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**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 2010

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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
AU	African Union
BIT	bilateral investment treaty
CBD	Convention on Biological Diversity
CBTF	Capacity-building Task Force on Trade, Environment and Development
CDM	Clean Development Mechanism
COMESA	Common Market for Eastern and Southern Africa
COMPAL	Competition and Consumer Protection Policies for Latin America
COSA	Committee on Sustainability Assessment
CX	Commodities Exchange
DDIP	Development Dimension of Intellectual Property
DFID	Department for International Development (United Kingdom)
DMFAS	Debt Management and Financial Analysis System
DTIS	diagnostic trade integration study
DTTs	double taxation treaties
EAC	East African Community
EC	European Commission
ECLAC	Economic Commission for Latin America and the Caribbean
ECOWAS	Economic Community of West African States
EGM	Expert Group Meeting
EIF	Enhanced Integrated Framework
Empretec	Entrepreneurship Development Programme
EPA	economic partnership agreement
ESCWA	United Nations Economic and Social Commission for Western Asia
ETW	Entrepreneurship Training Workshops
EU	European Union
FAO	Food and Agriculture Organization of the United Nations
FAST	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
GCF	Global Commodities Forum
GI	geographical indication
GMG	Global Migration Group
GOMA	Global Organic Market Access
GSP	Generalized System of Preferences
GSTP	Global System of Trade Preferences among Developing Countries
GTZ	German technical assistance corporation
HIPC	heavily indebted poor countries
ICC	International Chamber of Commerce
ICSID	International Center for Settlement of Investment Disputes
ICT	information and communications technology
ICTSD	International Centre for Trade and Sustainable Development
IEG	APEC Investment Experts Group

IFOAM	International Federation of Organic Agriculture Movements
IIA	international investment agreement
ILO	International Labour Organization
IMF	International Monetary Fund
IOM	International Organization for Migration
IPA	investment promotion agency
IPGDI	International Postgraduate Diploma in Insurance
IPR	investment policy review
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
LDC	least developed country
LLDC	landlocked developing country
MDG	Millennium Development Goal
MEA	multilateral environmental agreement
MFN	most favoured nation
NAMA	non-agricultural market access
NGO	non-governmental organization
NRIE	Natural Resources Information Exchange
NSO	National Statistics Office
NTB	non-tariff barrier
OECD	Organization for Economic Cooperation and Development
OECS	Organization of Eastern Caribbean States
PA	Palestinian Authority
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
SME	small and medium-sized enterprise
SOM	APEC Senior Officials Meetings
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
UEMOA	West African Economic and Monetary Union
UNCITRAL	United Nations Commission on International Trade Law
UNCSD	United Nations Conference on Sustainable Development
UNDAF	United Nations Development Assistance Framework
UNDP	United Nations Development Programme
UNEP	United Nations Environment Programme
UNFCCC	United Nations Framework Convention on Climate Change
UNIDO	United Nations Industrial Development Organization
UNITAR	United Nations Institute for Training and Research
UNRC	United Nations Resident Coordinators

Vi	Virtual Institute
VSS	Voluntary Sustainability Standards
WIF	World Investment Forum
WIPO	World Intellectual Property Organization
WIR	World Investment Report
WITS	World Integrated Trade Solution
WRS	Warehouse Receipt System
WSIS	World Summit on the Information Society
WTO	World Trade Organization

Country/territory/region codes

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

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

Introduction

1. This annex provides a description of the main technical cooperation projects and programmes undertaken by UNCTAD in 2010. It is presented in accordance with the structure of the 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. The technical assistance and capacity building activities draw upon research conducted by UNCTAD and on policy suggestions arising from UNCTAD's intergovernmental machinery. The technical cooperation projects and programmes, and through the synergies created within and among the clusters, also contributes to the implementation of the Aid for Trade initiative.

I. 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; and 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 enhancing outcomes. They contribute to the implementation of the Aid for Trade initiative. The work under this cluster was delivered in cooperation with other parts of the UNCTAD secretariat, with other United Nations bodies, with intergovernmental and non-governmental agencies, and with other development 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:* In the wake of the recovery in the global economy and trade in 2010 following the economic slump of 2008-2009, policy focus in countries has shifted from a narrow perspective of external balances and price stability to accelerated growth and structural rebalancing, and on addressing persistent unemployment, growing poverty and weaker provision of essential services. International trade has contributed to the recovery in the global economy. The recovery is nascent and uneven and would need to be consolidated and enhanced, even as new challenges arise including from natural disasters in some countries. The development challenge is enhanced by the need to advance progress towards the Millennium Development Goals (MDGs) if these are to be realized by 2015.¹ The State is more proactively involved in setting the enabling

¹ "Evolution of the international trading system and of international trade from a development

environment for inclusive and sustainable recovery and development. Efforts to mitigate the impact of the global crisis have included both immediate and medium to long term integrated and coherent policies and measures. These underscored importance of new growth strategies, active trade policies, and strong regulatory and institutional frameworks to support structural transformation and build diversified productive and export capabilities.

4. The rapidly changing global economic landscape has had significant bearing on international trade and the international trading system, which has become multi-layered in a multi-polar world with significant differences in development conditions among countries. Emerging economies are accounting for half of global economic growth, thereby increasing their influence in shaping globalization. Parallel and simultaneous negotiations and agreements at multilateral, regional and bilateral levels as well as South-South level covering a wide array of issues ranging from tariffs to regulatory issues place further onus on developing countries. Reform or adoption of new trade policies and ensuring linkages with other development policies is an added challenge. The changing economic and trading landscape calls for an adaptation of the international trading system by providing greater policy space for structural transformation, diversification, job creation and sustainable development. Greater attention is warranted on ensuring policy coherence and prioritizing development. Human, analytical, policy-related, regulatory and institutional capacity and resource constraints of developing countries need to be addressed continuously as these impede fuller and beneficial participation in international trade and the international trading system.

5. **Objective:** UNCTAD's support aims at helping developing countries, particularly the least developed countries (LDCs), and their regional groupings to build human, regulatory and institutional capacities in trade policy formulation and implementation, and trade negotiations and agreements that enables them to draw benefits from international trade and the international trading system especially in meeting the MDGs. The assistance provided helps them to establish and implement national (regional) trade policies, identify negotiating priorities and negotiate and implement bilateral, regional and multilateral trade agreements in a manner that fully reflects their critical development concerns and interests as well as country/regional specificities. UNCTAD's assistance also enhances analytical capacities and expertise on trade policy and trade-negotiating issues; facilitates better understanding and assessments of different elements of trade negotiations and agreements and their development implications; and promotes multi-stakeholder consultations at national, regional and multilateral levels on trade policy and trade negotiation options. Technical support is provided on key areas of trade policy, trading system, and trade negotiations such as agriculture, non-agricultural market access (NAMA), services, rules, trade facilitation, the trade-related aspects of intellectual property rights, and special and differential treatment as well as implementation of WTO Agreements.

6. **Outputs:**

(a) *WTO Doha negotiations and regional trade agreements*

7. In 2010, UNCTAD assisted Geneva- and capital-based trade negotiators and policymakers from developing countries in their preparations for multilateral trade negotiations under the World Trade Organization (WTO) Doha Round, particularly on modalities for agriculture and the special safeguard mechanism, non-agricultural market access (NAMA) and related non-tariff barriers (NTBs), services, trade facilitation, rules, Agreement on Trade-Related Aspects of Intellectual Property Rights (TRIPS), and

perspective: The impact of the crisis-mitigation measures and prospects for recovery" (TD/B/57/3) prepared for and discussed at the fifty-seventh session of the Trade and Development Board.

development issues, including special and differential treatment and Aid for Trade as well as the specific concerns of African countries, LDCs and small and vulnerable economies. Analytical support was provided on a regular basis to Geneva-based delegates on specific technical issues. UNCTAD continued to provide support on regional trade negotiations among developing countries, as well as between developing countries and developed countries. Such assistance contributed to enhancing these countries' preparedness and technical capacities with regard to technical issues under negotiations and related policy implications on development goals. UNCTAD also provided substantive support to Ministerial, high-level and technical preparatory processes of regional groupings (such as LDCs, African Group and the African, Caribbean and Pacific Group of States (ACP)) and individual countries, as well as at international conferences and events including (a) International workshop on regional trade agreements (Casablanca, Morocco, 15-16 February); (b) Conference on Regional Trade and Integration Arrangements (London, 15 March); (c) Sixth Arab Conference on WTO and Doha negotiations (Amman, Jordan, 20-22 April); (d) Workshop on NAMA Negotiations for African Countries (Nairobi, Kenya, 12-14 April); (e) International seminar on proliferation of regional trade agreements and their impact on the multilateral trading system (Abu Dhabi, United Arab Emirates, 17-19 May); (f) Meeting of International Islamic Trade Finance Corporation to discuss the Road Map on enhancing intra-OIC trade (Baku, 21-22 June); (g) Intensive Training course of the Islamic Development Bank on trade negotiating skills (Dakar, 5-8 July); (h) Assistance to India on WTO negotiations, and negotiations of free trade agreements; and (i) Substantive support to the Third, São Paulo, Round of Global System of Trade Preferences among Developing Countries (GSTP) negotiations.

8. UNCTAD also participated in and contributed substantively to the Sixth Session of African Union (AU) Conference of Ministers of Trade (Kigali, Rwanda, 29 October-3 November). UNCTAD, with the AU Commission, prepared for the meeting a report on *Trade liberalization, investment and economic integration in African regional economic communities towards the African common market* (UNCTAD/DITC/TNCD/2011/2). The results of the analysis on consolidating and accelerating African integration were presented to the meeting which discussed and adopted some of its recommendations. For example, Ministers agreed to fast track the establishment of an African free trade area and to set up a Multi-Agency Task Force on the African Common Market and Economic Community.

9. Trade policy and trade negotiation capacities of countries were also built through provision of training courses organized under Paragraph 166 and the Virtual Institute, including regional courses for (a) Western Asia (Beirut, Lebanon, 18 October-5 November); (b) Countries with Economies in Transition (Baku, Azerbaijan, 19 July-6 August); and (c) Short Courses for Geneva-based Diplomats (Geneva October to December). These contributed to their greater preparedness and technical capacities with regard to trade policy and multilateral and regional negotiations.

(b) *ACP-EU negotiations on economic partnership agreements*

10. ACP-EU negotiations on Economic Partnership Agreements (EPAs) continued in 2010 for the majority of ACP configurations. UNCTAD extended targeted substantive support to ACP States and regional groupings to raise awareness and enhance understanding among ACP policymakers and stakeholders on the developmental implications of economic partnership agreements (EPAs), strengthening national and regional capacities to design and implement policy, regulatory and institutional frameworks required to maximize the development potential of EPAs and regional integration processes, as well as enhanced the positive development interface between these negotiations, ACP regional integration processes and the WTO Doha Round negotiations. Substantive contribution was made to various consultative conferences organized by the ACP, AU, Economic Commission for Africa and the Commonwealth

Secretariat, including: EPA Negotiations Coordination Meeting (Abuja, 20-21 May 2010), EPA Negotiations Coordination Meeting (Lusaka, 7-8 October 2010), and the African Union Conference of Ministers of Trade (Kigali Rwanda 29 October-2 November). Similar substantive inputs were provided to SADC in respect of services negotiations (as discussed later).

11. Regular advisory and analytical support was provided to Geneva-based trade negotiators of ACP States, either individually or collectively through their membership in African Union, LDCs, LLDCs, small and vulnerable economies, in various areas of Doha negotiations with implication to EPA negotiations, such as market access, services, rules including on WTO rules affecting regional trade agreements, and development issues. Such support was undertaken in close coordination with the ACP Secretariat Office in Geneva. Also, UNCTAD contributed to a refresher course for several ACP States, organized by the ACP Office in Geneva and the Friedrich-Ebert-Stiftung (FES) organization, on the Doha negotiations, aid for trade initiative, EPAs and trade-related capacity building (14-15 June 2010, Geneva).

(c) *Trade policy formulation and implementation*

12. Collaboration with the Ministry of Trade and Industry of Rwanda resulted in the preparation of a trade policy framework – *Rwanda's Development-driven Trade Policy Framework* (UNCTAD/DITC/2009/2). It provided the basis for the Government to formulate its first national trade policy that was adopted in early 2011. The trade policy framework was presented by the Minister of Trade and Industry of Rwanda to the second session of the Trade and Development Commission. UNCTAD has received requests to assist Angola and Jamaica in elaborating their respective trade policy. This will be undertaken in 2011. UNCTAD continued to support Papua New Guinea in its ongoing effort to finalize a new trade policy, based on the policy framework developed by UNCTAD with the Government.

13. In collaboration with the Commonwealth Secretariat and the Commonwealth Parliamentarian Association, UNCTAD supported an initiative to sensitize Parliamentarians on contemporary trade policy issues and international trade agreements and negotiations, and energize them to take a more active role in reviewing trade policy formulation and implementation matters, including in engaging with the Executive (Government like Trade Ministers) on trade issues and their development impact. UNCTAD contributed substantively to the following sensitization conferences: (a) Trade Policy Workshop for Parliamentarians of East African Community (Arusha, United Republic of Tanzania, 27-28 May); and (b) Regional Workshop on Trade Policy for Pacific Parliamentarians (Apia, 31 May-5 June). UNCTAD is also collaborating with the Commonwealth Secretariat in the preparation of Trade Policy Guides for Parliamentarians for respectively Sub-Saharan Africa, Caribbean and Pacific.

14. Also in collaboration with the Commonwealth Secretariat, UNCTAD contributed substantively to the inaugural session of the Commonwealth Small States Biennial Conference (28-29 July 2010, London). It discussed that manifold challenges faced by Small States and promoting growth and development, including from their inherent vulnerabilities and those externally induced such as the global economic slump. UNCTAD provided advice and shared experiences on trade policy and trade agreements to assist Small States in building resilience to enduring vulnerabilities and economic shocks.

15. **Results/impacts:** UNCTAD's support has been instrumental in several respects. It facilitated consideration, and/or adoption, by Governments, of best-fit trade policy options and strategies that can contribute to strengthening productive capacities and increasing participation in international trade in a manner that maximizes the potential development gains especially job creation and poverty reduction. UNCTAD's assistance also enhanced

understanding and deepened technical knowledge of developing-country policymakers, trade negotiators, Parliamentarians and others stakeholders about ongoing multilateral and regional trade negotiations and agreements, strengthened technical preparedness for negotiations, and supported a proactive approach towards ensuring the negotiations and agreements are coherent and emphasize development aspects. The feedback received from beneficiaries indicates that UNCTAD's support and activities in particular contributed to the following:

(a) A greater appreciation of the contribution of trade to achieving of development goals including the MDGs, especially in the context of recovery and development after the global crisis, which resulted in elaboration of new generation trade policies with strong development focus, and effective mainstreaming of trade into development policies and plans;

(b) More broad-based and inclusive consultations on trade policy and trade negotiations issues, which enhanced national ownership of policy and negotiation options proposed by countries concerned;

(c) More informed deliberations on international trade issues and multilateral, regional and bilateral trade negotiations; better-informed and better-trained trade officials equipped with negotiations and substantive expertise; better articulation of their own priorities, options and strategies based on economic and development considerations; and more effective participation in WTO/regional/bilateral negotiations and balancing trade liberalization with pro-poor and development interests;

(d) Improved trade policy and trade support institutions, contributing to enhanced competitiveness of small enterprises in engaging in export-oriented production and trade;

(e) Advancement of multilateral and regional trade negotiations consistent with achieving the MDG 8 goal of developing an equitable, open, rules-based, predictable, and non-discriminatory multilateral trading system;

(f) Greater awareness and strengthening of coherence in objectives, approaches and modalities adopted towards bilateral, regional and multilateral trade agreements, with a focus on maximizing the development benefits.

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

16. **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.

17. **Objectives:** The Project was launched in January 2003 and was completed on 31 December 2010. The major objectives of the project were 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 had 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.

18. **Outputs:** Seventy-six broad-based and inclusive consultations organized, reaching about 10,000 stakeholders. These meetings brought together farmers, fisher folk, representatives of civil society and academia, consumer organizations, industry and

private sector representatives, export organizations, experts and policy makers for articulating their interests and concerns in the context of WTO's Doha negotiations, Indo-Thailand FTA negotiations, Indo- ASEAN FTA negotiations, Indo - EU Trade and Investment Agreement negotiations, Indo – Japan Comprehensive Economic Partnership Agreement negotiations, and Indo EFTA-FTA negotiations. Such consultations provided an effective avenue of giving voice especially to the poor in informing policy makers and trade negotiators of their concerns and interests regarding trade negotiations.

19. Analytical studies on different issues relating to multilateral/bilateral trade negotiations (e.g. trade facilitation, anti-dumping, industrial subsidies, tariffs, green box subsidies in agriculture, agriculture modalities, services, government procurement) were prepared. Such analyses helped in building an analytical and empirical basis for India's participation in trade negotiations, as well as in the formulation of concrete negotiating proposals by India in the WTO Doha Round and in negotiations of free trade agreements.

20. Analytical support was provided to the Government in designing India's unilateral duty free and tariff free schedule for LDCs, which was launched in 2008.

21. Analytical research was conducted that were extensively peer reviewed, on the poverty impact of trade developments, trade and gender linkages, trade liberalization and poverty, impact of the global crisis on India's exports and employment, impact of remittances on poverty, and potential supply chains in textiles and clothing sector in South Asia. These studies constitute a rich source of knowledge for understanding globalization and its impact on India, including an enhanced understanding of trade-poverty linkages which can inform policy making and trade negotiations.

22. The capacity of the Department of Commerce and other stakeholders were built up for undertaking quantitative analysis of the effects of trade agreements and trade measures, through training programmes on use of databases and softwares such as World Integrated Trade Solutions (WITS) and GTAP.

23. The capacity of researchers to undertake quantitative research on trade issues was built up through support to four academic institutions namely Allahabad University, Centre for Development Studies (Trivandrum), Jadavpur University and Mizoram University. Contribution was made to training of high level Indian policy officers, including those of Indian Administrative Service, Indian Economic Service, Indian Statistical Service, Indian Foreign Service, University lecturers, lawyers and agricultural researchers. Over 50 students were trained on the use of trade databases and softwares such as WITS, STATA and EVIEWS. Legal professionals were also trained on WTO's dispute settlement mechanism at premier law schools at Bangalore and Kolkata. These trainings and support have created a pool of experts, including econometricians, who can undertake quantitative research on trade issues.

24. The competitiveness of enterprises were improved, especially those that directly provide livelihood options for the poor to respond to globalization, for example by: identifying constraints and developing roadmap to address such constraints facing exports of highly employment intensive agricultural products such as litchis from North Bihar; pomegranates from Maharashtra; makhana from Bihar; mango and vegetables from tribal regions in Gujarat; flowers from Sikkim and Satara; herbal products from Chhatisgarh, Tamil Nadu and Karnataka; undertaking an extensive survey of the polyhouse growers in Satara district in Maharashtra and prepared a website (www.polyhouseproduce.com) which will be the foundation of an electronic platform for market-led production and for online trading of flowers; and put into place a mechanism whereby the some 2,700 fishermen get information on a daily basis through mobile phones of the prevailing market prices at various landing sites for different types of catch.

25. Through websites, training programmes, workshops and studies, the Project sought to disseminate systematized information on health and safety standards facing exports of

agricultural products, leather products, electronic components, textile and clothing products, handloom products, dairy and poultry products, handicraft products and marine products. These activities have significantly enhanced the access particularly by farmers, fish folk, producers and small exporters to standards-related information and helped them to address such non-tariff barriers.

26. Facilitated producer/artisan groups in obtaining the protection of their unique products through registration as geographical indications. The geographical indication (GI) registration will help in building up the brand image of the product, get better recognition, acceptance and price in local and world markets. GI registration, with help from the project, was secured for Pipli Applique Craft of Orissa, Lucknow Chikankari, Uppada Jamdhani Sarees of Andhra Pradesh, Banarasi Sarees and Brocades, Kannur Home Furnishing, Sanganeeri Hand-block Prints and Balarampuram Fabrics of Kerala, and Bhadohi Carpets. An international conference on GI was held 16 and 17 November in New Delhi that discussed the important stimulus provided by GI registration and the related follow up work needed including (a) to promote and protect the GI brand image and logo, (b) adopt and implement marketing and distribution strategies to increase exports, and (c) seek GI registration and enforcement in major markets. The conference also took stock of the impact of the project and commended it.

27. **Results/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.

28. 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.

29. Effective intervention by the project at the grassroots level has resulted in three products securing registration as geographical indication during 2010. This will assist resource-poor artisans to leverage the uniqueness of their products for commercial gain. 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.

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

30. **Development context:** In the increasingly rules-based international trading system, international dispute resolution has become an important aspect of international commercial diplomacy. Yet there are very few experts on international trade law in most developing countries, which limit effective participation in international dispute resolution. There is need to develop knowledge and skills, train legal professionals, and strengthen institutional capacities in developing countries to deal with dispute settlement in international trade.

31. **Objectives:** The UNCTAD Project on Dispute Settlement in International Trade, Investment and Intellectual Property helps build a permanent capacity in countries for dispute settlement in WTO, and also in the International Center for Settlement of Investment Disputes (ICSID), the World Intellectual Property Organization (WIPO) and the United Nations Commission on International Trade Law (UNCITRAL).

32. **Outputs/results/impact:** UNCTAD continued to publish, update and disseminate training modules and electronic materials in the areas of trade and investment dispute settlement; WTO dispute settlement; WIPO dispute settlement, including its arbitration and mediation centre; and international commercial arbitration such as by UNCITRAL. These helped officials and legal practitioners with the interpretation of rules by international institutional and arbitral bodies.

B. Support for accession to WTO

33. **Development context:** Accession to WTO is important in the trade and development strategies of developing countries and countries with economies in transition, especially in facilitating their integration into the international trading system. At the same time, the accession process is complex and challenging, particularly given the inadequacy of resources, expertise, institutions and regulatory frameworks on trade and WTO-related issues in most acceding countries. The terms of accession would define their integration into the international trading system and would therefore have an important bearing on their development prospects. In particular the policy instruments available to countries to foster industrial, agricultural and services development and structural transformation could be constrained. Capacities to understand and respond to the implications of WTO accession and to negotiate on the basis of national interests and priorities are mostly inadequate in most acceding countries. Capacity building support to acceding countries is thus a critical element in efforts to manage their accession process and to undertake trade policy reforms and strengthening of institutions to participate and benefit from the multilateral trading system.

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 in the pre, during and post accession phases. The programme also builds up their ability to implement their obligations associated with WTO membership, and to exercise their rights to promote their national development goals. The programme further assists countries in maintaining coherence between undertakings at multilateral and regional levels including South-South. This programme is an important area of UNCTAD's work, currently assisting 22 acceding countries. The support is geared towards direct, tailor-made and hands-on assistance at all stages of the 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. **Outputs:** Currently, UNCTAD assists 22 acceding countries out of the 30 currently negotiating or preparing their accession process, including all LDCs that are in the process of accession. The support activities, addressing different phases of the accession process are highly resource-intensive and draw on the three pillars of UNCTAD's work creating synergy between them. Substantive support to acceding countries is provided in various formats, including training activities for accession negotiating team and other stakeholders in Geneva and in the field, including negotiation simulation exercises; the preparation of impact studies; attachment of individual trade policymakers to UNCTAD to build up their expertise; advisory missions on both substance and the process of accession, including the preparation of required documentation such as the memorandum of foreign trade regime, and market access offers in goods and services; assistance in national policy reform and legislative action plans; analytical and advisory support on trade negotiating issues; and organization of, and support to, national multi-stakeholder

consultative meetings and sensitization events, including the private sector and academia, as well as parliamentarians.

36. In 2010, advisory services, field missions and capacity building activities were undertaken, including for Syrian Arab Republic (14-16 June, 1-3 March and 28-30 November), Cambodia (16-18 May), Yemen (4-5 December), Lao People's Democratic Republic (10-14 May, 1-3 November), Sao Tome and Principe (26-29 January), Azerbaijan (19-23 July), Bhutan (13 August), Serbia (30 June), Algeria (30-31 March) and the Islamic Republic of Iran (20-24 September). Intensive training sessions and technical consultations were organized, including for Iranian trade negotiators (20-24 September), and Yemen (11 June and 12 October) with particular focus on the commitment texts of Yemen's Draft Working Party Report. Information session was organized for Yemeni delegation comprising parliamentarians and business people on key issues in the multilateral trading system and the WTO accession process (19 October, Geneva). UNCTAD also supported the preparation of analytical studies for acceding countries. These included studies for Yemen on the construction services sector and the industrial sector in Yemen, as well as an *Assessment of the impact of trade policy reform in countries acceding to the World Trade Organization: the gender dimension* (UNCTAD/DITC/TNCD/2010/6).

37. In implementing technical assistance and capacity building programmes on accession, UNCTAD works and maintains close contacts and cooperation with the WTO secretariat. Several joint advisory missions, seminars and workshops in Geneva as well as in some acceding countries have also been undertaken with the WTO and other relevant agencies such as the World Bank, FAO, ESCAP, ITC and UNDP. Also, cooperation has been developing with other agencies implementing the Enhanced Integrated Framework for LDCs.

38. **Results/impacts:** Feedback from the beneficiaries indicated that they are highly satisfied with UNCTAD's assistance on WTO accession. Beneficiary countries continued to consider UNCTAD's technical assistance and capacity building activities to be very relevant, focused, timely, pro-development and responsive to the countries' trade and development needs while addressing the complex and complicated process associated with WTO accession. The assistance has helped acceding countries to advance their preparations for and participation in the accession process as well as in undertaking strategic preparations and reforms (policy, institutional) at national level to adjust economies to more competitive trading environment. At a more operational level, the following could be cited as major results attained in acceding countries that benefited from UNCTAD's assistance:

(a) Greater preparedness for – and improved abilities and negotiation skills to handle – Working Party discussions and negotiations, including technically sound drafting of accession documents and their timely submission;

(b) Well-trained government officials, and enhanced institutions on the technical issues involved in the accession process, backed by sound data, impact assessments including sectoral studies, and access to UNCTAD's accumulated knowledge on best practices in trade policies and regulations from a range of countries;

(c) Improved understanding by, and consultations among, 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, implications of WTO accession and the potential costs and benefits;

(d) Better appreciation of the trade and trade-related policy framework, its interface with economic and development policies and strategies, and integration of countries into the international trading system; and the interface with regional integration arrangements;

(e) Elaboration of policies and strategies to develop productive capacity and diversification; and utilization of preferential trade arrangements such as the Generalized System of Preferences (GSP) and related rules of origin.

39. UNCTAD's technical cooperation on WTO accession was positively evaluated by independent evaluators and commended by the Working party, including at its fifty-sixth Session.² There have been an increasing number of requests for support on WTO accession, which however considerably exceed the resources currently made available to UNCTAD. The growing gap between the increased demand and the lack of sufficient resources has put significant strains on the ability of UNCTAD to fully meet the requests on a sustained basis.

C. Services for development and trade

40. *Development context:* Services constitute 50 per cent of GDP and 35 per cent of employment in developing countries. Services play an important facilitation role, as producer/intermediate services enhance productivity and competitiveness of an entire economy. Infrastructure services — financial, transport, telecommunications, water and energy — are fundamental for development, including in providing universal access to essential services for attaining the MDGs on water, energy, health and education. In terms of services trade performance was relatively more resilient with lower magnitudes of decline in some sectors. Hence diversification into the services sector is conducive to building domestic economic resilience to external shocks and reducing excessive commodity dependences, as well as creating employment. It can be particularly important for LDCs and small, structurally weak and vulnerable States. This poses important challenges for developing countries, including in terms of the elaboration of national services policies to build up services productive capacities and in terms of negotiating services agreements at the multilateral, regional and bilateral levels. It also entails the strengthening of robust regulatory and institutional frameworks.

41. *Objectives:* UNCTAD's comprehensive programme on services development and trade assists developing countries and their economic integration groupings in developing their services sectors and increasing their participation in services trade with a view to realizing development benefits. Its 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. UNCTAD's activities assist countries and regional integration groupings in harnessing the development opportunities arising from the services sector and services trade through support in policy designs, reforms of regulatory and institutional frameworks, negotiation and implementation of services trade agreements in the WTO under the General Agreement on Trade in Services (GATS) and other regional and bilateral treaties (ensuring adequate content, pacing and sequencing of liberalization and reforms), creation of an enabling environment for entrepreneurship, and building competitive services supply capacities. The support provided is designed to enhance expertise and knowledge in services policy reviews, services sectoral assessments and preparations for (a) regional negotiations with a view to developing a regional framework on services trade; (b) participation in WTO GATS negotiations; and (c) responding to the challenges associated with parallel negotiations between the multilateral track and regional tracks. Synergies were created with ongoing analytical and intergovernmental work, especially through the Multi-year Expert Meeting on Services, Development and Trade: the Regulatory and Institutional Dimension.

² TD/B/WP/225.

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 support for 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, through country policy reviews, sector-specific assessments and ground-level support helped countries with assessing the contribution of services sectors to development, reforming the sector's policies and regulations, including strengthening access to essential services, and generating important data and reference material for multilateral and regional trade negotiations. In this regard, UNCTAD concluded National Services Policy Reviews for Nepal, Uganda and Kyrgyzstan. The reviews provided beneficiary countries with the data and analysis necessary for making informed policy decisions for promoting national services economy; guided national multi-stakeholder consultations to improve policy, regulatory and institutional frameworks, strengthen supply capacities, and identify new opportunities and options for services sector development. UNCTAD received an increasing number of requests from countries for services policy reviews. Services policy reviews are being conducted for Rwanda, Lesotho and Jamaica building on the reviews done for Uganda, Nepal and Kyrgyzstan.

44. Customized support, including specialized training and advisory services, was also provided by UNCTAD to policymakers and negotiators in developing countries and country groupings such as LDCs, the African Group, SADC and COMESA among others. Such assistance supported beneficiaries in elaborating national and regional strategies for services negotiations at the multilateral and regional levels while enhancing positive coherence between various negotiations; GATS negotiations in the area of temporary movement of natural persons supplying services (Mode 4), trade in labour-intensive services, and skills development and recognition of qualifications; building services supply capacities; and promoting services policy formulation at the sectoral level and in overall terms.

45. Substantive contribution, based on findings from its analyses and outcomes of intergovernmental deliberations, were shared by UNCTAD at national and international conferences including the following in 2010: (a) the Pan-Commonwealth Workshop on Multilateral Trade negotiations on Services and Trade in Services (Port Louis, Mauritius 21-22 April); (b) the National workshop for training of trade officials in Trade in Services (Brasilia, Brazil, 5-7 May); (c) the National workshop on Services (Botswana Gaborone 31 May-4 June); (d) the SADC Workshop on Trade in Services (Johannesburg, South Africa 7-10 June); and (e) the ALADI regional Workshop on Services (Montevideo, Uruguay, 1-3 October). Training provided under Para. 166 courses and the Virtual Institute include services components which is appreciated.

46. In addition, the findings of UNCTAD's analyses on tourism and outcome of the deliberations of the Trade and Development Commission on tourism were presented to the T-20 Tourism Ministers Meeting (11-13 October, Buyeo, Republic of Korea), which was welcomed. Member nations of T-20 agreed to actively cooperate with UNWTO, ILO, and UNCTAD and establish a framework for assistance on tourism.

47. UNCTAD supported the implementation of the COMESA Regulation on Trade in Services, adopted on 4 June 2009 by the COMESA Council of Ministers. UNCTAD, in collaboration with the COMESA secretariat, drafted the Negotiating Guidelines for the COMESA Committee on Trade in Services, providing an analysis of COMESA member States' commitments and offers under GATS to enable a choice of sectors for further liberalization and prepared a draft model services schedule. The negotiating guidelines

were adopted, priority sectors identified (transport, communication, financial and tourism) and the exchange of offers and negotiations is ongoing.

48. UNCTAD's technical and advisory support on services assessment and negotiations was provided to the SADC Secretariat, the SADC Trade Negotiation Forum and SADC policymakers and trade negotiators. In 2010 such support was provided, inter alia, to the SADC Economic Partnership Agreement Working Group on Services and Investment (Johannesburg, 10–14 May); the COMESA Second Meeting of the Committee on Trade in Services (Harare, 19-21 May); the Training Workshop on Trade in Services in collaboration with Botswana Ministry of Trade and Industry (Gaborone, 31 May-4 June); the SADC Trade in Services Regional Workshop for Sectoral Technical Experts (Johannesburg, 7-9 June); the Fifteenth Meeting of the SADC Trade Negotiating Forum - Services (Johannesburg, 10 June); and the SADC Economic Partnership Agreement Technical Working Group on Services and Investment (Gaborone, 30 August-3 September).

49. UNCTAD participates in the Inter-agency Task Force on Statistics of International Trade in Services, with OECD, the European Commission, IMF, the UN Statistics Division, the World Tourism Organization and WTO. It contributed to the Task Force on Services Statistics including its meeting in Beirut, Lebanon (22-24 March 2010).

50. UNCTAD has emphasized the importance of benefits and opportunities of trade, investment and developmental links between countries of origin of migrants and their communities' abroad as well as the issue of maximizing the development impact of remittances. In this connection it contributed to international policy deliberations, e.g. under the Global Migration Group (GMG), the ninety-ninth session of the International Organization for Migration (IOM) Council, World Bank and WTO and it prepared a report on *Impact of remittances on poverty in developing countries* (UNCTAD/DITC/TNCD/2010/8).

51. UNCTAD collaborates with the GMG, international organizations and Member States on migration issues. Apart from regular participation in GMG meetings at the working and principals levels, UNCTAD facilitated a session of the GMG Practitioners Symposium on "Overcoming barriers: Building partnerships for migration and human development" (Geneva, 27-28 May 2010); contributed to the GMG handbook, *Mainstreaming Migration into Development Planning: A Handbook for Policy-makers and Practitioners*; and prepared a GMG fact sheet on "Contribution of Migration to Development: the trade, investment and development linkages". UNCTAD is also part of the GMG working group on mainstreaming migration into development.

52. UNCTAD worked with other members of the Global Forum on Migration and Development to improve policy and operational responses of the UN system and the international community to international migration. It participated in the preparatory meetings for and at the fourth Global Forum on Migration and Development (Puerto Vallarta, Mexico, 8-11 November 2010). While contributing substantively to such events and advancing understanding and policy debates on migration and development, such work also helped to profile UNCTAD's work on migration and its trade, investment and development related aspects.

53. **Results/impacts:** UNCTAD's comprehensive and innovative work on services development and trade enabled developing countries, especially LDCs, to develop services sectors and take measures to strengthen their contribution to economic growth, diversification, employment creation and development. There is close synergy between the three pillars of UNCTAD's work in its services programme. Services policy reviews have emerged as a key outcome that is now in high demand from countries wishing to build up services supply capacities and trade. Several reviews will be undertaken in 2011. Services negotiations under the GATS and at the regional levels continued in 2010. UNCTAD's support to trade policy makers and trade negotiators in continuing to

articulate their interests in the GATS negotiations helped them to maintain the development focus in the detailed negotiations. Such support was also instrumental especially in COMESA and SADC in adopting services integration agreements and in putting in place the liberalization framework and modalities. As participation in multiple negotiations is a major challenge, UNCTAD's support helped countries and regional integration groupings to ensure greater coherence in priorities pursued multilaterally, regionally and bilaterally. UNCTAD's assistance has been important in facilitating countries reform of policies in the context of the financial and economic crisis; and enhanced extensive multi-stakeholder consultations on services development. Sharing of experiences and lessons learnt is a special feature of UNCTAD's support. Improving availability of services statistics is an ongoing concern of the international community and UNCTAD continually supports this effort especially through the Inter-agency Task Force on Statistics of International Trade in Services. The developmental benefits of international migration and related remittances received added emphasis by UNCTAD in the light of its growing impact on development prospects. This work has been appreciated by member States. The outcome of the second session of the Multi-year Expert Meeting on Services, Development and Trade: the Regulatory and Institutional Dimension, the deliberations on tourism by the second session of the Trade and Development Commission, has been widely disseminated and share through international and national conferences. These intergovernmental meetings foster international consensus on key issues in the services sectors and related best practices in strengthening services trade and development. The dissemination of findings of the intergovernmental meetings and analyses of UNCTAD helped countries to consider steps towards strengthening their regulatory and institutional mechanism in support of infrastructure services so that they can have a stronger positive impact on development.

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

54. *Development context:* Trade preferences constitute an important trade and development policy tool available to beneficiary developing countries in enhancing the competitiveness of their exports and trade and in turn promoting their industrial development and structural transformation. The key preferential scheme has been the Generalized System of Preferences (GSP), instituted in 1971 under the aegis of UNCTAD. It has contributed over the years to creating an enabling trading environment for developing countries, particularly LDCs. Challenges arise for beneficiaries in fully exploiting the market access opportunities available under these schemes, including by developing the supply capacities and effectively meeting the rules of origin requirements. Following the WTO Hong Kong Ministerial Decision in 2005 in which members agreed that developed countries and developing countries in a position to do so would grant duty-free and quota-free market access for exports of LDCs, improvements were made to various GSP schemes and/or new schemes for LDCs were launched. The provision and utilization of trade preferences is a key goal of the MDGs and the United Nations Programme of Action for LDCs.

55. The Global System of Trade Preferences among Developing Countries (GSTP) was established in 1988, under the aegis of UNCTAD, as a framework for the exchange of trade preferences among developing countries to promote their mutual trade. Participants launched a third round of negotiations (the São Paulo Round), at UNCTAD XI in 2004, to undertake further liberalization of trade among them in support of increased trade, economic growth and development. The round was concluded in 2010.

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 and in turn promote productive capacity development and increased trade. 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. Support is also provided to providers of preferences in improving their preferential schemes.

57. The objective of UNCTAD's support to the GSTP is to strengthen South-South economic cooperation, trade and integration. It enables participants to make effective use of the trade agreement in building and increasing trade among them. UNCTAD also provides substantive and administrative support to GSTP participants for them to conduct the third round of GSTP negotiations and the implementation of its results, as well as further enhancement of the agreement.

58. **Outputs:**

(a) *Generalized System of Preferences (GSP) and other trade preferences*

59. UNCTAD continued to promote enhanced awareness among developing countries on ways to better utilize the preferences available under GSP and other preferential schemes through regular provision of information on a dedicated website, administrative support on certificate of origin, collection of data, publication of handbooks on the GSP schemes and newsletters, and technical cooperation and capacity building services. A training session on various GSP schemes and rules of origin was held for the Iranian trade officials (22 September) within the framework of a training course on WTO accession, to build and strengthen understanding of the trading opportunities available under GSP schemes and rules and regulations required to benefit from such opportunities. UNCTAD ensured the dissemination of relevant information through updating and revising GSP Handbooks of individual GSP schemes, such as that of the United States, preparing related studies and issuing GSP newsletters. It also continued compilation and updating of the UNCTAD GSP database based on the data submitted by GSP donor countries, which provide useful information on trade conducted under each preferential scheme.

60. At the request of the European Commission, UNCTAD participated in the Conference on EU trade policy toward developing countries (Brussels, Belgium, 16 March). It contributed substantively to deliberations on the reform of the EU GSP scheme.

61. UNCTAD organized a High level meeting on trade capacity building and competition policy for African Least-Developed Countries in Zambia (Lusaka, 10 - 12 May 2010). The meeting, *inter alia*, discussed how to take advantage of the duty-free, quota-free scheme of India and develop other cooperative mechanisms to enhance Indian private sector investment into productive capacity building in African LDCs. The meeting was also attended by Indian Government officials and private sector, supported by the UNCTAD-DFID-Government of India Project on Strategies and Preparedness for Trade and Globalization in India.

(b) *Global System of Trade Preferences among Developing Countries*

62. UNCTAD continued to provide substantive, 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 in the Negotiating Committee, which was successfully concluded in 2010. Following a Decision on Modalities adopted on 2 December 2009 by a special Ministerial session of the GSTP Negotiating Committee that provided for a linear cut of at least 20 per cent on at least 70

per cent of participants' dutiable tariff lines, the participants to the Round reached a milestone agreement on 15 December 2010 to conclude the Round by exchanging tariff concessions. Twenty-two of 43 GSTP members participated in the São Paulo Round. Eleven countries exchanged tariff concessions and other participants to the Round are expected to join the agreement at a later date. By broadening product coverage to 47,000 tariff lines, the results are expected to inject a strong boost to already vibrant intra-group trade, as well as economic growth and employment. The GSTP participants will continue to examine possible modification of GSTP rules of origin, currently based on value-added methods, including the examination of tariff-classification methods.

63. **Results/impacts:** UNCTAD's support on trade preferences has contributed to building the knowledge base among beneficiaries on GSP and other trade preferences and helped them to consider ways of more effectively utilizing the trade preferences. UNCTAD's dissemination of GSP-related information, including through the preparation of GSP handbooks and GSP newsletters, and the compilation of GSP trade data, has improved understanding and awareness of GSP among exporters and government officials in some individual beneficiary countries. UNCTAD contributed ideas towards the EU in making its GSP scheme more effective and development enhancing for beneficiaries. UNCTAD raised awareness and facilitated African LDCs' consideration of India's duty free, quota free scheme.

64. UNCTAD's support to participants in GSTP has ensured its smooth functioning and facilitated the conduct and conclusion of the third round of GSTP negotiations by GSTP participants. It has been instrumental to the milestone agreement in 2010 on the conclusion of the Sao Paulo Round, which will 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/2CT	Training in LDCs and developing countries on trade policies formulation	2003-	Norway
INT/0T/4CN	Project for WTO accessions	2004-	Germany
INT/0T/5AU ^a	Project for WTO accessions	2005–2010	United Kingdom
INT/0T/7AF	Development Implications of Services Trade Liberalization	2007-	Canada
INT/0T/7BG	Project for assistance to developing countries on services, development and trade negotiations	2007–2008	United Kingdom
INT/0T/9AU	General Trust Fund on WTO Accession	2009-	Norway
RAF/0T/3AI	Joint Integrated Technical Assistance Programme Phase II	2003-	Multi-donor
ROA-2159 (N6)	Promoting sub-regional 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 2010.

II. 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 in developing countries, LDCs and countries with economies in transition, at national, regional, South-South and international levels, and for enhanced understanding of interactions among trade, competitiveness and development.

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

1. Trade Information System and Database

66. *Development context/objectives:* Trade Analysis and Information System (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, non-tariff measures 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 application, which has been developed jointly with the World Bank. Free and unlimited access to TRAINS through the World Integrated Trade Solution (WITS) is provided to member governments and private users.

67. **Outputs/results/impact:** 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, 52 of which are for 2010 and 116 for 2009; 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 2010. About 3,000 of the approximately 15,000 licenses issued to users of WITS were issued in 2010.

68. The widespread use of TRAINS, particularly in the publications of such organizations as the World Bank and the International Monetary Fund (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 contributed data for the calculation of MDG indicators on market access. 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). UNCTAD, WTO and ITC, since 2004, created 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.

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

71. **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.

72. South-South trade remained relatively resilient in the face of the recent global economic crisis, due largely to a strong demand for imports exhibited by emerging economies. This reconfirms that enhancing South–South trade can be a source of trade as the engine of economic growth to many developing countries in coming years.

73. **Objectives:** The project (RAS/0T/9BN) conducts research and analysis, with a view to: (a) identifying export sectors with strong growth prospects for Asian LDCs; (b) assessing Asian LDCs’ stand in selected new and dynamic sectors in world trade; and (c) assessing the economic viability of Asian LDCs 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.

74. **Outputs/results/impact:** A national diagnostic study on new and dynamic exports was conducted for Lao People’s Democratic Republic and another for Peru. This identified opportunities and constraints in further promoting the country’s dynamic exports and a new export, and formed the basis of a national workshop for each country.

75. A study on new and dynamic exports of Asian LDCs, made a close examination of new and dynamic exports of six Asian LDCs (Bangladesh, Bhutan, Cambodia, Lao People’s Democratic Republic, Maldives, Myanmar and Nepal), including the analysis of export product upgrading which reconfirmed a crucial role played by South-South trade to export diversification of Asian LDCs.

76. As a useful tool to measure the product sophistication, UNCTAD constructed in 2009 a database containing “revealed factor intensity indices” (RFII), which has been made available on the UNCTAD website. An update of the contents of the database has been made at the end of 2010. 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.

77. Regional and national workshops conducted during 2010 include: a regional workshop for Asian LDCs on enhancing dynamic and new exports (October 2010), organized jointly with ESCAP/ARTNeT; and a national workshop for the Lao People’s Democratic Republic on dynamic and new exports (October 2010). Preparations have been also made to conduct a national workshop for Peru, which is envisaged to take place in 2011.

C. Creative economy and industries

78. **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, noting that those countries’ participation in such sectors is vital if they are to achieve development gains from international trade and trade negotiations. 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.

79. **Outputs/results/impact:** In 2010, UNCTAD provided demand-driven policy advice to governments; undertook policy-oriented research to identify issues and policy options to assist governments in policy formulation to nurture their creative economies; promoted synergy inside the United Nations system aiming at complementarities and policy coherence; implemented technical cooperation projects to assist developing countries in enhancing their creative capacities for trade and development gains; and expanded its

network which serves as a catalyst that facilitates collaborations, best practices and knowledge-sharing among stakeholders including governments, academia, creative business and the civil society.

80. As part of the ongoing activities jointly implemented by the Partnership between UNCTAD and UNDP Special Unit for South–South Cooperation, UNCTAD and UNDP organized the Global South Creative Economy Week that took place from 19 to 23 October in the context of the activities of the United Nations Pavilion at the Shanghai World Expo 2010. The focus of the event was “Creative Economy as an engine for better livable cities with better lifestyles for all” in alignment with the overall theme of the Shanghai World Expo 2010 theme “Better City, Better Life”. In this context, the Creative Corridors initiative was exhibited throughout the duration of the Shanghai World Expo 2010, showcasing the value chain of the music, fashion, film, festivals etc and how creative activities contribute to better, more livable cities with better lifestyles.

81. In response to the success of the first edition of the Creative Economy Report 2008, the UNCTAD/UNDP partnership updated the analysis and issued the second edition of this policy-oriented report which brings the United Nations perspective on this innovative topic. The “Creative Economy Report 2010: A feasible development option” was launched on 14 December 2010. It deepens the analysis, bringing fresh approaches and identifying trends, strengths and weaknesses as well as challenges and opportunities to be addressed. The report underscores 10 key messages calling for a new development path to reorient policies towards more equitable, sustainable and inclusive growth strategies.

82. In 2010, UNCTAD carried out some activities under the multi-agency project on “Strengthening the creative industries in five selected ACP countries through employment and trade”, jointly implemented by UNCTAD, UNESCO and ILO with funds provided by 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 simultaneously tackled issues related to economic, social and cultural aspects in a holistic 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, jobs and potentially optimize trade opportunities.

83. In the framework of this project, UNCTAD finalized two policy-oriented country studies entitled “Strengthening the creative industries”, for Mozambique and for Zambia, which will be issued and disseminated in 2011. 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.

84. In the context of the 2010: United Nations Year of the Biodiversity, UNCTAD organized an international seminar, a fashion show and an exhibition the “Eco-Chic Fashion Show and Exhibition” held at the Palais de Nations in January 2010.

85. UNCTAD co-organized and/or addressed a number of international, regional and national creative industries–related conferences and events in 2010, which took place in Asia, Africa, Latin America and Europe. Among these activities were:

(a) February (Amsterdam, Netherlands) the “Pan-European initiative for innovative creative industries in Europe” in which discussed the growing economic importance of creative industries for growth and innovation in Europe, and launched the “European Creative Industries Alliance”;

(b) March (Rio de Janeiro, Brazil) a seminar on “Culture and the Creative Economy: building an agenda for the Merco-Cities, organized by the Secretary of Culture

of the City of Rio de Janeiro to highlight the Latin American perspective and help governments in shaping cultural policies for the cities of the MERCOSUR region;

(c) May (Porto, Portugal) the first “Creative Portugal” event to provide a platform for discussing and showcasing tendencies in the domain of the creative industries at national and international levels;

(d) May (Malaga, Spain), launch of the project “Incubators of Cultural Enterprises” which promoting area at the start-up of creative micro-enterprises in European Mediterranean countries (Portugal, Italy, Malta and Greece);

(e) June (Santiago, Chile) a international seminar on “Creative Cities: the impact of culture in the urban economy, organized by the National Council of Culture and Arts of Chile in Santiago;

(f) October (Shanghai, China) the Global South-South Creative Week, held in the context of the World Expo Shanghai, as part of the activities of the United Nations Pavilion at the Shanghai World Expo and consisted of a series of events aimed at promoting innovative mechanisms for South-South transfer of development experiences and solutions;

(g) October (Vientiane, Lao People’s Democratic Republic) Regional Workshop for Enhancing Dynamic Sectors in Asia, jointly organized by ESCAP, UNCTAD and WTO, to address the challenges and opportunities that the creative economy brings to help the Asian LDCs to diversify their economies and foster development;

(h) November (Bangkok, Thailand) the Thailand International Creative Economy Forum, to mark the anniversary of the formal launch of the Thai national creative economy policy;

(i) November (Beijing, China) the Fifth China International Cultural and Creative Industries Forum and Expo, to promote business opportunities and trade cooperation, as well as to provide insights for the articulation and implementation of the Chinese national strategy for the creative industries;

(j) November (Valencia, Spain) workshop on cultural economics, organized by the University of Valencia, to share knowledge and results of ongoing research in areas related to the economic impact of culture and the creative economy for Europe in the context of the EU 2020 Strategic Agenda for European Innovation;

(h) November (Istanbul, Turkey) Symposium on Creative Cities in the 21st Century, in the context of the activities of Istanbul 2010 European Capital of Culture (organized in collaboration with the University of Arts and Design of Istanbul). Among the main outcomes, was the endorsement of a proposal to establish an International Centre for Creative Economy and Cities to be hosted by the city of Istanbul with support of national authorities; and

(i) December (Fortaleza, Brazil) the First International Conference on Creative Economy of the Northeast of Brazil, to discuss the prospects for enhancing the creative economy in the nine states of the Northeast of Brazil, and also to start a series of concrete initiatives, in particular the commitment from the local authorities to set-up the Observatory of Creative Economy for the Northeast of Brazil in Fortaleza, with support of UNCTAD and the Creative Industries Center of the University of Technology of Queensland in Australia.

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/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 database	2007–2010	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
INT/0T/AAJ	Construction of a Cross-Country Historical Database on Tariff and Trade Indicators of Trade Openness	2010–	UK/DFID
RAS/0T/9BN ^a	Strengthening export capacity of selected developing countries in dynamic and new type of goods and Services	2009-2010	Japan
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 2010.

III. Cluster III. Commodity-sector development and poverty reduction

Lead entity: Special Unit on Commodities

86. 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

87. *Development context.* The EU-funded All ACP Agricultural Commodities Programme (AAACP) is intended to help improve 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.

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

(a) Capacity-building at regional level to enhance the functioning of agricultural commodities markets;

(b) Access to key market information, through two channels: a) UNCTAD's portal INFOCOMM 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 soft ware;

(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 (SCP) www.unctad.org/scp is aiming at informing both EU consumers and ACP producers on the requirements of the concerned labels

89. **Objectives/features.** The Programme is implemented in five ACP regions: Pacific, Caribbean, Central Africa, West Africa, East and Southern Africa. For each region UNCTAD should 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.

90. **Outputs:** Market information systems: Infoshare upgrading (the Infoshare tool was upgraded into a fully customizable software application that can be easily tailored to different settings and requirements). A sub-regional application of Infoshare was developed for the Caribbean and Pacific regions and presented during the IX Regular Market Information Organization Meeting in Port of Spain, Trinidad & Tobago, in December 2010.

91. Four multi-stakeholders capacity building workshops successfully held.

1. Cotton Guarantee Fund in Cote d'Ivoire

92. The workshop was organized on 28-29 July 2010 under the auspice of the Ministry of Agriculture and in collaboration with the Authority of Regulation of Cotton and Cashew Nut. It brought together some 75 participants representing the Government of Cote d'Ivoire, main stakeholders of the cotton value chain, local financial institutions, guarantee fund experts, regional development banks and other partners interested in cotton financing in Cote d'Ivoire. The workshop discussed the outcome of the feasibility study and established an action plan to develop a cotton guarantee fund in Cote d'Ivoire.

2. Commodities Exchange and Warehouse Receipt workshop in Ghana

93. UNCTAD and the Securities and Exchange Commission of Ghana held a Joint Workshop "Charting the Way Forward Toward the Implementation of a Commodities Exchange and a Warehouse Receipt System in Ghana" on 15th- 16th September, 2010. The workshop came up with some results: (a) Sensitizing key policy makers on the need for a Commodities Exchange (CX) and a Warehouse Receipt System (WRS) in Ghana in order to promote economic growth and financial empowerment of farmers; (b) Developing a road map towards a speedy implementation of the project; (c) Sharing experiences and knowledge with experts from other African countries that have implemented a CX and WRS with the view to exploring lessons that could be learnt to avoid pitfalls and maximize benefits of a commodities market; and (d) Helping drive the policy direction for a CX and WRS in Ghana.

3. Cocoa/coffee finance in Cameroon

94. The capacity-building workshop was held on 5-6 October 2010 under the auspice of the Ministry of Commerce and in cooperation with the National Cocoa and Coffee Board. Some 60 participants representing the government of Cameroon, cocoa and coffee stakeholders, financial institutions and development partners participated in the workshop. The meeting examined and validated the conclusions and recommendations of the study of value chain finance for coffee and cocoa in Cameroon and identified follow-up activities, such as the feasibility study for the creation of service centres/companies in coffee producing areas of Cameroon.

4. Enhancing the Functioning of Cereals Markets in West Africa

95. The regional workshop was organized on 9-11 December 2010 in Accra, in partnership with the ROPPA and the CILSS. It brought together some 100 participants representing key actors of cereals supply chains, commercial banks, microfinance institutions, governments, regional organizations, United Nations organizations and other development partners. The workshop highlighted the importance and the value of warehouse receipt system/warrantage and commodity exchanges in the region's agricultural development and trade promotion. The participants agreed upon priority actions for the development of these market-based instruments in West Africa and identified the roles of different groups of actors.

B. Commodity sector development and poverty reduction – INFOCOMM³

96. *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, 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 thus costly, time-consuming and rather difficult to identify the 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.

97. *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 improves 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-

³ Some activities for the INFOCOMM project were developed under the AAACP Programme.

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.

98. **Outputs:** The development of international knowledge management tools, including the market information in the commodities area (INFOCOMM) project. Outputs in 2010, maintenance and enhancement of the INFOCOMM online knowledge management instrument, through which key strategic information on selected commodity and energy products is available. 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 2010, besides site maintenance and regular updating, a new technology and layout upgrading of the website was implemented. New commodities profiles relevant for ACP countries were prepared. The official launch of the new INFOCOMM site is scheduled for mid-2011.

C. Global Commodities Forum

99. **Development context:** Many developing countries depend on commodities for their economic well-being. As demand for commodities in the long term is going to increase, thus posing major challenges for their sustainable and efficient production, there is a very real need to consider how to make the commodities markets more stable and policies better designed, so that the benefits would be more equitably distributed between commodity producers and consumers. Through the Global Commodities Forum (GCF), UNCTAD and its partners can play a key role in providing a neutral pathway, augmented by information resources, to help address the volatility of markets and overcome development difficulties, particularly in commodity-dependent developing countries.

100. **Outputs:** Pursuant to UNCTAD–XII decisions the GCF is supposed to be organized on yearly basis to discuss comprehensively the key issues of commodity economy, commodity trade, commodity finance and commodity logistics and their implications for international trade and development.

101. **Results:** The first GCF took place in Geneva on 22–23 March 2010. It was organized by UNCTAD and co-sponsored by the Common Fund for Commodities and the State Secretariat for Economic Affairs of the Swiss Federal Department of Economic Affairs. It was also supported by other stakeholders, including industry associations both in Geneva and internationally. The GCF was attended by more than 500 participants, including ministers and other policymakers, commodity producers, traders, financiers, consultants, academics and other experts, many of whom spoke and gave presentations in both plenary and parallel sessions at the meeting. Over a two-day period, the speakers, moderators and participants of GCF discussed the key perennial issues of the commodity economy, such as instability of commodity markets, problems of commodity policies, sustainability of commodity supply chains, access to commodity finance and logistics. There were around 50 presentations, contributing to an important debate on commodity production, markets, trade, finance and other issues, including how to face challenges for further development of the global commodity economy.

D. Trust fund on iron ore

102. **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.

103. **Outputs:** The *Market Report on Iron Ore* is an annual publication (usually issued in May-June) 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 October-November, 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. *Statistical Update* in electronic form goes out in November-December. In 2010, the Market Report on Iron Ore was issued in June (UNCTAD/SUC/2010/3), and the Iron Ore Statistics was issued in November (UNCTAD/SUC/2010/5). The Statistical Update was released in December.

104. **Results:** Demand for the publications are very much demanded by 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 2010 the clients' base of subscribers has grown by approximately 7 per cent with corresponding growth of the Project's budget. The Market Report on Iron Ore, as well as activities of the Trust Fund were presented at major international conferences on iron ore and raw materials for steelmaking.

E. Commodity risk management, finance and energy - Fourteenth African Oil, Gas and Mines Trade and Finance Conference and Exhibition, 10–13 November 2010

105. **Development context:** Improving access to commercial energy is an essential requirement both in terms of mitigating environmental concerns and as a pre-condition for 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 the ability of the importing developing countries in servicing their debts and it jeopardizes the effect of debt-relief provided to them. For the exporting countries, high prices may present an opportunity to launch programs 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 others on the following: a comprehensive information, including data on the minerals value chain; 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.

106. Similarly in the mining sector of developing countries, exploitation of the natural resources has failed to generate jobs, create linkages with the broader economy, and address environmental degradation. In both 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.

107. 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 14th conference took place in Sao Tome, Sao Tome and Principe in November, 2010.

108. **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.

109. **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, academia, research institutions and the civil society.

110. Dialogue between stakeholders, experiences shared, 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 the overall national development. Some of the outputs include successful development of local content policies, effective price risk management strategies and risk mitigating programs to offset carbon dioxide emissions, 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.

111. The 14th Conference reviewed progress on implementation of the outcome of the 13th Conference held in Mali in November 2009. This is a resolution urging UNCTAD to facilitate the establishment of a Natural Resources Information Exchange (NRIE), a platform to provide continuous and interactive information on natural resource value chain. Progress made so far includes the following: i)- identification of partners and signing of cooperation agreements; ii)- selection of eight countries interested in implementing NRIE in the pilot phase; iii)- survey of existing database and national upgrade of systems in the pilot countries. The NRIE platform is expected to benefit policy-makers, investors and entrepreneurs.

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>
INT/9X/42Z	Collection and dissemination of iron ore statistics	1994–	Multi-donor
INT/9X/9C2	<i>L'intelligence économique au service des plus démunis</i>	1999–	France
INT/9X/65N	Commodity risk management and finance	1996-	Multi-donor
INT/0T/5BQ ^a	SPS/A Model for the development of a private/public safety control system for the horticultural exports	2005–2010	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 2010.

IV. Cluster IV. Competition policy and consumer protection

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

112. 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.

113. *Development context:* UNCTAD is the focal point on the work on competition policy and related consumer welfare within the United Nations system. This mandate dates back to the adoption of the United Nations Set of Principles on Competition in 1980. Its primary objective is “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 validity of the United Nations Set was reaffirmed by the Sixth United Nations Review Conference on Competition Policy, held from 8 to 12 November 2010.

114. Despite a general widespread trend towards the adoption, reformulation or better implementation of competition laws and policies in developing countries and countries with economies in transition, many of them still do not have up-to-date competition legislation nor adequate institutions for their effective enforcement. They thus rely to a large extent on UNCTAD capacity building support which comprises intergovernmental consensus building, analytical studies and technical assistance. Close synergies between the three pillars are maintained in building national and regional human and institutional capacities needed for the success of market-oriented reforms, in promoting the culture of competition as well as in supporting regional cooperation on competition issues.

115. *Objectives:* The programmes aim at assisting developing countries, especially the LDCs, as well as countries with economies in transition, in formulating and reviewing competition and consumer policies and legislation and implementing competition and consumer 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 and consumer policies and assisting countries and regional groups to better evaluate the implications of regional cooperation on competition issues. Assistance is provided in accordance with the requests received, the needs of the countries concerned, and the resources available.

116. The main types of technical cooperation assistance provided by UNCTAD are: (a) provision of information about anticompetitive practices, their existence and possible adverse effects on the economy including via 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 countries in better evaluating 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.

117. **Output:** In 2010, UNCTAD continued its demand-driven efforts to assist in the creation of competition culture with the following outputs at national level and at regional/subregional levels, as well as through cooperative arrangements.

A. Outputs at the national level

118. UNCTAD provided technical assistance related to the preparation, adoption, revision or implementation of national competition and consumer protection policies and legislation. This assistance also involved contributing to a better understanding of the issues involved and building national institutional capacity to enforce effective competition legislation. Furthermore, UNCTAD assisted governments to identify 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 intervention included—awareness building on competition issues, competition advocacy, preparation of national competition laws, institution—building and voluntary peer reviews of competition policy.

1. Competition policy-related activities

119. UNCTAD's advisory and training activities were combined with or provided through different seminars, workshops, meetings and activities directed at stakeholders, specific officials or a wide audience, including government officials, academics, business and consumer-oriented circles. These activities contributed to raising awareness about the role of competition and promoting a competitive culture.

2. Competition advocacy

120. UNCTAD provided training courses on competition law and policy for stakeholders including parliamentarians, sector regulators, business communities and consumer associations in Angola, the Plurinational State of Bolivia, Botswana, Cameroon, Comoros, Costa Rica, the Dominican Republic, Ecuador, Cambodia, Chad, the Lao People's Democratic Republic, Lesotho, Malawi, Paraguay, Swaziland, Trinidad and Tobago, and Tunisia.

3. Preparation of national competition laws

121. UNCTAD provided assistance in the preparation, amendment and the adoption of new competition law in the following countries: Botswana, Costa Rica, the Dominican Republic, Ecuador, Malaysia, Mozambique, Rwanda, Saudi Arabia, Sao Tome and Principe, Swaziland, the Syrian Arab Republic, Trinidad and Tobago, and Uganda. UNCTAD also contributed to the preparation of the draft competition law of the Kurdistan Regional Government in Iraq.

4. Training of competition case handlers

122. National competition seminars for case handlers were organized for newly established competition agencies including for Cameroon, Indonesia, Ecuador, Nicaragua, and Swaziland. In addition a “training of trainers” manual on competition policy was developed for the Indonesian Commission for the supervision of Business Competition in cooperation with the German Agency for Technical Cooperation (GTZ) and translated into Indonesian. Additional training courses for judges were organized in Indonesia, El Salvador and Malawi. A training course on competition law and policy and the introduction of consumer protection issues were organized in Geneva for government officials and academics from the Kurdistan region of Iraq. This course was followed up with a training of trainers course on broader issues relating to competition policy, consumer protection and investment policies.

5. Institution-building

123. UNCTAD was also involved in the establishment of competition agencies in Botswana, Madagascar, Mauritius, Saudi Arabia, and Trinidad and Tobago, and also assisted with the appointment of commissioners in these countries. Other countries assisted by UNCTAD’s institution-building activities include: Mozambique, Botswana, Dominican Republic, Egypt, Jordan, Kenya, Malawi, Peru and South Africa.

6. Peer reviews and follow-up

124. With a view to ensure 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 appraise how economic reforms can promote development and ensure that markets work for the poor. Since the 2005, the following countries were reviewed: Kenya and Jamaica (2005), Tunisia (2006), Costa Rica (2008), Indonesia (2009) and Armenia (2010). UNCTAD plans to review Serbia’s competition policy in 2011, during the Intergovernmental Groups of Experts meeting. The peer reviews have become an integral and appreciated part of UNCTAD’s work on technical assistance. They gave rise to a range of recommendations on how the application of the legislation might be made more effective at regional and national levels and to build capacity for the enforcement and advocacy of competition policy with UNCTAD’s support.

B. Outputs at regional and subregional levels

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

1. COMPAL

126. Activities carried out under the programme on competition and consumer protection policies for Latin America (COMPAL), supported by SECO (Switzerland) and the government of Spain, contributed significantly to strengthening competition and consumer protection law and policies in the following countries: Plurinational State of Bolivia, Colombia, Costa Rica, El Salvador, Nicaragua Paraguay, Peru and Uruguay. 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), in 2008 the COMPAL II programme (2009–2012) was launched, 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 on Trade and Competition was jointly organized by UNCTAD and SELA in Brazil from 26 to 28 May 2010. In addition, with the support from the regional component of the COMPAL Programme, technical assistance was provided in 2010 to the Dominican Republic, Ecuador, Paraguay and Uruguay.

127. Moreover, under the regional component of COMPAL, a regional working group on trade and competition has been established. The ideas of establishing a working group were launched at the first edition of an UNCTAD-SELA regional seminar held in Caracas (April 2009). It was further discussed during the second edition of the regional seminar held in Brasilia (May 2010) and adopted by the SELA Latin American Counsel in October 2010. The third edition of the UNCTAD-SELA Regional Seminar, to be held on 7 to 8 June 2011 in Colombia, will address inter-alia regional cooperation on competition and trade and its link with development.

2. AFRICOMP

128. The regional programme for Africa, AFRICOMP, was launched in Zambia during a High level conference on Competition Policy held from 10 to 12 May 2010. This new initiative was taken in response to the mandate given by the Accra Accord (paragraph 104 (g)), 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 2010 were undertaken within the framework 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. Trainings and workshops were organized in Angola, Botswana, Côte d'Ivoire, Mozambique, Rwanda and Zambia.

C. Cooperation with other organizations

129. The Sixth United Nations Review Conference on Competition Policy called upon States to increase cooperation between their competition authorities and Governments for the mutual benefit of all countries in order to strengthen effective international action against anticompetitive practices as covered by the UN Set, especially when these occur at the international level, adding that "such cooperation is particularly important for developing countries and economies in transition". UNCTAD has an extensive network of cooperating partners with whom many of the analytical and capacity-building activities

are implemented. Through the Intergovernmental Group of Experts on Competition Policy, UNCTAD has established long-standing cooperation with national competition authorities and competition experts worldwide. This is being further strengthened with selected countries through its national-level capacity-building activities and the completion of voluntary peer reviews. UNCTAD also cooperated with NGOs and civil society, as well as the private sector. As UNCTAD technical cooperation and capacity-building activities were provided both at national level and within the framework of regional and subregional forums, the relations with regional integration groupings of developing countries have been strengthened to support the development and implementation of regional competition policy. In this connection, an UNCTAD research platform including over 20 institutions was established in May 2010.

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	2009-	Spain
INT/8X/603	Training programme on restrictive business practices (competition policies)	1986–	France, Norway, Sweden
RLA/0T/3BF	Strengthening institutional and capacity-building in the area of competition and consumer law and policy in Latin American countries	2003–	Switzerland, Spain
ROA-2242 (O7)	Strengthening capacities in developing countries for the effective enforcement of competition law to minimize constraints to economic productivity	2010-	Development Account

V. Cluster V. Trade, environment and development

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

130. 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 integrate sustainable development objectives in development strategies at all levels (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

131. *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.

132. 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.

133. **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.

134. **Output and results:** UNCTAD has been collaborating with other international organizations (in particular FAO, ITC, World Bank) in the context of the Trade Standard Practitioners Network (TSPN)⁴ to prepare “A Strategy Guide for Policymakers on Food-

⁴ TSPN aims at a pro-developmental use of voluntary sustainability standards by turning them into catalysts for sustainable development. The Network’s mission is to improve the effectiveness of initiatives that support developing country capacity and participation in the development and implementation of trade-related social, environmental and food-safety standards through policy research, knowledge management and exchange, and the dissemination of capacity-building best practices. In doing so, the TSPN seeks to foster more sustainable, competitive, and equitable developing country roles in global value chains. Currently funded by the World Bank and GTZ, TSPN is a collaborative effort of some 30 institutions (including research centers, standard-setting bodies, bi- and multilateral organizations, and NGOs) that builds upon the strengths of

related Voluntary Sustainability Standards". Several discussions with stakeholder groups were held on clarifying the objectives and practicability of the Guide and the outline resulting there from. Several drafts of the guide were prepared in 2010 and peer reviewed. A preliminary final version was presented in November 2010 at a TSPN conference, which will be field tested in the first half of 2011. The Guide is addressing 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 establishing an enabling hard and soft infrastructure needed to close the above-mentioned 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.

135. 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. Discussions were held with several donors to support the project and the Department of Agriculture included the proposal into the bilateral support programmes with the Republic of Korea and Japan. Project implementation is foreseen to start in 2011, financial resources permitting.

136. In November 2010, the UNCTAD secretariat, in collaboration with half a dozen of research and business organizations, organized an international conference on climate change, agriculture and related trade standards in Kuala Lumpur, Malaysia. The meeting was attended by some 100 participants from 14 countries and addressed by the Minister of Plantation Industries and Commodities and the Minister of Natural Resources and Environment of Malaysia.

137. The meeting highlighted that for a large number of developing countries, agriculture remains the single most important sector. Climate change has the potential to damage irreversibly the natural resource base on which agriculture depends, with grave consequences for food security. However, agriculture is the sector that has the potential to transcend from being a problem to becoming an essential part of the solution to climate change provided there is a more holistic vision of food security, agricultural mitigation,

individual institutions while working as a community to achieve the shared goals. For more information, see: www.tradestandards.org.

climate-change adaptation and agriculture's pro-poor development contribution. What is required is a rapid and significant shift from conventional, industrial, monoculture-based and high-external-input dependent production towards mosaics of sustainable production systems that also considerably improve the productivity of small-scale farmers. The required transformation is much more profound than simply tweaking the existing industrial agricultural systems. However, the sheer scale at which modified production methods would have to be adopted, the significant governance and market-structure challenges at national and international levels and the considerable difficulties involved in measuring, reporting and verifying reductions in GHG emissions pose considerable challenges.

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

138. ***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.

139. 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.

140. ***Objectives:*** 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 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.

141. ***Output and results:*** Following the work programme proposed by the Ad-hoc Expert Meeting on Facilitating Access of Small-scale Organic Farmers in Developing Countries to Supermarket Shelves (held in Geneva on 10 to 11 December 2009), the UNCTAD secretariat prepared two studies aimed at developing two conceptual tracks that facilitate practical ways of achieving partial equivalence between the Global GAP standard (a standard on Good Agricultural Practice applied by most globally active supermarkets and catering companies) and the main organic standards aimed at facilitating market access and drastically reducing compliance costs with both standards. UNCTAD made presentations on these two tracks to Global GAP and IFOAM members in the first quarter of 2010. Continued work on both tracks was subsequently endorsed by the standard governance bodies of Global GAP and IFOAM.

2. Sustainable Commodity Initiative

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

142. **Development context:** The rapid growth of sustainability standards has created both opportunities and challenges for developing-country producers, and, in particular, smallholders. To date, however, there 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.

143. 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).

144. **Objectives:** COSA is designed to provide credible, scientifically robust field-level data on the actual costs and benefits of implementing a sustainability program, 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.

145. COSA is currently being applied in five countries (the United Republic of Tanzania, Colombia and Viet Nam in the coffee sector; and in Cote d'Ivoire and Ghana in the cocoa sector). Plans are being developed to implement the program in coffee in Brazil and expand in direct partnership with several industry groups.

146. Data is collected at the farm, village, and marketing levels (coop, exporter etc.). COSA trains local institutions and data-collectors in the use and application of the survey to promote local uptake and applicability 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 program. Analyzed data will be made publicly available through ITC's Trade for Sustainable Development data platform.

147. **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, Kiswahili, 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;

(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;

(d) COSA was tested in five countries and a report on that work was published in 2008, Seeking Sustainability (www.sustainablecommodities.org/cosa/update);

(e) The first round of data has been gathered and is now being analyzed for the United Republic of Tanzania, Colombia, and Viet Nam (coffee) and Côte d'Ivoire and Ghana (cocoa). A report on the results of this work is planned for July 2011.

(f) SCI partner organization, CATIE, is also applying COSA in five countries in Central America and this data will be available in mid-2011 for comparison;

(g) Once the data is processed and analyzed more complete results will be presented. This process however has already sparked a great deal of interest and activity on measuring impacts- both by standard-bodies, industry groups and public entities. The SCI plans to work with key stakeholder groups (producers, standard-bodies, policy-makers, 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)

148. **Development context:** 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.

149. In response, the Sustainable Commodity Initiative formed an international network of service providers (including 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).

150. **Objectives:** 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.

151. SCAN is an international network of 19 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.

152. **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; Quality Management Systems and Traceability.

153. Four pilot countries were selected (United Republic of Tanzania, Peru, Viet Nam and Honduras). 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.

154. As well a sister program 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.

155. The international process of establishing the SCAN network has been a milestone in promoting cooperation and collaboration at this level. In all of the pilot countries strong cooperation between public and private sectors has been achieved. SCAN international network has approved a large-scale program to develop a comprehensive training curriculum and tools on the five priority areas identified. This is to be conducted in a pilot country. Currently there is strong interest to support this project and if solidified this process will begin mid-2011. In addition to full tool development, the program would also include large-scale training of trainers and training at target producer groups. The program would culminate in the establishment of a center of excellence on sustainable coffee and agriculture in the pilot country.

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

156. *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.

157. *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.

158. *Output and results:* In June, UNCTAD convened a meeting of a group of developing delegations to the WTO Committee on Trade and Environment, Special Session – China, Ecuador, Indonesia, Jordan Mexico, Peru, Qatar, Thailand (on behalf of ASEAN). The participants were informed about the state of play in the climate change negotiations and of the preparations for UNCSD 2012, where UNCTAD was expected to serve as the sustainable trade focal point for the Conference. The discussion that followed brought into focus an apparent disconnect between the normative work conducted at the

United Nations, particularly the MDGs, and the trade and environment negotiations at the WTO. The participants were also apprised of the UNCTAD's Biofuels Initiative, Biotrade Programme, and Climate Change Programme. The participants found the programmes useful in maintaining a spotlight on market creation – as opposed to market access – issues. UNCTAD shared with delegations some preliminary analysis of issues relating to climate positive goods and non-tariff barrier (NTB), which also pointed to market creation as an overriding concern.

159. The participants were unanimous in their high assessment of the contribution the Bangkok Group had made over the years to - and of UNCTAD's role in - promoting a better understanding of the mandate, provided for in paragraph 31(iii) of the Doha Ministerial Declaration, and a constructive engagement of developing WTO members in the negotiations. They considered it necessary to preserve an institutional memory in the negotiations and to ensure the continuity in the collective work of the developing member delegations. Those delegations must be prepared to manage the risks implicit in the attempts to address particular sub-sets of negotiating issues in the context of climate change. There were issues that required sufficient lead time to be addressed properly, including the NTBs part of the mandate, which had been largely overlooked. UNCTAD has been asked: (a) to reconvene the Bangkok Group in a new format, taking into account the interest to participate expressed by Costa Rica, Jordan, Peru, Qatar and Saudi Arabia; (b) to continue with analysis of issues arising at the intersection of trade, energy and climate change; (c) to look into the negotiating history of the WTO as it relates to NTBs and see what lessons could be drawn for the environmental goods negotiations; and (iv) to help identify products of special interest to developing members as importers or exporters and provide technical support that could assist developing member delegations position themselves in the negotiations in terms of product coverage and negotiating modalities.

160. At the request of the Permanent Mission of Oman, UNCTAD has conducted a series of consultation in Geneva on the WTO negotiations on environmental goods and services. Particular attention was paid to issues arising at the intersection of trade, energy and environment, specifically climate change. More specifically, the discussions focused on the goods and services used in conjunction with alternative energy sources and natural gas, and the actual and potential treatment of these goods and services in the WTO. UNCTAD had been asked to assist the Omani authorities concerned with devising a programme for – and to make substantive contribution to – an energy seminar in Muscat for the states of the Gulf.

161. Broader discussions were held on the position of the Gulf States in the negotiations on climate change and in the WTO negotiations on environmental goods and services. The energy seminar was held in Muscat in October and UNCTAD provided substantive backstopping to the preparation for and holding of the energy seminar.

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

162. *Development context:* 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.

163. 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.

164. 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.

165. **Objectives:** 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.

166. **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), financed by Norad.

167. Highlights include promoting south-south cooperation on organic agriculture in Asia and in Central America. In Asia this included:

(a) Preparation, consultation and publication of a regional scoping study for equivalence and harmonization of organic standards and technical regulations in the Asia region (UNCTAD/DITC/TED/2010/7);

(b) Regional meeting in Shanghai, China in May 2010 where the participating countries announced their intention to cooperate to facilitate trade of Asian organic products including through the development of a common regional organic agriculture standard. (See UNCTAD Information Note for the press, UNCTAD/PRESS/IN/2010/018);

(c) First meeting of the Working Group for Cooperation on Organic Labelling and Trade for Asia (Mumbai, India, 9 to 10 December 2010). The WG mapped out the framework for future cooperation through harmonization and equivalence recognition on organic standards and conformity assessment. This includes the TORs and timeline of the Drafting Group for Asia Regional Organic Standards, which will have its first meeting in Manila in March 2011.

168. In Central America, GOMA supported the development and national consultations (in the Central American countries plus the Dominican Republic) of the draft Central American Organic Agriculture Regulation. Comments gathered during the consultations will be considered by a GOMA-supported regional meeting of the Governments' Competent Authorities in early 2011.

169. Development and first round of consultations on Objectives and Related Practice Requirements for Organic Standards, a revised annex for the Equitool – one of two tools developed by the ITF as a guide for assessing equivalence of organic standards. The goal is to facilitate trade by encouraging regulators to think in terms of overall fulfilment of key overarching objectives of organic standards instead of each regulator requiring that all prescriptive details in their own particular standard be complied with 100% by producers everywhere in the world. Equivalence is based on a shared commitment to a common set of objectives combined with respect for policy space.

170. The whole approach is somewhat revolutionary. Examples of real application in international trade (of all products, not only organic products) of the principle of equivalence as opposed to compliance are few and far between. The impact, therefore, could extend beyond the organic sector.

171. Outreach activities included meetings with key public and private sector actors, presentations at relevant forums, a workshop *Levelling the Playing Field* at Biofach organic trade fair in February 2010, information provision via GOMA website (www.goma-organic.org) and periodic newsletters.

172. A number of activities in support of the development of organic agriculture in Africa were carried out in the framework of the UNEP-UNCTAD Capacity Building Task Force on Trade, Environment and Development (CBTF), with the support of the Government of Austria. Highlights include:

(a) February 2010, at the Biofach organic trade fair co-organization of the Africa Symposium: Markets as motors for sustainability. This event gave a boost to the development of African organic exports. One concrete result of this cooperation is the inclusion of organic agriculture for the first time ever in the outcome of the AU Agriculture Ministerial meeting;

(b) December 2010, Nairobi (Kenya), Organization of East African Organic Conference 2010 which brought together key actors from the public and private sectors of seven East African countries to share recent developments and plan the south-south cooperation way forward. A highlight was the signing at the conference of a 2 million dollar project on organic agriculture in East Africa to be implemented by CBTF partner IFOAM, which guarantees the continuation of the joint work for the next two years. The Conference was co-organized with the Kenyan Organic Agriculture Network and the Ministry of Agriculture, in cooperation with ITC and IFOAM;

(c) Support development of the Kenyan Organic Agriculture Policy, including support to preparation of first draft and first national stakeholders' consultation in December 2010 in Nairobi;

(d) Improved access to UNCTAD research through translations: (a) French version of CBTF study Organic Agriculture and Food Security in Africa; and (b) Spanish version of CBTF study Best Practices for Organic Policy.

D. Enhanced opportunities in Biotrade

173. *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.

174. 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).⁵ 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.

175. **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.

176. **Output and results:** 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 provide technical assistance and advisory services to BioTrade programmes and partners in Colombia, Indonesia and Uganda on the BioTrade concept and methodologies, project design and formulation, value chain development, market access and fundraising.

177. In *Indonesia*, the Initiative is contributing to the reintegration of ex-combatants in Aceh Selatan through the development of the nutmeg value chain as part of the peace building processes of UNDP.

178. Technical assistance was also provided to the UNDP Bureau on Crisis Prevention and Recovery and UNDP country offices in *Indonesia* and *Uganda* on BioTrade and value chain development and to *Latin American and African countries* on the EU Novel Food Regulation, particularly on topics related to clarification of definitions and traditional use.

179. The Initiative is also collaborating with the TrainForTrade programme for the development of an on-line course on "BioTrade and Value Chain Development". This course will be conducted in cooperation with universities in Bolivia, Colombia, Ecuador and Peru.

180. 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 Initiative, together with the Creative Economy and Industries Programme of UNCTAD collaborated with Green2Greener, a Hong Kong-based NGO to organize a seminar on Redefining Sustainability in the International Agenda: Inspiring Greater Engagement in Biodiversity

⁵ 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.

Issues and the EcoChic Fashion Show. A Fashion and Cosmetics Biodiversity Platform was also developed, which brings together the cosmetic and fashion industries to promote intra-industry collaboration to further the knowledge and understanding of the linkages between the industries and biodiversity. It aims to contribute to ongoing international efforts of creating more effective engagement of private sector in tackling the loss of biodiversity, build awareness and educate on its importance.

181. 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. The pivotal role that UNCTAD's BioTrade Initiative plays in the conservation and sustainable use of biodiversity and in the fair and equitable distribution of benefits was recognized in five COP10 decisions of the CBD, held in Nagoya in October 2010.

182. 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. The Initiative also became an Affiliate Partner of the 2010 Biodiversity Indicators Partnership (2010 BIP). In achieving the 2010 Biodiversity Target to significantly reduce the rate of biodiversity loss at the global, regional and national levels, this global initiative tracks progress by developing global biodiversity indicators and information on the trends of biodiversity.

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

(a) January 2010 (Geneva, Switzerland), Redefining Sustainability in the International Agenda: Inspiring Greater Engagement in Biodiversity Issues, 20 to;

(b) February 2010 (Basel, Switzerland), NATUR 2010 Fair; Roundtable: Commerce durable et conservation de la biodiversité - le futur;

(c) March 2010 (Doha, Qatar), side event at the COP15 of CITES: Roundtable on businesses, markets and biodiversity – Connecting consumers to the source;

(d) April 2010 (Geneva, Switzerland) BioTrade Potential for Growth and Sustainability;

(e) April 2010 (Paris, France), in-cosmetics Seminar: Going Beyond natural and organic – How biodiversity is shaping the cosmetics industry;

(f) May 2010 (Nairobi, Kenya) Side event at WGRI 3 of CBD: Roundtable on Business Engagement and Biodiversity;

(g) July 2010 (London, United Kingdom) Parallel Session on Retail, Fashion and Cosmetics at the First Global Business of Biodiversity Symposium;

(h) October 2010 (Nagoya, Japan) Side events at the CBD COP 10; (i) Greening Trade for Biodiversity Conservation – How the sustainable use and conservation of biodiversity can be mainstreamed into business activities and value chains; (ii) Going beyond mitigation: how can private sector drive biodiversity conservation?; (iii) Business/Government Roundtable on Establishing Partnerships with Cosmetics / Fashion Industries.

(i) October 2010 (Shanghai, China) BioTrade exhibit at the UN Pavilion during the Shanghai World Expo 2010.

184. 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 and the need to measure the contribution of BioTrade to sustainable development is therefore essential in order to demonstrate the efficiency and effectiveness of the intervention made in the field. Thus, the BioTrade Impact Assessment System, developed by the Initiative, is essential to achieve this goal. BioTrade partners in Latin America and Africa have started adopting this system as part of the M&E activities and in building their baseline.

E. Enhanced opportunities in Biofuels

185. *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.

186. 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.

187. *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.

188. **Output and results:** UNCTAD's Biofuels Initiative continued to offer a facilitating hub for programmes or initiatives already underway 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.

189. The BioFuels Initiative collaborated with the Brazilian Reference Center on Biomass – CENBIO in exploring a possible triangular South-South cooperation (Brazil-Mozambique-Portugal) for the sustainable production and use of biofuels in Africa. An initial mission was conducted in April 2010 and the Government of Mozambique has expressed a strong interest in introducing biofuels in the country. UNCTAD is committed to assist in developing a funding proposal and subject to the availability of funds, will implement a project for the sustainable production of biofuels.

190. 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 Initiative supported the Government of Mexico in conducting an initial assessment on the perspectives of developing biofuels in Mexico. An advisory mission was carried out in December 2010 in Mexico City. The assessment will be finalized after further consultations with national authorities, business and civil society stakeholders.

191. In 2010, the UNCTAD BioFuels Initiative participated in the following conferences, trainings and seminars:

- (a) Biofuels Trade Conference, 26-28 May, Sao Paulo, Brazil;
- (b) Energy Seminar, 25-27 October, the Sultanate of Oman, Muscat;
- (c) Various meetings of the Roundtable on Sustainable Biofuels.

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

192. **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.

193. 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.

194. **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.

195. **Output and results:** The green economy within the context of sustainable development and poverty eradication will be one of the themes of the United Nations Conference on Sustainable Development (UNCSD), also referred to as Rio+20, to be held in Brazil in 2012. At the first session of the UNCSD Preparatory Committee, held on 17 to 19 May in New York, UNCTAD, serving as the sustainable trade focal point for the Conference, was invited to convene an expert meeting to address the trade and sustainable development implications of the green economy.

196. In response to this, UNCTAD, in collaboration with the United Nations Department of Economic and Social Affairs (UN DESA) and the United Nations Environment Programme (UNEP) organized an Ad hoc Expert Meeting on “The Green Economy: Trade and Sustainable Development Implications” on 7 to 8 October 2010 in Geneva. The meeting aimed at exploring ways in which the green economy through trade-led growth can become a pro-development income-generating instrument that will directly contribute to meeting the sustainable development imperative. As an enabling component of sustainable development, the green economy may provide new trade and investment impetus to developing economies, especially if anchored on a mutually supportive approach to sustainable development. The outcome of the meeting was submitted as a direct input to the UNCSD preparatory process (UNCTAD/DITC/TED/2010/6).

197. As one of the implementing partners of the Nairobi Framework, UNCTAD, through the Climate Change Programme, supported the organization of the 2nd Africa Carbon Forum from 3 to 5 March 2010 in Nairobi, Kenya. The forum brought together more than 1,000 participants representing the project developers, buyers, service providers, national CDM representatives and other private and public sector stakeholders to tap the potential of greenhouse gas emission offset projects in the continent. It aimed at

strengthening links between CDM project developers and the region's investment community. It also facilitated knowledge sharing among CDM project sponsors and buyers. This activity was under the auspices of the Nairobi Framework established to improve the level of participation of developing countries, especially those in sub-Saharan Africa in the Clean Development Mechanism (CDM) under the Kyoto Protocol. The event was organized with other partners such as UNDP, UNEP, UNEP-Risoe, UNFCCC, UNITAR, the World Bank Group, AfDB and the International Emissions Trading Association.

198. In the margins of the 2nd Africa Carbon Forum, a side event for the Portuguese speaking countries in Africa – Cape Verde, Guinea-Bissau, São Tomé e Príncipe and Mozambique was organized on 5 March 2010. The event provided a platform to present an e-learning course on climate change and the carbon market to assist African countries in seizing trade and investment opportunities arising from climate change policies, particularly through the CDM. It addressed specific needs of Designated National Authorities and project developers in these countries. An early interest from UNDP was received to implement the project in Mozambique where one of the difficulties faced is capacity-building in CDM.

199. UNCTAD, together with the Government of the Dominican Republic, the Latin American Energy Organization, International Emissions Trading Association, the World Bank Institute, the Inter-American Development Bank and the UNEP Risoe Centre organized the Fifth Latin American Carbon Forum on 13 to 15 October 2010 in Santo Domingo, Dominican Republic. The forum provided a platform to gather key players involved in the development of the CDM and share experiences on the whole process of CDM projects and programs as well as the latest developments of emissions trading schemes. It also provided an opportunity to discuss and analyze the international and national policies to mitigate climate change by promoting discussions on negotiating a new climate regime. More than 500 delegates participated in the forum.

200. On the occasion of COP16 of the UNFCCC, UNCTAD jointly organized a high-level side event with UNEP and UNDESA on “The transition to a Green Economy: Implications for poverty alleviation and sustainable development” on 8 December in Cancun, Mexico. The event provided a platform to discuss the Green Economy in the context of sustainable development and poverty eradication. It addressed the challenges and opportunities for the transition in a carbon-constrained world, the issue of policy space and the implications of the green economy on trade, sustainable development and poverty eradication.

201. UNCTAD also participated in conferences, meetings, seminars and roundtables such as:

- (a) COP16 of the UNFCCC, 29 November to 10 December, Cancun, Mexico;
- and
- (b) Meeting of Government-designated experts of Latin America and the Caribbean – preparatory to Rio+20: a green economy in the context of sustainable development and poverty eradication and the institutional framework for sustainable development, 15 to 16 December, Santiago, Chile.

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
INT/9X/219	Reconciliation of environmental and trade policies	1992–	Netherlands
INT/9X/77V	Biotrade initiative programme	1997–	Multidonors
INT/0T/3AC	Biotrade facilitation programme for biodiversity products and service	2003–	SECO/ Netherlands
INT/0T/3BB ^a	Consultative task force on environmental requirements and international trade	2003–2009	Netherlands
INT/0T/6AY	Implementing the BioFuels Initiative in LDCs and countries with vulnerable economies	2006–	Norway
INT/0T/6BP	Challenges and opportunities of implementing biodiversity-related MEAs	2006–	Switzerland
INT/0T/7BS	Climate Change Programme	2007–	Norway
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

^a Project that had been “operationally but not financially completed” or “completed” in 2010.

VI. Cluster VI. FDI Trends and Issues

Lead division: Division on Investment and Enterprise (DIAE)

202. 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*

203. **Development context:** As the focal point in the United Nations system for investment, UNCTAD promotes understanding of key issues, particularly matters related to foreign direct investment and assists developing countries in attracting and benefiting from FDI, building their productive capacities and international competitiveness. 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. 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.

204. **Objectives/features:** The WIR series is a key instrument in helping 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. The series therefore, serves as an essential tool to formulate FDI policies, which feeds into UNCTAD's technical assistance work. 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 analyzed;

(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 60 press conferences on the Report's launch date, followed by 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; and

(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.

205. **Outputs:** In 2009–2010, a set of major activities related to the preparation and dissemination of WIR10 was undertaken. These included, among other things, the following:

(a) Background studies were commissioned to serve as inputs to the WIR10;

(b) Many companies were interviewed to gain insights into their FDI activities and corporate investment plans for the preparation of the Report;

(c) WIR10 was launched worldwide in 64 countries in July 2010. Lectures and presentations were conducted on the WIR findings, including during launch events in developing countries;

(d) The wide dissemination of the findings and policy recommendations of the Report were facilitated by the extensive media launch and the possibility to freely download the entire report from the UNCTAD website;

(e) Databases on FDI, mergers and acquisitions and largest TNCs were maintained and updated. These databases are made available to the public;

(f) The Global Seminar on the draft WIR10 was organized in Geneva on 3-5 May. An Ad hoc Expert Group Meeting was convened on 28-29 October 2010 to discuss potential issues that are relevant to the future *WIR11*;

(g) Technical cooperation was extended to ASEAN in November 2010, to develop a comprehensive multi-year (2011-2015) investment work programme to help realize the objectives and key investment provisions of the ASEAN Economic Community Blueprint and the ASEAN Comprehensive Investment Agreement; and

(h) A consultation meeting between UNCTAD and the ASEAN Coordinating Committee on Investment was held in early December 2010 in Jakarta to discuss the concept, specific approaches, actionable activities and methodology to develop the comprehensive regional investment work programme.

206. **Results:** The **World Investment Report 2010**, subtitled **Investing in a Low-Carbon Economy**, was a timely contribution to the ongoing international efforts to find solutions to the pressing problems engendered by climate change and received even wider

coverage in the international and national media than before, as its launch took place in July, two months earlier than usual.

207. The report presented the most up-to date data on global FDI flows that confirmed their slow recovery following the financial crisis. It expressed the cautious optimism UNCTAD held on FDI prospects, forecasting the recovery to gather momentum, with global FDI inflows picking up to over \$1.2 trillion in 2010, and heading towards \$1.6–2 trillion in 2012, following a steep decline of 37% and 16% in 2008-2009. Subsequent, the newly introduced UNCTAD quarterly index confirmed this renewed dynamism in FDI inflows.

208. Returning to the theme of investing in a low carbon economy, the report examined the characteristics, contributions, key sectors, drivers, and determinants of TNC involvement in the move towards low-carbon economic growth. It pointed out that as enterprises with formidable knowledge, cutting-edge technology, and global reach, TNCs are necessarily among the primary actors in the global effort to reduce greenhouse gas emissions and shift towards a low-carbon economy. The Report further stressed that, with the right policy initiatives, incentives and regulatory framework, TNCs can and must contribute significantly to both climate change mitigation and adaptation. The report emphasized that participation by TNCs and the strategic use of foreign investment can help developing and transition economies jump-start “low-carbon” economic development; and it also analyzed government policy options that may enhance this shift. Concretely, UNCTAD proposed a “Global Partnership for Low-Carbon Investment” to synergize investment promotion and climate change mitigation. Such a partnership would consist of five policy initiatives:

(a) Establishing clean-investment promotion strategies including host-country policy frameworks that are conducive to attracting TNC investment in low-carbon activities and mobilizing home-country and international support for low-carbon investment;

(b) Enabling the dissemination of clean technology by putting in place an enabling framework to encourage cross-border technology flows, fostering linkages between TNCs and local firms and encouraging partnership programmes for technology generation and dissemination between countries;

(c) Securing international investment agreements’ (IIAs’) contribution to climate change mitigation by introducing climate-friendly provisions into future;

(d) Harmonizing corporate GHG emissions disclosure, which involves creating a single global standard and mainstreaming “best practices” in emissions disclosure through existing regulatory mechanisms such as stock-listing requirements;

(e) Setting up an international low-carbon technical assistance centre that could support developing countries, especially LDCs, in formulating national climate change mitigation strategies by leveraging requisite expertise from multilateral agencies and other sources including recommendations on how to tap into TNCs’ low-carbon-related financial and technological resources.

B. Capacity-building in FDI statistics

209. *Development context:* Scarcity, unreliability and inconsistency in existing data reporting systems can 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, contribution to the transfer of technology, human resource development and export performance. In response to recommendations made by the UNCTAD Expert Meeting on “Capacity Building in the Area of FDI: Data

Compilation and Policy Formulation in Developing Countries” in December 2005 and endorsed by the tenth session of the Commission on Investment, Technology and Related Financial Issues (Geneva, 6-10 March 2006), UNCTAD continues to provide technical cooperation in the area of FDI statistics.

210. **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 analyze data on FDI and TNC activities through implementing internationally recommended methodological standards and enabling national authorities to maintain high-quality and up-to-date databases. It also intends to strengthen networking among national authorities involved in FDI data compilation and reporting and in FDI policy issues and investment promotion activities, so as to facilitate the exchange of experience.

211. **Outputs:** In 2010, a national workshop on FDI Statistics was organized in Hanoi from 26 to 29 July in cooperation with the Ministry of Planning and Investment of Viet Nam. Two activities were carried out in the framework of the development account project “Support to decision making and policy formulation on foreign direct investment in the context of the MDG and the Monterrey Consensus” in cooperation with the COMESA Secretariat. A national workshop on the methodology of compilation of FDI statistics was held in Congo DRC from 8 to 11 June in cooperation with the local investment agency and the central bank and the second regional workshop on FDI Data Compilation and Verification took place in Swaziland from 16 to 18 November. The latter had the objective of reviewing the initial results from country surveys and agree on a common reporting format for the FDI data emanating from these country surveys. UNCTAD participated also in the meeting on the East Africa Community (EAC) committee on Statistics, and discussed the assistance of UNCTAD to EAC partner countries related to data on FDI statistics and activities of TNCs.

212. **Results:** These workshops and seminars have advanced the understanding of government officials on FDI statistics and initiate to implement a survey on FDI in some countries. These meetings have also taken 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. In the EAC meeting, partner states appreciated the advice and technical cooperation provided by UNCTAD in the area of FDI statistics and welcomed the continued technical assistance in harmonizing data on FDI statistics and activities of TNCs at the regional level.

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 MDG and the Monterrey Consensus	2008-	Development Account

VII. Cluster VII. Investment policies

Lead division: Division on Investment and Enterprise (DIAE)

213. 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

214. **Development context:** The investment policy review (IPR) is a programme of technical assistance that evaluates the policy, regulatory and institutional environment for 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.

215. **Objective/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, policy makers 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 a 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 impact. 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 implementation of recommendations and makes proposals for further and longer-term technical assistance.

216. **Outputs:** In 2010, the main outputs delivered by the investment policy review and follow-up programme include:

(a) Publication of the investment policy reviews for Burundi, El Salvador and Sierra Leone. As part of the process, UNCTAD organized a national workshop in El Salvador to discuss the findings of the IPR and gather comments from various stakeholders, including government, private sector and civil society representatives;

(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: Belarus (April), Burundi (April), El Salvador (April) and Sierra Leone (December);

(c) Work was underway to prepare three new IPRs, including for Guatemala, The former Yugoslav Republic of Macedonia and Mozambique. The fact-finding missions took place in February (The former Yugoslav Republic of Macedonia) and November (Mozambique). The national workshop to discuss the draft IPR Guatemala was held in September while high-level consultations took place in Skopje for the IPR of the former Yugoslav Republic of Macedonia;

(d) IPR implementation reports were prepared for Ethiopia and the United Republic of Tanzania;

(e) Technical assistance activities were carried out in a number of countries to support the implementation of the IPR recommendations and to deal more effectively with issues related to investment promotion strategies, international investment agreements, business planning and taxation. The countries which benefited from these activities include Burkina Faso, Burundi, Colombia, El Salvador, Ethiopia, Guatemala, Rwanda, the United Republic of Tanzania and Zambia.

(f) A meeting of experts was held on 15 December to discuss ways to improve the methodology of IPRs.

217. **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. FDI flows to a number of countries that have undertaken IPRs in the past have nevertheless increased, sometimes very significantly.

218. 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 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 Ethiopia and Tanzania, 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 policy-making level. (i) During the intergovernmental presentation of the IPR Belarus, the Deputy Prime Minister and the Minister of Economy were present to endorse the recommendations of the report. (ii) During the intergovernmental presentation of the IPR Sierra Leone, the Minister of Finance and Economic Development was present and endorsed the recommendations of the report. (iii) In the Former Yugoslav Republic of Macedonia, the Deputy Prime Minister and the Minister of Economy discussed the preliminary findings of the IPR (November-December 2010), and offered their support to the IPR process. (iv) The Minister of Economy of Guatemala discussed the IPR recommendations with the Secretary-General of UNCTAD in September 2010 and played an active role in the IPR national workshop in Guatemala City and ensuing activities, including a high-level briefing session with Cabinet Ministers chaired by the Vice-President in October;

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

(a) *Belarus*: The IPR was discussed at an intergovernmental meeting, followed by a roundtable of the Government with more than 60 investors, and an inter-agency cluster discussing technical assistance to Belarus in the framework of UNDAF;

(b) *Burundi*: IPR published and discussed at an intergovernmental meeting featured a high-level delegation from the Government of Burundi and was very well attended with active participation of many member States, business people and representatives of international organizations;

(c) *El Salvador*: The IPR was published and discussed at an intergovernmental meeting which brought together high-level government officials, member States and international organizations;

(d) *Ethiopia*: The IPR Implementation Report was completed and preparations were underway to present at the 2011 Commission on Investment, Enterprise and Development;

(e) *Guatemala*: A national workshop was held followed by three capacity-building sectoral seminars and a presentation to the Economic Cabinet in September and early October;

(f) *The former Yugoslav Republic of Macedonia*: A fact-finding mission took place in February and high-level consultations with the Deputy Prime Minister and the Minister of Economy were held in November. The final draft was shared with government

officials as well as representatives of international organizations, including the European Union and the UNDP for comments;

(g) *Mozambique*: A fact-finding mission took place in November to launch the IPR process;

(h) *Sierra Leone*: The IPR was presented at an intergovernmental meeting in Geneva which gathered several member States and representatives of the private sector. It was followed by a business dinner between the Government and potential investors;

(i) *United Republic of Tanzania*: The IPR Implementation Report was completed and preparations were underway to present at the 2011 Commission on Investment, Enterprise and Development.

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

B. International investment agreements

221. ***Development context***: Over the past year the international investment regime continued to expand in scale and scope, and a systemic evolution towards a more coherent and balanced regime became apparent. In 2010, 136 new investment agreements were concluded (24 bilateral investment treaties (BITs), 99 double taxation treaties (DTTs) and 13 other international investment agreements (IIAs)), bringing the total number of all investment-related agreements to over 6,000 at the end of the year, including over 2,770 BITs, 2,940 DTTs and 300 other IIAs. At the same time, the number of investor-State dispute settlement cases reached over 360 cases.

222. Within the expanding IIA universe, indications can be discerned that the IIA regime is moving towards a more convergent and coherent body of international law.⁶ This trend rests on a number of developments, including (a) an increasing emphasis on a rebalancing of the rights and obligations of investors and States in new IIAs, (b) the growing interaction of IIAs with other public policy areas (in particular financial reform, climate change, and national security), (c) an increasing investment law-making activity at the regional level (both in developing-country regions as well as in the context of European integration), (d) an emerging streamlining of the treaty landscape (e.g. the denunciations and renegotiations of BITs), (e) the ongoing reassessment of countries' international investment policies with a view to strengthening their development contribution (e.g. model BIT revisions) and (f) the parallel evolution of the investor-State dispute settlement (ISDS) system (review of arbitration rules and new emphasis on dispute prevention).

223. Overall, the negotiation and implementation of IIAs, including navigating the ISDS system, remain a major challenge for developing countries, in particular LDCs. These countries have to balance the need to integrate IIAs into their economic development policies, including by retaining sufficient flexibility to promote economic development, while at the same time safeguarding the effectiveness of the agreements. There is therefore a continued and increasing need for building human and institutional capacities to enable developing countries to make better use of IIAs for attracting and benefiting from foreign investment.

⁶ See WIR2010, chapter III, for an analysis of these trends.

224. **Objectives/features:** The primary objective of UNCTAD's IIA work 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 policy makers' and negotiators' understanding and analysis of the issues involved, identifying trends and issues that need to be considered, ensuring policy coherence between national development policies and IIAs, assisting in the implementation of treaty commitments, especially in relation with investment dispute settlement, and providing an inter-governmental forum on investment rulemaking with a view towards facilitating consensus-building.

225. **Outputs/Results:** As reiterated by the Accra Accord (paragraph 151), UNCTAD's 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 three main pillars.

1. Intergovernmental consensus-building

226. The intergovernmental dimension of the IIA work consists of servicing the UNCTAD Commission on Investment, Enterprise and Development and its relevant Expert Meetings, organizing ad hoc expert meetings, following IIA related meetings in other organizations, and providing an interactive international online network for IIA experts and the IIA community.

227. *UNCTAD:* One of the major activities was the organization of the International Investment Agreements (IIA) Conference, as part of the *UNCTAD World Investment Forum (WIF)*, held on 8 September 2010. The Conference constituted the second annual meeting of IIA Experts (the first being the first session of the Multi-year Expert Meeting on Investment and Development held in February 2009), as called for by the 47th Session of the Trade and Development Board, and the first session of the Commission on Investment, Enterprise and Development (Agreed Conclusions on MYGMs, para 9), in endorsing the suggestion of IIA experts to meet on an annual basis in a forum of "collective learning and collective advisory services among IIA stakeholders", and to "reach out to all IIA stakeholders in developing countries" (1st session MYGM, Key points, point h). The 2010 IIA Conference brought together 223 IIA negotiators, investors, practitioners, solicitors, senior counsels, academic experts and representatives of civil society from 80 countries. The format of the meeting included four sessions addressing (1) the interaction of the IIA system with other key international and domestic policy areas, (2a) the systemic evolution of IIAs, (2b) the systemic evolution of the ISDS system, and (3) the new dimensions of future co-operation in the international investment regime.

228. The 2010 IIA Conference focused on the central development and systemic challenges facing the current regime of IIAs and its investor-State dispute settlement system. It concluded that concerted international efforts are called for to ensure that IIAs work for sustainable development, by bringing more coherence to the international investment regime, helping rebalance the rights and obligations of investors and States in newly concluded or re-negotiated investment treaties, tackling the interaction of the IIA regime with public policies such as those related to climate change, financial systems reform, national security, human rights in the pursuit of national development strategies and sustainable development, and addressing the systemic problems of the investor-State dispute settlement system. The Conference noted the merits of international consensus-building, and the important contribution that UNCTAD could make in this area. The 2010 IIA Conference concluded with the launch of the G15 of Law Schools Pilot Project, establishing an academic network of 15 law schools in the area of international investment law.

229. Overall, the *World Investment Forum 2010* was attended by more than 1,800 participants from 120 countries and 16 international organizations. Amongst the participants were 9 heads of State, 4 heads of international organizations, 79 ministerial-level officials, 116 senior business executives, and more than 250 other senior representatives from the public and private sector. Apart from the 2010 IIA Conference, issues related to IIAs were also touched upon in the Ministerial Roundtable. Ministers consented that the current spaghetti bowl of IIAs needed improvement, with a view to enhancing coherence and predictability and ensuring development benefits. A multilateral approach to international investment rule-making would offer a promising avenue in this regard. Ministers also noted the merits of exploring international cooperation, suggesting that it offered a wide spectrum of possibilities, including avenues which UNCTAD could work on.

230. Overall, the Forum achieved its main overall objective, namely to better understand the development challenges and opportunities that the post-crisis investment landscape entails. It also provided inputs into the formulation of a new generation of national and international investment policies that foster sustainable development and the achievement of the MDGs in the new phase of globalization.

231. The WIF2010 also stood out in offering unique opportunities for cross-fertilization and networking between a wide range of investment stakeholders, allowing for the initiation of policy initiatives, partnerships and concrete investment projects. The numerous high-level meetings and encounters, including in bilateral contexts, contributed to making the WIF2010 a milestone event for the global investment community.

232. The second session of the *Commission on Investment, Enterprise and Development* (26-30 April 2010) also touched upon IIA issues. In particular, during the deliberations many delegations pointed to developing countries' difficulties in dealing with the increasing number and complexity of IIAs, and the importance of preserving flexibility in this regard.

233. *Other forums:* In terms of forums of other international organizations, the UNCTAD's IIA work programme participated in the meetings of the APEC Investment Experts Group (IEG) and the APEC Senior Officials Meetings (SOM) (IEG I/SOM I in Hiroshima from 2-3 March; IEG II and SOM II (as well as Trade Policy Dialogue on investment) in Sapporo from 24 May-4 June; and IEG III and SOM III in Sendai on 20 September). In addition, the IIA work programme participated in intergovernmental meetings of the OECD as an observer, including the Annual meeting of National Contact Points-OECD Guidelines for Multinational Enterprises. UNCTAD also attended a working session with the Bureau of the OECD Investment Committee (29 June-1 July), and co-organized the Second OECD-UNCTAD Symposium on IIAs and ISDS (14 December, Paris). This symposium provided the opportunity to governmental actors and selected experts to share their perspectives on the emerging issues identified in these fields and to explore common issues where further work is required in order to respond to the needs of members and the investment community. Finally, UNCTAD contributed to the ongoing work of UNCITRAL, through its participation in the fifty-third session of the UNCITRAL Working Group II (Arbitration and Conciliation) regarding the "Preparation of rules of uniform law on transparency in treaty-based investor-State arbitration" (October).

234. *Investment experts network:* In 2010, also the online IIA network grew to more than 1,350 IIA experts – engaged in online discussions and information-sharing. At the divisional level, the IIA network was integrated into the newly established World Investment Network consisting of over 7,500 investment experts from the public and private sector worldwide.

235. As mentioned above, 2010 also saw the launching of the G15 of Law Schools Pilot Project. This network is aimed to connect UNCTAD's work to several centers of

excellence in the field of international investment law and development. The project allows law schools with a variety of different development perspectives to work together on international investment issues. The network thus increases the range of views being offered, and provides a bridge between research and governance. In this capacity, the network constitutes a “think tank of the think tank”, providing collective excellence to suggest solutions to contemporary problems.

236. Also as a follow-up to the 2010 IIA Conference, UNCTAD launched a series of “Fireplace Conversations on Improvements to the International Investor-State Dispute Settlement System”. This initiative was taken with a view to provide an informal, universal and inclusive platform to hear from all investment stakeholders on how to improve the ISDS mechanism. It involves practitioners, negotiators, civil society and academia, and is organized in an informal setting in a number of countries around the world, usually in conjunction with an ongoing regional meeting and/or TA activity. In 2010, two fireplace conversations were organized (in Bogota in conjunction with the 6th regional training course on managing ISDS, and in Paris in conjunction with the joint UNCTAD-OECD symposium).

2. Research and policy analysis

237. In its research and policy analysis work, the IIA programme monitors trends, identifies and analyzes emerging issues in international investment rulemaking from a development perspective, and provides up-to-date and comprehensive information on the IIA system. The main tools are the series on *Issues in IIAs*, the series on *International Investment Policies for Development*, the *Investment Policy Monitor* and seminal studies on broader issues. On-line tools include the *IIA Issues Notes*, the IIA/ISDS databases and the *IIA Newsflash*.

238. *Monitoring trends*: The programme delivers significant input to **UNCTAD’s Investment Policy Monitors**, a quarterly publication giving up-to-date, country-specific information on developments in national and international policy developments.

239. Also in 2010, three Joint UNCTAD-OECD Reports on G20 Investment Measures were issued. In the Seoul Summit Document, entitled “Framework for Strong, Sustainable and Balanced Growth” (page 4), G20 leaders refer to “Fighting Protectionism and Promoting Trade and Investment” (page 10). Highlighting the importance of investment for the global recovery, they reiterate their commitment to resist protectionism in all its forms, requesting UNCTAD, OECD and WTO to continue monitoring the situation and to report publicly on a semi-annual basis.

240. *Analyzing key and emerging issues*: 2010 saw the launching of the updating of the series on *Issues in IIAs* (pink paper series) with the publishing of the sequel on “Most Favoured Nation Treatment” (MFN) in December 2010. The purpose of the sequels is to consider how the issues described in the first-generation Pink Series have evolved over the past ten years, particularly focusing on treaty practice and the process of arbitral interpretation. This paper on MFN takes stock of the evolution of MFN treatments clauses in IIAs and provides negotiators and policy makers with informed options in some of the key issues that arise in its negotiation, particularly the scope and application of MFN treatment to the liberalization and protection of foreign investors in recent treaty practice.

241. In addition, the update of the series continued with the finalization of the “Scope and Definition of IIAs”, the preparation of the sequels on “Fair and equitable treatment” and “Expropriation”, “Investor State Dispute Settlement” and “Transfer of Funds” and “Transparency”.

242. Work also continued on the series on *International Investment Policies for Development* (yellow paper series) with the publication of the volume on Investor-State Disputes: Prevention and Alternatives to Arbitration on 18 August.

243. This study seeks to explore alternatives to investment treaty arbitration through elaborating various methods of alternative dispute resolution that seek to resolve existing disputes through negotiation or amicable settlement such as international conciliation or mediation; and through dispute prevention policies (DPPs) that attempt to prevent conflicts between foreign investors and States from emerging and escalating into formal investment disputes. The second volume on Investor-State Disputes: Prevention and Alternatives to Arbitration was also completed.

244. The IIA-related policy research and analysis work also includes contributions on IIA matters to the *World Investment Report* Series.

245. *Other research work:* The IIA work programme also contributed to the study on “Assessment on Liberalization and Facilitation of FDI in Thirteen APEC Economies” in December. As part of APEC member countries’ commitment towards the Bogor Goals, thirteen member economies volunteered to have their investment regimes reviewed in order to assess the current level of investment liberalization, facilitation and protection against the Goals. The study examines the investment framework of the thirteen APEC member economies, particularly national investment regimes (and their international commitments under IIAs and the extent to which they reflect the initiatives of the APEC Non-Binding Investment Principles and the Menu of Options for Investment Liberalization and Business Facilitation to Strengthen APEC Economies.

246. Finally, the IIA programme⁷ has also collaborated with the series on *Best Practices in Investment for Development*.

247. *Providing up-to-date information:* Through its on-line publication entitled *IIA Issues Notes*, the IIA team provides comprehensive and up-to-date information on recent developments in IIAs and ISDS. In 2010 two new issues were published:

(a) “Latest Developments in Investor-State Dispute Settlement (ISDS)” was released on 27 May 2010. This Issues Note provides the latest quantitative information on treaty-based investor-State disputes as well as a substantive analysis of the most significant awards rendered in 2009;

(b) “Denunciation of the ICSID Convention and BITs”, was released on 13 December 2010. The Note shows that different interpretations exist as to the effects of a denunciation of ICSID.

248. Five *databases* were maintained and updated (four of which are available online), as follows:

(a) The online database of bilateral investment treaties (BITs) contains a country-by-country listing of 2,770+ BITs and a compilation of 2,000+ BITs texts;

(b) The online database of DTTs contains a country-by-country listing of 2,900+ DTTs;

(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 300+ 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;

(e) The IIA mapping exercise maps in detail the substantive provisions of BITs and other IIAs and records their differences and similarities. In 2010, 38 model BITs (or “templates”) were mapped, using an expanded and improved set of mapping categories.

⁷ For details and updated information, as well as all publicly available research work, visit www.unctad.org/iaa.

249. *The IIA Newsflash* continued providing up to date and cutting edge information on IIA related issues to the IIA community through the online IIA network.

3. Capacity-building

250. The IIA work programme delivers (i) intensive regional training courses on the negotiation of IIAs, and on the management of investor-State dispute settlement (and hybrids between the two); (ii) targeted ad-hoc technical assistance at the request of member countries and/or regional organizations; and (iii) the organization and co-organization of, and/or contributions to, specific international conferences and seminars on IIA and ISDS issues.

251. *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 on *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 the negotiation of an investment agreement. In 2010, three regional training courses were organized, bringing the total number of training courses to 26 for all regions:

(a) 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 on the latest related developments in ISDS and promote the exchange of lessons learned and experiences of countries in the area. These courses also include a mock arbitration exercise. The sixth course was organized in Colombia from 29 November to 7 December 2010;

(b) The IIA work programme is also delivering regional courses responding to the needs of a specific audience and region, including for example the second regional training course on investment protection, promotion and aftercare for French-speaking member countries of the Islamic Development Bank (6-9 April 2010);

(c) In addition, the joint UNCTAD-SELA regional training course on IIA Negotiations for Latin American countries took place from 2-5 February 2010. This course was preceded by a preparatory distance-learning course that allows participants to familiarize themselves with the main concepts in IIAs and ISDS. Distance-learning courses are delivered in cooperation with UNCTAD Train-for-Trade programme through an internet learning platform and supervised by a coach in English, French, Spanish, Portuguese, and partially in Arabic. Users of this training tool also include developed countries.

252. *Ad hoc technical assistance:* Ad hoc technical assistance is provided on request to member States and regional organizations on all matters related to the negotiation and implementation of IIAs, including with regard to the management of investor-State dispute settlement cases. This 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 Investment Policy Reviews, and sensitization seminars on FDI and IIAs for Government officials from different ministries and other stakeholders.

(a) 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 2010 such reviews have been carried out for Croatia and are sometimes followed by the drafting of a model agreement on investment, such as the ones for Croatia or Morocco, or the drafting of a new foreign investment act, such as the one of Namibia;

(b) Botswana, Lesotho, Mozambique and Swaziland benefited in the context of the SADC EPA negotiations on investment and services provisions;

(c) Haiti benefited in the context of the UNCTAD Haiti-Dominican Republic Border-Zone Industrial Parks initiative which aims at providing medium- to long-term relief after the devastation of the January 2010 earthquake;

(d) The IIA work programme also developed specific technical assistance and advisory services in the area of IIA, ISDS and alternative dispute resolution. This includes the organization of specialized workshops on IIAs negotiations, investor-State dispute settlement that deal with both procedural and substantive issues, and the necessary institutional arrangements, and the dispute prevention policies (DPP) Programme which focuses on dispute avoidance and mediation as alternatives to international investment arbitration. In 2010, Argentina, Colombia, Dominican Republic, Malaysia, Panama and Uruguay benefited from this service;

(e) In 2010 work also continued on the pursuit of an Advisory Facility on investor-State disputes for Latin American countries, together with the Academia de Centroamerica, the Organization of American States and the Inter-American Development Bank. Three technical meetings were held in 2010 with the beneficiary countries (9 March and 1 June, Washington) and (7 July, San Jose). This work is expected to be concluded in 2011.

253. *Co-organization and participation in specific conferences and seminars:* IIA technical expertise and materials also contributed to a number of regional and international organizations and meetings. In 2010, the IIA work programme continued with the approach to strengthen the capacity of government officials through co-organizing international and regional seminars.

(a) In order to assist the countries in properly addressing the challenges which arise from the complex and fragmented system of IIAs and in particular the impact of ISDS cases, the Second Peer Forum on Investor-State Dispute Settlement was organized in cooperation with the University of Miami School of Law (11-12 October, Miami). 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 create a space for dialogue and experience sharing. The meeting constituted the second of an ongoing series that intends to create a permanent forum of discussion for government officials in Latin America;

(b) In addition, a Joint Symposium on International Investment Law and Alternative Dispute Resolution was organized with the Washington and Lee University School of Law (29 March, Lexington), a seminar on investment dispute prevention policies was organized with APEC and the USTR (26-30 July, Washington) and a workshop on Bilateral Investment Treaties was organized with ESCWA (7-11 November, Amman). Those events were a unique opportunity to generate ideas and explore good practices for preventing, managing and resolving investment treaty conflict in order to facilitate investment and create sustainable dispute resolution systems.

254. *Cooperation with other International Organizations:* In 2010, cooperation with other international and regional organizations dealing with investment issues extended to the APEC Investment Experts Group (IEG), the APEC Senior Officials Meeting, the APEC Trade Policy Dialogue on Investment, the OECD Secretariat and the OECD Investment Committee, the ICC drafting committee and UNCITRAL.

255. After the successful implementation of three regional training courses on IIAs for member countries of the Islamic Development Bank (between 2005 and 2010), a Memorandum of Understanding was signed between UNCTAD and the Islamic Corporation for the Insurance of Investment and Export Credit, member of the Islamic Development Group on 25 June.

256. *Other activities:* The IIA work programme also engaged with the student community and made briefings on IIAs issues to the following:

- (a) Universite Libre d'Amsterdam on IIA: Policy responses to the global financial crisis (Geneva, 21 January);
- (b) Kiel University on key issues in international investment law (Geneva, 22 April);
- (c) St. Gallen University on "Investment law and new challenges" (Geneva, 29 April);
- (d) Institute for International Law and International Relations on conflict resolution in consensus, arbitration, diversion and mediation (Austria, 7 May);
- (e) International Business School on "IIAs: Key issues and challenges" (Geneva, 8 June);
- (f) British Institute of International and Comparative Law on New Directions in Investment Treaty Law (Paris, 2 July);
- (g) University of Lausanne on IIAs and ISDS (Geneva, 22 July);
- (h) New York University Investment Law Forum, presentation on (International Investment Agreements – Key Findings of Chapter III of the UNCTAD World Investment Report 2010 (New York, 11 October);
- (i) Vienna University Investment Round Table, organized by the Section for International Law and International Relations invites, presenting Key Findings of UNCTAD's 2010 World Investment Report, regarding Recent Policy Developments in International Investment Agreements (Vienna, 7 October); and
- (j) Hamburg Lectures on Law and Economics: Presentation on Recent policy developments in IIAs - Key findings of UNCTAD's 2010 WIR, organized by Graduate School of Law and Economics (Hamburg, 11 November).

257. Other work included presentations on various issues related to the international regulatory framework for investment; and participation in related conference and seminars. In 2010, UNCTAD participated at the following seminars and workshops:

- (a) Conference on ICSID 45 years later, organized by the Institut Supérieur de la Profession d'Avocat-ISPA (Tunisia, 13 March);
- (b) 23rd European Energy Law Seminar, organized by Dutch Energy Law Association (Netherlands, 13 April);
- (c) Presentation on International Investment Rule-making in a Panel Discussion on 'New Frontiers in Trade Rule Making: Completing the WTO Tool Kit' at the WTI 10th Anniversary festivities (Bern, 1 October);
- (d) Participation at the International Bar Association Annual Conference 2010: presentation on framework for investment mediation (Vancouver, 6 October);
- (e) Participation in the fifty-third session of the UNCITRAL Working Group II (Arbitration and Conciliation) regarding the "Preparation of rules of uniform law on transparency in treaty-based investor-State arbitration" (Vienna, 4-8 October);
- (f) Participation at the IAI Conference on Jurisdiction in Investment Treaty Arbitration (Paris, 14 October);
- (g) Participation at the Seminar on State responsibility and the new arbitration challenges in Ecuador (Guayaquil, 21 October);

(h) Participation at the Symposium on Bilateral Treaties Arbitration, organized by Pepperdine University, (Los Angeles, 22 October);

(i) Participation at the Fourth Annual Forum of Developing Country Investment Negotiators (New Delhi, 27-29 October);

(j) Organization of the investment panel in the Asian FTA Forum: The Way Forward (Beijing, 8-9 December).

258. The IIA programme also participated in the training seminars of UNCTAD's Virtual Institute, and the Paragraph 166 training programmes.

259. **Overall assessment and impact:** 2010 saw a continued high-level acknowledgement of UNCTAD's IIA work, including at the G20 summits and the WIF2010. At WIF2010, high-level comments included:

(a) *"The theme of the World Investment Forum 2010, 'Investing in Sustainable Development', meets the aspirations of countries in the world, developing countries in particular, for promoting economic development through foreign investment attraction"*, H.E. Mr. Xi Jinping, Vice-President of China, opening of WIF2010; and

(b) *"The Conference offered space for developing countries to share experiences and policy directions. It is important, to carefully assess the function of IIAs"*, H.E. Felix Mutati, Minister of Commerce, Trade and Industry of Zambia, 2010 IIA Conference.

260. These statements attest to the important function that UNCTAD's IIA work fulfils with regard to servicing the international investment regime. The heightened relevance of this work is matched by its impact, as evidenced by the adoption of policy advice by numerous beneficiary countries of this work. Impact is also visible in the assessments of individual activities through evaluation questionnaires, and other means of feedback (including individual letters of appreciation from governments). Judging by individual activity feedback, 2010 results were overwhelmingly positive – with on average more than 85% of participants rating the activities as either excellent or very good. The consolidation of the evaluation questionnaires of the training courses revealed that 90% of the participants considered the training courses fully reached their expectations. Evaluations were also undertaken for the technical assistance activities for individual countries, all of which point to the continued relevance and high-level quality, effectiveness and efficiency of the work undertaken. This is also reflected by the numerous expressions of appreciation received from member Governments and the continued reliance of the academic community and civil society on the data and analysis produced by the IIA work programme. Statistical information on the use of UNCTAD's online IIA databases reveals that on average there are 17,000 visitors per month.

261. In 2010, 124 countries benefited from UNCTAD's IIA work, including 93 developing (of which 31 are LDCs), 5 economies in transition, and 26 developed countries. Geographically, UNCTAD's work reached 30 countries in Asia and the Pacific, 41 countries in Africa, 20 countries in Latin America and the Caribbean, 4 Oceania, and 29 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>
INT/0T/0BG	Capacity-building on international investment agreements	2000–	Multi-donor
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/5AT	FDI in tourism – the development dimension	2005–	Canada
INT/0T/5BU	Capacity-building and transfer of knowledge to investment promotion agencies in developing countries	2005–	Sweden
INT/0T/6BS ^a	Investment policy review of Viet Nam: Follow-up assistance, Viet Nam and Zambia	2006–2010	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
INT/0T/9BC	Improving Access to medicines in developing countries through pharmaceutical-related technology transfer and local production	2009–	WHO

^a Project that had been “operationally but not financially completed” or “completed” in 2010.

VIII. Cluster VIII. Investment facilitation

Lead division: Division on Investment and Enterprise (DIAE)

262. 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

263. *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.

264. *Objectives/features:* 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. 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.

265. **Outputs:** In 2010, the main outputs of the investment promotion programme are:

1. Advisory services

266. *Haiti and the Dominican Republic:* advice to the governments of both countries on the expansion of Border-Zone Industrial Parks. The project responds to a mid-2009 official request to UNCTAD for technical assistance to develop a joint investment promotion strategy. The request became more pertinent in the aftermath of the January 2010 devastating earthquake in Haiti. A fact finding mission by an international expert on industrial parks took place in April 2010 and a project proposal and fundraising materials were developed and presented during the World Investment Forum 2010 (WIF 2010) in Xiamen, China (September 2010).

267. *Syrian Arab Republic:* At the request of the Syrian Government and sponsored by UNDP, a technical assistance project started in 2010 to strengthen the Syrian Arab Republic's investment promotion agency, including its One Stop Shop. In June 2010, an UNCTAD advisory mission to the Syrian Arab Republic met with Government and other stakeholders. Based on the mission's findings, an advisory report was prepared and submitted to the Government of the Syrian Arab Republic. A follow up training workshop for Syrian investment promotion officials is scheduled for 2011.

2. Publications and training material

268. Five publications and training material related to investment promotion and facilitation were published or prepared in 2010:

(a) *Promoting Foreign Investment in Tourism*, UNCTAD/DIAE/ PCB/2009/16. Investment Advisory Series, Series A, No. 5. Published in April 2010 and launched during the 2nd Commission on Investment, Enterprise and Development;

(b) *World Investment Forum 2010: Investment for Sustainable Development*, UNCTAD/DIAE/PCB/2010/2 (WIF Flyer), February 2010 and UNCTAD/DIAE/PCB/2010/8, (WIF Programme), May 2010;

(c) *Border-zone Industrial Parks: Cross-border partnership -Haiti and Dominican Republic*. UNCTAD/DIAE/PCB/2010/9, August 2010;

(d) *Investment Promotion Handbook for Diplomats*, Investment Advisory Series, Series A, No. 6. Advanced draft. To be published in 2011;

(e) *Promoting Green FDI*, Investment Advisory Series, Series A, No. 7. First draft. To be published in 2011;

(f) An online basic training course on Investment Promotion for Diplomats in cooperation with UNCTAD's Train for Trade programme. The package is composed of audiovisual material, including pre-recorded presentations, case studies and tests. The course will be validated and launched in 2011.

3. Capacity-building

269. A number of training activities were carried out, in partnership with other international organizations and national institutions. These included:

(a) Regional and interregional:

(i) Regional training course on investment protection, promotion and aftercare for French-speaking developing countries, Rabat, Morocco, (6-9 April 2010). This workshop was organized in cooperation with the Islamic Development Bank, with 26 participants, 11 from African LDCs;

(ii) Interregional seminar on “Business linkages and the role of investment promotion agencies (IPAs) in enhancing local productive capacities” was held in Geneva, Switzerland, (29 April 2010). This event, which had 30 participants from 16 countries (15 from LDCs), focused on the role of IPAs fostering business linkages between medium-sized/large companies and SMEs to enhance local productive capacities. The seminar featured the experiences of Argentina, Ireland, Mozambique and Uganda;

(b) National:

(i) *Ethiopia*: Support to German GTZ in a training programme for Ethiopian diplomats posted in Germany (February 2010);

(ii) *Mozambique*: On 16-17 November 2010, a training workshop was held in Maputo for the Centre for Investment Promotion of Mozambique (CPI) and other government organizations involved in investment and export promotion. The workshop, which was held in the context of the One UN Programme, had 24 participants from 9 public and private organizations;

(iii) *Bhutan*: In the context of the United Nations Delivering as One Programme and in cooperation with the Indian Brand Equity Foundation (IBEF), a capacity building activity was organized for 4 investment promotion officials from the Ministry of Economic Affairs of Bhutan. It consisted of a 4-day visit (8-12 December 2010) to Delhi, India, where IBEF exchanged best practices on country branding, networking and investment promotion, and organized a series of meetings for the Bhutan delegation with public and private sector representatives.

270. *Study tours*: From 19 to 22 April 2010, a study tour entitled “Winning Investment in the Pacific Islands: Effective strategies and tactics” was organized in Brisbane, Australia. Partners in the organization included AUSTRADE, Invest Queensland, Brisbane Marketing and the World Association of Investment Promotion Agencies. Seventeen IPA professionals from 10 SIDS and LDCs in the Pacific region participated in the study tour that focused on the attraction of investment in the tourism sector. The objective was to showcase best practices and exchange experiences, including visits to a number of tourism project sites.

4. International meetings/networking events

271. These include:

(a) *Three High-level Tripartite Sessions at WIF 2010* (8 September 2010): *World investment prospects*: this session addressed the new FDI policy directions for developed and developing countries. *Re-strategizing investment promotion*: this session dealt with new investment promotion strategies against the backdrops of changing FDI determinants, shifting TNCs strategies, increased South-South FDI and reforms of global governance. *Entering into the green race*: this session explored opportunities of green FDI in light of government commitments to combat climate change and advantages that environmentally friendly investment can bring to development. The sessions brought together senior government officials, heads of investment promotion agencies (IPAs) and corporate executives from 90 countries;

(b) *UNCTAD Investment Promotion Awards 2010* for excellence in the promotion of green FDI were presented on 8 September 2010 at a networking lunch during WIF 2010. Three equal awards were given to: Capacity Copenhagen (Denmark),

the Mauritius Board of Investment and, Invest in Hong Kong (China) jointly with the Shenzhen Municipal Government (China);

(c) UNCTAD Pre-conference event for UNLDC IV, Session III: “Building productive capacities in LDCs through FDI and domestic enterprise development”, Geneva, 29 October 2010. With the participation of experts from Afghanistan, Mozambique, the Netherlands, the United Republic of Tanzania and Switzerland.

272. **Overall results and impact:** During 2010, 104 investment promotion officials from 33 developing countries, including 18 LDCs, participated in IPS training activities. In evaluations among participants carried out by UNCTAD, these activities received an average rating of 4,2 on a scale of 1 (for least satisfied) to 5 (most satisfied). As indicated above most training events were organized in cooperation with international and national organizations.

273. Due to a high demand from developing countries for training of diplomats in investment promotion, an online training programme was developed based on experience gained in conducting such training over the years for over half a dozen countries. The online training course, together with the Investment Promotion Handbook for Diplomats, will improve UNCTAD’s offer to diplomats in enhancing their knowledge and skills in the field of investment promotion.

274. Promotion of investment in tourism is considered very relevant for developing countries, including many LDCs. The 2010 publication on this subject in the Investment Advisory Series A was well received. As evidenced by a readership survey among IPAs on the first five publications in this series, 98% of readers considered the publications as excellent or good with 89% finding them very useful for their work.

275. At several international meetings, including WIF 2010, high- level government officials from Haiti and the Dominican Republic have expressed their appreciation for UNCTAD’s work in assisting both countries in their joint effort to promote development-oriented investment on the island.

276. UNCTAD’s World Investment Forum 2010 provided a platform for IPAs and policy makers to feature their countries and discuss their views on the role of FDI in sustainable development. The Forum’s special attention to the promotion of green FDI also sensitized policy makers and investment promoters on the extra effort that is needed to attract FDI that contributes to a lower carbon economy. The High-level Tripartite sessions for investment promotion stakeholders attracted 400 participants from 90 countries.

B. eRegulations, iTrack, Investment Guides and Regulatory Advisory

277. **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. 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.

278. **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.

279. **Outputs:** The eRegulations system is operational in Cape Verde, 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 Cape Verde, Colombia, Comoros, El Salvador, Mali, Nicaragua, the Russian Federation (Moscow City), Rwanda and Viet Nam. National training sessions were held in Cape Verde, Colombia, Comoros, El Salvador, Mali, Nicaragua, Rwanda and Viet Nam. The iTrack software has been implemented in Benin and Ghana. Investment Guides were published for Benin, Comoros, the Lao People's Democratic Republic, Morocco and Zambia. A guide is in preparation for the Oriental Region of Morocco. Others are being updated for Kenya, Mozambique and Rwanda. An audit of investment promotion strategies and procedures was produced for Comoros

280. **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, thousands of visitors consult this information online. Altogether, more than one hundred thousands visitors have visited eRegulations sites in 2010. The Investment Guides to Benin, Comoros, the Lao People's Democratic Republic, Morocco and Zambia 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. South–South cooperation is being initiated among eRegulations user countries to exchange regulatory information and to assist in the implementation of eGovernment tools. *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. 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

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

282. **Objectives and key features:** 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 the work programme of UNCTAD 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 exchange of experiences and best practices in the formulation of development-oriented IP policies.

283. **Major Output:**

(a) Access to medicines, investment and local pharmaceutical production in developing countries:

(i) The work programme on access to medicine, investment and local production of pharmaceuticals aims at assisting developing countries in tailoring their domestic IP and related legal framework to facilitate increased access to affordable and quality medicines, and, where feasible, create local or regional pharmaceutical production and supply capacities. The work programme has been in place since 2006 with the financial support of Germany and the United Kingdom, and since 2009 with the support also of the European Union through the World Health Organization;

(ii) *Research and Policy Advice:* UNCTAD completed the preparation of a "Using Intellectual Property Rights to Stimulate Pharmaceutical Production in Developing Countries: A Reference Guide". An advanced draft of the Guide has been used as the basis to facilitate regional workshops and advisory services for stakeholders from developing countries since 2008.

(iii) In 2010, UNCTAD undertook the field work for the case studies on the local production of pharmaceuticals and related technology transfer in Argentina, Bangladesh, Colombia, Indonesia, Jordan and Thailand. The field studies for Ethiopia and Uganda was conducted at the end of 2009. The cases studies analysed specific local production initiatives covering ARVS, vaccines, various essential pharmaceuticals and excipients in LDCs, and developing countries with various models, ranging from locally owned firms, joint ventures, subsidiaries of TNCs, State-owned enterprises and firms with region wide operations. The first drafts of all of the case studies were presented to a peer review meeting held in November 2010. The case studies are due to be published during the first half of 2011, as part of UNCTAD's deliverables under the Global Strategy and Plan of Action on Public Health, Innovation and Intellectual Property, adopted by World Health Assembly's Resolution 61.21.

(iv) *Consensus-building:* UNCTAD and ICTSD co-organized the "Latin American Dialogue on Technology Transfer for Local Manufacturing Capacity on Drugs and Vaccines" with the support of the WHO, in Buenos Aires from 18-19 March 2010; and the "Asian Dialogue on Technology Transfer for Local Manufacturing Capacity on Drugs and Vaccines" held in Kuala Lumpur, Malaysia, from 29-30 April 2010. The dialogue brought together a group of international experts, pharmaceutical industry representatives, policy-makers and relevant stakeholders from the respective regions.

The preliminary findings of the case studies in Argentina, Bangladesh, Colombia, Indonesia and Jordan on technology transfer and pharmaceutical production were presented during the respective regional dialogues for Latin America and Asia. The participants identified key lessons learned from the experience of local

manufacturing in the region, obstacles, critical success factors and key areas for technical assistance intervention to support local production initiatives.

(b) The UNCTAD–ICTSD project on intellectual property rights and sustainable development:

(i) The project 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 publish a series of Issue Papers and Policy Briefs, and organize dialogues that examine the latest issues in intellectual property and sustainable development issues. The series of Policy Briefs, which were initiated at the end of 2008, address implementation issues related to the WIPO Development Agenda recommendations. The project aims at improving the understanding of the development implications of IP rights; 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;

(ii) *Capacity Building and technical assistance:* UNCTAD is producing, upon request from beneficiaries 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;

(iii) In March 2010, the Rwandan government adopted the “Intellectual Property Policy and Implementation Strategy” that was developed with technical support from UNCTAD between 2008-2009;

(iv) The DDIP Report for the Government of Uganda was published and launched in June 2010. The Ugandan DDIP report provides for various recommendations developed in consultation with national stakeholders throughout 2008 and 2009, with respect to how the IP regime of Uganda can be amended to ensure greater access to medicine, access to educational materials and technology transfer;

(v) In addition, based on a request from Cambodia’s Ministry of Commerce, UNCTAD and ICTSD organized a national workshop with the objective of identifying the priorities for Cambodia copyright policy and to assess its technical and financial cooperation needs for submission to the TRIPS Council. The Cambodian DDIP addresses whether the country’s copyright policies are in line with its economic growth and development objectives. The first draft report of the DDIP is currently being circulated for further commentary and consultation by stakeholders. The report is expected to be published during the first quarter of 2011.

(vi) UNCTAD also launched in November 2010, an exercise to assist the Directorate General of Intellectual Property Rights in Indonesia, with a view to advising the country on possible amendments to their patent law to support specific development objectives such as public health, transfer of technology and competition;

(vii) *Research and Policy Advice:* In 2010, UNCTAD and ICTSD prepared publications in order to stimulate further discussion, with a view to support the implementation of the WIPO Development Agenda on the *Research and Experimentation Exceptions in Patent Law: Jurisdictional Variations and the WIPO Development Agenda*” and articles on the TRIPS council deliberations with

emphasis on the issues covering the relationship between the Convention on Biological Diversity and TRIPS Agreement, technology transfer, access to medicine and LDCs;

(viii) *Consensus-building*: UNCTAD participated in a number of intergovernmental meetings in order to contribute to the understanding on the development dimension of IP rights. In particular:

- (a) From 14–22 January 2010 (Geneva) the Sixth session of the High-Level Task Force on the Implementation of the Right to Development at its held in, discussing the growing interest in looking at intellectual property issues from the right to development;
- (b) In June 2010 (Entebbe, Uganda) and in July 2010 (Dhaka, Bangladesh) the WTO Regional Workshops on IP Technical Assistance Needs Assessment. During the workshops UNCTAD presented its expertise, highlighting the importance of a bottom-up approach in IP policy making and technical assistance, including in IP needs assessment in LDCs; and
- (c) In May 2010 (Geneva) the WIPO symposium on Intellectual Property and Competition Policy.

284. **Impact/results**: The policy research and analysis of UNCTAD in intellectual property provides inputs to the domestic processes of the countries that request technical assistance and help them to introduce changes to policies, laws and practices in order to maximize the strategic use of important flexibilities under the TRIPS Agreement. For example, the “Intellectual Property Policy and Implementation Strategy” of Rwanda was officially adopted in March 2010 by the government as a national policy document. Earlier efforts by UNCTAD to support the local pharmaceutical industry in Ethiopia (2007) through policy-related technical assistance have resulted in the sector being designated a priority in its August 2010 Growth and Transformation Plan, making it easier for local firms in the sector to receive priority treatment for access to credit, tax holidays and other benefits. The country case studies on local production of pharmaceuticals and related technology transfer contribute to a larger set of baseline data being collected under a trilateral partnership between WHO, ICTSD and UNCTAD. The beneficiaries include key stakeholders such as the private sector, academia and broad range of government agencies. Exit questionnaires from the workshop show that participants were very satisfied with the content and method of delivery of the workshop.

Table 8
Investment facilitation

<i>Project number</i>	<i>Short title</i>	<i>Starting date</i>	<i>Source of fund</i>
ELS/0T/9AI	Investment Policy Review of El Salvador	2009-	El Salvador
MOR/0T/7AI	Promotion des investissements dans la région de l'Oriental du Maroc	2007-	Morocco
SYR/05/014	Enhance the Investment Environment	2005-	UNDP
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/3BH	Integrating IPR Policies in Sustainable Development Strategies	2003-	UK/DFID
INT/0T/6AT	Investment Gateway System	2006-	Multi-donor
GLO/0T/7BV	Technical Assistance and Capacity-Building in Developing Countries on the Establishment of Pharmaceutical Production Capacities	2007-	Germany

^a Project that had been "operationally but not financially completed" or "completed" in 2010.

IX. Cluster IX. Enterprise Development

Lead division: Division on Investment and Enterprise (DIAE)

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

A. Entrepreneurship and small and medium-sized enterprise development: Empretec

286. *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.

287. *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. 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.

288. **Outputs/results:** Thirty three national Empretec centres have been installed since the programme's inception in 1988. Through its existence Empretec has been assisting entrepreneurs through local market-driven business support centres. To date, over 210,000 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 8,300. In 2010, Empretec consolidated its presence, expanded some programmes, and started new ones.

289. The Government of *Romania* incorporated Empretec into its national strategy for development of SMEs. At present, there are 11 regional territorial offices in Romania, out of which four were certified as EMPRETEC Centres. Nine additional entrepreneurship training workshops were conducted for about 240 participants. As a result, the number of workshops held has reached 57, while the number of certified participants has reached well over 1,100. A number of trainees (assistant trainers) are being trained to become national EMPRETEC trainers.

290. In 2010, the Empretec Centre in the *Dominican Republic* was officially launched. More than 100 representatives from the Dominican Government, the country's business community, and civic institutions attended the opening ceremony. Empretec Dominican Republic has offered training to circa 70 entrepreneurs in 2010 and to more than 275 entrepreneurs since inception. Three national trainers have been certified.

291. In *Peru*, four entrepreneurship workshops were held in different regions of the country, training a total of 86 entrepreneurs. Three national trainees finalized their training process and were officially certified as Empretec trainers. The Empretec Centre in Peru, hosted by *Instituto Peruano de la Acción Empresarial* was officially launched in September 2010 during the Annual Conference of Entrepreneurs (CADE Emprendedores 2010), bringing together more than 1500 businessmen and entrepreneurs from around the country to share business experiences and disseminate models of successful management for SMEs, including through a video-link.

292. In *Ecuador*, two training workshops were organized in 2010 in collaboration with Conquito and a total of 58 entrepreneurs were trained. The process for certifying 2 national trainers started in December 2010.

293. Empretec activities continued also in the *United Republic of Tanzania*, and *Zambia*, where 4 and 2 entrepreneurship workshops were respectively held, training a total of 118 participants in the United Republic of Tanzania and 40 in Zambia.

294. In *Panama*, the 3 year MDG Joint Programme, "Entrepreneurial Network Opportunities for Poor Families" was launched. UNCTAD participates in this Programme by providing Empretec training to the beneficiaries who are micro entrepreneurs in rural areas with low levels of literacy. In 2010, UNCTAD entirely adapted and developed new material for the Empretec training to the target population and included new modules including ICT exercises and enterprise management topics. UNCTAD delivered 6 trainings to micro entrepreneurs in two provinces in Panama. Successful efforts were made to integrate UNCTAD's part of the MDG project into its Empretec center in Panama to ensure long-term sustainability and impact of both projects and synergies between them.

295. In *Viet Nam*, UNCTAD is involved in a 3 year MDG Joint Programme, focused on "Green Production and Trade to Increase Income and Employment Opportunities for the Rural Poor". In 2010, three Empretec Training Workshops were delivered in Viet Nam. Approximately 70 Hanoi-based exporters were trained with the Empretec methodology, of which 25 belong to the 5 value chains selected by the Joint Programme. A team of 4

trainee trainers is currently under formation. UNCTAD is also in the final stage of transferring and adapting the Empretec methodology package to the local context. Vietnam is the first Asian country where the Empretec programme is installed.

296. The 2010 annual meeting of Empretec directors took place in Rio de Janeiro, Brazil, from 16 to 18 November 2010. Empretec directors from 27 countries attended the event that took place in conjunction with the XIVth International Meeting for Entrepreneurs, titled “The Path to Sustainability and with the Third “Global Entrepreneurship Week,” which was taking place in 100 countries during the week of 15-21 November 2010. A number of issues were discussed to facilitate strategic vision, sustainability and new products of the Empretec programme. The assessment of its impact on SMEs and entrepreneurs in the countries where it is installed was also addressed. Three particular areas have been identified for further development: strategic orientation of the Empretec Global Network, sustainability planning and impact assessment. During the 2010 Directors Meeting, the directors of 13 Empretec Centres in Latin America signed a letter of intention for the creation of an Empretec Latin American Forum. A working group was formed to prepare by April 2011 an action plan that will determine the structure and activities of the Forum.

297. The Empretec Africa Forum also met during the 2010 Directors Meeting and agreed on strengthening collaboration on regional and sub-regional activities.

298. In December 2010, a regional workshop was organized in South-Africa with the collaboration of Small Enterprise Development Agency for a total of 20 participants. The objective of such a workshop was twofold: first, for trainee trainers from Ghana (2) and the United Republic of Tanzania (1) to receive coaching from experienced International Master Trainers from SEBRAE (Brazil) on the 6-day methodology, while providing them with the opportunity of international exposure; second, to give Small Enterprise Development Agency the possibility of a first-hand experience of the Empretec workshop with a view to revive the programme in South Africa.

299. In 2010, UNCTAD celebrated the second edition of the Empretec Women in Business Award who was 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. The ceremony took place during UNCTAD’s annual Investment, Enterprise and Development Commission and the first prize went to Ms. Beatrice Ayuru Byaruhanga of Uganda, who founded Lira Integrated School in northern Uganda. Ms. Ayuru’s prize, a study tour sponsored by Her Excellency the First Lady of the Dominican Republic, enabled her to travel to the United States to give a series of lectures and make vital business contacts. As a direct result, Ms. Ayuru has been able to attract significant new resources and partners for the upgrading of Lira Integrated School into a full-scale university in a hitherto greatly under-served part of her country.

300. The number of requests for the installation of Empretec centres is always high (22), as well as the request 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>.

301. **Impact:** The installation process of the Empretec programme in new countries contributed to the expansion of the existing network of Empretec centres, and created synergies and cooperation among existing and more experienced centres. During 2010, efforts continued to develop further cooperation between Empretec centres in developing countries: Enterprise Uganda’s trainers led four entrepreneurship training workshops in the United Republic of Tanzania in 2010, while Empretec Zimbabwe provided trainers for two workshops delivered in Zambia. Empretec Uruguay provided trainers for four

workshops delivered in Peru and two delivered in Ecuador. Trainers from the Dominican Republic have also participated in delivering trainings in Ecuador. A trainer from the Dominican Republic delivered trainings in Panama, and a Master Trainer from Uruguay certified an additional trainer in Panama, where there are now 4 certified trainers. Trainers from the Empretec centre in Brazil conducted workshops in South Africa and recommended certification on the 6-day version to Ugandan and Zimbabwean trainers. The introduction of a six-day version of the training, which is cost-effective and meets the needs of entrepreneurs in developing countries, provides centres with the opportunity to diversify their portfolio of products.

302. In addition to core services and follow-up support 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.

303. In Panama, for instance, a first impact evaluation was conducted for the two pilot Empretec workshops for micro entrepreneurs, with a view to develop a training material for micro entrepreneurs which could be further shared with other centres.

304. At the same time, in Viet Nam, the impact assessment of the first Entrepreneurship Training Workshops (ETW) was finalized with very encouraging findings on reported changes in behaviours and business practices of trained entrepreneurs. Progress in terms of turnover has also been realized. The impact assessments of the second and third ETW are being finalized.

305. Some Empretec centres rely on active fundraising to guarantee the continuity of the programme. For example, 70 percent of Empretec Mauritius' income is obtained by responding to competitive calls for international and regional tenders.

306. Empretec Jordan offers entrepreneurs support to access financing by offering them training on financial planning and preparation of financial statements as well as linkages with business angels. The centre also organizes workshops with banks in order for them to learn better how to offer their services to SMEs. Additionally, some centres – like SEBRAE and Empretec Jordan – have undertaken ETWs with participants from neighbouring countries which fostered business initiatives between national and foreign entrepreneurs. Fundación Argentina has incorporated a credit line in its portfolio of products. This credit line offers new and promising innovative companies financing at favourable conditions. Empretec Zimbabwe has established important collaborations with the Empretec club and business associations. These have a crucial role, since they help the centre to identify appropriate services for their members, and they serve as a platform of access to entrepreneurs. Furthermore, the associations support the centre in aligning with other national and international initiatives.

B. Business linkages

307. *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.

308. **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.

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

(a) **Argentina:** Launch in November 2008, UNCTAD 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. Project activities have focused on addressing these needs. In particular, in 2010 the Empretec Argentina Foundation organized a series of strategic planning and quality upgrading workshops for 25 automotive suppliers of Ford, Peugeot-Citroen SA and Fiat-IVECO. The demonstrated success of the pilot has attracted additional co-funding from project partners, including \$45,000 from Corporación Andina de Fomento (CAF);

(b) **Brazil:** In 2010, 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. To this end, a High-Level Policy Workshop was co-organized by UNCTAD and SEBRAE in Brasilia in August 2010. It enabled company executives to address their needs directly to policymakers and to become acquainted with appropriate public sector support tools, such as targeted credit lines by the *Banco Nacional de Desenvolvimento Economico e Social* (BNDES), Brazil's national development bank, adapted to the needs of SMEs to facilitate their insertion into the value chains of larger firms;

(c) **Mozambique:** The programme, launched in June 2008, identified the National Investment Promotion Centre and Enterprise Mozambique Foundation 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 order to expand and improve the 2009 campaign, UNCTAD, through Enterprise Mozambique Foundation, organized coordination meetings with local authorities and a series of technical workshops were held in order to evaluate the performance of the first Phase of the pilot project and to mobilize a new group of farmers in the Rotanda area. Participating farmers from Phase I gave valuable contributions on their perspectives and suggestions for improvement. As a result, 306 farmers applied for the 2010 barley campaign production (Phase II of the pilot project), of which 43 were chosen. In April 2010, all 43 farmers were visited by the extension officers to ensure the quality of land and the availability of an irrigation system. Enterprise Mozambique Foundation provided the Farming as Business training to all 43 farmers, while a group of 20 potential leaders attended the Empretec training workshop,

in view of setting up a farmers association. At the end of the project, farmers could diversify their sources of income, learned how to become small entrepreneurs and run their farms as a business. Their annual income increased on average from \$300 to \$700;

(d) **Peru:** During 2010 the Business Linkages team in Peru formed by *Instituto Peruano the Acción Empresarial* and Proinversion continued their activities in raising awareness among TNCs and big national companies on the programme. An MOU for the implementation of a pilot program with Camposol SA and its suppliers was signed. 20 local suppliers have been selected to participate in a capacity training and consultancy program in the areas of entrepreneurship, costs management and quality standards to be started in 2011. The Peruvian team participated in the Business Linkages Policy Workshop in Brazil where they could learn and exchange experiences with the Brazilian Business Linkages team. Contacts with big Brazilian companies with business interests in Peru (VALE; Petrobras; COPERGAS, GERDAU) and TNCs present in Brazil (Phillips, BASF) were initiated;

(e) **United Republic of Tanzania:** An Entrepreneurship Training Workshop, which was delivered in June 2010, was specifically designed for suppliers participating in the project, who received their certificates in the presence of the Supply Managers of the TNCs which they partner with in the project. The Tanzania Investment Centre's Aftercare Unit is the Business Linkages implementation unit and has been involved in several training and coaching activities jointly organized by UNCTAD and mature BL programmes around the world (study tours, regional seminars, ad-hoc coaching sessions). In July 2010 a Business Linkages policy forum was organized by UNCTAD and Tanzania Investment Centre. Experts presented successful linkages cases. Four TNCs formally engaged in the Business Linkages programme;

(f) **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. In 2010, the five most promising and most committed SMEs were chosen among the local business partners of Toyota Uganda, in order to be trained and upgraded through a five-step integral business support service process. The programme has been evaluated as highly successful by the participating parties. As a result of the programme, the SMEs increased their sales, created jobs and improved their business efficiency. Their business relation with Toyota Uganda has been improved as the SMEs got to know the TNC's corporate culture and could better align towards the strategic direction of Toyota. Super Clean Ltd., the largest of the SMEs, was able to increase sales by almost 100% and it expanded its staff from 85 to 210 within the 2 years in which the programme took place. 4W Car Care, another SME that participated in the programme, registered an even more significant growth in relative terms since the inception of the programme; it increased its sales by more than 500% and it raised numbers of employees from 2 to 32. Besides increased sales and the creation of jobs, one of the participating companies acquired new clients and also computerized its accounting system as a result of the programme. Another company sent staff to a CSR training in Denmark and established a training department;

(g) **Zambia:** Two ETWs were organized in January and June 2010, targeting suppliers of TNCs participating in the programme. In March, a Business Linkages awareness workshop was organized to present the features of the programme to 22 prospective TNCs and large domestic companies. In June, a Business Linkages policy forum organized by UNCTAD and Zambia Development Agency presented successful linkages cases at the presence of representatives of the Government, business associations, chambers of commerce, banks and SME development institutions. Four companies signed a Memorandum of Understanding or a formal letter of collaboration

agreement with Zambia Development Agency on the BL programme and further expression of interests have been received by three more.

C. E-Tourism Initiative

310. *Development context:* The use of information and communication technologies (ICTs) has completely transformed the value chain in tourism - the ways local suppliers can interact and cooperate to develop new value-added services and sell them directly to the 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 small and medium-sized enterprises (SMEs) unprecedented opportunities to increase their competitiveness. The valid option is to adopt a strategy embedding around ICTs a large range of tourism companies including SMEs as well as the public sector, combining, from the beginning, public intervention with private initiative. To this end, governments should adopt policies and take actions to gather, around the ICTs, 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 public-private partnerships and strategic cooperation within the tourism sector.

311. *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 solid and long term partnership. Through capacity building, UNCTAD contributes to help local suppliers to 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.

312. *Outputs:* Fully operational since December 2009, UNCTAD's e-tourism capacity-building tool aims at building local consensus on e-business tourism solutions and equipping public and private stakeholders with behavioural, organizational and technological tools required for a successful implementation of suitable e-business models. In 2010, the implementation scheme of the model has been substantially enhanced. It is now articulated around a two-phase approach with the development of a second 20 hours specific training IT package for mastering IT tools and applications. In 2010, assistance provided included analysis of the digital footprint of the targeted destinations, technical advice, provision of pedagogical guides and tools, including the UNCTAD Electronic Tourism Platform Open Source System prototype, training of high-level public officials and private stakeholders on e-tourism issues, support to multi-stakeholder dialogue and networking through the setting-up of and support to local follow-up committees. Two high-level briefing sessions were carried out in Mali (May 10), and Senegal (September 10) for a total of about 40 public and private stakeholders. Additionally, three national workshops have been held in Guinea (June 10), Mali (August 10) and Senegal (November 10). During these 5-days seminars, 30 participants from Guinea and 30 from Mali have been trained. In Senegal 22 stakeholders have attended the workshop. The implementation of the model includes now the delivery of an additional IT workshop in each beneficiary country. Therefore, in 2010, four 3-days additional IT workshops have been carried out in Benin (February 2010), Burkina-Faso (April 2010), Guinea (August 2010) and Mali (October 2010) for a total of 80 participants. In parallel, in the context of the MOU signed with the University of Québec in Montréal

(UQAM/LATECE), UNCTAD continued with the development of the Electronic Tourism Platform.

313. **Results:** Advice on e-Tourism strategies has been provided by experts and up-to-date teaching material and software has been produced for a total of more than 200 beneficiaries. There is now an increasing awareness of the challenges and opportunities for beneficiary countries as well as an increased understanding of decision-makers (at public and private level) about the impact of ICT for tourism SMEs. Outreach and awareness raising on e-tourism were performed in various public and private media. Follow-up national committees have been set up in Benin, Burkina-Faso, Guinea, Mali and Mauritania. First measures have been taken and actions implemented by stakeholders towards the implementation of e-business models in the tourism sector. Additionally, these results have led to a growing number of requests for seminars, greater networking among the public and private tourism sector and an increased visibility of UNCTAD in e-Tourism.

D. Accounting: corporate reporting

314. **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 and building institutional and human capacity required for implementing best practices.

315. **Objectives/features:** The programme promotes exchange 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, and associated workshops and round tables. It disseminates best practices through technical guidance on various aspects of corporate transparency and disclosure.

316. **Output/results:** During 2010, UNCTAD continued its contribution to promoting best practices in the area of corporate reporting, including accounting, corporate governance disclosure and corporate responsibility - with a focus on capacity-building. The twenty-seventh session of ISAR provided member States with an opportunity to exchange views on developing a coherent and integrated approach to capacity-building with a view to improving quality of corporate reporting. At the twenty-seventh session of ISAR (13 to 15 October 2010), the Group of Experts deliberated on a capacity-building framework for high-quality corporate reporting. Experts also discussed the findings of UNCTAD's latest annual review of the implementation of corporate governance disclosure in developing countries.

317. On 12 October 2010 - on the eve of the twenty-seventh session of ISAR - the UNCTAD secretariat in cooperation with the International Federation of Accountants organized a workshop under the theme "Corporate governance in the wake of the financial crisis: linking governance, strategy and sustainability." The event attracted a range of high-level speakers from around the world, and included a keynote address by Prof. Mervyn King, Chairman of the King Committee on Corporate Governance in South Africa.

318. 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 International Federation of Accountants signed in 2004, UNCTAD has been contributing to its committee and board meetings, including the Consultative Advisory Group of the International Auditing and Assurance Standards Board, the International Education Standards Board and the Developing Nations Committee.

319. Following up on the Memorandum of Understanding that UNCTAD and the Global Reporting Initiative signed in 2008, UNCTAD has continued to promote in developing countries greater participation in the processes that set internationally recognized sustainability reporting standards. UNCTAD also continues to participate in the work of the International Integrated Reporting Committee.

320. During the reporting period, UNCTAD, in cooperation with the United Nations Global Compact and the Principles for Responsible Investment, organized in September 2010 in China the second Sustainable Stock Exchanges global dialogue. The 2010 Sustainable Stock Exchanges dialogue featured a number of CEOs from stock exchanges around the world, as well as ministerial level leaders from regulatory agencies.

E. Insurance Programme

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

322. *Objectives/features:* The aims of the Insurance Programme are to (a) help establish competitive and efficient insurance markets and improve access to insurance services for the majority of developing countries' populations as well as their commercial sectors, so as to prepare developing countries for further liberalization of their financial services sectors; (b) provide technical support, advice, guidance and training for insurance supervisory authorities, particularly in the establishment of legal frameworks and supervisory practices geared towards the development of sustainable competitive insurance markets; and (c) organize training seminars/workshops to improve understanding of the role of supervision and enhance the competence and technical abilities of the staff of supervisory authorities in developing countries.

323. *Outputs/results:* In 2010, work continued under the "Strengthening SMEs' development and access to financing and insurance in Morocco and Tunisia" project aimed at helping the Moroccan and Tunisian financial and insurance sectors provide SMEs with affordable and well-tailored products and services. In Morocco, two studies were prepared: one on financial services for SMEs and the other on access of SMEs to insurance products and services. In addition two roundtables were organized. The project is now in its capacity-building phase where concrete steps are being undertaken to disseminate conclusions of the studies and roundtables and provide capacity-building to

relevant SMEs. In Tunisia, a first mission aimed at laying the groundwork and identify national experts that would be responsible for writing the study for insurance and SMEs in this country, as well as contacting counterpart organizations.

324. During African Insurance Organization annual general meeting, a decision was taken to provide further assistance to the African Centre for Catastrophe Risks in Casablanca, Morocco. The annual general meeting reviewed and approved the Centre's last year business plan and budget, and discussed further steps to be undertaken in order to strengthen the Centre and provide it with necessary resources.

325. In 2010, UNCTAD continued looking for modalities to operationalize the five African projects developed jointly with African Insurance Organization in the area of insurance in Africa. The five projects are budgeted at around \$6.5 million, and are now presented for funding to potential donors.

326. UNCTAD International Postgraduate Diploma in Insurance (IPGDI), is running in ASEAN countries. The IPGDI course is designed to assist emerging insurance markets in creating a pool of highly qualified and capable work force to face the challenges of an accelerated process of market development and expansion. Graduates of IPGDI are expected to contribute effectively to the progress of their organizations and society. The IPGDI provides partial exemptions from the Associateship Examinations of the Chartered Insurance Institute, London.

327. In cooperation with the International Association of Insurance Supervisors, Basel, UNCTAD is preparing the third edition of the Regulatory Manual for Insurance Supervisors.

Table 9

Enterprise development

<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)
PAN/0T/9BK	Red de oportunidades empresariales para familias pobres (EMPRETEC)	2009–	OneUN
ROM/0T/1CZ	Empretec phase I – Romania	2002–	Romania
VIE0T9BM	Green Production and Trade to Increase Income and Employment Opportunities for the Rural Poor	2009–	OneUN
ZAM/0T/7BH	Business Linkages	2007–	Norway
INT/0T/7CA	Empretec Networks to promote Entrepreneurship and Enterprise Development	2007–	Spain
INT/0T/7AE	Building productive capacities for LDCs	2007–	Sweden
RAF/9X/43J ^a	Developpement de marches des assurances competitifs	1994–2010	Luxembourg
RAF/0T/8AJ	Strengthening SMEs' development and access to financing and insurance in Morocco and Tunisia	2008–	Spain
ROA-2180 (L6)	Strengthening SMEs competitiveness in the tourism sector of six African developing countries of the ECOWAS sub-region	2008–	Development Account
ROA-2106 (P6)	Building productive capacities in developing countries to enhance their participation in global supply chains	2008–	Development Account

^a Project that had been “operationally but not financially completed” or “completed” in 2010.

X. Cluster X. Globalization and development strategies

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

328. 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)

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

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

331. *Outputs/description of activities:* The activities of the G-24 were supported by the provision of technical material as background to the Group's preparations for the IMF's International Monetary and Financial Committee and the Joint IMF/World Bank Development Committee. Several senior staff members of UNCTAD made presentations of the analytical work of the organization as it is relevant for the objectives of the G-24 and discussed their findings with invited experts and delegations of G-24 member States at the two meetings of the Technical Group of the G-24, in Washington, D.C. in March, and in Geneva in September 2010. The results of those meetings informed national policymakers as well as Executive Directors of the Bretton Woods institutions and the meetings of G-24 Ministers and their Deputies. The following issues were addressed: origins of the financial crisis and its implications for developing countries; reform of the international monetary and financial system, including the IMF and the World Bank; regulation of financial markets, capital flows and commodity trading with a view to limit unproductive speculation. In the context of the project, the UNCTAD Secretariat also advised G-24 Ministers and their Deputies in the drafting of their communiqués published at the Spring and Annual Meetings of the IMF and the World Bank and in setting

priorities for new research. The meetings of the Technical Group provided an excellent opportunity to discuss research results and policy recommendation emanating from the regular work programme of UNCTAD with policy makers 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*.

332. **Results:** The project has helped strengthen the policy-making capacity of its members and other developing countries. Specifically, it has contributed in recent years to major progress in the ongoing reform of the IMF governance structures aimed at increasing quotas and voting rights of developing countries at the IMF. It has continued to improve the basis for understanding the development dimension of current financial and monetary issues, and enabled policymakers to consider alternative options for global economic governance arrangements, 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 experience among policymakers from developing countries.

B. Promoting responsible sovereign lending and borrowing

333. **Development Context:** There are no agreed principles for responsible sovereign borrowing and lending and there are widely differing views of what constitutes responsible practices. With the global economic and financial crisis, intensive debates are going on about what constitutes responsible sovereign lending and borrowing as well as measures that could prevent or minimize the frequency of debt crises. The interest in this topic only continues to rise, both on the lender and 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.

334. **Objectives/Features:** The project financed by Norway has established 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 a code of conduct and mechanisms to enhance responsible sovereign lending and borrowing. The project also studies 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, policy-makers, debt managers and researchers has been created.

335. **Output:** In 2010, the project has established an Expert Group composed of internationally renowned specialists on public debt. This group has developed the first draft guidelines for Responsible Sovereign Lending and Borrowing. These guidelines are now ready to be presented to the project's Advisory Group for further discussions. The participation to this group changes over time, but it is composed exclusively of government officials. So far the attendance has been at a high level including several Ministers of Finance. The Advisory Group held one meeting in 2010 and a very preliminary draft of the guidelines was presented at this occasion. Although it was too early to discuss the details of the guidelines at this point, the project obtained a unanimous endorsement from the Group that this initiative was very important and should be continued. This was also clearly reflected in the General Assembly resolution on debt in December 2010.

336. The project has pursued very extensive interaction and consultations with key stakeholders among NGOs, academia, the private sector, international organizations, as well as government representatives during 2010. Senior officials from more than 50 countries have so far been briefed directly by UNCTAD about the project, its aims and activities.

337. **Results:** This project has raised considerable awareness among stakeholders and the international community of the importance 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 final text 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

338. **Development context:** The performance of the Palestinian economy in 2010 continued to be weak and well below its potential. Preliminary data suggests that in the third quarter GDP contracted due to the decline in the output of the agricultural and industrial sectors of the West Bank; adding fresh concerns about the economy's long term prospects. These concerns arise from the fact that the private sector is yet to begin to recover and that the economic performance has been overly dependent on large injection of foreign aid and public expenditure. Intensified closures in the West Bank (since 2000) and tight economic blockade on the Gaza Strip (since mid 2007) directly led to increased territorial fragmentation, inequalities and regional welfare divergence, and shrinking access to natural and economic resources, and therefore more dependence on international aid. Private investment continues to be hampered by mobility restrictions and the risk of introducing new restrictions at any moment. If the weak GDP growth persists, the already high level of poverty will worsen, adding to the negative effects of the ongoing Palestinian Authority (PA) fiscal reforms, which aim at narrowing the persistent structural budget deficit. Poverty and food insecurity pressures have been also exacerbated by the global rise in oil and food prices, as well as by the shrinking purchasing power of the Palestinian dollar-denominated earnings as a result of the appreciation of the new Israeli shekel, over which the PA has no control.

339. **Objectives/features:** Drawing on its intimate knowledge of the Palestinian economy, by virtue of 26 years of sustained support to Palestinian development efforts, research and policy analysis, UNCTAD works in close coordination with other international agencies to strengthen the institutional and managerial capacities of the PA and support the Palestinian private sector using a selective and flexible mode of operation to respond to the evolving needs of the Palestinian people despite funding shortfalls and difficult field conditions. UNCTAD has fashioned a multi-faceted programme of technical assistance, which draws on the experience of the secretariat as a whole. The programme emphasizes interrelated treatment of trade, finance and enterprise development, with technical assistance activities grouped within four Clusters: (a) trade policies and strategies; (b) trade facilitation and logistics; (c) finance and development; and (d) enterprise, investment and competition policy.

340. **Output:** UNCTAD activities aimed at modernizing Palestinian Customs continued in 2010. Substantial achievements were made under the technical cooperation project "Program to Modernize and Strengthen Institutional and Managerial Capacities of Palestinian Authority Customs Administration, Phase III". Customs employees were trained on 10 major areas. Training on using and maximizing the benefits of ASYCUDA was also extended to staff of other government ministries, agencies and staff of the Palestinian private sector.

341. In 2010 UNCTAD continued the implementation of the sixth tranche Development Account project on “Promoting Sub-regional growth-oriented economic and trade policies towards achieving the MDGs in selected Arab Countries”. The project benefits the oPt and four other Arab countries. Project activities in 2010 featured a workshop held in Casablanca, Morocco and an expert meeting held in Geneva. These were attended by consultants, representatives from participating governments as well as staff from trade ministries and statistical agencies of the participating governments, including the PA. The workshops provided a platform for the exchange of ideas and experiences among national policy makers and the secretariat. As a result six national and regional studies were developed. The studies focused on economic strategies, harmonization of trade statistics, infrastructure and institutions to facilitate regional integration, past experiences and potential role of macroeconomic and trade policies in reducing unemployment and poverty and deepening regional integration.

342. Building on UNCTAD’s past contributions to Palestinian institution-building, trade facilitation, private sector development and “Establishment of the Palestinian Shippers’ Council (PSC)”, the secretariat, in collaboration with the PSC, developed a project document for a new intervention to further the development of Palestinian trade facilitation capacity.

343. UNCTAD hosted Palestinian Diplomats and trained them on the UN system in Geneva. This was in cooperation with the UN-Division of Palestinian Rights, and part of an annual programme for the PA diplomats to deepen their knowledge of the UN system. The training covered UNCTAD’s work, particularly the Trade and Development Board meetings, as well as human rights, and the work of ECE, ILO, UNEP, ITU and other UN agencies in Geneva.

344. **Results:** (1) 48 Palestinian professionals were trained on ten major customs areas and procedures. Activities of the Palestinian Customs modernization programme were also extended to allow private sector agents to directly input data, process and complete customs clearance procedures more efficiently; substantially saving time and cost. Moreover, PA ministries are now connected and can exchange data directly with ASYCUDA and the necessary capacity has been created to implement new customs procedures. This has enhanced the efficiency and quality of government services, improved customs controls and increased customs revenues. (2) The workshops and research papers of the Development Account project provided Palestinian professionals and policy makers the opportunity to network with international organizations and with policy makers in other countries of the region. This should contribute to raising the quality of Palestinian economic policy making. A number of trade and quantitative indicators that are essential for sound trade policy making were also produced, discussed and made available to the PA and the research community. The project also produced a study with specific policy recommendations for achieving the Millennium Development Goals 1 and 8 by designing pro-poor trade and growth strategies and deepening regional integration to accelerate Palestinian economic development. (3) As a result of UNCTAD’s continuous coordination with the PSC and the Palestinian Ministry of National Economy, a new 3-year trade facilitation technical cooperation project will be launched in 2011, with funds from the Canadian International Development Agency. (4) UNCTAD training has deepened the knowledge of Palestinian diplomats of the UN system in Geneva. This should improve the PA’s capacity to deal more effectively with the international community and harness the resources it provides to support Palestinian development;

D. Promoting sub-regional growth-oriented economic and trade policies towards achieving the MDGs in Arab countries of West Asia and North Africa

345. In 2010, UNCTAD continued the implementation of the Development Account, sixth tranche, “Promoting Sub-regional Growth-Oriented Economic and Trade Policies towards Achieving the MDGs in Arab Countries of West Asia and North Africa”, which benefits the occupied Palestinian territory and four Arab countries (Egypt, Sudan, Morocco and Jordan). The third workshop of the project took place in Casablanca in May and a final expert meeting was held in Geneva in October. They were attended by consultants, representatives from participating governments as well as staff from trade ministries and statistical agencies of the participating governments, including the PA. The workshop and meeting provided a platform for the exchange of ideas and experiences among national policy makers, UNCTAD staff and project consultants on the basis of UNCTAD studies and presentation. The project studies and discussion, conducted with the Millennium Development Goals 1 and 8 in mind, focused on pro-poor trade and growth strategies, harmonization of trade statistics, infrastructure and institutions to facilitate regional trade integration, the past experiences and potential role of macroeconomic and trade policies in reducing unemployment and poverty and deepening regional integration.

346. The workshop and meeting placed special emphasis on the problems of trade statistics. In the presence of relevant trade ministry officials and the Chief of UNCTAD’s Central Statistics and Information Retrieval Branch, staff from the statistical agencies of the participating countries made presentations on the issues and challenges related to trade data collection and analysis.

347. As part of project output, detailed studies were produced on trade and macroeconomic policies along with a wide range of trade indices and quantitative indicators that are essential to sound trade policy making and the achievement of the MDGs 1 and 8. The five country studies and the regional study on the trade quantitative indicators will be published in one volume in both English and Arabic.

Table 10
Globalization and development strategies

<i>Project number</i>	<i>Short title</i>	<i>Starting date</i>	<i>Source of fund</i>
GLO/0T/AAM ^a	Mapping a seismic shift	2010-2010	Foundations
GLO/0T/ABH	The Financialization of Commodity Markets	2010-	Austria
INT/8X/90F	Studies for the Group of 24	1989-	Multidonors
INT/0T/8CF	Promoting Responsible Sovereign Lending and Borrowing	2008-	Norway
ROA-1245B (AE)	Building capacities in Asia Pacific region to address 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 2010.

XI. Cluster XI. Strengthening the debt management capacity of developing countries

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

348. 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

349. *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.

350. 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.

351. 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.

352. 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.

353. 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 104 institutions in some 67 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 debt data validation, debt statistics, debt portfolio review, in basic debt analysis, and in producing data critical to risk analysis, debt sustainability analysis and strategy formulation.

354. 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.

355. United Nations General Assembly resolution 65/144: “External debt sustainability and development” (adopted 20 December 2010): (para. 31): Invites the United Nations Conference on Trade and Development, the International Monetary Fund and the World Bank, in cooperation with the regional commissions, development banks and other relevant multilateral financial institutions and stakeholders, to continue and intensify cooperation in respect of capacity-building activities in developing countries in the area of debt management and debt sustainability; (para 33): Acknowledges that timely and comprehensive data on the level and composition of debt are a condition necessary for, inter alia, building early warning systems aimed at limiting the impact of debt crises, calls for debtor and creditor countries to intensify their efforts to collect data, and calls for donors to consider increasing their support for technical cooperation programmes aimed at increasing the statistical capacity of developing countries in that regard;

356. 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 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”.

357. The Mid-Term Review of the DMFAS Programme’s performance in implementing its strategic plan (2007-2010) reported the Programme to be “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.

358. **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.

359. 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.

360. 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 portfolio analysis.

361. **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.

362. In addition to ongoing permanent support provided to countries via its central operations, the DMFAS Programme managed some 40 operational projects at the country level (47 funded projects overall). New project agreements were signed in 2010 for nine

countries (11 user institutions) including Congo (Ministry of Finance), Dominican Republic (Ministry of Finance), Egypt (Ministry of Finance and Central Bank), Gabon (Ministry of Finance), Guatemala (Ministry of Finance), Oman (Ministry of Finance), Paraguay (Ministry of Finance and Central Bank), Philippines (Ministry of Finance) and Viet Nam (Ministry of Finance). An amendment was also made to the project in Honduras to include the implementation of the DMFAS in the Superior Tribunal of Auditors of Honduras. This is the first audit office to request an installation of the DMFAS system.

363. New project included one new country (and institution) – the Ministry of Finance of Oman – which started implementation of its first project document with the DMFAS Programme. This technical assistance project foresees the installation of DMFAS in the Loans Department of the Ministry of Finance with associated staff training activities, including data validation and debt statistics.

364. The Programme continued to pay particular attention to the needs of heavily indebted poor countries (HIPC). Half of all countries that were qualified or were eligible or potentially eligible for the HIPC initiative 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.

365. In 2010, the Programme continued its support to governments in linking debt management to other government financial management systems. It also continued to explore linking DMFAS with aid management systems.

366. 2010 saw the successful start of implementation of UNCTAD's major new release of the DMFAS software - DMFAS 6. This web-enabled version of the software caters to the latest institutional and operational needs of government debt management offices, and the comprehensive coverage of all types of debt instruments. By the end of 2010, DMFAS 6 was actively being used by Argentina, Egypt, Panama and Venezuela.

367. 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. The Helpdesk responded to a total of 799 DMFAS user queries.

368. The Programme also continued to intensify 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. In particular, in 2010 this included active collaboration with the Debt Management Facility of the World Bank and the International Organization of Supreme Audit Institutions. Within UNCTAD, the DMFAS Programme and the Debt and Finance Analysis Unit (its sister unit within the Debt and Development Finance Branch) maximized synergies between their respective areas of work. This included input to a number of UNCTAD and United Nations reports, and close collaboration in the development and delivery of the DMFAS Programme's capacity-building module in debt portfolio analysis.

369. Results: In 2010, 85 per cent of all DMFAS country beneficiaries since the launch of the Programme in 1981 continued to adopt 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. All DMFAS clients expected to report to the World Bank's Debtor Reporting System were doing so, and 42 DMFAS clients were reporting to the Quarterly External Debt Statistics database of the IMF. Using the

DMFAS system, the majority of DMFAS clients have been able to maintain comprehensive and reliable databases, contributing to good governance and transparency.

370. In 2010, half of all countries (20) with heavily indebted poor country status were DMFAS beneficiaries. DMFAS clients included 13 least Developed Countries, 12 land-locked developing countries, 1 small island developing state and 10 Structurally Weak, Vulnerable and Small Economies.

371. 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 the production of four debt portfolio reviews: Bangladesh, Egypt, Indonesia and Yemen.

372. By the end of the year, DMFAS 6 was being implemented in four countries: Argentina, Egypt, Panama and the Bolivarian Republic of Venezuela. Future DMFAS 6 installations in other DMFAS client countries were also being considered in the negotiation of 16 new project documents (23 institutions).

373. In 2010, one current institution updated its 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 8 countries: Bangladesh, the Plurinational State of Bolivia, Costa Rica, Democratic Republic of Congo, Honduras, Lebanon, the Syrian Arab Republic and the Bolivarian Republic of Venezuela. 16 countries had or were starting the development of interfaces between the DMFAS system and other integrated financial management information systems within their Government.

374. The results of the 2010 donor consultation meeting demonstrated a high level of satisfaction from donors with the achievements of the Programme's 4 year strategic plan that came to an end in 2010. The donors also expressed their satisfaction with the proposed strategic plan for 2011-2014. However, it was understood that full achievement of the plan would be dependent on available funding. The Programme was recommended as one where donors saw results and were ensured of a good return on their development funding. They encouraged new donors to join the Programme's community of donors.

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>
ANG/0T/9AJ	Instalacion del SIGADE 5.3 y capacitacion avanzada para la gestion 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 Gestion de la Deuda Publica 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	2004-	UNDP
CAF/0T/7AJ	Renforcement des capacités de gestion de la dette à la Direction de la Dette	2007-	African Development Bank
COS/0T/7AL	Fortalecimiento de las capacidades para la gestión de la deuda en Costa Rica	2007-	Costa Rica

<i>Project number</i>	<i>Short title</i>	<i>Starting date</i>	<i>Source of fund</i>
DJI/0T/8BB	Renforcement des capacites de gestion de la dette a la Direction du financement exterieur	2008-	Djibouti
DOM/0T/AAT	Fortalecimiento de las Capacidades de Gestion de la Deuda Publica de la Republica Dominicana	2010-	World Bank
EGY/0T/7BQ ^a	Strengthening Public Debt Management	2007–2010	Egypt
EGY/0T/9AG	Strengthening Public Debt Management	2009–	Egypt
GEO/0T/5BR ^a	Implementation of DMFAS version 5.3	2005–2010	Georgia
GUA/0T/AAAD	Fortalecimiento de la capacidades para la gestion dela deuda	2010-	Inter-American Development Bank
HAI/0T/8AX	Renforcement des capacités de gestion de la dette du Ministère de l’Economie 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
IN/8X/8DS ^a	Implementation of DMFAS version 5.2	1998-2010	Australia
INS/0T/3BI	Implementation of DMFAS 5.3	2003-	Indonesia
INS/0T/7AG ^a	Enhancing External Debt Recording and Management in Indonesia	2007-2010	Australia
IRA/0T/8BW	Upgrade and Installation of the version 5.3 of the Debt Management and Financial Analysis System in the Central Bank of Iran	2008-	Iran, Islamic Republic of
NIC/0T/4BW	Capacity-building in debt management in Nicaragua	2006–	Inter-American Development Bank
OMA0T9AD	Strengthening public debt management	2009-	Oman
PAN/09/001	Programa de Fortalecimiento y Modernizacion de la Gestion Economica y Fiscal	2009-	UNDP
PAN/0T/9AA	Fortalecimiento de las capacidades para la gestion de la deuda en Panama	2009-	Panama
PHI/0T/9BI	Capacity Building in Debt management within the Bureau of the Treasury of the Philippines	2009–	Philippines
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
VEN/0T/5AC	Proyecto para la implementación del SIGADE 5.3 y los enlaces con los sistemas de análisis e integración financiera (SIGECOF II)	2005–	Venezuela, Bolivarian Republic of
YEM/0T/7BO	Strengthening Debt Reporting and Institutional Integration in Debt Management	2007–	Yemen
ZAI/0T/4CB	Renforcement des capacités de gestion de la dette à l’office de gestion de la dette publique	2004–	Democratic Republic of the Congo
ZAM/0T/8BM ^a	Installation of the version 5.3 of the Debt Management and Financial Analysis System in the Bank of Zambia	2008-2010	Zambia

<i>Project number</i>	<i>Short title</i>	<i>Starting date</i>	<i>Source of fund</i>
RAF/0T/9AV	Renforcement du Pole Afrique de l'Ouest du Programme SYGADE de la CNUCED	2009-	France
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
INT/0T/9BJ	Support to DMF activities organized by The World Bank	2009-	World Bank
INT/0T/9BL	Support to International Organization of Supreme Audit Institutions activities	2009-	Norway

^a Project that had been “operationally but not financially completed” or “completed” in 2010.

XII. Cluster XII. Transport and trade facilitation

Lead division: Division on Technology and Logistics (DTL)

375. 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

376. **Development context:** The capacity to remain competitive in the global economy depends on an effective access to efficient and reliable transport services to connect, in particular, with overseas markets. Transport and other trade transaction costs are significant in product value terms for developing countries. In such a context, cost-effective logistics services become critical to ensure the competitiveness of goods produced and exported from developing countries.

377. Developing countries continue facing challenges in such areas as transport infrastructure, development and trade support services, including administrative, procedural and regulatory reforms. 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 transport and trade facilitation also includes modernization of customs procedures through customs automation making use of the Automated SYstem for Customs DAta (ASYCUDA) (see section B).

378. **Objectives:** UNCTAD’s technical cooperation programme designs and helps implement specific solutions to ensure the most efficient use of available trade and transport-related national assets. Focus of technical assistance activities is placed on reducing administrative obstacles and derived transaction costs, as well as other associated delays. The approach relies on trade and transport facilitation programmes designed in partnership with requesting countries to ensure that specific needs are met.

379. **Outputs:** In 2010, 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

380. During 2010, UNCTAD successfully concluded the implementation of the trade facilitation component of the “Emergency Customs Modernization and Trade Facilitation Project” in Afghanistan. After several extensions of the UNOPS executed and World Bank financed project, its key achievements since 2004 include the following: (a) a professional directory and training package for the national association of freight forwarders; (b) the restructuring of the department in charge of transit in the Ministry of Commerce and Industries; (c) the initiation of the negotiations to join the World Trade Organization with the preparation of the Memorandum on its Foreign Trade Regime; and (d) the conclusions of the negotiations with Pakistan on the Afghanistan Pakistan Transit Trade Agreement - APTTA.

381. The Afghanistan Pakistan Transit Trade Agreement is of particular importance for land-locked Afghanistan’s international trade, as it facilitates access to international markets including India, as well as overseas destinations through Pakistan’s seaports. UNCTAD’s expertise and assistance were instrumental during the preparation of the draft agreement by Afghanistan’s Ministry of Commerce and Industry. A key factor of success for UNCTAD’s support lay in the combination of advisory services by international consultants, national seminars and workshops, and the recruitment and training of local consultants.

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

382. In 2010, under the World Bank financed Trade and Transport Facilitation Project II in Pakistan, UNCTAD initiated its advisory services providing ad hoc support in the WTO Trade Facilitation negotiations to the Pakistan Mission in Geneva. Preparation of broader capacity building activities such as the train-of-trainers course in coordination with the Pakistan International Freight Forwarders Association commenced. Particular focus in this initial phase of the project has been placed on the implementation of the Afghanistan Pakistan Transit Trade Agreement (APTTA), the alignment of trade documents to the United Nations Layout Key, and the institutional cooperation between the National Trade and Transport Facilitation Committee and different government agencies.

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

383. In 2010, UNCTAD’s activities in support of the ongoing trade facilitation negotiations within the framework of WTO’s Doha Development Agenda entered their sixth year. Throughout 2010, the WTO negotiations on trade facilitation continued to be among the most important features of international trade facilitation efforts. 2010 saw the consolidation of the negotiating text which allowed WTO delegations to focus on the draft legal language of the future agreement on trade facilitation.

384. This work requires a continued analysis and participation of all delegations. Accordingly, UNCTAD built up its advisory services to developing countries. The activities targeted, in particular, the national trade facilitation working groups which have been set up in many countries in support to the negotiating process in Geneva. Support to these working groups was provided in national workshops, national trade facilitation needs assessments and regional workshops (ALADI, OECS, SIECA, and UEMOA).

385. Trade facilitation needs assessments were carried out in Niger and the Republic of Congo while national workshops on the current state of the WTO negotiations were held in Benin, Botswana, Honduras and Senegal. A workshop was organized for UEMOA member States. Capital based and Geneva based delegates gathered for two days to analyze the current negotiating text and exchanged views on their negotiating positions in

an effort to strengthen regional cooperation and coordination amongst UEMOA member states. The workshop permitted the identification of possible future activities to be conducted under UNCTAD/UEMOA cooperation.

386. In the Caribbean States, UNCTAD uses the cluster development approach towards improving the collaborative working relationships and trust amongst members of existing and/or nascent national working groups on trade facilitation.

387. Legal advice and guidance on issues arising in the field of transport and trade facilitation were provided on an ad-hoc basis. Responses, both written and verbal, were given to requests received from various governmental and intergovernmental entities as well as non-governmental organizations. Advice and policy guidance were given on a range of substantive legal issues and international legal instruments, including: (a) the Rotterdam Rules, 2008; (b) the International Convention on Arrest of Ships, 1999; (c) the United Nations Convention on International Multimodal Transport of Goods, 1980; and (d) the Convention on a Code of Conduct for Liner Conferences 1974.

388. Information, documentation and data, in particular relating to seaborne trade, shipping services and freight costs, were also provided to various public and private sector entities, including other United Nations entities and related memberships as well as academia, consultancy firms and industry associations from both developed and developing countries.

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

389. UNCTAD continued to provide advisory services on a broad range of technical, legal and regulatory issues. Targeting landlocked and transit developing countries and least developed countries in Asia and Eastern Africa, UNCTAD and Agency for International Trade Information and Cooperation jointly organized regional workshops in Nepal and Uganda. The workshops addressed trade facilitation measures negotiated under the WTO trade facilitation negotiations, in addition to regional trade facilitation initiatives. Discussions showed there was a need to coordinate trade facilitation efforts, not only among the relevant stakeholders at the country level, but also among the agencies across the border. Such collaboration is critical, especially in addressing the bilateral issues between landlocked developing countries and their transit neighbours. The main issues discussed included bilateral customs transit issues; calculation of fees and charges levied for customs services and measures to prevent the diversion of goods in transit to the local market.

390. In response to a request for assistance from the Government of the Comoros, port governance was strengthened in the framework of the Integrated Framework projects. The project succeeded in offering a platform for private and public stakeholders for sharing information and identifying solutions to improve operational efficiency.

391. UNCTAD continued to actively participate in global collaborative initiatives, and events organized by: the African Development Bank, Asian Development Bank, Commonwealth Secretariat, École polytechnique fédérale de Lausanne, United Nations Economic and Social Commission for Asia and the Pacific, International Federation of Freight Forwarders Associations, Freight and Logistics Leaders Forum, International Association Of Maritime Economists, Intertanko, Islamic Development Bank, International Organization for Standardization, International Transport Forum, Ministry of Transport of Thailand, National Board of Trade in Sweden, Organization for Economic Cooperation and Development, United Nations Special Programme for the Economies of Central Asia, World Customs Organization, the World Maritime University and several other academic institutions.

392. **Results and impact:** the impact of UNCTAD's technical assistance and capacity building support activities in the field of Transport and Trade Facilitation can be easily

measured in the progress made by partner developing countries in increasing their institutional and operational capacities to implement necessary trade and transport facilitation reforms including through Customs automation. Such improved capacity has shown in different areas.

393. In the context of the WTO negotiations on trade facilitation, UNCTAD has assisted individual members and regional groupings in assessing their needs and priorities through round table discussions and training workshops as well as by way of provision of technical material and tailored advice.

394. The impact of the inter-regional activities is actually visible in the functioning of national collaborative platforms to assess the requirements, establish responsibilities and plan for the implementation of actions in the national and regional trade facilitation agenda.

395. Specifically adapted to national requirements, deeper technical assistance programmes with long-term presence in the field, such as the ones carried out in Afghanistan and Pakistan have an even more pronounced impact in the form of sustainable changes in institutional structures and administrative performance affecting in a positive way international trade and transport operations.

B. The ASYCUDA programme

396. *Development context and objectives/features:* The Automated System for Customs Data, better known under the name ASYCUDA, is a customs automated customs management system which covers most foreign trade procedures and generates timely and reliable trade data that can be used for statistical economic analysis.

397. ASYCUDA is the largest technical cooperation programme within UNCTAD, present in over 90 countries.

398. *Outputs:* In 2010, the ASYCUDA programme delivered support and carried out activities in more than 60 Customs Administrations around the world. The framework of the South and East African ASYCUDA Centre, funded by the Government of Norway, delivered support to various Customs Administrations in the region and enhanced capacity—building of staff in the field of risk management and web based interfaces.

399. 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. The tailored web-based system for the management of transit movement is scheduled to be implemented in 2011 between the port of Douala, Bangui and Ndjamena.

400. In 2010, UNCTAD continued to successfully provide remote technical assistance and support (online, mail, phone etc. for system maintenance) and in the field (implementation of new releases, adaptation to new hardware or software platforms and improvement of functionalities etc.). Approximately 300 missions undertaken by staff or consultants 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.

401. Regarding the transfer of “know-how” and capacity-building, more than 50 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.

402. A comprehensive overview of the system, together with a presentation of its functionality and 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.

403. **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. 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 cargos and means of transport will also have a significant impact on the environment.

404. 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 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 ^a	Emergency customs modernization and trade facilitation project in Afghanistan	2004–2010	World Bank
ALB/0T/7BF	Implementation of ASYCUDAWorld in the Customs Department	2007–	Albania
BDI/0T/2CH ^a	Migration to ASYCUDA++	2003–2010	Burundi
BDG/0T/7AN ^a	Manifest implementation in Chittagon	2007–2010	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
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
GBS/0T/8BI	Migration des douanes a SYDONIA++	2008-	African Development Bank
GEO/0T/9BO	ASYCUDAWorld Technical Assistance and Support	2009–	Georgia
GIB/0T/9AM	Implementation of ASYCUDAWorld	2009–	Gibraltar
GRN/0T/AAP	ASYCUDAWorld Grenada	2010-	World Bank
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 ^a	Implémentation de ASYCUDAWorld en Côte d'Ivoire	2005–2010	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
LAO/0T/9AE	Computerization of Customs procedure and data	2009-	World Bank
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

<i>Project number</i>	<i>Short title</i>	<i>Starting date</i>	<i>Source of fund</i>
MLI/0T/9BF	ASYCUDA World Technical Assistance and Support	2009–	Mali
MLW/9X/8AU	ASYCUDA	1999–	United Kingdom
MOL/0T/8AQ ^a	ASYCUDA Technical Assistance and Support	2008–2010	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
NEP/0T/6BR	Consolidation of Customs Automation	2006–	Asian Development Bank
NER/0T/1BT ^a	Migration to ASYCUDA++	2001-2010	Niger
NIR/0T/5AB ^a	Implementation of ASYCUDA++ in the Nigerian Customs Service	2005–2010	Nigeria
PAK/0T/8AK	Trade and Transport Facilitation Project (TTFP-II)	2008-	World Bank
PAL/0T/7AV	Implementation of ASYCUDAWorld in Palestine	2007–	EC
PHI/9X/43G	ASYCUDA	1994–	Philippines
PHI/0T/8AH	Enhancement of ASYCUDA Risk Management	2008–	EC
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 ^a	ASYCUDA migration in Saint Vincent and the Grenadines	2006–2010	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	Cooperation 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
YEM/0T/8BT	ASYCUDAWorld Project in Yemen	2008–	Yemen
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/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
INT/0T/9BD	Integration and piloting of ASYCUDA/CLIENT Export System	2009-	Netherlands

<i>Project number</i>	<i>Short title</i>	<i>Starting date</i>	<i>Source of fund</i>
INT/0T/AAL	Integration & piloting of ASYCUDA/TIR System	2010-	International Road Transport Union
RAF/0T/2AG	Migration to ASYCUDA system from version 2.7 to ASYCUDA++ in ECOWAS	2002-	ECOWAS
RAF/0T/6AJ ^a	Implementation of ASYCUDA in five selected COMESA countries	2006–2010	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/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
RLA/0T/ABC	Implementation of ASYCUDAWorld in Belastingdienst/Bes Islands	2010-	Netherlands

^a Project that had been “operationally but not financially completed” or “completed” in 2010.

XIII. Cluster XIII. ICT policies and applications for development

Lead division: Division on Technology and Logistics (DTL)

405. 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. A multi-donor and multi-year trust fund on ICT Policies for Development supports UNCTAD's technical assistance activities in this area: INT0T9AS.

A. ICT policies for development

406. **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.

407. 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 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.

408. **Objectives/features:** UNCTAD aims to strengthen the capacity of developing countries to use ICTs for pro-poor 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 via the production of internationally comparable statistical indicators.

409. **Output:** Extra-budgetary funding from the trust fund contributed to the preparation and dissemination of the *Information Economy Report 2010: ICTs, Enterprises and Poverty Alleviation (IER2010)* (www.unctad.org/ier2010). The Report was released on 14 October 2010 and presented to journalists and other interested stakeholders via launching events in 14 cities around the world, often in collaboration with other UN agencies. *IER10* benefited from several background papers prepared by leading experts and partly financed by the trust fund. In April 2010, a regional seminar was also organized to review draft chapters for the report. Work on the *IER11* commenced in the fall of 2010. The trust fund has helped to finance three background papers related to ICTs and private sector development.

410. 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 translated into Spanish and Arabic, with financial support from ECLAC and ESCWA, respectively. 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.

411. Africa is the continent for which the lack of ICT indicators is the most accentuated. UNCTAD delivered one regional training course for French-speaking African countries. The course was organized in collaboration with UNECA in October 2010, and training of 17 staff members of the National Statistics Office (NSO) of Francophone Africa was provided. Most NSOs from the Francophone African countries have now benefited from such training. Compared with the previous years however, fewer training courses were held, due to budgetary constraints. Further financial support will be needed to meet the needs for training in the Arab and Central Asian region, for example.

412. UNCTAD also continued its collaboration with other parts of the United Nations system. In July 2010, UNCTAD co-organized an international ICT seminar together with the United Nations Statistics Division, the International Telecommunications Union (ITU), the Government of the Republic of Korea and the Partnership on Measuring ICT for Development. Furthermore, a contribution was made to the First Workshop of Inter-regional meeting on Advancing ICT Measurement in the Arab-speaking region in Amman, Jordan, in September 2010. In addition, the work on measuring ICT was addressed in the context of several other international meetings in New York (United Nations Statistical Commission), Paris (WPIIS meeting), Helsinki (meeting of the CCSA) and Geneva (WSIS Forum, World Telecommunication/ICT Indicators Meeting).

413. In collaboration with the ITU, UNCTAD undertook two advisory missions to Tunisia (June and November 2010), which allowed for the reinforcement of the Tunisian statistical framework to measure ICT. Tunisian efforts to measure the information economy were assessed and proposals were made to further improve the international comparability of the statistics produced by the local NSO. As a result partly of earlier support from UNCTAD, Tunisia realized in 2010 its first survey on ICT use in business, and is now exploring producing statistics on its national ICT sector.

414. 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.

415. In Africa, as part of the assistance provided to the East African Community (EAC) since 2007 for the harmonization of cyberlaws in the five Partner States (Burundi, Kenya, Rwanda, United Republic of Tanzania, Uganda), a regional meeting of the EAC Task Force on cyberlaws was organized in Kigali in June 2010 with the support of the EAC Secretariat. The Kigali meeting also discussed the need to prepare another Framework dealing with intellectual property, competition, taxation and information security.

416. In Asia, further to the draft cyberlaws prepared in 2007 for Cambodia and the Lao People's Democratic Republic, advances have been made in both countries with regard to the discussion and approval of the draft E-Commerce Laws. Both countries have expressed the need to continue strengthening national capacity to ensure that the e-commerce laws are adopted by 2012.

417. A Study on Prospects for Harmonizing Cyberlaws in Central America (funded by Spain) was launched in November 2010. It looks at seven countries in Central America and the Caribbean: Costa Rica, Dominican Republic, El Salvador, Guatemala, Honduras, Nicaragua and Panama. The study describes the current state of cyber legislation, focusing on online transactions and electronic signatures, consumer protection, protection of privacy and personal data, cybercrime, intellectual property and domain names. It provides government experts and the general public a comprehensive overview of the

situation in each of the countries concerned and allows for cross-country comparisons. This study will be translated into English in 2011.

418. The Accra Accord stressed that UNCTAD should undertake ICT policy reviews (para. 160). During 2010, UNCTAD finalized the review for Egypt carried out with the financial contribution of the UNDP Office in Egypt. The review was expected to be presented to the Minister of Communication and Information Technology in the first quarter of 2011.

419. **Results:** The *IER10* helped to raise awareness among relevant stakeholders about ways to promote pro-poor economic growth through ICTs. The report generated considerable interest in the media, the research community and the business world. More than 230 articles have been noted by UNCTAD's press unit. Several radio and TV interviews were also conducted in national and international media. The Report provided concrete policy advice to governments and development partners. Its recommendations have attracted interest from several donor agencies and national governments. A regional seminar organized in Geneva/Cape Town brought new insights, experiences and viewpoints from different countries and institutions working in the area of ICT for development and helped to ensure that the analysis was state of the art. Presentation of the report at various academic and policy-oriented conferences provided an excellent opportunity for networking between UNCTAD and the wide community of ICT experts. Such outreach activities are essential for the report to have impact on the international policy dialogue related to ICT4D.

420. 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.

421. In 2010, the training course took place at an opportune moment for many participating countries as Africa is experiencing a boom in ICT penetration and is acutely feeling the need for sound and internationally comparable statistics on the use of ICT by business. Several countries of the region have either planned ICT business surveys in the near future (Benin, Burkina Faso, Cote d'Ivoire,) or are considering integrating at least a module on ICT use in other business surveys (Algeria). The participants also greatly benefited from a presentation by Senegal on its recently concluded first ICT survey in business. Evaluations showed that almost all of the 16 beneficiaries of the training course in Addis Ababa were either satisfied or very satisfied with all the aspects of the course. It also created an opportunity for networking and exchange of experiences and good practices among statistical experts of the Francophone Africa region.

422. The training course as well as the international seminar organized in Seoul allowed for the strengthening 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.

423. In 2010, UNCTAD increased its means to implement technical assistance to support developing countries' efforts to produce internationally comparable ICT statistics. With 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, subject to financial resources.

424. 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. In 2010, Senegal became the second LDC to be included in UNCTAD's *Information Economy Database*.

425. 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. As adopted by the EAC Sectoral Council of Ministers on Transport, Communications, and Meteorology in May 2010, the Legal Framework for Cyberlaws (Phase I) now constitutes a Directive for Partner States to enact cyberlaws that will be harmonized across the region. The States consider the adoption of harmonized cyberlaws critical for implementing e-government services effectively, and for supporting the development of mobile money services at the national and regional levels.

426. The Study on Prospects for Harmonizing Cyberlaws in Central America gave an opportunity to the Member States of GRULAC to express their appreciation for the work of UNCTAD in this area

427. New requests for technical assistance to support cyberlaw development and the building of capacity in this field were also received, including from Madagascar, Burkina Faso and Niger through the United Nations Commission on International Trade Law (UNCITRAL) and a new project proposal is under discussion for 2011-2012 in Western Africa in cooperation with UNCITRAL.

428. In the case of the ICT Policy Review of Egypt, the report was finalized in 2010. It will serve as a direct input to the next national ICT strategy of Egypt 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/6AL ^a	E-commerce and law reform	2006–2010	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

^a Project that had been “operationally but not financially completed” or “completed” in 2010.

XIV. Cluster XIV. Cross-divisional training and capacity-building

Lead division: Division on Technology and Logistics (DTL)

429. *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.

430. *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

431. *Outputs:* The TrainForTrade programme contributes to capacity development on trade-related issues in developing and least developed countries (LDCs). Its strategy is based on the three-programme approach:

- (a) Programme on international trade, investment and finance;
- (b) Programme on sustainable tourism for development; and
- (c) Port training programme.

432. In 2010 TrainForTrade has continued delivering face-to-face and distance-learning courses in cooperation with other UNCTAD programmes. A total of 18 face-to-face and distance-learning workshops benefited 890 trade operators (of whom 32% were women) from 45 developing countries, including 12 least developed countries.

433. TrainForTrade worked in collaboration with regional organizations such as the Economic Community of West African States (ECOWAS), the West African Economic and Monetary Union (UEMOA) and the Latin American and Caribbean Economic System (SELA). About 142 of these trainees followed distance-learning courses all over the world. Seven train-the-trainer courses, including on distance-learning techniques, were organized for 93 African, Asian and Latin American trade operators. As a capacity building result, 261 trainees were trained by local trainers all around the world.

434. *Course Development:* With strong expertise in training and methodological skills, the TrainForTrade programme developed and updated training packages to feed the specific needs of beneficiary countries according to their local environment. Face-to-face and e-learning packages have been developed on Investment Promotion, Climate Change

and Carbon Market and International Trade Financing Procedures. Furthermore, several other courses have been updated and some elements were adapted for e-learning.

435. **Course Delivery:** Hybrid training, the combination of e-learning and traditional face-to-face delivery, was used in many different ways. The most common approach was to organize an e-learning seminar for a group of participants before a face-to-face delivery. This increased the exchanges among participants and raised the level of face-to-face seminars. In specific cases, e-learning was used to replace experts that could not travel in the beneficiary country.

436. In Angola, a new way of using audio-conference was used to replace basic chat sessions: questions were posted on the chat room and the experts provided answers through audio-conference over the Internet.

437. The forum is indeed a very powerful element of the TrainForTrade e-learning platform: for instance, more than 2000 messages were exchanged in one month during the course on Legal Aspects of E-commerce held in Latin-America.

438. **Increased Cooperation on E-learning:** TrainForTrade cooperates with OCHA in their e-learning activities to share experiences and strengthen the skills of the two agencies in this area. UNOG/SDLS also plans to collaborate on e-learning and a dedicated platform is currently shared by TrainForTrade and SDLS. Increasingly, TrainForTrade is recognized as a key player in distance learning tools by Geneva-based organizations. A community of practice is sought to be established in the very near future, whereby TrainForTrade would play a pivotal role.

1. Training programme on international trade and investment

439. **Country level activities:** In Angola, the four-year TrainForTrade project funded by the European Commission successfully continued its activities. Several new TrainForTrade courses were planned and developed in Portuguese among which:

(a) A first course on “Climate Change and the Carbon Market” delivered in two phases: a distance learning component (2 weeks) and a face-to-face workshop (4 days). It was attended by 40 participants from several Ministries (Environment, Energy and Water, Oil, Agriculture, Rural Development and Fisheries and Commerce), civil society, as well as other institutions. This activity improved the capacity of participants to implement the United Nations Framework Convention on Climate Change (UNFCCC) and the Kyoto Protocol in Angola;

(b) A national study on investment was published in Portuguese with the aim of systematizing information on legal framework of investment and specific situations in Angola;

(c) A seminar on consumer protection, attended by 72 participants, was held to raise awareness on the importance of consumer protection and the needs for regulation to ensure law enforcement and facilitate market surveillance. Following the recommendations of the seminar, TrainForTrade in collaboration with the Competition and Consumer Policies Branch in UNCTAD, are currently assisting the Angolan government in drafting regulations for the Angolan consumer protection law; and

(d) The UNCTAD Least Developed Countries Report 2010 was launched in Angola through an official ceremony attended by the Minister of Commerce; focal points of the TrainForTrade project for Angola; and other high-level representatives.

440. In the framework of the joint project UNCTAD/TrainForTrade and the International Trade Centre (ITC) in Guinea, two activities were organized:

(a) Creating a team of qualified trainers from several Ministries and national institutions through the development of trade-related training capacities at the local level; and

(b) The organization of a workshop on theories and techniques of negotiation particularly on trade-related issues in which 32 officials were trained and are now supporting Guinea on its international negotiations.

441. Due to the electoral process from June to November 2010, remaining project activities of the first year had to be rescheduled.

442. **Regional activities:** In partnership with the ECOWAS, TrainForTrade organized a training programme for national directors of commerce on “International Trade Financing” and the difficulties faced by African exporters. As a result, Burkina Faso, Senegal and Togo submitted a request for national training on the subject.

443. TrainForTrade was also very active with the UEMOA. At the launching of UEMOA’s Regional Trade Promotion programme in Abidjan, TrainForTrade was invited to speak on the subject of capacity building. As a result of this meeting and in the framework of the cooperation agreement signed in 2008 by UNCTAD and UEMOA, TrainForTrade worked in partnership with UEMOA’s trade experts to develop a regional training programme on trade-related capacity building to be implemented in 2011.

444. Thanks to the excellent cooperation with SELA and the contribution from the Kingdom of Spain, TrainForTrade organized the “Negotiators of International Investment Agreements” course in Santo Domingo, Dominican Republic. Twenty-five representatives from 13 countries attended the course (Bolivia, Chile, Colombia, Cuba, Dominican Republic, Ecuador, Guatemala, Jamaica, Mexico, Nicaragua, Panama, Uruguay and the Bolivarian Republic of Venezuela). This face-to-face course was a follow-up to a distance learning course delivered in 2009 by UNCTAD national experts for the 17 SELA member countries.

445. The presence of TrainForTrade at the Western and Central African Enhanced Integrated Framework workshop held in Bamako in December 2010 led to expressions of strong interest in working with TrainForTrade by the Central African Republic, Chad, the Gambia, Mauritania, Niger, and Sierra Leone.

446. The distance learning course, “Legal Aspects of Electronic Commerce” was organized in November 2010 for 210 participants from 19 countries of SELA. This course was delivered through the TrainForTrade platform, which engaged the participants with necessary tools to learn and understand legal and regulatory aspects of e-commerce. The outcome of the discussions and exchanges of experiences strengthened the knowledge of this topic in the region. At the same time, this exercise allowed national and regional updating of information, which was compiled and included in the national and regional data base.

2. Training programme on sustainable tourism for development

447. Throughout the year, TrainForTrade continued its activities for the development of capacities on sustainable tourism through collaboration mechanisms with national (regional and local) authorities, civil society and private sector. In the current environment, whereby the regional level plays a facilitator and pivotal role among the national and the local levels, stakeholders in LDCs are called to endorse increasing responsibilities, in particular, in the formulation of comprehensive and mutually-agreed tourism development strategies. In this context, the following activities were undertaken in Africa:

(a) A new training cycle on sustainable tourism for development was launched in Angola ranging from a hybrid seminar in Benguela on institutional support to enhance

national policy dialogue to a sector-wide study to identify opportunities and weaknesses in the tourism sector;

(b) A study tour was organized for representatives of the Benin tourism sector to Senegal which resulted in the preparation of several project proposals in the field of sustainable tourism by the Beninese stakeholders; and

(c) A joint UNCTAD TrainForTrade/UEMOA training cycle on sustainable tourism was launched in October 2010 with the organization of a regional seminar for 22 high-level tourism representatives from the member States and regional institutions. As a result of the training activity, key stakeholders at the national level now share a common vision on sustainable tourism and the needs for harmonizing discussions on the regional UEMOA legal framework. At the regional level, UNCTAD and TrainForTrade joined their efforts towards the formulation of a regional capacity building project on sustainable tourism issues, capitalizing the regional Tourism Act adopted by UEMOA in February 2010.

448. Technical assistance missions were undertaken to El Salvador and Nicaragua to consolidate cooperation opportunities following a successful first regional training on sustainable tourism for development held in Guatemala in 2009.

449. TrainForTrade was active in its capacity as Executive Secretariat of the UNCTAD Task Force on Sustainable Tourism for Development in the preparations for the High-Level International Meeting of Experts on Sustainable Tourism for Development in the Least Developed Countries held in Caen, France, from 12 to 14 October. TrainForTrade organized a session on the linkages among the three levels (macro, meso and micro-economic) and on the participatory approach needed for successful sustainable tourism development and planning. The outcome of the event is shown in the Caen Conclusions, with 18 specific points instrumental in recognizing sustainable tourism as one of the key tools for poverty reduction and the achievement of the Millennium Development Goals for least developed countries. A specific recognition was also given to capacity building, vocational and human resources development activities, of paramount importance to sustain countries' efforts towards the development of a sustainable tourism sector. These inputs contributed to the preparation of the Fourth United Nations Conference on the Least Developed Countries (LDC-IV).

3. Port Training Programme

450. Port Partners of the Port Training Programme Networks gathered in Geneva from 7 to 8 December 2010 for a meeting to discuss their support to beneficiary countries in Africa, Asia and Latin America, as well as to participate in UNCTAD Multi-Year Expert Meeting on Transport and Trade Facilitation focusing on Emerging Challenges and Recent Developments Affecting Transport and Trade.

451. In cooperation with the Dublin Port Company and Irish Aid, TrainForTrade organized the second Training of Technical Tutors for English-speaking Port Communities in Dar Es Salaam, Tanzania in June 2010.

452. In addition, the last four modules of the Modern Port Management course were delivered in each of the countries of the network, namely, Ghana (Ghana Ports and Harbours Authority), Indonesia (PT. Pelabuhan Indonesia), Malaysia (Kuantan Port Consortium), the Maldives (Maldives Ports Limited) and United Republic of Tanzania (United Republic of Tanzania Ports Authority).

453. The dissertation session in these five pilot ports was organized between September and November 2010 and a total of 63 participants were granted the UNCTAD Port Certificates. A Coaching Workshop on the pedagogic aspect of the TrainForTrade methodology was organized in November 2010 for core instructors and focal points. This

event was followed by the International Coordination Meeting in Dublin, Ireland with 29 representatives from Ghana, Namibia, Nigeria, Seychelles, and the United Republic of Tanzania in Africa; and Indonesia, Malaysia and Maldives in Asia. The objectives of the meeting were to present and assess the results and impacts of the pilot phase in the five member countries (Ghana, Indonesia, Malaysia, Maldives and the United Republic of Tanzania), to evaluate the scope for strengthening and expanding this programme to new countries and finally to define the future implementation scheme for new members. The final report was adopted by the representatives and the pilot port member countries already committed to engage in the new cycle of 2011-2012. New port communities will examine the possibilities to integrate the network in 2011.

454. The French-speaking African Ports members of the TrainForTrade Port Training Programme organized new training cycles of the Modern Port Management course for the port communities of Cotonou (Benin), Douala (Cameroon), and Dakar (Senegal). The port of Djibouti started its first implementation of the programme in January 2010 and the cycle is planned over a period of 2 years. In addition, a training-of-trainers seminar was held in Marseille, France, for the port members of the network and the new potential port members. At the same time, some experts were filmed for the purpose of adding more e-learning elements in the training package, which is now available on DVDs and online for port members. A Memorandum of Understanding was signed between Marseille Fos Port Authority (France) and UNCTAD in order to strengthen the long standing relationship that was developed since 1996 to support the French-speaking port communities of Africa.

455. Four seminars were organized by TrainForTrade, in cooperation with the Port of Luanda, in Angola on Modern Port Management. The seminar was attended by 30 participants from the Portuguese-speaking Network from Ports of Luanda, Cabinda, Soyo, Namibe, Lobito and Amboim, as well as national entities. For the first time, modules 3 and 4 were delivered by local instructors. This was followed by the delivery of modules 5 and 6 which included an interactive chat session via Skype between the participants in Luanda, experts from Port of Sines, Portugal and the TrainForTrade team in Geneva.

456. In the framework of the Spanish-speaking Network of the Port Training Programme, participants from Guatemala and Peru participated in an intensive workshop for instructors in Gijón, Spain in June 2010 while the first cycle with the final process of the dissertation panels of the Programme came to its completion in October 2010.

457. UNCTAD organized the Coordination Meeting of its Port Training Programme for the Spanish-speaking Network in Valencia, Spain, in November 2010. Main actors of the Spanish-speaking Network evaluated the activities implemented during the first training cycle of the programme and elaborated the work plan of activities for the second phase of 2011-2012. The representatives from the two new ports from Colombia and Argentina participated in the meeting and discussed their possibilities in participating in the Spanish-speaking network.

B. Course on key issues on the international economic agenda

458. *Outputs:* The course on Key Issues on the International Economic Agenda, or Paragraph 166 course as it is also known, is delivered in two forms: three-week regional courses and short (half-day) courses for diplomats in Geneva.

459. The regional courses continued to enhance the knowledge and understanding of contemporary economic issues among trade policy officials, finance and investment experts from relevant ministries, and academics involved in teaching and researching trade and development issues. 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. During the design phase, UNCTAD collaborated with the United Nations regional commissions 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, policy coherence and implementation. In 2010, two regional courses were organized in Baku, Azerbaijan, for economies in transition (July-August 2010), and in Beirut, Lebanon, for Western Asia (October-November 2010), for a total of 37 participants from 17 countries.

460. The short courses continued to update Geneva-based diplomats on the most recent issues and developments on the international economic agenda. Six such courses were offered in the spring and autumn sessions of 2010, in cooperation with relevant UNCTAD divisions. A total of 178 delegates from 67 permanent missions of developing, transition and developed countries participated in the spring series, while 132 participants from 53 permanent missions attended the autumn term.

461. **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.

462. Several participants of the transition economies course reported that it had distinctly improved their understanding of the impact of the international economy, in particular external shocks such as the financial crisis, on their own economies. Many commented highly on the up-to-date materials, knowledge and information provided at the course, which they found very useful. They also appreciated the depth that the course offered when discussing the value and impact of foreign direct investment for their economies in general and small and medium-sized enterprises in particular, the importance of trade logistics, and the process of trade in services negotiations. Many appreciated the chance to meet other trade and economic officials from the region and to learn about their challenges and efforts in the preparations for investment or trade negotiations. The group work, case studies and the simulation exercise on the GATS appeared to have galvanized an understanding among them that in trade-finance-investment negotiations, whether at bilateral, regional or international levels, attention must be paid to policy coordination and coherence. Some participants felt that the course was an excellent add-on to their own previous academic education. One participant, a professor, indicated that she intended to make full use of the course curricula in her own teaching.

463. Many participants of the course for Western Asia indicated that the course had a positive impact on the knowledge which they felt was required to deal with trade negotiations issues. They understood well the inter-relationships between international trade, investment and other economic policies, which increased their ability to analyze such policies. Many appreciated the development of a road map for their domestic economies aimed at attaining benefits from the access to international markets. They also highly valued the group work and case studies that highlighted the importance of policy coordination, coherence and learning from best practices of other countries. Many also appreciated learning about the challenges that policymakers face in tailoring and selecting appropriate policy options to achieve development goals. Finally, participants felt that the comprehensive nature of the course provided a practical perspective of global economic issues.

464. In the evaluations conducted at the end of the 2010 series of short courses, the diplomats invariably stated that the courses had raised their awareness of trade and development topics, with about 85 per cent stating that the presentations, debates with

presenters as well as other participants, and the materials received were directly useful for their work, for instance, for conducting negotiations or preparing statements and briefs on the topics covered by the courses.

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

465. *Outputs:* The Virtual Institute (Vi) continued to work with universities in developing and transition countries to strengthen their teaching and research capacities on trade and development, and increase policy relevance of their work. It was also engaged in disseminating the research of UNCTAD and other international organizations, and facilitating the exchange of information among its members, in particular through the use of information and communication technologies. 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 Governments of Finland, Spain, Norway and Japan.

466. The year 2010 was particularly productive for the Vi, with a record level reached in the provision of several services. Additionally, four universities from Brazil, Cameroon, China and the Russian Federation joined the Vi in 2010, expanding the Vi network to 55 universities from 32 countries.

467. In the area of support to teaching, the Vi provided advisory and curriculum support to universities in Egypt, Senegal and Tanzania on the development of their trade-related Master's programmes or courses. The Vi, in cooperation with UNCTAD divisions, also developed 3 up-to-date teaching materials for member universities on international economic and legal issues - regional trade agreements, trade and poverty, and economic and legal aspects of foreign direct investment. The production of these materials was funded by the Governments of Finland and Japan. The Vi further contributed grants (through funding from the Governments of Finland and Spain) and expertise for 3 local adaptations of its teaching materials (on regional trade agreements, and on commodities) to the national contexts of member universities in Argentina, Senegal and Uruguay. The Vi also organized five 1-2 week study tours with tailored training programmes at UNCTAD, Vi partner institutions (WTO, ITC, WIPO, ICTSD, ISO, IOM, ILO and the South Centre) and permanent missions for 135 students from the Caribbean, China, Colombia, Russia and Tanzania, as well as shorter sessions for its members in Spain, Switzerland and Germany.

468. In the area of professional development for academics, the Vi organized one regional professional development workshop on natural resources and economic development for 24 African participants (20 from LDCs) sponsored by the Government of Norway. In response to specific requests for strengthening teaching and research capacities at member universities, the Vi also held 8 specialized national workshops on quantitative tools for trade and trade policy analysis, export market analysis, trade negotiations and modern teaching methods for 162 academics from Brazil, Colombia, Peru, Senegal, Uganda and Uruguay. These workshops were delivered in cooperation with UNCTAD's Division on International Trade in Goods, Services and Commodities, the WTO Economic Research and Statistics Division, and Vi's German member, the University of Applied Sciences Berlin, using a combination of funding from the Governments of Spain and Finland. Fifteen academics - 5 from LDCs, sponsored by the Government of Finland, and 10 from Latin America, funded by the Government of Spain - participated in the fifth round of the Vi fellowship programme at UNCTAD.

469. In the area of cooperation among the members of the Vi university network, the year 2010 saw the finalization of four joint research projects funded by the Government of Spain. The two larger projects, involving Vi members from Argentina, Brazil, Chile,

Colombia, Peru, Spain and Uruguay, focused on regional integration and cooperation in Latin America, and on corporate social responsibility in the region. The projects were implemented in cooperation with the Division on Globalization and Development Strategy and the Division on Investment and Enterprise, respectively. The resulting collections of papers were published in book form at UNCTAD and as a special edition of the *International Business Review* at a member university in Colombia. The Vi also used its networking capacity to facilitate North-South and South-South cooperation projects among its members. In the framework of joint support to Vi LDC members, the Vi and the University of Applied Sciences Berlin, using funds from the Government of Finland and the Government of Germany, sponsored North-South teaching (a German expert teaching macroeconomics to university staff in Uganda) and South-South teaching (a Chinese professor lecturing on the Chinese economy at universities in Tanzania and Uganda). The Vi also facilitated the studies of candidates from its member universities in Belarus, Chile, Colombia, Mexico, the Russian Federation and Uganda in the Master's programme in International Economic Law and Policy at the University of Barcelona, co-sponsoring those from Latin America and Uganda. As a pilot project of cooperation with the Fundación CEDDET (Spain) and the University of Barcelona, 32 Vi members from 26 developing and transition countries received scholarships to participate in a 10-week online course on legal instruments of international economic relations and regional cooperation.

470. In the area of dissemination and information exchange services, the Vi website continued to provide access to teaching resources, including more than 900 papers and studies from UNCTAD and partner organizations, to 2,117 individuals from 150 countries. In 2010, the Vi developed 10 new multimedia teaching resources for its members which attracted a total of more than 5,000 hits. It also organized 8 videoconferences disseminating the findings of UNCTAD's flagship reports (TDR, WIR, IER, TIR) to audiences of up to 300 students and academics at universities in Brazil, Colombia, Jordan, Peru and the Russian Federation. The "News" section of the site was kept active, with 65 news items published in 2010. Four quarterly Vi electronic newsletters were produced and distributed to more than 4,100 recipients. In addition to disseminating research, the Vi also used virtual tools to spur the exchange of information among the members of its network, through a website section with profiles of participating universities and academics, and a newly developed section with information about graduate programmes underway at Vi member universities.

471. **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.

472. 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. The three "generic" Vi teaching materials published in 2010 enriched libraries of Vi university members and were used, together with the three materials localized during the year, in teaching undergraduate and graduate students in economics, law and international relations at Vi member universities;

(b) Enhanced academics' research skills, policy orientation of their work, 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, Vi fellowships in 2010 resulted in the development of 17 research papers or articles. The knowledge from the workshop on

natural resources helped participants add content to courses on economics and economic development in Togo and Zambia respectively. The workshop also helped participants understand the importance of cooperation with policymakers in undertaking research. Consequently, for instance, a paper on the mining industry which is being developed by the participant from Zimbabwe will be co-authored with a government representative; 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.

473. 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. Seven 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. For instance, Vi fellowships resulted in the development of 2 new courses, and a number of lectures in regular courses delivered by participating academics' universities. These programmes and courses 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 joint projects, South-South and North-South teaching, and other forms of cooperation; and contributed to the strengthening of their capacity to interact, share and cooperate across different countries and cultures.

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 ^a	Training in the field of foreign trade	1990–2010	France
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

^a Project that had been “operationally but not financially completed” or “completed” in 2010.

XV. Cluster XV. Science, technology and innovation

Lead division: Division for Technology and Logistics (DTL)

474. 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

475. *Development context:* Technological upgrading in the productive sector is a necessary condition for long-term growth, development and improvement of living standard. Science, technology and innovation (STI) also have major contributions to make to the achievement of social and environmental goals such as improving access to health and education, managing natural resources, 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.

476. *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.

477. *Outputs:* Implementation of development account projects in support to capacity-building in Latin American countries with regard to the design and implementation of effective national systems of science, technology and innovation, continued in 2010. Work is carried out in three countries: Peru, the Dominican Republic and El Salvador. Activities are being carried out in full partnership with UNECLAC.

478. In Peru, following a field mission in 2009, the STIP review team submitted a preliminary draft report to the national counterparts in March 2010. The team conducted a second fact finding mission in June 2010 and completed the drafting of the STIP review report. The national counterparts (Vice-Minister of Industry, National Commission of Science and Technology and the Ministry of Foreign Affairs) have been actively involved in the STIP review. The STIP review of Peru, was published in Spanish in January 2011 and in English in April 2011. The report identified 6 sets of recommendations to stimulate the development of science, technology and innovation. It is expected that the STIP document will be an input to the National Strategy for Industrial Innovation currently being drafted. The review will be formally presented in Geneva and in a number of stakeholder events in Peru in May 2011.

479. In the Dominican Republic, a fact-finding mission took place during the second half of October 2010 in collaboration with the Ministry of Higher Education, Science and Technology. The Team met with high- and mid-level Government officials and with business leaders. A first draft has been made available to the national counterpart. The draft contains recommendations for each of the focus sectors (i.e. agriculture, health and energy). The overall findings and recommendations shall be prepared following discussions and consultations on the draft with a broad range of STI stakeholders. A national workshop took place in April 2011.

480. In El Salvador, the STIP review team carried out the first field mission in July 2010 to collect quantitative and qualitative data through interviews with government officials, sector representatives, academia and other stakeholders. A preliminary draft was circulated for comments in early 2011 and a national stakeholders workshop to discuss the draft took place in March 2011.

481. 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

482. *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.

483. **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.

484. **Outputs:** A training session on cybersecurity was organized in 2010 in Tunisia in collaboration with the National Agency for Computer Security – which is the first certified Computer Emergency Response Team in Africa. The training session, which for the first time was delivered in English, trained twelve African specialists on technical aspects of cybercrime and computer security including network security, operating system security, cryptography, system continuity, incident handling etc. The training session also dealt with a variety of broader challenges and related policies. It discussed the issue of cybersecurity from a management and policy perspective and discussed important elements of the legal framework necessary to combat cybercrime.

485. Moreover, participants benefited from several visits to key cybersecurity institutions in Tunis. They had the opportunity to visit different public agencies involved in computer security including the National IT Center and the National Agency for Computer Security. They also visited the National Digital Certification Agency.

486. 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.

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-1356A (AC)	Strengthening science, technology and innovation policies for development in Latin America	2009–	Development Account

XVI. 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)

487. 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

488. **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. 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 (MDGs).

489. **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.

490. Building a network of researchers and policymakers at the national levels and international experts to promote exchanges of views and experiences on policy and practical programmes and projects relevant to the development needs of the countries.

491. **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.

492. The trust fund enabled the commissioning of research inputs by development specialists on existing LDC-specific international support measures in the area of finance and trade, and the analysis of their effectiveness. In addition, research inputs were provided on areas where such measures are absent or incipient (international commodity policy, transfer of technology, climate change mitigation and adaptation).

493. The *Least Developed Countries Report 2010*, subtitled *Towards a New International Development Architecture for LDCs*, focused on the issue of how the existing international development architecture affects the economic development in the LDCs. It provided the analysis of the effectiveness of the existing LDC-specific international support measures, the analysis of global economic regimes which directly affect development and poverty reduction in LDCs and the analysis of the South-South cooperation. It called for the creation of a new international development architecture (NIDA) for the LDCs and identified a forward-looking agenda for action intended to

serve as a major input to the policy debate for the Fourth United Nations Conference on Least Developed Countries in Turkey, May 2011.

494. The report was launched in nine LDCs (Angola, Bangladesh, Ethiopia, Mozambique, Nepal, Sao Tome and Principe, Senegal, the United Republic of Tanzania and Uganda), in four non-LDC developing countries (Kenya, Malaysia, South Africa and Thailand) and in six developed countries (Belgium, Canada, France, Switzerland, the United Kingdom and the United States), in a total of 19 countries. The press coverage in 2010 was more extensive than in 2009: 290 press articles had been published on the LDC Report 2010, compared with 113 articles published on the previous year's Report. An expert meeting was organized to prepare inputs to the LDC 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 LDCR 2007 and LDCR 2008 and sought to develop a deliverable for UNLDC-IV.

495. In 2010, a report entitled "*UNCTAD's Appraisal of the Implementation of the Programme of Action for LDCs for the Decade 2001-2010*" (UNCTAD/ALDC/2009/2) was published. It includes synthesis of several case studies, policy lessons drawn from country-level evidence and implementation experiences as well as best practices as input to the Fourth United Nations Conference on LDCs.

496. The publication, particularly provides: a) a brief account of the challenges faced in undertaking objective and results-oriented assessment of progress and impact evaluation of the Brussels Programme of Action, based on the implementation experience of UNCTAD and the annual review of progress by the regular session of the Trade and Development Board since the adoption of the PoA in 2001, b) An assessment of progress and trends in the implementation of key commitments that are within the mandates and competence of UNCTAD, and c) an analysis of the role of commodities especially non-traditional exports (such as horticulture) in improving the growth and development prospects of LDCs, and d) policy recommendations together with UNCTAD's perspectives and suggestions for the Fourth United Nations Conference on LDCs (UNLDC-IV) to be held in Istanbul, Turkey, in 2011.

497. The study reveals that the main reasons for successful cases are: activist but less interventionist government policies and attractive incentives for investors, effective domestic policies and institutions, a favourable environment for private-sector led growth and targeted donor support. The recommendations and policy conclusions fed into the regional and global level preparatory process for UNLDC-IV.

498. A preparatory expert meeting of LDCs for the Fourth United Nations Conference on LDCs (UNLDC-IV), was held in Caen, France, on 12-14 October 2010. The expert meeting deliberated on "Sustainable Tourism for Development in the Least Developed Countries". The meeting was attended by representatives of 39 member States, of which 25 were from the LDCs. The outcome of the meeting are 18 proposals suggested by participants for a tourism segment of the future United Nations programme of action for the LDCs during 2011-2020. A three-day pre-conference event for the UNLDC-IV was organised in Geneva, Switzerland, 27-29 October, 2010. The topic was "Building Productive Capacities in LDCs for Inclusive and Sustainable Development". The event provided input towards preparation and setting the agenda for the UNLDC-IV as it discussed national and international policies, as well as South-South cooperation that could contribute to development of productive capacities in LDCs.

499. Support and assistance was also provided in response to specific requests from Mali, Niger, Malawi, for the development of national trade development strategies. This was followed-up with project development, implementation and backstopping. In the case of Mali, a Trade Development Strategy was conceptualized and its successful national

launch raised the interest of other LDCs - Niger, Malawi - to have the same exercise carried out.

500. In addition, in response to a request from the Government, a trade related technical assistance national workshop was organized in Guinea Bissau to contribute towards strengthening the ownership of the Enhanced Integrated Framework in the country through sensitization and awareness building among national stakeholders regarding the trade mainstreaming, identification of TRTA needs and project development.

501. Furthermore, contributions and support towards strengthening the ownership of Diagnostic Trade Integration Studies and the Enhanced Integrated Framework implementation in the LDCs, were provided through EIF Regional workshops organized by the EIF secretariat: (Regional Pacific- Vanuatu March 2010; Regional Central and West African LDCs and Haiti - Mali June 2010). At these events UNCTAD shared the findings of its policy analysis and research related to trade mainstreaming and promoted greater awareness regarding UNCTAD's Trade Related Technical assistance (TRTA) that could be made available in response to nationally identified TRTA needs.

502. **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. Feedback on the LDC Report 2010 has been very positive. The representative of the Group of 77 and China at the Trade and Development Board stated that "we find the LDC report both apt and thought provoking, and with implications beyond the LDCs. The title alone *"Towards a New International Development Architecture for LDCs"* could easily apply to the broader development course in general. There is a need for a new international economic architecture which places development at the centre."

503. In addition, Prof. G.A. Cornia (University of Florence, Italy) –a leading development economist– stated that the LDCR 2010 "proposes a new framework for LDCs and their economic partners – both from the developed and the developing world – which is comprehensive and includes a range of innovative ideas." He added that this is "an interesting and innovative report which would benefit from further deliberation".

504. The international community acknowledged the pertinence and originality of the policy proposals and international support mechanisms for LDCs contained in "The Least Developed Countries Report 2010" by using it as a key background document for UNLDC-IV. The Report was presented in all major preparatory events to the Conference. Its ideas and proposals were intensely discussed therein and provided inputs for policy discussions and negotiations.

505. Moreover, the "Draft programme of action for the LDCs for the decade 2011-2020" in paragraph 36 refers to "the new international support architecture", a concept influenced by the NIDA concept of the LDC Report 2010. The document extensively uses concepts developed in LDC reports (productive capacities, for example) and in proposals borrows verbatim from the LDC Report 2010 (for example, on technology, paragraph 58 (p) and on commodities, paragraph 59 (d).

506. The series of national case studies, followed by the pre UNLDC IV expert meeting, focused on the potential contribution of horticultural exports including tropical fruits from African LDCs, and 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 the Fourth United Nations Conference on LDCs (UNLDC- IV). The outcomes assisted LDC delegations in formulating and articulating their negotiating interests during the preparatory process. This should greatly improve the effective participation of LDCs in the preparatory process and at the Conference itself.

B. Activities related to landlocked developing countries (LLDCs)

507. In 2010, UNCTAD continued providing advisory services in the context of the tripartite transit traffic agreement between the People's Republic of China, Mongolia and the Russian Federation. UNCTAD has traditionally been active in North-East Asia to facilitate transit transport cooperation between and among the People's Republic of China, Mongolia and the Russian Federation. Several rounds of negotiations of government representatives from these countries have produced a draft tripartite transit traffic agreement. For various reasons, this work in progress was dormant for some time. However, with the active involvement of UNCTAD, all three negotiating parties made an effort in the year 2010 to revitalize this process with a view to holding direct consultations on the next steps, including the subjects of technical annexes.

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

508. In 2010, technical cooperation activities in favour of SIDS mainly focused on Maldives and Samoa.

509. Following the 2009 study of the concessions Maldives had been enjoying by virtue of LDC status, with suggestions for a "smooth transition strategy" for the country in the context of its upcoming graduation from LDC status, the quarterly "road map for a smooth transition" was regularly updated in 2010, in support of Government's efforts to pursue a dialogue with development partners on maintaining preferential market access, concessions in the multilateral trading system, concessionary development financing, and technical assistance. Further to Maldives' graduation from LDC status in January 2011, UNCTAD has remained available to the Government for any follow-up on the effectiveness of smooth transition measures.

510. Technical assistance was provided to the Government of Samoa through a large part of the year, in the context of Samoa's plea for a moratorium in the countdown toward graduation from LDC status, as a result of the 29 September 2009 tsunami. This assistance resulted in the adoption, on 7 September 2010 by the General Assembly, of resolution 64/295, whereby the Assembly decided "to extend by a period of three years, until 1 January 2014, the transition period Samoa is presently benefiting from, until 16 December 2010, before graduation from least developed country status takes place".

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>
HA1/9X/9BV ^a	Entrée d'Haïti dans le Caricom	1999–2010	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 2010.

XVII. 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)

511. 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)

512. In 2010, UNCTAD continued participating actively in the operationalization and implementation of the Enhanced Integrated Framework. Implemented activities that provided support for a better participation and coordination of the LDC group in the EIF board meetings. Since the majority of LDCs have now completed the DTIS, particular attention was given on 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 policy making 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 program, country and project level and the contribution that may be expected by the National Implementation Arrangements to adapt the framework to the national priorities.

513. A pre-DTIS workshop was organized in Bangladesh, May 2010, to raise awareness of the EIF process and contribute to strengthening its ownership by the 60 participants representing Government, businesses, civil society and academia. Representatives of other EIF agencies and donors attended the workshop, most of them as resource persons.

514. On 27-29 October 2010, UNCTAD organized a regional workshop in Kinshasa, Democratic Republic of the Congo, on multilateral trade and the Enhanced Integrated Framework in five French-speaking LDCs, namely Central African Republic, Chad, Democratic Republic of the Congo, Madagascar and Niger. During the three day workshop, UNCTAD, the EIF Executive Secretariat, UNDP and UNOPS, as well as experts from the five participating countries (EIF country coordinators and focal points, officials and private sector representatives from the Democratic Republic of the Congo) shared their expertise and experiences on facilitating trade mainstreaming in national development plans, strengthening technical and institutional capacities in the area of trade, identifying best practices and making recommendations, fostering national ownership of the EIF.

515. A project on improved Capacity for Trade Policy Formulation in Sierra Leone has been implemented. Under this project a series of field missions were undertaken and two workshop on trade data analysis and trade in services have been organized. The principal purpose of Trade data workshop was to provide practical training in data collection and analysis. The twin purposes of the services workshop were first to raise awareness of

trade in services generally and Sierra Leone's options in current trade negotiations, and second to provide the basis for the establishment of a national trade in services network. A study on trade in services on the laws and commitments of Sierra Leone on Trade in Services was carried to identify As a completion of the project a study tour and training mission of Sierra Leone officials has taken place in Geneva where they met with representatives of various organizations such as WTO, ITC and UNCTAD and attended training session on the Doha development agenda topics.

516. Advisory missions to assist countries in developing projects to be financed from Tier 2 or other arrangements existing in the field has been carried out in Cambodia In the case of Cambodia, a project document has been finalized funded from the multi donor trust fund established at national level to implement the action matrix.

517. Discussions have been held on the follow up. Missions to Lao P.D.R., Vanuatu, Comoros and Uganda led to the formulation of projects based on the action matrices of the respective countries. Some components of the project "Programme d'Appui au développement des exportations PADEX-Benin" in Benin. Other projects are in the pipeline such as the "Setting up of the National Agency of Investment Promotion" and "Customs Modernization" in Comoros, "Support to Maldives Customs Service to upgrade ASYCUDA" in Maldives, "Review the National Priority action Agenda and the Trade Act" and "Customs in-land freight station and the Import tariff act review" and Trade facilitation related activities in Vanuatu. In addition, Pre DTIs support activities were provided to Bhutan through a national EIF sensitization workshop.

B. Trade mainstreaming project

518. In addition to contributing to the above-mentioned activities under the Integrated Framework, activities under the trade-mainstreaming project continued in 2010 and are summarized below.

(a) In 2010, the project funded diverse activities (pre-DTIS, national and regional workshops; study tours, CD ROMs, etc.) in five countries: Guinea-Bissau, Bangladesh, Democratic Republic of the Congo, Mali and Sierra Leone;

(b) On 28-29 January 2010, UNCTAD organized a national workshop in Guinea Bissau to help the country build technical and institutional capacities in trade and poverty reduction strategies and projects formulation for EIF funding;

(c) On 19-20 May 2010, UNCTAD organized a pre-DTIS workshop in Bangladesh in order to raise awareness of the EIF process and increase its ownership by the 60 participants representing Government, businesses, civil society and academia. Representatives of other EIF agencies and donors attended the workshop, most of them as resource persons. CD ROMs with key documents on EIF and all the presentations made at the workshop were provided to each participant for further reference and sharing with their colleagues who did not attend;

(d) On 27-29 October 2010, UNCTAD organized a regional workshop in Kinshasa, Democratic Republic of the Congo, on multilateral trade and the Enhanced Integrated Framework in five French-speaking LDCs, namely Central African Republic, Chad, Democratic Republic of the Congo, Madagascar and Niger. During the three day workshop, UNCTAD, the EIF Executive Secretariat, UNDP and UNOPS, as well as experts from the five participating countries (EIF country coordinators and focal points, officials and private sector representatives from the Democratic Republic of the Congo) shared their expertise and experiences on facilitating trade mainstreaming in national development plans, strengthening technical and institutional capacities in the area of trade, identifying best practices and making recommendations, fostering national ownership of the EIF.

(e) In December 2010, UNCTAD and other United Nations agencies participated in the EIF West African workshop in Mali;

(f) Finally, the project also funded a study tour for Sierra Leone policy makers to visit Geneva based United Nations agencies involved in trade assistance. This was part of further implementation of the project on improved capacity for trade policy formulation and trade information in Sierra Leone.

519. Under the joint work plan with TradeMark Southern Africa 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 non-agricultural market access negotiations and agricultural trade negotiations. In this context several briefings and technical meeting were prepared and consultations meeting were held.

520. A new draft proposal on rules of origin under the Duty Free Quota Free initiatives has been drafted in consultation with the LDCs group. Such proposal has been discussed and subsequently approved at a workshop for LDC countries where country experts have been invited from capitals. The workshop was organized with the WTO secretariat and Trade Mark Southern Africa. The proposal by the LDC group on rules of origin under the Duty Free Quota Free initiative has been officially submitted to WTO secretariat for circulation circulated among WTO member States.

521. Intensive technical assistance and training has been provided to the Tripartite Secretariat composed by officials of the EAC, COMESA and SADC for the drafting and finalization of the Free trade area agreement and relevant legal texts. These texts will form the basis for starting of the negotiations on the establishment of the Tripartite Free trade agreement among the 26 countries members of EAC, COMESA SADC as mandated by decision of October 2008 by the Heads of State of Eastern and Southern Africa.

522. 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.

523. Assistance has been provided to Cambodia's commerce Ministry through a training session on the new EC rules of origin.

C. Market access and trade laws for LDCs

524. A new project came into operation during 2010. The objective of the project is to increase utilization of the market access initiatives in favour of LDCs by supporting rural communities exports and supply capacity of traditional products through the trading opportunities provided by the Multilateral trading system such as GIs, designation of origin and better compliance with SPS requirements. A series of meetings were held with partners' agencies in Geneva to develop synergies during the implementation of the project as well as with the FAO.

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
INT/0T/5BP	Mid-term Review of Progress in Implementation of the Programme of Action for LDCs for the Decade 2001-2010	2005-	Austria, Norway
INT/0T/AAK	Market access and trade laws for LDCs	2010-	Italy

^a Project that had been “operationally but not financially completed” or “completed” in 2010.

XVIII. Cluster XVIII. Executive direction and management and support services

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

525. 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

526. UNCTAD's Annual Report describes the results achieved through its activities as a knowledge-based institution and as an intergovernmental body of the UN family. It also takes stock of the activities carried out during the previous year and indicates the progress achieved in the fulfillment of UNCTAD's mandate. The report contributes towards

enhanced and effective communication about UNCTAD and its work, in accordance with paragraph 187 of the Accra Accord, and the communications strategy adopted by the TDB in 2009. The annual report of UNCTAD has consistently received positive feedback from readers since it adopted

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

527. Following the decision by the Trade and Development Board in 2007, the trust fund enabled the conduct of an evaluation of UNCTAD's technical cooperation dedicated to the least developed countries (LDCs), landlocked developing countries (LLDCs), small island developing States (SIDS) and other structurally weak and vulnerable economies (SWVSEs) in 2010. The objective of this evaluation was to draw conclusions, make recommendations and identify lessons learned for the future orientation of UNCTAD's work to benefit these categories of countries, and contribute towards the effective implementation of its Accra Accord mandates. The evaluation was also aimed at contributing towards discussions in the course of preparations for the Fourth United Nations Conference on LDCs, to be held in 2011. The Working Party welcomed the independent evaluators' report as a very important contribution towards strengthening the programme, endorsed the recommendations of the external evaluators, and reiterated the importance it attaches to the evaluation process in UNCTAD.

3. Strengthening the evaluation function within the United Nations system

528. With the support of the trust fund, UNCTAD has been able to contribute actively towards efforts to strengthen the evaluation function within the UN system, in particular through participation in the inter-agency United Nations Evaluation Group (UNEG). During 2009/2010, UNCTAD continued to contribute towards the development of a UNEG Guidance Manual on How to Integrate Human Rights and Gender Equality in Evaluations. These publications will provide the UN system with practical support on how human rights and gender equality perspectives can be integrated in the various steps of the evaluation process. UNCTAD also participated in the development of guidance on impact evaluations (ongoing), the development of performance indicators for the evaluation function (published), a UNEG quality checklist for evaluation reports (published), and good practice guidelines for the follow-up to evaluations (published).

4. Contribution of UNCTAD to System-wide coherence - Support to inter-agency activities carried out by UNCTAD as lead agency of the United Nations Inter-Agency Cluster on Trade and Productive Capacity - including Training of UN Resident Coordinators and economic advisors

(a) Cooperation within the Cluster at the United Nations System Level

529. With the support of Norway, UNCTAD participated to a number of meetings organized by the United Nations Development Group (UNDG) on issues relative to system-wide coherence. As lead of the UN Inter-agency Cluster on Trade and Productive Capacity, UNCTAD coordinated the position of the Cluster in the different UNDG meetings and Working Groups. The contributions of the Cluster regarded mainly the new financial rules governing the UN-wide Multi-donors Trust Funds (MDTFs) and Joint programming mechanisms. The Cluster also actively contributed to the UNDG Working Group on Change Management to discuss, in the context of the system-wide coherence reforms, the new architecture and coordination between headquarters, regional representations, liaison offices and United Nations Resident Coordinators Offices. In this regard, the Cluster was also invited to present its experience at the Senior Managers

Group of the United Nations Office in Geneva (UNOG) that discussed the lessons learned by the One UN and the system-wide coherence process.

530. UNCTAD participated to the Delivering as One Round tables organized within the General Conference of UNIDO in December 2009 to present the operations of the Cluster.

531. *Training of Resident Coordinators - Geneva, March 2010:* UNCTAD and agencies of the Cluster contributed to the organization of the induction course organized by the UN Development Operations Coordination Office (UN/DOCO) addressed to the newly appointed United Nations Resident Coordinators (UNRCs). In addition to individual agencies' briefings on their specific mandates and activities, UNCTAD organized a special session on 18 March 2011 to inform the UNRCs and advisors about the Cluster.

(b) *Operations of the Cluster at the country level*

532. *Comoros:* UNCTAD participated in the United Nations Country Team Retreat of 5 November 2009. The mission aimed at including the concepts of international trade and productive capacities in the current United Nations Development Assistance Framework (UNDAF). The mission led to the formulation of an outcome entitled "the national trade and investment promotion institutions benefit from the development and strengthening of their capacities". The activities which are coordinated with the Enhanced Integrated Framework (EIF) consist in projects on trade facilitation, port management and investment promotion.

533. *Belarus:* UNCTAD represented the Cluster at the UNDAF Strategic Prioritization Retreat organized in Minsk, Belarus on 21-22 December 2009. The mission aimed at ensuring the inclusion of the concept of international trade in the UNDAF Belarus 2011-2015. The mission allowed such inclusion with the formulation of a clearly identified UNDAF outcome carried out by the Cluster to best respond to the Government priorities. The proposed assistance aims at ensuring the sustainability of the country's economic development notably through innovation and investment. Cooperation between the Cluster and the World Bank Group, in particular the International Finance Corporation is ensured.

534. *Lesotho:* The Cluster coordinates the assistance that its members are providing in Lesotho. In 2010, UNCTAD, together with UNDP, ILO and ITC, participated in the Joint Programme on Economic Growth in Lesotho, which aims at making a concerted effort to strengthen existing businesses, especially at the small and medium scale level, as well as providing skills training to entrepreneurs in the four target districts. This JP is being financed through the Lesotho One United Nations Fund. Additional funds are expected to be available in 2011.

535. *Bhutan:* UNCTAD participated in the United Nations Bhutan Country Programme Board of 28 January 2011. The mission consisted in extensive consultations with the Government in order to propose Cluster's activities in line with the national priorities mentioned in the 10th Five Year Plan of Bhutan. The proposed activities, including enhanced cooperation with UNDP, were formulated to ensure full coordination with the EIF.

536. *Cape-Verde:* UNCTAD participated in the Annual Review of the One United Nations Programme organized in Praia, Cape on 10 February 2010. In Cape Verde, UNCTAD is leading the One UN sub-programme entitled "Integration of Cape Verde into the world economy" carried out within the Cluster with the participation of UNIDO, FAO and ITC. The Programme is aimed at strengthening the capacity of the government to formulate macro-economic policies in consonance with WTO commitments, to reduce the country' debt dependency, develop trade and attract foreign investment.

537. **Islamic Republic of Iran:** UNCTAD mission to the Islamic Republic of Iran in July 2010 to discuss with the Government and the United Nations Resident Coordinator possible assistance from the Cluster. Interest from the Government was expressed particularly in view of the forthcoming UNDAF starting 2012. UNCTAD will coordinate this matter with the United Nations Resident Coordinator and partners agencies within the United Nations Inter-Agency Cluster.

538. **Haiti:** Based on priorities identified by Haiti, UNCTAD coordinated in 2010 the preparation of a concept paper encompassing a programme of assistance on economic recovery and governance prepared by the three agencies of the Cluster ITC, UNCTAD and UNIDO. The interagency portfolio of proposals, for a total amount of \$8,480,900 over 3 years, includes the following areas: external debt; strengthening export capacity in the coffee sector; attraction of foreign investments in the border zone; e-regulations; and industrial standards. The proposals will be fully coordinated with the forth coming EIF process. Further to consultations with the Government of Haiti in October and November 2010, the JP was revised and finalized for submission to the Haiti Recovery Fund, where only UN *interagency* programmes can be submitted. Next steps include: (a) contacts with the new Haitian authorities in view of their confirmation of this portfolio of proposals, and (b) the availability of at least part of the resources needed before submitting the portfolio to the Haiti Recovery Fund. Regarding the proposal on attraction of foreign investments in the border zone, consultations are ongoing with the authorities of the Dominican Republic.

539. **Lao People's Democratic Republic:** UNCTAD mission in February 2010 to introduce the Cluster to the United Nations Resident Coordinator and national authorities, as an effective tool to respond to the national priorities identified in the 7th national plan covering the period 2011-2015. The Cluster's outlines were proposed in coherence with the EIF. In October 2010, another mission aimed at finalizing with national authorities and the main stakeholders a project on "Enhancing sustainable tourism, clean production and export capacity" to be carried out by the Cluster (UNCTAD, UNIDO, ITC, ILO and UNOPS) with the financial support of Switzerland.

B. Gender mainstreaming in trade policies

540. **Development context:** Globalization and trade liberalization generate complex and often contradictory effects on women's access to employment, livelihood and income and ultimately on the household. In some cases, trade liberalization has been associated with rising employment and entrepreneurial opportunities for women. In other cases, it has exacerbated existing gender inequalities and worsened women's economic and social status. Yet trade policies have long been gender-blind.

541. Mainstreaming gender in trade policy means to assess the impacts of trade policies on the wellbeing of men and women and ultimately on the household. Such an assessment will help in (a) better understand the specific challenges and opportunities that women face from market liberalization; (b) design and implement complementary policies aimed at maximizing opportunities for women; and (c) facilitate the transition of women to a more competitive market structure.

542. **Objectives/features:** UNCTAD's activities in this area are aimed at building the human and institutional capacities of key national stakeholders – policymakers and trade negotiators – to mainstream gender in trade policy. The ultimate objective is to make trade instrumental to the achievement of gender equality and women's economic empowerment.

543. UNCTAD's comprehensive work in this area is funded through the Development Account and resources provided by Norway for activities in Lesotho.

544. It includes:

- (a) Analytical work (country case studies on the linkages between trade, gender and development);
- (b) National workshops/training modules (a high-level validation workshop, a trade and gender policy workshop geared to trade policy-makers/policy staff, and a technical workshop targeted at data collection and analysis staff); and
- (c) Awareness-raising among donors, policy- and decision-makers on the need to mainstream gender in trade analysis.

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

(a) Completion of a country case study – A study entitled “Who is benefiting from trade liberalization in Bhutan?: A Gender perspective” was completed. Moving from a quantitative approach, the study seeks to assess who would benefit from trade liberalization/facilitation in Bhutan and, in particular, analyze whether there is a gender bias in the gains from trade. The report is expected to inform the trade policy decisions of the Royal Government of Bhutan, by adding insights on the redistributive effects, within the Bhutanese society, of policies geared to trade liberalization/facilitation (on both the import and export sides);

(b) Development of a methodology to assess the gendered impact of trade policies – Special research was commissioned to an international consultant recognized for pioneering expertise in combining trade and micro-survey data. The research output (methodology) is contained in a Technical Appendix report attached to the country case studies. In the beneficiary countries, local technical staff (economists and statisticians) will be trained in the use of the methodology, with a view to promoting capacity-building in data analysis;

(c) Progress towards the establishment of knowledge-sharing networks – Significant efforts were made to identify suitable counterparts who would favour synergies and complementarities with key stakeholders within the country. The selected national counterparts proved to be an effective catalyst in involving other key institutions, including national statistical offices. A collaborative partnership can be established among these institutions/persons, within and across the selected countries, to build an expert and knowledge-sharing network on trade and gender;

(d) UNCTAD also contributed to the following technical events thanks to resources provided by Canada:

(i) The eight meeting of the DAC Network on Gender Equality (GENDERNET) (Paris, 15-17 June 2010). The GENDERNET is a prominent international forum where gender experts from development co-operation agencies meet to define common approaches in support of gender equality;

(ii) The Expert Group Meeting (EGM) organized by the Office of the Special Adviser on Gender Issues and the United Nations System Staff College (UNSSC) (Turin, 7-10 June 2010). The EGM focused on the development of a mandatory on-line training module on gender mainstreaming in the UN system.

546. **Results:** The GENDERNET meeting contributed to defining common approaches in support of gender equality among development cooperation agencies. The EGM module contributed to defining the minimum common ground for mainstreaming gender in the programmes, policies and activities of the United Nations system and its entities. Support assessment for the activities carried out on outputs 1, 2 and 3 above is not yet feasible at this stage of implementation.

C. Civil society

547. *Development context:* UNCTAD XII, held in Accra in 2008, and UNCTAD XI, held in São Paulo in 2004, 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. 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.

548. *Output:* In May 2010 UNCTAD organized the second annual Public Symposium in collaboration with the United Nations Non-Governmental Liaison Service (UN-NGLS). The two-day event welcomed over 300 participants, and provided an opportunity for open debate on development issues to a wide range of stakeholders, including civil society organizations, member States, international organizations, the private sector, trade unions and academia. The financial contribution of the Government of the Grand Duchy of Luxembourg helped secure the participation of three members of civil society from developing countries. Their participation in the Symposium, along with other representatives from developed and developing countries provided an opportunity to engage and advance UNCTAD's development agenda to a broad spectrum of actors.

549. *Results:* Based on the results of a participant survey, the Public Symposium was very well-received in 2010, with 93% of survey-takers stating they would attend another Symposium in the future. The Public Symposium contributed to furthering the knowledge and skills of civil society in developing countries. 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.

D. Advisory services

550. 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.

551. Under section 22 of the United Nations programme budget, UNCTAD received, for 2010, 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 11 missions in 2010.

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>
CVI/0T/9AL	Delivering as one, Cape Verde	2009-	OneUN
LSO/0T/AAF	Enhancing capacities of Lesotho to Mainstream Gender in Trade Policy	2010-	Norway
GLO/0T/8CG	Support to Avian Influenza and Food Crisis Coordination Office	2008-	UNDP
MOZ/0T/9AZ	Delivering as one, Mozambique	2009-	OneUN
RWA/0T/8BN	Delivering as one, Rwanda	2008-	OneUN
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/4AK	Preparation for the UNCTAD XI High-level Interactive Round Table on Trade and Gender	2004-	Canada
INT/0T/4BS	Strengthening results-based management of UNCTAD programmes	2004-	Norway
INT/0T/7BZ ^a	Civil society activities associated with UNCTAD XII	2007–2010	Ireland
INT/0T/9AK	One UN reform and UN system-wide coherence process	2009-	Spain
ROA-2244 (Q7)	Enhancing Capacities of Developing Countries to Mainstream Gender in Trade Policy	2010-	Development Account
ROA-2246 (S7)	Integration of the Trade Dimension in the United Nations Development Assistance Frameworks	2010-	Development Account
UND12–340	Interregional advisory services	Ongoing	Regular programme of technical cooperation

^a Project that had been “operationally but not financially completed” or “completed” in 2010.