explain to UNCTs how the Cluster can help them to insert trade and related assistance in the UNDAFs according to national strategies.

565. *Georgia*: UNDAF Design Workshop, July 2009.

566. Further to the training workshop for United Nations resident coordinators on trade-related issues run by the Cluster in Turin in May 2008, and further to a regional meeting for United Nations country teams in Central Europe/CIS attended by the Cluster in March 2009, the Cluster took part in the design of the new UNDAF workshop with a view to integrating trade and productive capacity in the UNDAF of Georgia, and formulating, in close cooperation with the UNCT, a coordinated plan on trade to be inserted in the new UNDAF.

567. *Syrian Arab Republic:* CEB Cluster inter-agency mission and participation in the United Nations Inter-Agency Symposium “Moving towards reforms in international trade: Syria’s technical assistance needs”, April 2009.

568. This inter-agency mission, led by UNCTAD, is part of the coordinated country assistance activities undertaken by the Cluster since 2007. The Cluster met with the highest Government officials, the UNCT, and the donor community in the Syrian Arab Republic to propose a Joint Programme of the Cluster on trade and productive capacity within the Syrian UNDAF, taking into account the economic reform process that is ongoing in the Syrian Arab Republic. A three-year inter-agency joint assistance programme was further submitted to the Government, consisting of: (a) support for trade and investment policymaking capacity; (b) support for productive capacity; and (c) support for export capacity. The coordinated assistance proposed by the Cluster received the full support of the Government, the UNCT and the donors’ community in the Syrian Arab Republic as a contribution to the system-wide coherence process and the “Delivering as One” approach.

B. Civil society

569. *Development context:* Recent UNCTAD ministerial conferences – UNCTAD XII held in Accra in 2008, and UNCTAD XI held in São Paulo in 2004 – have benefited from active civil society participation, and have acknowledged the positive contribution that non-governmental actors bring to the work of UNCTAD and its member States. The São Paulo Consensus, adopted at UNCTAD XI, called for making the participation of civil society more systematic and better integrated with the activities of the organization. It also called for institutionalized annual hearings with civil society and the private sector, to be convened every year as part of the annual sessions of the Trade and Development Board.

570. The Accra Accord, adopted at UNCTAD XII, reiterated these calls by calling on UNCTAD to enhance its work with civil society and the private sector and to encourage greater participation by them in UNCTAD’s activities. Further, the communications strategy adopted by UNCTAD member States in October 2009 provides specific recommendations aimed at fully harnessing the potential role of civil society as advocates and multipliers of UNCTAD’s messages.

571. *Output:* In September 2009, and with the support of the Government of Ireland, UNCTAD organized the Trade and Development Board Hearing with Civil Society and the Private Sector, as part of the annual Trade and Development Board session. Civil society representatives from developing countries and LDCs took part in these events, which provided useful opportunities for engaging in stimulating dialogue on shared concerns.

572. In furtherance of its objectives of expanding its outreach, UNCTAD, in 2009, held its first Public Symposium in collaboration with the United Nations Non-Governmental Liaison Service (UN-NGLS) and Friedrich Ebert Stiftung (FES), providing an opportunity for open debate on priority and emerging issues to a wide range of stakeholders, including member States, international organizations, civil society organizations, the private sector, trade unions and academia.

573. **Results:** The activities contributed to furthering the knowledge and skills of civil society in developing countries, and strengthened their institutional capacities. It also enhanced the role of non-State actors in UNCTAD's activities. In addition, it helped to advance the development agenda. The interaction and involvement of civil society in the work of UNCTAD further builds trust and enhances cooperation, which promotes the effective implementation of UNCTAD's mandate.

C. Advisory services

574. As reported in previous years, UNCTAD technical cooperation is supported not only by project-specific funds, but also from another source – namely section 22 of the United Nations programme budget.

575. Under section 22 of the United Nations programme budget, UNCTAD received, for 2009, 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) issues related to international trade in goods and services, and commodities; (c) investment, enterprise development and technology; (d) services infrastructure for development and trade efficiency; and (e) least developed countries. Interregional advisers undertook 10 missions in 2009.

Table 18. Executive direction and management and support services

<i>Project number</i>	<i>Short title</i>	<i>Starting date</i>	<i>Source of fund</i>
GLO/0T/8CG	Support to Avian Influenza and Food Crisis Coordination Office	2008–	UNDP
GLO/09/001	Policies and strategies to foster inclusive globalization	2009–	UNDP
INT/0T/0BU	Support to UNCTAD technical cooperation	2000–	Belgium
INT/0T/1AK	Financing of participation of experts from developing countries and countries with economies in transition in UNCTAD expert groups	2001–	Finland, Iceland, Mauritius
INT/0T/1CK ^a	Globalization, Liberalization and Sustainable Development, Phase II	2002–2009	Belgium
INT/0T/4BS	Strengthening results-based management of UNCTAD programmes	2004–	Norway
INT/0T/5BN	Panel of eminent persons	2005–	Multi-donor
INT/0T/6AW	Civil society participation in the activities of UNCTAD	2006–	Austria
INT/0T/7AU ^a	Civil society activities associated with UNCTAD XII	2007–2009	Canada
INT/0T/7AZ ^a	Civil society participation in the activities of UNCTAD	2007–2009	Norway
INT/0T/7BZ ^a	Civil society activities associated with UNCTAD XII	2007–2009	Ireland
UND12–340	Interregional advisory services	Ongoing	Regular programme of technical cooperation

^a Project that had been “operationally but not financially completed” or “completed” in 2009.