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TRADE AND DEVELOPMENT BOARD  
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Agenda item 3

**REVIEW OF THE UNCTAD SECTION OF THE PROPOSED UNITED  
NATIONS STRATEGIC FRAMEWORK FOR THE PERIOD 2006-2007**

**PROGRAMME 10 – TRADE AND DEVELOPMENT**

1. The main objective of the programme, implemented by the United Nations Conference on Trade and Development (UNCTAD) and the International Trade Centre UNCTAD/WTO (ITC), is to maximize the trade and development opportunities of developing countries and to assist them in their integration into the world economy in a manner that enhances the development opportunities offered by the globalization process.

2. In the four years following the tenth session of UNCTAD, the Bangkok Plan of Action has served as a comprehensive blueprint for the work of the organization and will continue to guide UNCTAD's work in the years to come. UNCTAD XI was an opportunity to identify new developments and issues in the area of trade and development since Bangkok, and to generate greater understanding of the interface and coherence between international processes and negotiations on the one hand and the development strategies and policies that developing countries need to pursue on the other. UNCTAD can play an important role in helping to ensure that coherence for development. Advancing this objective was the overarching goal of the São Paulo Conference and of the work of the organization following the Conference.

3. Since its inception, UNCTAD has consistently offered a perspective that looks closely at the trade- and development-related challenges of developing countries, as well as countries

with economies in transition. Through its three major pillars, namely consensus building, research and policy analysis, and technical assistance, it has contributed to a better understanding of the development process and the factors contributing to uneven economic growth in developing countries. Coordination and synergies among these three areas of work will continue and be enhanced. UNCTAD's independent analytical capacity will be enhanced to ensure the high quality of research and analysis necessary to address key issues of importance to developing countries. The results of such analysis will support and reinforce UNCTAD's activities in consensus building and technical cooperation. In all these areas of work, particular consideration will be given to the needs of least developed countries. UNCTAD's technical cooperation activities should also be strengthened through the implementation and follow-up of the new Technical Cooperation Strategy that the Trade and Development Board approved at its fiftieth session.

4. As the focal point of the United Nations for the integrated treatment of trade and development and interrelated issues in the areas of finance, technology, investment and sustainable development, UNCTAD is expected to make substantial contributions to the implementation of the outcomes of recent global conferences. It will contribute to the implementation of international development goals, including those contained in the Millennium Declaration, and to the follow-up to the 2005 comprehensive review of this implementation. It will contribute to the implementation of, and take specific actions requested in, the Programme of Action for the LDCs for the Decade 2001-2010, the Monterrey Consensus, the Johannesburg Declaration on Sustainable Development and the Plan of Implementation agreed at the World Summit on Sustainable Development, the Declaration of Principles and the Plan of Action of the World Summit on the Information Society, the Almaty Programme of Action: Addressing the Special Needs of Landlocked Developing Countries within a New Global Framework for Transit Transport Cooperation for Landlocked and Transit Developing Countries, and the Programme of Action for the Sustainable Development of Small Island Developing States, including the outcome of its review in Mauritius. It should also contribute to furthering the implementation of internationally agreed goals in the Doha Ministerial Declaration and other relevant decisions.

5. ITC will complement the work of its parent bodies, UNCTAD and WTO, by focusing its technical cooperation activities on supporting the efforts of developing countries and countries with economies in transition, and most particularly their business sectors, to build the capacities needed to realize their full potential for developing exports and improving import operations so that they can compete in the international marketplace. Capacity-building support is provided through information dissemination, training and advisory services. Principal clients of such technical assistance are public and private sector institutions and institutional networks that extend specialized trade support services to the export community in partner countries. Its principal technical cooperation partners are national networks of trade support institutions concerned with the international competitiveness of the small-scale enterprise sector. Priority is given to Africa and the least developed countries.

6. UNCTAD will be responsible for subprogrammes 1 to 5, while ITC will be responsible for subprogramme 6.<sup>1</sup>

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<sup>1</sup> Subprogramme 6 was reviewed by ITC's Joint Advisory Group and is therefore not included in the present document.

## Subprogramme 1: Globalization, interdependence and development

### A. Globalization, interdependence and development

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**Objective of the Organization:** To promote economic policies and strategies at the national, regional and international levels that are supportive of sustained growth and poverty reduction in developing countries, based on faster capital accumulation and increased gains from globalization, against the background of increasing interdependence between the international trading and financial systems and national development strategies and the need for their coherence.

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<b>Expected accomplishments of the Secretariat</b>	<b>Indicators of achievement</b>
(a) Better understanding of policy choices at the national and international level, and their implications for faster and more stable growth and poverty reduction in developing countries as a result of policy advocacy;	(a) Number of endorsements of policy recommendations and acknowledgement of research findings by member States;
(b) Progress towards a solution to the debt problems of developing countries, including through better debt management and, as appropriate, debt relief;	(b) i. Number of institutions using the Debt Management and Financial Analysis System (DMFAS); ii. Increased number of countries having improved external debt positions or gained international commitments to this end;
(c) Improved empirical and statistical foundations and information base for decision-making at the national and international level on trade, financial and economic policies and development strategies;	(c) Number of requests from outside users for statistical publications and information material in electronic and hard-copy format;
(d) Improved policy and institutional environment and enhanced international cooperation for the development of the Palestinian economy through strengthening UNCTAD's activities in this field with adequate resources.	(d) Number of policy and legislative measures and international cooperation initiatives taken.

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### Strategy

7. This subprogramme is under the responsibility of the Division on Globalization and Development Strategies. In its work, the subprogramme will focus on: identifying specific needs and measures arising from the interdependence between trade, finance, investment, technology and macroeconomic policies from the point of view of its effect on development; contributing to a better understanding of coherence between international economic rules,

practices and processes, on the one hand, and national policies and development strategies, on the other; and supporting developing countries in their efforts to formulate development strategies adapted to the challenges of globalization. The objective will be pursued through policy advocacy based on: (1) timely and forward-looking research and analysis of macroeconomic and development policies as well as debt and finance, taking into account the outcomes of relevant major international conferences; (2) the formulation of policy recommendations for appropriate development strategies at the national, regional and international levels to meet the challenges of globalization; (3) furthering consensus building on macroeconomic and development policies that are suited to the specific conditions of developing countries; (4) capacity building in support of such policies, including measures related to external financing and debt. The widest possible dissemination of the subprogramme's reports and documents will be linked closely with the provision of advisory services, training and workshops at the national and international levels; technical cooperation, in particular in the area of debt management; statistical and information services as tools for policy makers and in support of UNCTAD's work programme; and special assistance to the Palestinian people.

## B. Development of Africa

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**Objective of the Organization:** To promote African economic development and fuller participation and successful integration of African countries into the world economy.

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<b>Expected accomplishments of the Secretariat</b>	<b>Indicators of achievement</b>
(a) Increase in the range of national and international policy choices to promote African development in the areas of expertise of UNCTAD;	(a) Increased number of endorsements by African States of policy recommendations;
(b) Increased utilization of services provided in support of the New Partnership for Africa's Development (NEPAD) and various intergovernmental and inter-agency initiatives with regard to Africa.	(b) Increase in number of requests for assistance in support of NEPAD and other such initiatives.

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## Strategy

8. This subprogramme is under the responsibility of the Office of the Special Coordinator for Africa, in the Division on Globalization and Development Strategies. The subprogramme will undertake analytical research in order to identify issues that impact on Africa's economic development, and play an advocacy role in promoting consensus in the international development community on the policy measures that best address Africa's development problems. The research output will be linked closely to the provision of advisory services, training, workshops and lectures with a view to strengthening capacity building.

## Subprogramme 2: Investment, enterprise and technology

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**Objective of the Organization:** To assure developmental gains from international investment flows and technology transfer to developing countries and countries with economies in transition and from enhanced international competitiveness of domestic enterprises in these countries.

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Expected accomplishments of the Secretariat	Indicators of achievement
(a) Increased ability at the national level to discuss international investment issues and their development dimension;	(a) Number of policy makers and other stakeholders who indicate that they are better able to discuss international investment related issues;
(b) Better understanding of a policy environment that will attract and benefit from foreign direct investment and technology transfer, and the development dimension of international agreements;	(b) Number of policy recommendations taken into account by member States.
(c) Improved opportunities for enterprises in developing countries and countries with economies in transition to enhance their competitiveness through deepened linkages between domestic and foreign firms, and better understanding of emerging issues in accounting and reporting standards, corporate responsibility, transparency and good corporate practices.	(c) Percentage of countries which indicate that policy advice and technical assistance by UNCTAD were useful in the design of policies aimed at enhancing the competitiveness of their enterprises.

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### Strategy

9. This subprogramme is implemented under the responsibility of the Division on Investment, Technology and Enterprise Development. To achieve its objective, the subprogramme will aim to improve the understanding of issues and policy choices in international investment, enterprise development and technology transfer, and will continue to strengthen its role as the major source of comprehensive information and analysis of international investment. It will focus on the development dimension of international investment and technology flows, on the interface of global processes and national policy making, and on the integration of investment, technology and enterprise-development policies. The subprogramme will also aim to strengthen the capacity of developing countries, in particular LDCs, at their request, to formulate and implement integrated policies, and to participate in discussions relating to international investment, and to support efforts by developing countries to respond to technological and scientific changes through science and technology reviews and to promote transfer of technology and innovation.

### Subprogramme 3: International trade

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**Objective of the Organization:** To assure developmental gains from international trade, the trading system and trade negotiations in goods and services and to enhance the commodity sector's contribution to the development process for the effective and beneficial integration of developing countries and countries with economies in transition in the global economy.

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<b>Expected accomplishments of the Secretariat</b>	<b>Indicators of achievement</b>
(a) Improved understanding and better ability of developing countries to analyse, formulate and implement appropriate trade policies and strategies in international trade, the international trading system and trade negotiations, and improved capacity to meet the challenges of market access and entry conditions for developing countries' exports;	(a) i. Increased participation of developing countries in world trade and the international trading system;  ii. Number of policy recommendations taken into account by member States;
(b) Strengthened analytical, statistical and information base for trade and trade-related decision-making at the national, regional and international level;	(b) Increase in number of registered and subscribing users of Trade Analysis Information System (TRAINS), World Integrated Trade Solution (WITS) and Agricultural Trade Policy Simulation Model (ATPSM);
(c) Strengthened capacity of developing countries to integrate commodity production and trade into development;	(c) Number of countries in which substantive progress is made in the contribution of the commodity sector to development;
(d) Improved capability of developing countries to identify and address competition and consumer protection issues, and to deal effectively with restrictive business practices;	(d) Number of countries making progress in competition or consumer-protection legislation, specifically through the preparation, adoption or revision of legal instruments, or through measures aimed at enforcing their implementation;
(e) Strengthened capacity of developing countries to pursue both trade and trade policy objectives and sustainable development objectives, in a mutually supportive fashion in the context of the international trading system.	(e) Number of actions taken by developing countries to reconcile trade policy with sustainable development objectives in international discussions and negotiations or through specific policy measures at the national, regional and international level.

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**Strategy**

10. This subprogramme is implemented under the responsibility of the Division on International Trade in Goods and Service, and Commodities. To achieve its objective, the subprogramme will aim to assist developing countries and countries with economies in transition, at their request, to respond effectively to challenges and opportunities and thereby maximize the gains from international trade in goods and services and from international commodity markets. It will monitor and analyse the evolution of the international trading system and trends in international trade from a development perspective, and help countries develop their capacities to participate effectively in trade negotiations and to formulate relevant policies and strategies, with particular attention paid to the concerns of least developed countries. It will provide a forum for policy discussion and consensus building on core and emerging issues of international trade, commodities, trade in services and new and dynamic sectors of international trade. Special emphasis will be placed on the interface between the multilateral trading system and regional trade agreements, coherence between global/regional processes and national policies and strategies, elaboration of development benchmarks, support to South-South cooperation and trade and trade preferences and WTO accession. It will monitor developments in commodity markets and foster a new thrust to international cooperation and partnership in commodities development, diversification, commodity-related financing and risk management. It will also further its work on cross-cutting as well as other important issues such as: trade and poverty; trade and gender; trade, environment and development; competition policy and consumer protection; and trade and other globalization issues. Capacity-building activities will be provided *inter alia* through JITAP and the IF.

#### **Subprogramme 4: Services infrastructure for development, trade efficiency and human resources development**

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**Objective of the Organization:** To improve the competitiveness in international trade of developing countries and countries with economies in transition through efficient and secure trade-supporting services, better and increased utilization of information technology and development of training capacities.

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<b>Expected accomplishments of the Secretariat</b>	<b>Indicators of achievement</b>
(a) Improved developing-country trade logistics through, <i>inter alia</i> , strengthened transport efficiency, trade facilitation, customs and legal framework;	(a) Increased number of specific actions taken by developing countries to improve transport efficiency and trade facilitation;
(b) Improved awareness and understanding by developing countries of policy and strategy options on the economic applications of information and communications technologies;	(b) Increased number of specific actions taken by developing countries to address economic implications of information and communication technologies;
(c) Strengthened human resources development capacity in developing countries in the fields of trade, investment and trade-supporting services.	(c) Percentage of trained trainers having successfully delivered training.

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#### **Strategy**

11. This subprogramme is under the responsibility of the Division for Services Infrastructure for Development and Trade Efficiency. To achieve the objective, the subprogramme will aim to promote access to, and capacity to use, information and knowledge. In particular, the subprogramme will focus on: trade-supporting services, such as transport efficiency, trade facilitation, customs and legal framework; economic applications of information and communication technologies; and capacity development of trade and training institutions. It will pursue the objective through (1) timely and forward-looking research and analysis; (2) the formulation of policy recommendations for appropriate development strategies at the national, regional and international levels; (3) fostering dialogue for consensus building; (4) providing technical assistance; and (5) building the capacity of trade, transport and training institutions. The subprogramme's reports and documents will be widely disseminated through the provision of advisory services, training and workshops at the national and international levels, and where appropriate they will draw upon the knowledge gained through technical cooperation activities.

**Subprogramme 5: Special needs of least developed countries, small island developing States, and of landlocked developing countries, and the related special problems and challenges faced by transit developing countries**

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**Objective of the Organization:** To promote progressive and beneficial integration into the global economy of least developed countries, and facilitate their smooth graduation, and to respond to the special needs of small, vulnerable economies, small island developing States and of landlocked developing countries within a new global framework for transit transport cooperation for landlocked and transit developing countries, in accordance with the Almaty Programme of Action.

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<b>Expected accomplishments of the Secretariat</b>	<b>Indicators of achievement</b>
(a) Increased analytical understanding and consensus in the global economy on the development problems of least developed countries, small island developing States, and landlocked developing countries and the related special problems and challenges faced by transit developing countries as well as structurally weak, and small, vulnerable economies;	(a) Increased number of agreed and recommended policy actions by least developed countries and their development partners;
(b) Better integration of trade policies and priorities in the national development plans of least developed countries through the implementation of the Integrated Framework;	(b) Number of countries making efforts to mainstream their trade policies and priorities into their national development plan;
(c) Increased analytical understanding of LDCs' problems, research and policy analysis in support of LDCs, including through the annual publication of the <i>LDC Report</i> .	(c) Timeliness, quality and relevance of the analytical work undertaken, including with respect to the annual <i>LDC Report</i> , as indicated by the number of endorsements of policy recommendations and acknowledgement of research findings by LDCs;
(d) Enhanced international cooperation to improve transit transport for the trade of landlocked developing countries, within a new global framework for transit transport cooperation for landlocked and transit developing countries;	(d) Number of landlocked developing countries making progress in the improvement of their transit-transport agreements, within a new global framework for transit transport cooperation for landlocked and transit developing countries, and other trade facilitation measures;

- (e) Contribution to the follow-up to the international meeting on the sustainable development of small island developing States in 2005.
- (e) Timely completion of inputs to this follow-up.
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## Strategy

12. This subprogramme is under the responsibility of the Special Programme for the Least Developed Countries, Landlocked Developing Countries and Small Island Developing States. To achieve the above objective, the subprogramme will enhance the work on the special problems of least developed countries, small island developing States, landlocked developing countries and the related special problems and challenges faced by transit developing countries as well as structurally weak, and small, vulnerable economies. The subprogramme will focus its efforts on improving human and institutional capabilities in these countries by conducting research and policy analysis; making policy proposals based on such analysis; and facilitating intergovernmental discussion on issues relating to LDCs, including the status of least developed countries and their smooth graduation. It should also continue to examine the causes of decline in the share of LDCs in world trade and the linkages between trade, growth and poverty reduction with a view to identifying long-term solutions to these problems. This analysis should be carried out on an annual basis through the *LDC Report*. The subprogramme will also focus on implementing technical assistance based on specific needs of these countries; coordinating relevant UNCTAD technical cooperation activities in favour of these countries; and participating in the Integrated Framework for Trade-related Technical Assistance to Least Developed Countries and JITAP. It will thereby contribute to the three global programmes of action for these countries, namely the Programme of Action for the Least Developed Countries for the Decade 2001-2010, the Almaty Programme of Action: Addressing the Special Needs of Landlocked Developing Countries within a New Global Framework for Transit Transport Cooperation for Landlocked and Transit Developing Countries, and the Programme of Action for the Sustainable Development of Small Island Developing States, including the outcome of its review by the international meeting in Mauritius.

### **Legislative mandates**

The mandates below apply to subprogrammes 1 to 5:

- TD/386 Plan of Action, adopted by the United Nations Conference on Trade and Development at its tenth session, on 19 February 2000
- TD/387 Bangkok Declaration: Global Dialogue and Dynamic Engagement, adopted by the United Nations Conference on Trade and Development at its tenth session, on 19 February 2000
- TD/L.382 UNCTAD XI – The Spirit of São Paulo
- TD/410 São Paulo Consensus
- Plan of Action of the World Summit on the Information Society (WSIS-03/Geneva/Doc/5-E)
- Doha Ministerial Declaration of the World Trade Organization (WT/MIN(01)/DEC/1)

### *General Assembly resolutions*

- 55/2 UN Millennium Declaration
- 55/182 International trade and development
- 55/279 Programme of Action for the Least Developed Countries for the Decade 2001-2010
- 56/210 International Conference on Financing for Development
- 57/240 Enhancing international cooperation towards a durable solution to the external debt problem of developing countries
- 57/253 World Summit on Sustainable Development
- 57/300 Strengthening of the United Nations: an agenda for further change
- 58/172 The right to development
- 58/197 International trade and development
- 58/200 Science and technology for development
- 58/201 Almaty Programme of Action: Addressing the Special Needs of Landlocked Developing Countries within a New Global Framework for Transit Transport Cooperation for Landlocked and Transit Developing Countries
- 58/202 International financial system and development
- 58/203 External debt crisis and development
- 58/204 Commodities
- 58/213 Further implementation of the Programme of Action for the Sustainable Development of Small Island Developing States
- 58/220 Economic and technical cooperation among developing countries
- 58/222 Implementation of the first United Nations Decade for the Eradication of Poverty (1997-2006)

- 58/225 Role of the United Nations in promoting development in the context of globalization and interdependence
- 58/228 Third United Nations Conference on the Least Developed Countries
- 58/230 Follow-up to and implementation of the outcome of the International Conference on Financing for Development
- 58/233 New Partnership for Africa's Development: progress in implementation and international support