

UNITED NATIONS CONFERENCE ON TRADE AND DEVELOPMENT

**UNCTAD**



Building Capacity on Trade and Development since 1964

# **A GUIDE TO UNCTAD TECHNICAL COOPERATION**



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# **A GUIDE TO UNCTAD TECHNICAL COOPERATION**



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This is an updated version of the 2009 *Guide to UNCTAD Technical Cooperation*.

Under its technical cooperation activities, UNCTAD provides assistance tailored to the needs of the developing countries, with special attention being paid to the needs of the least developed countries (LDCs) and countries with the greatest needs. UNCTAD technical cooperation activities are a significant element in achieving the objectives outlined in the Accra Accord adopted by UNCTAD XII, held in Accra (Ghana) in April 2008.

As the focal point within the United Nations system for the integrated treatment of trade and development and interrelated issues in the areas of finance, technology, investment, and sustainable development, UNCTAD addresses these issues in a mutually complementary fashion, including through its technical cooperation activities.

UNCTAD technical cooperation is carried out in partnership with other agencies that provide trade-related technical assistance, in consonance with their respective mandates, expertise, and areas of comparative advantage. In delivery of its technical cooperation services, UNCTAD coordinates its activities with its partners, and in particular, members of the United Nations Inter-Agency Cluster on Trade and Productive Capacity.

The Cluster on Trade and Productive Capacity was established in 2007 initially as an instrument and platform for contributing to the United Nations system-wide coherence.<sup>1</sup> Since then, it has been converted into a major mechanism for coordination of technical cooperation services provided, under the leadership of UNCTAD, by its members to developing countries ensuring complementarities, synergies, and sequencing activities.

The thrust of UNCTAD technical cooperation is capacity development in the following main areas of its work, namely:

- Sustainable economic development and poverty reduction;
- Trade; and
- Enhancing the enabling environment to strengthen productive capacity, trade and investment.

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<sup>1</sup> For more information refer to "UN Inter-Agency Cluster on Trade and Productive Capacity -Delivering AID-FORTRADE". United Nations. February 2012 and [www.unsystemceb.org](http://www.unsystemceb.org), [www.undg.org](http://www.undg.org) and [www.unctad.org](http://www.unctad.org).

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# INTRODUCTION

## **OBJECTIVE AND CHARACTERISTICS OF TECHNICAL COOPERATION IN UNCTAD**



## A. Objective

The objective of UNCTAD's technical cooperation is to assist developing countries to integrate into the global economy by enhancing their capacity for their effective participation in the world economy, particularly in international trade, finance and investment.

This involves:

- Helping developing countries to better understand their economic problems and to find tailor made solutions;
- Enhancing the human and institutional capacities in developing countries for formulation and the implementation of development policies and creation of an environment conducive to sustainable development; and
- Enabling developing countries to become effective negotiators in the fields of international trade, finance and investment, as well as help them implement the results of those negotiations.

UNCTAD capacity development seeks to enhancing developing countries endogenous capacity to formulate, implement and evaluate home-grown policies for (a) the development and diversification of their domestic productive sector; (b) the design and implementation of trade and investment policies and negotiating strategies; and (c) the development of trade support services, within the framework of their goals and taking into account the evolving international economic environment.

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## B. Features

The three pillars of UNCTAD are the research and analytical work of the secretariat, the intergovernmental deliberative work for consensus-building, and technical cooperation. They form an organic whole and they are interrelated.

Technical cooperation work of UNCTAD covers a wide range of issues. It complements and is supportive of policy-oriented analytical work and the deliberative work of intergovernmental machinery. This work is being undertaken mainly through the implementation of technical cooperation projects and revolves around policy analysis, human resources capacity-building and institutional capacity-building, as well as advocacy.

National economic governance involves (a) putting in place the policy and regulatory/legislative frameworks for the management of the economy; (b) the capacity for the implementation of policies, regulations, and laws; and (c) the establishment of institutions for the enforcement of such policies, regulations, and laws.

Technical cooperation work of UNCTAD plays a major role in the process of national economic governance of beneficiary countries, as it:

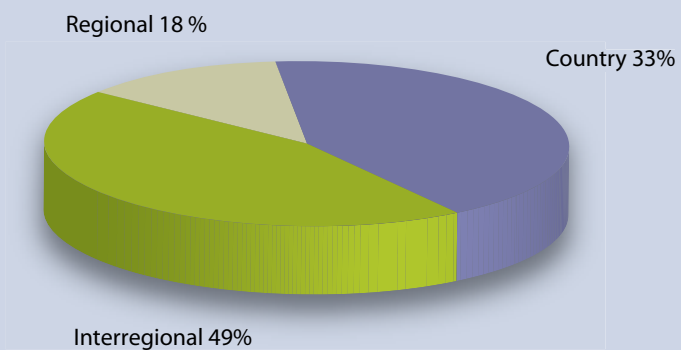
- Provides policy advice and assistance for formulation of policies, laws and regulations;
  - Implements programmes and projects for the establishment and or development of institutions supportive of implementation and enforcement of such policies, laws and regulations; and
  - Provides training programmes in the context of implementing capacity-creating or capacity-developing projects to manage the institutions set up to implement policies and enforce laws.
-

## C. What are the different types of projects?

Some 260 projects are currently being implemented in more than 100 countries, with annual expenditures of about \$39 million, financed mostly through extrabudgetary resources.

Technical cooperation activities are carried out on the basis of specific country, subregional, regional or interregional projects:

- Country projects address specific needs and requests from individual countries. Traditionally, they are financed at the country level, either from the national budget or from aid funds available from development assistance programmes funded by multilateral and bilateral donors, or by drawing on loans provided by international or regional financial institutions. At the country level, UNCTAD and its partner members of the UN Inter-agency Cluster on Trade and Productive Capacity aim to provide joint and coordinated programmes related to trade and productive sectors. The Cluster contributes to the introduction of trade and productive sectors policy issues and operations in the One United Nations pilots and in all United Nations -wide country level plans;
  - Subregional and regional projects provide technical assistance to groups of countries, taking into consideration subregional and regional specificities. They are usually initiated at the specific requests of a group of countries, such as an economic cooperation grouping, or, alternatively, following a request from the Conference or the Trade and Development Board;
  - Interregional projects provide a standard service to all participating countries. They also include those projects that are more analytical in nature, designed to buttress UNCTAD policy research and analysis. They also derive from collective requests from different countries, as well as from initiatives of the UNCTAD secretariat in response to specific intergovernmental requests.
-

**Chart 1: Technical cooperation expenditures, by type of project, 2011**

## **D. Who are the beneficiaries?**

The population at large is the ultimate beneficiary of capacity-building and technical cooperation programmes.

The standard of living of people is directly linked to the status of a country's economy, since they are consumers, producers and recipients of public expenditures.

Governments are the main direct beneficiaries of UNCTAD's technical cooperation activities.

These services are available to all developing countries and economies in transition, individually or through intergovernmental organizations, such as regional or subregional groupings. Priority is given to least developed countries (LDCs). The main beneficiaries are usually officials in the relevant government departments. Participants in training and human resources activities are selected by the countries concerned in consultations with the UNCTAD secretariat.

Through their governments, individual companies, both public and private, in particular small and medium-sized enterprises (SMEs), can benefit from numerous UNCTAD projects.

Thus, representatives of the private sector, as important national stakeholders, are invited on a regular basis to attend, in particular, national seminars and workshops on various issues, which help them to have a better understanding of how to integrate themselves into the global economy.

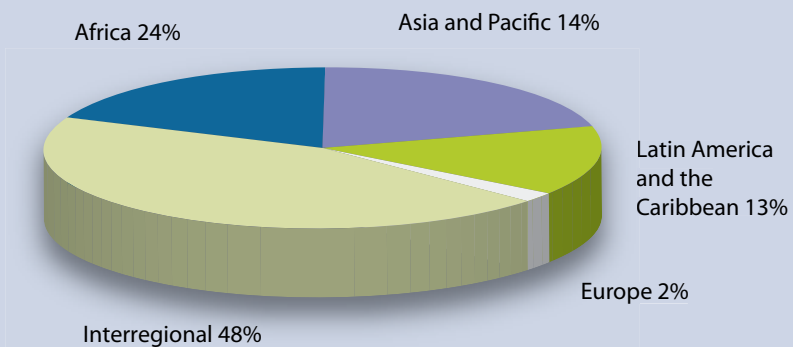
Involving the private sector in technical cooperation activities helps to raise the business community's awareness of issues related to international trade and development, and alerts it to new trading opportunities, as well as to enhance the national policy dialogue.

National ownership is a necessity for turning national stakeholders into active partners in the design and implementation of capacity-building programmes. That goes hand in hand with increasing reliance on expertise from developing countries and emerging economies: ownership and commitment by beneficiaries remain the priority.

Academia also benefits from UNCTAD technical cooperation services, particularly – but not exclusively – from the Virtual Institute on Trade and Development. Several UNCTAD activities targeting parliamentarians and civil society are usually organized in close coordination with the national authorities.

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**Chart 2: Technical cooperation expenditures, by region, 2011  
(Percentage of total yearly expenditure)**



## **E. How is technical cooperation delivered?**

Technical cooperation is delivered in the framework of the UNCTAD's Technical Cooperation Strategy adopted by the Trade and Development Board in October 2003 (TD/B/50/7–TD/B/WP/167; Capacity development – TD/B/50/9–TD/B/WP/168, see website [www.unctad.org](http://www.unctad.org)). The Strategy aims at enhancing the role of UNCTAD's technical cooperation in the context of the Millennium Development Goals (MDGs) as well as placing more emphasis on capacity development as the thrust of the operations. The Strategy calls for further rationalization of UNCTAD technical cooperation around thematic areas closely linked to the analytical work of the secretariat. The Strategy encourages increased partnerships with other international organizations and agencies and interaction with regional organizations and civil society. It emphasizes beneficiaries' ownership and the demand-driven aspect of technical cooperation. It gives priority to activities in support of the LDCs and of developing countries with the greatest needs.

The programmes and projects are always tailored to meet the needs of the individual country(ies) involved.

The main forms of delivery of technical cooperation are:

- Policy and technical advisory services;
- In-depth policy reviews of particular subjects (e.g. investment, trade, science, technology and innovation);
- Training courses, seminars, simulation exercises, workshops or symposia on specific issues;
- Computer-based technical cooperation packages involving the installation of management information systems and advice on how to use them; and
- Supply of trade- and investment-related data.

Mechanisms for the assessment of the effectiveness of technical cooperation services, which are being incorporated into all UNCTAD projects, allow a continuous adaptation of the type and delivery of activities.

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## **F. Where do the resources come from?**

UNCTAD 's technical cooperation activities are financed from three main sources: trust funds, the United Nations Development Programme (UNDP) and the United Nations regular programme budget. In addition, UNCTAD accesses funds from the One United Nations Pilot Funds and from other Delivering as One Initiatives.

Trust fund contributions are provided on a voluntary basis by individual donors: governments, multilateral development and financial institutions, the enterprise sector and various foundations.

Trust fund contributions have grown steadily over the last few years, and currently fund more than 90 per cent of UNCTAD 's technical cooperation programmes.

The major source of UNCTAD 's trust funds is governments. Developed countries are important sources of financing of UNCTAD 's trust funds. The principal bilateral donors are:

Austria, Canada, Finland, France, Germany, Ireland, Luxemburg, the Netherlands, Norway, Spain, Sweden, Switzerland, the United Kingdom and the United States.

The European Commission is also a major source of support for a number of UNCTAD programmes.

Developing countries are increasing their contributions to UNCTAD 's trust funds. These contributions take the form of either:

- General-purpose contributions for the benefit of other developing countries; or
- “Self-financing” arrangements involving the provision of specified services (e.g. in customs modernization or debt management) by UNCTAD in their countries.

Such services are usually financed from loans or grants from the World Bank or the regional development banks.

UNDP was at one time the main source of funding of UNCTAD 's technical cooperation activities. It currently funds some 2 per cent of UNCTAD 's technical cooperation activities.

The United Nations regular programme budget supports UNCTAD 's technical cooperation activities under “interregional advisory services” and “the development account”. This source currently represents about 5 per cent of the total expenditures of UNCTAD 's operational activities.

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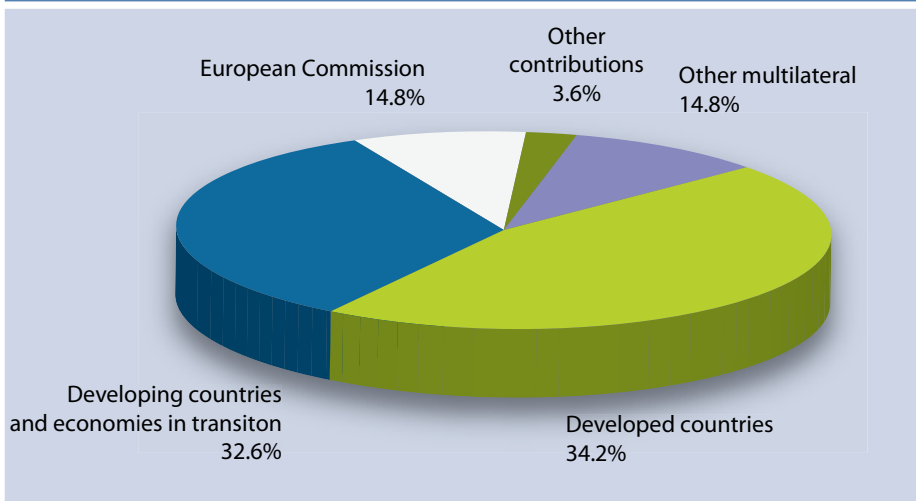


The new funding mechanisms, the multi-donor trust funds and One United Nations funds are specifically designed for inter-agency operations. They are available at the country level to fund joint programmes. This new funding amounts to about 3 per cent of UNCTAD's technical cooperation programmes.

The UNCTAD Trust Fund for LDCs, established in 1996 at UNCTAD IX, is specially designed for programmes dealing with those countries with the greatest needs. It consists of two windows: Window I attracts un-earmarked contributions which can be used for any activity of general support to LDCs, while Window II attracts earmarked contributions in any specific activity of the main areas of UNCTAD's work.

In the context of its mandate to promote cooperation among developing countries, UNCTAD encourages "triangular" cooperation, which involves the provision of technical services to the beneficiary country by another developing country, using finance provided by a third country.

**Chart 3: Origin of trust fund contributions, 2011 (Percentage of total contributions)**



## **G. Who are UNCTAD's main partners?**

UNCTAD is the focal point within the United Nations for the integrated treatment of development and interrelated issues in the areas of trade, finance, investment, technology and sustainable development.

However, the complexity of the issues concerned implies that covering them at the international level is beyond the means of any single organization. Consequently, UNCTAD tries to make an even more effective contribution to technical cooperation activities by seeking close cooperation with other organizations and partners.

Thus, with the active encouragement of many donors, special efforts are made by UNCTAD to establish and maintain close cooperation and coordination with all relevant actors, such as the private sector, non-governmental organizations (NGOs), academic institutions, regional integration groupings of developing countries, and bilateral donors, as well as other UN and specialized agencies. Such cooperation takes the form of joint programmes and projects, formal agreements, ad hoc task forces and the like.

UNCTAD leads in the United Nations system-wide coherence. As mentioned earlier, the UN Cluster on Trade and Productive Capacity was established in 2007, initially as an instrument and platform for contributing to the United Nations system-wide coherence. The major focus of the cluster is to ensure that the issues related to trade and productive capacity are adequately taken into account in the "Delivering as One" process.

"Delivering as One" is an initiative of the United Nations system-wide coherence. The initiative involves a coordinated and coherent approach by all United Nations departments and agencies at the country level.

The Cluster has a flexible and open-ended membership. The current members of the cluster are:

UNCTAD, the United Nations Industrial Development Organization (UNIDO), the Food and Agriculture Organization of the United Nations (FAO), the International Trade Centre UNCTAD/WTO (ITC), the World Trade Organization (WTO), UNDP, the United Nations Environment Programme (UNEP), the International Labour Organization (ILO), the United Nations Commission on International Trade Law (UNCITRAL), the five United Nations regional commissions, i.e. the Economic Commission for Africa (ECA), the Economic Commission for Europe (ECE), the Economic Commission for Latin America and the Caribbean (ECLAC), the Economic and Social Commission for Asia and the Pacific (ESCAP), the Economic and Social Commission for Western Asia (ESCWA) and the United Nations Office for Project Services (UNOPS).

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UNDP continues to be an important partner. A UNCTAD–UNDP Memorandum of Understanding concluded in 2009 seeks to establish a new working framework between the two organizations.

UNCTAD contributes to United Nations programming exercises at the country level, including in the context of the Common Country Assessment (CCA) and the United Nations Development Assistance Framework (UNDAF), conducted under the auspices of the United Nations Resident Coordinators in consultation with the national authorities. The CCA and UNDAF enable the United Nations agencies to develop a coherent approach at the country level that is relevant and responsive to country needs, and is inclusive with regard to the involvement and participation of all agencies, in accordance with national priorities.

Closer cooperation between members of the Cluster and other United Nations agencies in CCA and UNDAF is leading to greater synergy and cooperation. This cooperation is instrumental in achieving the MDGs and implementing the national poverty reduction strategies.

UNCTAD also works closely with the International Monetary Fund (IMF) on debt management, customs reform, trade information, risk management, transport and investment, and the World Bank on specific training courses and trade-related technical cooperation activities.

UNCTAD and six other international agencies – namely the IMF, ITC, UNDP, UNIDO, the World Bank and WTO – implement the Enhanced Integrated Framework for Trade-Related Technical Assistance to Least Developed Countries (EIF). This programme is intended to help the LDCs integrate into the world economy through effective participation in the multilateral trading system, capacity building in human resources, enhancement of supply capacities and improvement in export competitiveness. UNCTAD, in close cooperation with other core agencies, is playing an active part in the implementation of this framework. All UNCTAD technical cooperation activities related to LDCs are supportive of and complement the Integrated Framework.

UNCTAD also seeks to establish closer links with the private sector and more specifically with NGOs.

NGOs are considered full-fledged partners, as they can contribute to the different technical cooperation programmes, not only financially in certain cases, but also, and especially, “technically”, as they can help to design and implement those programmes.

Other organizations also work closely with UNCTAD on specific issues related to technical cooperation.

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## H. How to request technical cooperation

A State member of UNCTAD or a regional institution wishing to obtain technical cooperation from the UNCTAD secretariat should submit a request in writing, with an indication of the nature and contents of the assistance required.

The request should be addressed to:

**Technical Cooperation Service**

UNCTAD

Palais des Nations

CH-1211 Geneva 10

Switzerland

Tel.: +41 22 917 5594

Fax: + 41 22 917 0043

E-Mail: [tc@unctad.org](mailto:tc@unctad.org)

Website: <http://www.unctad.org>

Requests may also be addressed through the nearest United Nations Resident Coordinator office.

The UNCTAD secretariat will, in consultation with the requesting beneficiary, consider sending a fact-finding mission in order to define all aspects of the proposed activities. Once the rationale of the activity has been determined, UNCTAD will, in cooperation with the beneficiary, seek to secure the financial resources necessary for implementing the project.

The annual reports on technical cooperation, as well as up-to-date information on publications, technical cooperation activities and database, and UNCTAD meetings, can be found on the UNCTAD website at [www.unctad.org](http://www.unctad.org) technical cooperation.

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## **Areas of activities and main programmes of technical cooperation of UNCTAD**

UNCTAD's technical cooperation programmes and projects cover various areas of activity, with international trade, finance, investment, enterprise development, trade facilitation and technology being among the main ones. This chapter provides a description of the main projects and programmes undertaken by UNCTAD.

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**PART I**

**INTERNATIONAL TRADE  
IN GOODS AND SERVICE**

The programmes presented here aim at expanding the trading opportunities of developing countries by building up their capacity in this area through policy advisory services, access to information, and training. The emphasis is on enlargement and improvement of export market opportunities.

## **A. Trade analysis and research**

Two main types of technical cooperation and capacity-building activities are carried out in the context of trade analysis and research, namely (a) the maintenance, upgrading and development of new analytical tools and databases, such as TRAINS (Trade Analysis and Information System)/WITS (World Integrated Trade Solution), and a new database on non-tariff measures (NTMs); and (b) conducting policy-oriented analytical studies on current and emerging issues in international trade of concern to developing countries, including their participation in new and dynamic sectors of world trade and South–South trade.

### **I. Trade Analysis and Information System**

This programme provides interactive collection and dissemination of computerized trade information.

The objectives are to:

- Increase transparency in international trading conditions;
- Facilitate trade; and
- Provide a comprehensive information system for use by policymakers and economic operators engaged in exporting.

### **II. Collection and quantification of non-tariff measures<sup>2</sup>**

Work in this area is carried out in the context of a pilot project. The purpose is to draw up a systematic methodology of definition and collection on NTMs by drawing information from official sources as well as barriers faced by the traders in the pilot countries. The project in addition to increase the general understanding of NTMs, helps to:

- Determine the types and sources of non-tariff barriers to trade;
- Test feasibility of the preliminary template of NTMs classification;

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<sup>2</sup> <http://ntbinfo.org>.

- Explore the range of data collection options, such as web-based portal and survey-based study, under the new classification format to maximize the data coverage;
- Identify and suggest possible options to increase accuracy and maintaining such complex database.

Selected countries are covered by the pilot project. The pilot project should be the backbone for a subsequent global multi-agency effort on the issue of collection, classification, quantification and development impacts of NTMs and help future negotiations.

The following types of activities are undertaken on analytical tools and databases:

- Coordination of the Multi-Agency Support Team (MAST) work regarding the definition, classification, collection and quantification of NTMs;
- National and regional demonstration sessions for available analytical tools and modelling results on NTMs;
- Training activities at national and regional focal points (ALADI, Andean Community, the Common Market for Eastern and Southern Africa (COMESA), the Southern Africa Development Community (SADC)), as well as United Nations regional commissions on the use of the TRAINS database;
- Advisory services supporting developing countries' assessment of trade negotiations, including nonagricultural market access negotiations; and
- Organization of workshops and intensive training courses for delegates to the WTO and UNCTAD.

Regarding policy-oriented studies, a major objective is the dissemination of analysis and presentations on trade policy issues in technical cooperation activities organized by UNCTAD, other international organizations (WTO, World Bank, Organization for Economic Cooperation and Development (OECD), FAO, etc.) and civil society organizations (local universities, think tanks and other research institutions).

### **III. Enhancing the participation of developing countries in dynamics and new sectors of international trade**

The purpose of this programme is to enhance the supply capacity of developing countries and countries with economies in transition in dynamic and new sectors of international trade, through innovation, networking and information sharing.

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The programme follows the inter-related steps and has the following objectives and activities:

- Improve understanding and dissemination of successful experiences to build new capacities for production and exports of dynamic and new products and services;
- Conduct diagnostic studies, including training packages, to assess economic viability of developing countries to embark in production and trade in specific dynamic and new sectors;
- Organize national/regional workshops to provide training and to establish knowledge and information sharing networks;
- Help formulate national/regional strategies to improve competitive supply capacity, investment, market support conditions and trade facilitation measures for individual sectors;
- Provide follow-up technical support to governments and private sector in the preparation of implementation strategies;
- Establish effective public–private knowledge networks and partnerships to implement national or regional strategies to diversify exports into dynamic and new sectors of world trade;
- Organize conferences/workshops to strengthen networks among various public-private knowledge partnerships.

## **B. Trade negotiations and commercial diplomacy**

UNCTAD implements trade-related technical cooperation and capacity-building activities that assist in the beneficial integration of developing countries, especially LDCs, into the international trading system, international trade and trade negotiations so as to ensure development gains and poverty reduction. This includes activities aimed at monitoring and assessing the evolution of the trading system from a development perspective, formulating national trade policies and analyses in relation to poverty reduction, and developing trade and trade-related capacities. Key issues to be addressed include special and differential treatment, South–South trade, WTO accession, trade in services, Trade-Related Aspects of Intellectual Property Rights (TRIPS) and development, development benchmarks (as in services), trade and poverty, and trade and gender. The interface between the multilateral trading system and regional trade agreements is also a key area of focus. UNCTAD helps

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developing countries and countries with economies in transition to establish their own negotiating priorities and their capacity to negotiate and implement bilateral, regional and multilateral trade agreements.

Support is provided through capacity-building, advisory services, workshops and training seminars for developing countries, especially LDCs, and countries with economies in transition in building human, institutional and regulatory capacities. Activities include:

- Assistance to developing countries and countries with economies in transition in their accession to the WTO (the programme involves assistance prior to, during and after accession);
- Capacity-building activities, involving collaboration with the private sector, for the strengthening of policymaking in services and promotion of international trade in services;
- Assistance with regional trade negotiations among developing countries and between them and developed countries;
- Assistance in improving the utilization of the Generalized System of Preferences schemes and other preferential trade arrangements;
- Commercial diplomacy training activities on trade negotiations;
- Training activities on trade-related dispute settlement mechanisms;
- Support to cross-divisional activities such as inputs to the Enhanced Integrated Framework for Trade-Related Technical Assistance to LDCs; and participation in the UNCTAD training courses on the Key Issues of the International Economic Agenda under paragraph 166 of the UNCTAD X Plan of Action;
- Technical backstopping support of the negotiations carried out in the context of the Global System of Trade Preferences (GSTP) Committee of Participants, as well as assistance in disseminating information on the GSTP to the general public.

## **C. Trade, environment and development**

UNCTAD is engaged in a broad programme of work on strengthening the capacities of developing countries, especially LDCs, to make trade and environmental policies mutually supportive and guided by a development-oriented approach. The overarching long-term objective of UNCTAD's technical cooperation and capacity-

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building programme on trade, environment and development is to enhance the capacities of developing countries to analyse those issues and address them at the national, regional and international levels in a manner consistent with their development priorities. In addition, UNCTAD promotes practical mechanisms aimed at addressing specific problems identified in its technical cooperation activities or intergovernmental work, or promoting trade in environmentally-friendly products. Technical cooperation and capacity-building activities on trade, environment and development focus on a number of priority subjects:

- Market access issues, including environmental requirements and export competitiveness, as well as trading opportunities for environmentally preferable products;
- Trade liberalization in environmental goods and services (EGS);
- Protection and sustainable use of biodiversity and traditional knowledge;
- Various technical cooperation activities carried out under the UNEP-UNCTAD Capacity-Building Task Force on Trade, Environment and Development (CBTF);
- Assisting developing countries in seizing the trade and investment opportunities of the emerging climate regime and carbon market;
- Activities by the International Task Force on Harmonization and Equivalence in Organic Agriculture (ITF) launched by UNCTAD, FAO and the International Federation of Organic Agricultural Movements (IFOAM);
- The Consultative Task Force on Environmental Requirements and Market Access for Developing Countries (CTF);
- Building Capacity for Improved Policymaking and Negotiation on Key Trade and Environment Issues;
- Activities and partnerships carried out in the context of the BioTrade Initiative at national, regional and subregional level;
- Activities and partnerships carried out in the context of the Climate Change Programme.

UNCTAD's Trade, Environment and Development Website<sup>3</sup> is a capacity-building tool in itself, and a rich source of information on the main trade and environment issues of interest to developing countries.

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<sup>3</sup> [www.unctad.org/trade\\_env](http://www.unctad.org/trade_env).

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In addition to the general activities described above, UNCTAD has some more specialized programmes on trade and environment:

### **I. The BioTrade Initiative<sup>4</sup>**

This is aimed at stimulating trade and investment in biodiversity-based products in development countries to promote sustainable development in line with the three objectives of the Convention on Biodiversity (CBD):

- (a) Conservation of biological diversity;
- (b) Sustainable use of its components;
- (c) Fair and equitable sharing of the benefits arising from the utilization of genetic resources.

The Initiative collaborates closely with various actors, including government, the private sector, NGOs, local and indigenous communities, and academia, to set up programmes that enhance the capability of developing countries to produce value-added products and services derived from biodiversity for both domestic and international markets.

The BioTrade Initiative comprises three complementary components:

- Country and regional programmes;
- Policy development and trade facilitation; and
- Internet services.

### **II. Climate change programme<sup>5</sup>**

UNCTAD's work on climate change focuses on the trade and investment impacts of the emerging climate regime and carbon market, with a particular emphasis on potential opportunities available to developing countries. It supports the establishment of public–private operational entities in developing countries, particularly in LDCs and countries with economies in transition, in order to facilitate investments and maximize the sustainable development benefits of the Clean Development Mechanism (CDM), one of the “flexibility mechanisms” of the Kyoto Protocol of the United Nations Framework Convention on Climate Change (UNFCCC). The main objective is to promote developing countries' participation in the emerging carbon market through the use of clean technologies and by bringing together Governments, industry and civil society.

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<sup>4</sup> [www.biotrade.org](http://www.biotrade.org).

<sup>5</sup> [www.unctad.org/ghg](http://www.unctad.org/ghg).

## D. Competition and consumer policies<sup>6</sup>

UNCTAD's technical cooperation and capacity-building activities on competition and consumer policies is directed at assisting developing countries, especially LDCs, as well as economies in transition, in formulating or revising competition policies and legislation, at contributing to the building of national institutional capacity, at providing government officials and private entrepreneurs with a better understanding of competition laws and policies, and at supporting regional cooperation. UNCTAD provides technical cooperation related to preparation, adoption, revision or implementation of national competition and consumer protection policies and legislation. Such assistance contributes to a better understanding of the issues involved and it helps to building national institutional capacity to enforce effective competition legislation. Such assistance is delivered through training and advisory missions, and national seminars and workshops.

The main types of technical cooperation activities can be described as follows:

- Provision of information about anti-competitive practices, their existence and possible adverse effects on the economy. This may involve a study on these practices in a specific country;
- Introductory seminars directed at a wide audience, including government officials and academics, as well as business and consumer-oriented circles;
- Assistance to States or regional organizations which are in the process of drafting competition legislation in the form of provision of information on such legislation in other countries or advice on drafting;
- Advisory services for setting up competition authorities, and enforcement of competition policies. This usually includes training of officials responsible for the actual control of anti-competitive practices and may involve training workshops and/or on-the-job training with competition authorities in countries having experience in the field of competition;
- Seminars for States that have already adopted competition legislation, have experience in the control of anti-competitive practices and wish to enforce the implementation of competition legislation or consult each other on specific cases and exchange information;

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<sup>6</sup> [www.unctad.org/en/subsites/cpolicy](http://www.unctad.org/en/subsites/cpolicy).

- Voluntary peer review of competition law and policy and their enforcement institutions for interested countries, including assistance for follow-up activities on the recommendations of peer review;
  - Assistance to States or regional organizations that wish to revise their competition legislation and seek expert advice from competition authorities in other States, so as to amend their laws in the most effective manner possible; and
  - Assistance to developing countries, including the LDCs as well as economies in transition, with a view to helping them better evaluate the implications of multilateral discussions on competition issues.
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## **PART II**

# **INVESTMENT AND ENTERPRISE DEVELOPMENT**



UNCTAD, within the United Nations system, is the focal point within its mandate on trade and development for matters related foreign direct investment (FDI). The objective of its work is to build productive capacities and enhance international competitiveness through investment and enterprise development.

## **A. Trends, impact and policies related to FDI and TNC activities**

### **I. World Investment Report<sup>7</sup>**

Since 1991, the World Investment Report (a) provides up-to-date and comprehensive data on issues pertaining to FDI and transnational corporations (TNCs); (b) analyses trends and development in FDI; (c) examines the implications of activities by TNCs related to these trends; and (d) assesses international and national policy issues of relevance to developing countries. The World Investment Report is a key instrument to help policymakers improve their understanding of emerging FDI-related issues and policy implications for development and, as a result, to enhance their ability to formulate FDI policies that will contribute to their development objectives. UNCTAD technical assistance in this area therefore aims at:

- Providing analytical and technical expertise for policymakers on matters related to FDI through the preparation of the World Investment Report;
- Contributing to capacity-building in developing countries through peer review mechanisms and organization of workshops; and
- Enhancing the impact of the Report by facilitating the dissemination of its results and policy recommendations through follow-up activities, including workshops, seminars and other events with policymakers, thereby increasing the understanding of key private investment issues and the impact of FDI on development.

### **II. Capacity-building in FDI statistics<sup>8</sup>**

The lack of relevant, reliable and timely information on FDI and TNC activities and the insufficient capacity to analyse such information is part of the problem of attracting FDI in a number of developing countries (particularly LDCs).

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<sup>7</sup> [www.unctad.org/wir](http://www.unctad.org/wir).

<sup>8</sup> [www.unctad.org/fdistatistics](http://www.unctad.org/fdistatistics).

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It thus prevents them from making appropriate decisions and formulating development oriented policies on FDI. Therefore, UNCTAD's aims at increasing FDI inflows to these countries, by formulating FDI policies based on quality FDI data, and information of TNCs operating in the region or the country. More specifically the assistance aims at:

- Enhancing the capacity of government agencies in developing countries to compile, disseminate and analyse data on FDI and TNC activities through implementing internationally recommended methodological standards;
- Enabling national authorities to maintain high-quality and up-to-date databases;
- Enhancing the capacity of national authorities in analysing data on FDI and activities of TNCs and in assessing their impact on the economy;
- Strengthening networking among national authorities involved in FDI data compilation and reporting, and in FDI policy issues and investment promotion activities, so as to facilitate the exchange of experiences;
- Strengthening the regional cooperation through interregional FDI and harmonization of FDI data, which could be used as a platform on the basis of which the regional groups are able to formulate regional plan and initiatives related to FDI.

### III. FDI in tourism and development

Assistance in this area aims at providing information and analyses that will assist policymakers to design policies that best support their development objectives and strategies in the tourism sector.

## B. Investment policies, treaties and facilitation

UNCTAD is an internationally recognized centre of excellence for promoting investment for development. Its expertise-based services improve investment environments and strengthen the human and institutional capacities of countries to attract and benefit from investment.

## I. International investment agreements<sup>9</sup>

The international investment agreement (IIA) work programme is the focal point in the United Nations system for all matters related to IIAs and provides the forum to advance the understanding of issues related to IIAs and their development dimension, including with reference to investor–State dispute resolution. Technical assistance activities aim at helping developing countries participate as effectively as possible in international rule-setting for investment. Based on research work (series for negotiators and policymakers, IIA monitors and databases) and nourished by intergovernmental debates, the following activities are carried out:

- Training and capacity-building courses and workshops: regional training courses, often preceded by distance-learning courses, on the negotiation of IIAs and on the management of investor–State dispute settlement, tailor-made workshops on key issues on IIAs;
- Ad hoc advisory services for requesting countries on the review of IIAs, formulation and/or modernization of investment legal frameworks, investor–State dispute settlement and prevention policies;
- Technical meetings in cooperation with other organizations and contributions to specific conferences and seminars.

## II. Investment policy reviews and follow-up programmes<sup>10</sup>

The investment policy review (IPR) programme, launched in 1999, provides an independent and objective evaluation of the policy, regulatory and institutional environment for FDI and proposes recommendations to governments to attract and maximize the benefits from increased flows of investment.

The IPR is a multi-phase programme that starts with a country-specific evaluation and advisory report, which undergoes a national and international technical peer review and intergovernmental review at the ministerial level. The process culminates with technical assistance activities to support beneficiary countries in implementing selected policy recommendations.

The programme has had significant impact in generating consensus among stakeholders and obtaining the endorsement and commitment of national authorities at the highest levels to implement the recommended actions.

<sup>9</sup> [www.unctad.org/iiia](http://www.unctad.org/iiia).

<sup>10</sup> [www.unctad.org/ipr](http://www.unctad.org/ipr).

### III. Investment facilitation

UNCTAD assists 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. Assistance includes the following elements:

- The investment advisory series: pragmatic publications including toolkits and handbooks, dealing with issues related to investment promotion and facilitation, and the work of investment promotion agencies;
- Advisory services on investment promotion and retention strategies, effective policy advocacy, and the streamlining of investment facilitation and aftercare services;
- Capacity-building workshops based on UNCTAD's advisory and analytical work. These training activities are organized at the national and regional levels, often in cooperation with partner organization, including the World Association of Investment Promotion Agencies;
- Organization of biennial World Investment Forum as well as other international meetings and networking events.

### IV. Other investment-related programmes

- Best practices in investment for development: The objective of this work is to provide a compendium of accessible and practical policy experiences that can help to guide policy making in developing and transitional economies.
- Intellectual property and development: UNCTAD is mandated to examine the development dimension of intellectual property rights. In this context, it:
  - (a) Conducts research and analysis on the development implications of intellectual property rights;
  - (b) Advises requesting countries on appropriate intellectual property frameworks in light of their development needs; and
  - (c) Builds capacity on legal and economic issues related to local pharmaceutical supply capacities, in line with client countries' public health objectives.

- Investment guides and i-portals: These tools are jointly produced by UNCTAD and the International Chamber of Commerce (ICC). The investment guides provide a promotional tool for countries that include reliable and comprehensive information on investment opportunities, regulatory framework and general business environment. I-portal is a computer-based facility that provides investors with pertinent information and data on a country's investment climate and its investment opportunities. It also assists investment promotion agencies in tracking investors through the investment process.

## C. Enterprise development

UNCTAD aims at enhancing the understanding and capacity of developing countries to develop policies aiming at stimulating enterprise development and business facilitation, including on e-tourism. The Enterprise Development Programme answers the need to formulate new enterprise development strategies, by providing policy advice to governments and by working with local institutions to spur the creation and healthy growth of enterprises in developing countries. The programme assists member states in creating a conducive and enabling policy and regulatory environment, and helps them support the outstanding role SMEs play in the economy in general, and more particularly, in job creation.

### I. EMPRETEC<sup>11</sup>

EMPRETEC promotes entrepreneurial skills and helps promising entrepreneurs in putting their ideas into action and fostering businesses. The programme contributes to SMEs growth, also promoting business linkages with larger enterprises, and ultimately leads to job creation, increased investment and, more generally, regional economic development. EMPRETEC's proven entrepreneurial development methodology identifies ten key areas of competences related to entrepreneurial development that are linked to a series of behavioural aspects. Together with methodology, EMPRETEC provides enterprise support centres that offer services such as advisory services and entrepreneurship training workshops within public and private sectors. In addition, UNCTAD:

- Undertakes installation and transfer of EMPRETEC methodologies to national institution of a requesting country;
- Promotes women empowerment and entrepreneurship, including through the competitive UNCTAD Women in Business Award, launched in 2008;

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<sup>11</sup> [www.unctad.org/empretec](http://www.unctad.org/empretec) and [www.empretec.net](http://www.empretec.net).

- Helps governments in implementing public reforms through EMPRETEC training workshops targeting individuals by voluntary and early retirement, students, and micro-entrepreneurs in the informal sector.

## II. Business linkages

The UNCTAD Business Linkage Programme is a multi-stakeholder initiative that transforms linkages between SMEs and TNCs into sustainable business relationships to improve performance, productivity and efficiency of the entire supply chain through training, mentoring, information exchange, quality improvements, innovation and technology transfer. The Business Linkages Programme helps TNCs reduce costs through local sourcing and specialization; at the same time, it offers SMEs access to markets, training opportunities, international business practices, business information and financial resources. Business linkages cover policy advices designed to facilitate sustainable business linkages, but also helps identifying business linkages opportunities, upgrading of SMEs to meet foreign affiliates' requirements, give way of accessing to credit and has programmes designed for supply chain management and entrepreneurship training. UNCTAD provide support in the following areas:

- Building the capacity of national agencies to design, implement and facilitate formation of sustainable and commercially viable business linkages through workshops, training and study tours;
- Developing the productive capacity and competitiveness of SMEs through training, mentoring, information exchanges and quality improvement to enable them integrate successfully in global value chains of TNCs;
- Undertaking value chain mapping surveys to identify opportunities and promote, value chain financing and stimulate the emergence of business development services providers;
- Facilitating wealth and self-employment through entrepreneurship training, business incubation and matchmaking.

## III. e-Tourism<sup>12</sup>

The e-Tourism Programme aims at rebalancing the international tourism system by boosting tourism in developing countries. It seeks to put more power in hands of their SMEs, and help these destinations become autonomous in their search for business.

<sup>12</sup> <http://etourism.unctad.org>.

The Programme aims at enabling public and private tourism stakeholders to implement participative e-strategies through relevant public and private partnerships. The Programme provides a comprehensive information and communication technology (ICT)-centric assistance package aiming at boosting exposures for tourism SMEs by equipping local stakeholders with behavioural, organizational, and technological tools required for localized e-business models implementation.

## **D. Corporate transparency, accounting and insurance**

### **I. Accounting and corporate reporting<sup>13</sup>**

UNCTAD helps developing countries participate in the processes that set internationally recognized accounting and reporting standards, and assists developing countries in building the technical capacity and institutions needed for the implementation of such standards and codes. The centrepiece of the programme is the exchange of views and experiences on technical issues between experts from member States through the annual sessions of the Intergovernmental Working Group of Experts on International Standards of Accounting and Reporting (ISAR), and related workshops and round-tables. Key issues of concern include accounting, auditing, corporate governance, and corporate responsibility. Best practice is disseminated through technical guidance on various aspects of corporate transparency and disclosure. Capacity-building activities include training sessions in such areas as accounting by SMES, the practical implementation of International Financial Reporting Standards, and the improvement of corporate governance disclosure, and corporate responsibility reporting.

### **II. Business facilitation<sup>14</sup>**

Making administrative procedures transparent, swift and efficient is essential to establish an enabling environment for private sector development and to strengthen good governance and the rule of the law. UNCTAD has conceived a web-based e-government transparency system to help developing countries work towards business facilitation through transparency, simplification and automation of rules and procedures relating to enterprise creation and operation. The objectives of the system are to:

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<sup>13</sup> [www.unctad.org/isar](http://www.unctad.org/isar).

<sup>14</sup> [www.businessfacilitation.org](http://www.businessfacilitation.org).

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- Provide full transparency on rules and procedures;
- Help governments to simplify procedures;
- Promote good governance; and
- Set a basis for regional/international harmonization of rules.

### **III. Insurance**

UNCTAD Insurance Programme is aimed at providing developing countries with technical assistance, and it is particularly addressed to help them develop their insurance and reinsurance markets, update their regulatory frameworks, comply with international standards, strengthen their supervisory authorities, produce skilled human capital in the insurance sector, better integrate global markets and improve the competitiveness of their economies.

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**PART III**

**TRADE FACILITATION,  
HUMAN CAPACITY  
DEVELOPMENT,  
SCIENCE, INFORMATION  
AND COMMUNICATION**

## A. Trade logistics

The objectives are to:

- Assist developing countries with the formulation and implementation of policies and programmes in the areas of transport and trade facilitation at national, regional and international levels;
- Develop long-term institutional and operational capacity to implement trade and transport facilitation actions;
- Assist developing countries in trade facilitation negotiations at WTO;
- Assist developing countries in the design and implementation of national legal frameworks in line with international legal instruments and standards.

### I. Transport

Activities in the transport area include the creation of platforms to support the development of efficient transport systems and assistance in the design of solutions to overcome impediments to trade. Advice and operational support is given in the areas of port management, modernization and harmonization of national transport legislation and regulations. In addition institutional and individual capacity building is provided to help elaborate proposals to improve the efficiency of transit transport operations and transit agreements between landlocked countries and their neighbours.

### II. Trade facilitation

UNCTAD assists developing countries in identifying and assessing their particular trade and transport needs and priorities as a necessary prerequisite for the implementation and programming of specific trade and transport facilitation measures. This is done in workshops and seminars at regional and national levels, through the publication of relevant information and training materials, as well as through comprehensive national and regional trade facilitation projects.

In order to help developing countries and LDCs to better understand the scope and implications of the negotiated trade facilitation measures at WTO, UNCTAD develops technical material and cooperates with Geneva- and capital-based negotiators, organizing training seminars and workshops. This is intended to strengthen national institutions in the areas of trade facilitation and help formulate modalities for an effective implementation of negotiated commitments, and coherent operational, technical assistance and capacity building in the field of trade facilitation.

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### III. Automated System for Customs Data (ASYCUDA)

The ASYCUDA programme helps to facilitate trade through the modernization of customs by using information technology to speed up and simplify the clearance process of goods and reduction and simplification of documentation and procedures.

An efficient and effective customs administration is essential to the welfare of all countries. It (a) benefits the national economy by collecting revenue; (b) assists the Government to implement national and international policies; (c) protects the country by combating fraud and illegal trafficking of prohibited and restricted goods; (d) provides statistical information on foreign trade transactions essential for economic planning and facilitates international trade. The ASYCUDA programme is directed at reforming and speeding up the customs clearance process through the introduction of computerization and simplification of procedures, thus minimizing administrative costs to the business community and economies of countries. It also aims at increasing customs revenue, which in many countries accounts for a major part of national budgets, by ensuring that all goods are declared, that duty/tax calculations are correct and that duty/exemption, preferences, etc. are correctly applied and managed. Furthermore, it helps produce reliable and timely trade and fiscal statistics to assist in the economic planning process as a by-product of customs clearance process.

The ASYCUDA system covers several different foreign trade procedures and manages the entire customs clearance process from, or prior to, the arrival of the goods up to their warehousing and ultimate release after payment of duties and taxes. The UNCTAD ASYCUDA programme implements projects including a comprehensive training package that allows for full transfer of ASYCUDA know-how and skills to national customs administrations. This ensures the programme can be sustained by national administrations and increases ownership. The system has been installed or is being implemented in over 90 countries, territories and regions.

## B. Building capacity through human resources development

The objectives are to train policymakers on the integrated treatment of the trade, investment, technology and development issues, support the development of local teaching and research capacities in member countries' academic institutions, and build capacities of trade practitioners in order to assist member countries in developing a sustainable local capacity in these fields.

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TrainForTrade, the Training Courses on Key Issues on International Economic Agenda, and the Virtual Institute on Trade and Development are the three UNCTAD cross-divisional programmes that – by developing human resources – aim to build national and regional capacities in the fields of international trade, trade-related services, investment, sustainable tourism and port management, and create a network of expertise with networking and pedagogical capability in order to create comparative advantage and added value.

They also make extensive use of ICT for distance learning and networking, so as to develop resources and activities adapted to the context of beneficiary countries, including LDCs.

The target population is government officials involved in formulating and implementing effective trade, investment, and finance and development policies. Since other actors play a role in these processes, the programmes are also target trade and transport operators, import/export associations, chambers of commerce and NGOs dealing with trade, investment and development. To reach this population, the Virtual Institute works with the staff of universities involved in teaching and research on policy aspects of international economic and development issues. Regional organizations are also actively involved in TrainForTrade activities. The three programmes offer distinct but complementary services to their beneficiaries:

### **I. TrainForTrade**

The TrainForTrade programme produces and delivers training packages and implements training activities in the framework of technical cooperation projects. UNCTAD designed this programme in 1989, in response to the growing number of requests from developing countries for international trade-related capacity-building. Based on a unique training method which emphasizes ownership of knowledge, TrainForTrade helps countries to further develop their human resources. The approach includes tailor-made training in topics of importance to countries involved, and support to institutional capacity-building through the training of local trainers and tutors in order to ensure a wider dissemination of knowledge imparted.

The quality of TrainForTrade training packages derives from a rigorous methodology, comprising nine phases, which focus on the analysis of training needs, course development, and implementation of evaluation and training. Learning methods can take the form of face-to-face training, distance learning, or a combination of these two.

The programme targets development officials involved in formulating and implementing effective trade, investment, finance and development policies.

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Understanding the key role that other actors play in these processes, the programme also target trade and transport operators, import/export associations, chambers of commerce and NGOs dealing with trade, investment and development.

Evaluations carried out by independent experts acknowledged the quality of materials, the effectiveness of the hybrid training approaches that includes distance learning and face-to-face activities and the value of adapting training methods to local and regional contexts.

## **II. The UNCTAD Virtual Institute on Trade and Development <sup>15</sup>**

The UNCTAD Virtual Institute on Trade and Development (Vi) is a capacity-building and networking programme whose objective is to strengthen professional capacities on trade and development issues at developing and transition country universities and help these universities increase policy orientation and relevance of their work. The Vi supports its member universities in the long run by providing services in four areas:

- **Course design and delivery:** The Vi provides policy advice on the design of courses and programmes, and develops teaching materials on trade and development issues, which the universities subsequently adapt to the conditions in their countries by adding data and analysis on the country, translating into local languages, etc.;
- **Professional development for university staff:** The Vi offers training and learning opportunities both for groups of researchers (regional and national workshops) and individuals (mentoring, especially to junior researchers who work on research projects of specific interest to their universities);
- **Training for students:** The main target of the Vi is university staffs who subsequently teach students in their countries. Exceptionally, the Vi also offers direct training for students when the involvement of international experts provides a value added that the students could not get at their universities. This is done through videoconferences and tailored training programmes for students at Geneva-based organizations (study tours);
- **Cooperation within the network:** In addition to working bilaterally with the universities, the Vi also draws on the potential of South–South and North–South cooperation in university network and supports exchanges of experiences and joint projects among the members in the areas of research, development of teaching materials or professional development.

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<sup>15</sup> <http://vi.unctad.org>.

### III. The regional training courses on key issues on the international economic agenda<sup>16</sup>

This Programme is primarily aimed at policymakers in developing and transition countries who have backgrounds in economics, business, international relations, international law or public administration, who work on international economic issues and related policies. Academics teaching or researching these issues can also attend. The course focuses on the links between trade, investment, finance and development, the design and implementation of related policies, and international negotiations of trade and development issues, with a focus on the needs and interests of developing countries. Its individual modules deal with developmental aspects of trade and financial systems, FDI and enterprise development, the information economy, international trade and transport facilitation, and multilateral and regional trade agreements. The course culminates with a final simulation exercise allowing the participants to use the gradually built knowledge to take on roles in an international negotiation, most often of a current WTO issue. The programme of the course integrates global, regional and national perspectives on trade, finance, and investment and development issues and is designed with the collaboration of regional commissions, experts from UNCTAD Virtual institute member universities and national experts from the host country.

### IV. Short courses on key international economic issues for Geneva-based diplomats<sup>17</sup>

The objective of the programme is to update Geneva-based diplomats on the most recent issues and developments on the international economic agenda, so that they can provide relevant information and advice to their governments and best represent the interests of their countries in international negotiations. The programmes of the courses are demand-driven: the diplomats themselves propose areas on which they would require updating. Their suggestions are complemented by courses on emerging topics on which UNCTAD and its individual divisions conduct research work.

## C. Science, technology and innovation for development

The objectives of UNCTAD technical cooperation in the areas of science, technology and innovation (STI) are to:

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<sup>16</sup> <http://p166.unctad.org>.

<sup>17</sup> <http://p166.unctad.org/shortcourses>.

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- Enhance the scientific and technological capabilities of developing countries and countries with economies in transition; and
- Facilitate their access to new and emerging technologies.

This is accomplished through a combination of:

- Policy advice on STI;
- Assistance to countries for strengthening their human resources base through special training events;
- Analysis and disseminating of information on international best practices in development and transfer of technology.

The main technical cooperation programmes undertaken in the area are: Science, Technology and Innovation Policy Reviews (STIP Reviews), and the Network of Excellence.

### **I. STIP Reviews**

The aim of STIP Reviews is to enable participating countries to access and analyse the effectiveness of their STI policies, to enhance technological capacity-building and encourage innovation, and to integrate these into national drive for development. A typical STIP Review includes an overall analysis of the country's strengths, weaknesses, opportunities and threats to development in the STI field. It identifies the different elements – legal instruments, policies, measures, and practices – that make up the current STI framework, pinpoint systemic and structural weaknesses, evaluate the STI-related components of sectors of national priority, and provide options and recommendations. The recommendations are aimed at:

- Providing policy support to Governments in the design of their STI systems;
  - Improving information and productive linkages among public research institutes, academe and private sector;
  - Ensuring the training of present and future human capital;
  - Enhancing STI-related coordination and cooperation among different public sectors;
  - Identifying measures to promote national capacity for technology acquisition; and
  - Identifying and evaluating new and emerging science and technology sectors.
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## II. Network of Centres of Excellence

The Network of Centres of Excellence (NOCE) involves scientific and technological institutions committed to strengthening links within the scientific community and increasing the mobility of scientists from developing countries, especially from Africa. To this end, the network runs advanced and basic training courses for scientists and engineers in selected subject areas, such as biotechnologies and information and communication technologies.

NOCE organizes long- and short-term training courses and seminars for scientists from developing countries.

## D. Information and communications technologies and the information economy.<sup>18</sup>

Globalization and the increasing use of information and communication technologies (ICTs) in trade entail an important transformation of the business environment in developing countries. ICTs offer new development opportunities, help attract FDI and enable SMEs to participate more actively in international trade. At the same time, using ICTs to boost economic growth requires good decision-making based on reliable data.

UNCTAD's technical cooperation in the area of ICTs helps governments ensure that ICTs can be used as accessible and practical tools for economic growth and job creation. The main technical cooperation programmes on ICTs provide:

- Advisory services and reviews on ICT policies;
- Capacity-building and advice on the establishment of legal frameworks related to e-commerce and ICTs;
- Capacity-building in the production of information economy statistics and assistance in the analysis of the impact of ICTs.

### I. ICT Policy Reviews

During the past decade, ICTs have become part of many developing countries' development plans, and governments have formulated ICT strategies to promote the development and use of ICTs, for the benefits of their citizens and enterprises.

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<sup>18</sup> <http://www.unctad.org/ecommerce>.

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The ICT Policy Review assesses the implementation of the national ICT master plans, by reviewing ICT indicators, examining how ICT and e-business development issues have been made operational in country development strategies, identifying policies and programmes and implementation mechanisms favouring the development of information economy, and evaluating the telecommunications infrastructure, legal and regulatory issues, and related human resources.

In cooperation with individual countries, UNCTAD implements a “Model Framework” for reviewing national ICT policies that reports on the implementation and institutional mechanisms that affect the success of such policies. The “Model Framework” provides recommendations to:

- Guide ICT policy reviews;
- Identify the main strengths and weaknesses of ICT policies; and
- Revise and adjust policies to ensure the enabling conditions for the development of the information economy.

## **II. Legal frameworks for the information economy**

Governments require legal frameworks that will ensure trust between online commercial partners and are in compliance with other countries’ legislation, facilitate the conduct of domestic and international trade, and offer legal protection for users and providers of e-commerce services. In this context, UNCTAD assists developing countries in preparing legal frameworks governing the use of ICTs by:

- Building capacity to deal with legal issues related to ICT through a training course for lawmakers and government officials on drafting legal frameworks for e-commerce;
- Promoting and disseminating national legal frameworks through round tables for national stakeholders in the private and public sectors; and
- Providing advisory services on the regional harmonization of legal frameworks.

## **III. Measuring the information economy<sup>19</sup>**

The demand for ICT statistics has risen sharply as countries recognize the benefits and potential of ICT as a tool for social and economic development.

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<sup>19</sup> <http://measuring-ict.unctad.org>.

To reap the benefits of the rapidly changing information society, governments need to monitor and benchmark progress in ICT indicators with a view to designing and reviewing national policies and strategies. UNCTAD assist countries in this endeavour through:

- Building the capacity of national statistics offices and other producers of official ICT data to generate and analyse information economy statistics through a training course and a manual;
- Providing advisory services on the production and analysis of information economy statistics, including through country missions and regional workshops; and
- Developing and disseminating indicators, definitions and methodologies, in cooperation with the “International Partnership on Measuring ICT for Development”.<sup>20</sup>

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<sup>20</sup> The “Partnership” is composed of ITU, OECD, UNCTAD, the UNESCO Institute for Statistics, ECLAC, ESCWA, ECA, ESCAP, UN-DESA, Eurostat and the World Bank.

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**PART IV**

**DEBT MANAGEMENT  
THE DMFAS PROGRAMME**

UNCTAD responds to the needs of countries for effective debt management, a central feature of financial stability and gaining creditor confidence. This is undertaken essentially through the Debt Management and Financial Analysis System (DMFAS)<sup>21</sup> Programme, which offers countries a set of proven solutions for improving their capacity to handle the day-to-day management of public liabilities and produces reliable debt data for policy-making purposes. This includes its specialized debt management software, DMFAS – which greatly facilitates the work of the debt office – as well as advisory services and training activities in debt management.

The DMFAS Programme has so far worked directly at the country level with 66 countries, mostly low- and lower-middle income, and its system is the most widely used in the world.

The Programme is governed by its Advisory Group, which was established by the Trade and Development Board to advise the Secretary-General of UNCTAD on specific issues affecting, including options for ensuring their financial sustainability. All stakeholders are members of the Advisory Group and meet every two years. Donors, a key subgroup, meet every year with the DMFAS Programme, which represents its achievements of the year, its priorities for the future and its financial situation.

The objectives of DMFAS Programme are to:

- Provide direct assistance to debt offices with DMFAS products and services including capacity building in various areas of debt management;
- Maintain and improve state-of-the-art debt management and analysis systems;
- Provide assistance in developing effective debt management strategies through better information and analysis;
- Support institutional development; and
- Provide or serve as a focal point for discussions and exchange of experiences with debt management.

The assistance given under the Programme has three main features:

- Capacity-building through the provision of a specialized debt management and financial analysis software (the DMFAS software), which is designed to meet the operational, statistical and analytical needs of debt managers and bodies involved in elaborating public debt strategies. Includes training in the use of software;

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<sup>21</sup> [www.unctad.org/dmfas](http://www.unctad.org/dmfas).

- Capacity-building through the Programme's advisory services, including needs assessments and advice on technical, administrative, legal and institutional debt management issues. Includes assistance in software installation and maintenance;
- Capacity-building in debt management skills, and through the Programme's modules in debt data validation, statistics and debt analysis.

The DMFAS Programme firmly believes in a coordinated and harmonized approach to the provision of debt management capacity-building services by technical assistance providers to countries, based on each provider's comparative advantage. The programme has contributed actively to recent initiatives such as the World Bank's Debt Management Facility (DMF) and the Highly Indebted Poor Countries Capacity Building (HIPC CB) programme. Collaboration also helps to ensure that support provided by one provider can build on the support of another, and that best practices are shared. In this sense, UNCTAD's continued participation through the DMFAS Programme in the Inter-Agency Task Force on Finance Statistics is just one Example of its efforts to improve the capacity of countries to produce reliable statistics in a coordinated approach.

At the end of 2011, the DMFAS software was installed in 105 institutions in 69 countries, of which 25 low-income countries and 31 lower-middle income countries.

An integral part of the DMFAS capacity-building programme is the biennial organization of an international conference on debt management. The conference serves as a discussion forum for developing countries on some of the most pertinent issues in debt management and public finance today, with its ultimate objective being to help developing countries manage their debt more effectively. This meeting also provides an opportunity for debt managers and policy makers around the world to interact and share experiences.





**PART V**

**AFRICA, LEAST DEVELOPED  
COUNTRIES, LANDLOCKED  
DEVELOPING COUNTRIES,  
AND SMALL ISLAND  
DEVELOPING STATES**



Within the United Nations system, UNCTAD has a particular responsibility for addressing the special needs of African countries and LDCs, and gives priority to Africa and LDCs in its technical assistance activities. Forty-nine countries are currently designated by the United Nations as least developed countries. The current criteria are:

- Low national income (per capita GDP under \$905 for countries now joining the list);
- Weak human assets (a composite index based on health, nutrition and education indicators); and
- High economic vulnerability involving a composite index (the Economic Vulnerability Index) based on indicators of (a) natural shocks (the index of the instability of agricultural production, and the share of the population displaced by natural disasters); (b) trade shocks (the index of the instability of exports of goods and services); (c) exposure to shocks (the share of agriculture, forestry and fisheries in GDP, and the index of merchandise export concentration); (d) economic smallness; and (e) economic remoteness.

UNCTAD provides substantive and technical support to LDCs participation in major global conferences and summits by undertaking comparative and country specific studies. UNCTAD undertakes sector-specific studies, especially on new and non-traditional exports of trade and development interest to LDCs so as to contribute to build their export competitiveness in these areas.

UNCTAD also provides substantive and technical support to countries before, during, and after graduation from LDCs status. The objective of the Programme is to render the process of graduation, and transition as smooth as possible.

### **I. Trust Fund for LDCs**

The objective is to support new activities in favour of LDCs in all areas of UNCTAD work. This includes preparation of the Annual LDCs Report. The Report provides key findings from UNCTAD's research work on productive capacities and poverty reduction in LDCs. Based on this Report, training activities are organized to disseminate its findings and enable LDCs to assess their national development strategies and policies and discuss relevant issues of interest to LDCs in particular in the sphere of policymaking for productive capacities.

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## II. Enhanced Integrated Framework for Trade-Related Technical Assistance

UNCTAD, together with the WTO, ITC, UNDP, UNIDO, the IMF and the World Bank, is involved in the implementation of this programme, launched in 1997.

UNCTAD, in close cooperation with other core agencies, is playing an active part in the implementation of this framework. All UNCTAD LDCs - related technical cooperation activities are supportive of and complement the Integrated Framework. Specific activities include Pre-DTIS workshops, regional workshops on EIF, implementation of some trade-related projects in the DITS Action-Matrix.

## III. Support to landlocked developing countries and small island developing States

UNCTAD provides support to landlocked developing countries in particular on matters related to transit transport facilitation. Advisory services are also provided to these countries on issues related to multilateral negotiations and regional cooperation.

Given the high vulnerability of most small island developing States, the focus of UNCTAD support to these countries is on resilience-building. The two main avenues that UNCTAD follows in this respect are helping small island developing States to reduce structural handicaps, and to enhance economic specialization.

Advisory services are provided to this group of countries on issues related to multilateral trade.

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**PART VI**

**COMMODITIES**

UNCTAD's work on commodities, consisting of a balanced mix of analysis, policy advice and direct assistance, responds to the needs of the public and private sectors and civil society. UNCTAD's technical cooperation and capacity-building activities aim at giving new impetus to formulating and implementing innovative solutions, in particular based on multi-stakeholder actions, for commodity problems. Such assistance encourages and sponsors various initiatives, often based on partnerships with major stakeholders, and focuses on key problems faced by commodity-dependent countries and populations. Technical cooperation and capacity-building activities identify new directions and elements of action, highlight successful experiences that merit being mainstreamed and are a driving force for raising the profile of the commodities issue in the international development policy debate.

UNCTAD is assisting the commodity-dependent countries to:

- Develop national commodity strategies, including mainstream commodity policies into their national and regional development strategies;
- Build supply-side capacity and attain competitiveness;
- Move up value chains and diversify commodity sectors;
- Comply with public and private international trade standards (sanitary and phytosanitary standards compliance, agrifood safety standards and quality requirements);
- Access commodity information and databases through the web-based tools INFOCOMM/INFOSHARE; and
- Take advantage of export opportunities for commodities in emerging markets.

The Programme also:

- Assists developing countries in building human and institutional capacities;
  - Assists developing countries in promoting and improving transparency and accountability in the public, private and corporate sectors in order to enable the countries concerned to maximize the benefits that accrue to them from the extractive industries, taking into account, where appropriate, the implementation of relevant initiatives on extractive industries;
  - Establish effective marketing systems and support frameworks for small commodity producers, including economically viable safety-net programmes;
  - Develop commodity financing and risk management schemes (including commodity exchanges).
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**PART VII**

**UNCTAD ASSISTANCE  
TO THE PALESTINIAN  
PEOPLE<sup>22</sup>**

UNCTAD received in 1985 a specific mandate to monitor and investigate the social and economic impact of policies of the Israeli occupation authorities in the Palestinian territory. UNCTAD systematically examines the occupied Palestinian territory's economic development, seeking to respond to the Palestinian people's emerging needs.

UNCTAD's work supports the following national development objectives clusters:

- Development strategies and trade policies;
- Trade facilitation and logistics;
- Public finance modernization and reform; and
- Enterprise, investment and competition.

Activities under each cluster combine technical assistance projects and advisory services, tailored to contribute to:

- Building Palestinian capacities for economic policymaking and management; and
- Creating an environment conducive to private sector development.

These activities are research-based, drawing on the findings of the secretariat research and analysis work on the Palestinian economy, and the experience of the secretariat as a whole. Through their work, UNCTAD is the focal point within the United Nations for the interrelated treatment of Palestinian trade, finance and economic development.

In the past two years, the programme has evolved to respond to the implications of the widespread economic crisis, resulting from the Israeli system of closure policy and movement restrictions imposed on the occupied Palestinian territory. In particular, UNCTAD has intensified its technical assistance activities to help alleviate the adverse socio-economic conditions in accordance with the United Nations 2008–2009 Strategic-Framework, and General Assembly resolutions 56/111 (paras. 6 and 7) and 43/178 (para. 9). UNCTAD has also intensified its support of Palestinian institution-building efforts for the establishment of a sovereign, independent and viable Palestinian State, in line with paragraph 44 of the Accra Accord.

Both the design and implementation of the secretariat's programme of assistance to the Palestinian people proceeded in close coordination with the Palestinian Authority and private sector as well as relevant international organizations. The programme has benefited from generous extrabudgetary support from the European Commission, Canada, and the United Nations Development Account.

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<sup>22</sup>[www.unctad.org/palestine](http://www.unctad.org/palestine).

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UNITED NATIONS