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Activities undertaken by UNCTAD in favour of Africa

Report by the Secretary-General of UNCTAD*

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Introduction

1. The Trade and Development Board considers annually, at one of its executive sessions, a report on UNCTAD's activities in favour of Africa. The present document is the twelfth in the series since the fifteenth executive session of the Board. It provides an overview of research and analysis being undertaken by UNCTAD with regard to Africa's development, as well as a summary of specific activities, including advisory services and technical cooperation, in each sector falling under UNCTAD's mandate. This report complements and updates the information in document TD/B/EX(42)/2, which was submitted to the forty-second executive session of the Board in June 2007, and covers activities undertaken during 2007.
2. In United Nations General Assembly resolution 62/179, the United Nations system was requested to provide assistance to the African Union and the secretariat of the New Partnership for Africa's Development (NEPAD), and to African countries in the context of the implementation of NEPAD programmes. The Board, in its agreed conclusions 491 (LIV), requested that UNCTAD should, within its mandate, continue to undertake in-depth analysis and provide policy advice on African development, including attaining sustainable growth and development with the objective of achieving the Millennium Development Goals.
3. Various UNCTAD divisions and programmes have continued their cooperation with the NEPAD secretariat. UNCTAD's activities are reported in the annual report of the United Nations Secretary-General on United Nations system support to NEPAD. Contributions of various inter-agency clusters and organizations of the United Nations system to the implementation of NEPAD are also presented to the Committee for Programme and Coordination in New York.
4. UNCTAD's activities in favour of Africa are generally consonant with the requirements arising from NEPAD as described in paragraph 3 (a)–(f) of document TD/B/EX(35)/2, submitted to the Trade and Development Board at its thirty-fifth executive session.

I. Policy analysis, research and dissemination

5. The UNCTAD secretariat prepared a report entitled *Economic Development in Africa Report: Reclaiming Policy Space – Domestic Resource Mobilization and Developmental States*, a summary version of which was submitted to the Trade and Development Board in all official United Nations languages at its fifty-fourth session. The report examined the potential of African countries to increase their total domestic financial resource envelope and discussed how to channel these resources into productive investments in order to increase their efficiency through improvements in domestic financial systems. The report highlighted the need for African countries to be able to design and implement policies that make optimal use of available resources in a way that leads to a virtuous circle of accumulation, investment, growth and poverty reduction, drawing on the model of developmental States in order to increase "ownership" of economic policies. However, it warned that State involvement in development should not be seen as repeating past mistakes, such as over-protection and interventionism.
6. UNCTAD's *Least Developed Countries Report 2007: Knowledge, Technological Learning and Innovation for Development* examined processes of technological learning and innovation in LDCs. It argued that science, technology and innovation were not luxuries even for the poorest countries, and it made policy

proposals on a number of issues related to science, technology and innovation (STI) policy. These are: (a) how STI policies geared towards technological catch-up can be integrated in the development and poverty reduction strategies; (b) how intellectual property rights (IPR) regimes can be made more supportive of technological development processes; (c) how the loss of skilled human resources through emigration (brain drain) can be addressed; and (d) how aid for STI (as part of official development assistance) can support learning and innovation in recipient countries. The report shows that although African LDCs are highly integrated into the global economy in terms of trade and investment flows, they are marginalized in terms of the international diffusion of knowledge and technology. Brain drain from African LDCs is also accelerating. The report underlines the importance of increased aid to support a “green revolution” in Africa and building technological capabilities of domestic firms. It is particularly relevant to NEPAD’s initiatives to building science and technology capabilities in Africa.

7. Increased efforts were made during the year to disseminate findings of policy analysis and research, and also create material relevant and usable by policymakers. In this regard, UNCTAD continued its work in connection with the United Nations Development Account project (fifth tranche) on “Developing local capacities for the identification of growth opportunities through resource mobilization”, which was launched in February 2007. The objective of the project was to strengthen the capacity of African countries to identify and utilize non-debt-creating domestic and foreign resources for growth and poverty reduction within the framework of the Millennium Development Goals. The project activities organized during the year included two regional training seminars (Benin, 25–27 July 2007, and Mauritius, 28–30 November 2007) and the preparation of six case studies: Mauritius, Namibia and Sierra Leone (English-speaking); and Benin, Burundi and Mauritania (French-speaking). A policy handbook on enhancing the role of domestic resources in Africa’s development is being prepared on the basis of the case studies, the discussions at the two seminars and the research for UNCTAD’s 2007 *Economic Development in Africa* report.

8. A regional workshop on productive capacities, economic growth and poverty reduction in African LDCs was held in Addis Ababa, Ethiopia (22–23 February 2007) to discuss findings of the 2004 and 2006 Least Developed Countries Reports. Participants included officials engaged in preparing poverty reduction strategy papers (PRSPs), as well as the private sector, and a central theme was the integration of trade into development strategies in a way which support poverty reduction.

9. UNCTAD also continued to provide policy analysis and research in favour of small island developing States and landlocked countries in Africa. It provided advisory services to the Government of Cape Verde in the last year of its three-year transition period before graduation from LDC status (the country officially graduated on 21 December 2007). This work concluded a decade of direct policy-related assistance to Cape Verde, during which UNCTAD: (a) advised the Committee for Development Policy at the 1997, 2000 and 2003 reviews of the list of LDCs, about the risks associated with a premature graduation of Cape Verde; and (b) guided the Government, after the decision to graduate the country had been taken by the General Assembly in 2004, in formulating a “smooth transition” strategy for Cape Verde and its development partners, in accordance with General Assembly resolution 59/209. As part of the preparatory process for the mid-term review of the implementation of the Almaty Programme of Action, UNCTAD also produced two publications in 2007 that address transit transport issues of specific

relevance to African landlocked developing countries.¹ Moreover, UNCTAD was substantively involved in the Thematic Meeting on Transit Transport Infrastructure Development, held on 18–20 June 2007 in Ouagadougou, Burkina Faso, and in the Thematic Meeting on Trade and Trade Facilitation, held on 30–31 August 2007 in Ulaanbaatar, Mongolia.

II. Sectoral issues

A. International trade

1. Trade negotiations and commercial diplomacy

10. UNCTAD has a long history of close collaboration with the African Union in supporting African countries, particularly LDCs, in their efforts to build up and strengthen their human, institutional and regulatory capacities in multilateral and regional trade negotiations and national trade-related policy formulation. Such support was delivered in Geneva and in the field, targeting the areas where trade policy capacity bottlenecks are most present.

11. In Geneva, UNCTAD cooperates with the African Union and other partners in supporting African countries' engagement, both collectively through the WTO African Group, LDC Group and ACP Group, and individually in the Doha Round negotiations in key negotiating areas affecting their development interests, including agriculture, non-agricultural market access (NAMA), services, special and differential treatment, development issues, Aid for Trade, trade-related aspects of intellectual property (TRIPS), rules and trade facilitation. Thus UNCTAD participated in the WTO African Group Workshop on Agriculture and National Agri-Marketing Association in Montreux (22–23 June 2007), the WTO African Group workshop on services, TRIPS, trade facilitation and rules in Geneva (20–21 July 2007) and a WTO African Group seminar on agriculture and NAMA modalities in Chavannes-de-Bogis (16–17 February 2008).

12. In the field, UNCTAD supports national and regional trade policymakers and stakeholders in better managing their trade policymaking and multilateral and regional trade negotiations. Such activities are delivered, among others, under the Joint Integrated Technical Assistance Programme (JITAP), a project on trade capacity-building for Africa funded by the United Nations Development Programme (UNDP), Southern African Development Community (SADC) projects, WTO accession projects and various country-specific projects.

2. International Trade Centre UNCTAD/WTO Joint Integrated Technical Assistance Programme to Selected Least Developed and Other African Countries (JITAP)

13. The programme's assistance to beneficiary African countries targets eight African countries: Botswana, Cameroon, Malawi, Mali, Mauritania, Mozambique, Senegal and Zambia. In addition, JITAP phase I covered Benin, Burkina Faso, Côte d'Ivoire, Ghana, Kenya, the United Republic of Tanzania, Tunisia and Uganda. In 2007, the following activities were undertaken:

- (a) JITAP high-level workshop of the inter-institutional committees on the Doha negotiations (Geneva, 9–11 July), attended by capital-based senior trade officials and other stakeholders;

¹ "Transport infrastructure for transit trade of the landlocked countries in West and Central Africa: An overview" (UNCTAD/LDC/2007/1); "Improving transit transport in East Africa: Challenges and opportunities" (UNCTAD/LDC/2007/2).

- (b) Organization of national open-door events to showcase the programme,
- (c) Support for national retreats of multi-stakeholder national inter-institutional committees to strategize on the outcome of the Sixth WTO Ministerial Conference and the Doha trade negotiations;
- (d) Substantive and financial support for specialized national thematic workshops and supporting technical missions on the Doha negotiations in requesting beneficiary countries;
- (e) Support to WTO (with ITC) in the setting up of multilateral trading system reference centres and national enquiry offices;
- (f) Support to individual countries (e.g. Botswana) in improving their trade policies.

3. UNDP programme on trade capacity-building for Africa

14. The UNDP-funded regional programme continued to be geared towards strengthening the negotiating strategies of African countries and policymakers in their participation in the WTO, Economic Partnership Agreement (EPA) and regional trade negotiations. In 2007, the activities implemented by UNCTAD dealt with Singapore issues in the EPA negotiations, special and differential treatment issues in the WTO negotiations, and the issue of cotton. A workshop on the implementation of the Doha Mandate on Special and Differential Treatment was organized by UNCTAD on 30 October–1 November 2007 in Nairobi, Kenya, to facilitate consideration of the different options available to African countries. A workshop on enhancing the cotton value chain in Africa through trade and investment, with a special emphasis on South–South cooperation was held on 11–12 December 2007 in Bamako, Mali. The workshop brought together participants from producer’s associations, public corporations, Geneva-based delegates, government officials and financiers, including development banks, regional banks and G-NEXID members, to brainstorm on ways to support the cotton initiative in Africa.

4. Assistance to countries in the process of accession to WTO

15. In 2007, UNCTAD continued to provide assistance on accession to acceding countries, including those in Africa – Algeria, Cape Verde, Ethiopia, Sao Tome and Principe and Sudan – under the UNCTAD trust fund for accession, supported by Germany, Norway and the United Kingdom. Activities aimed at enabling developing countries, including LDCs, and countries with economies in transition to accede to WTO on terms commensurate with their level of development and their ability to adhere to the obligations associated with WTO membership included the following:

- (a) Advisory missions and training of negotiating teams and government officials in WTO-related issues, both in the field and in Geneva;
- (b) Advisory assistance for a country’s negotiating team as it engages in accession negotiations. These include support with the preparation of accession-related documentation (memorandum of foreign trade regime, market access offers and requests), simulation of Working Party discussions, and technical consultations;
- (c) Procurement of information technology equipment and the provision of consultants in specific areas to assist the negotiating team.

5. Support to the African, Caribbean and Pacific Group of States on economic partnership agreements and Aid for Trade

16. UNCTAD provided expert and advisory services on economic partnership agreements (EPAs), as well as organizing strategy sessions on these negotiations, upon request, for the African, Caribbean and Pacific (ACP) Group of States and through events organized by other agencies. The following can be cited:

- (a) Support to the ACP Group of States in Geneva on issues interfacing the Doha negotiations and EPA negotiations, including the developmental aspects of WTO rules on regional trade agreements relating to North–South agreements, as well as agriculture, NAMA and Aid for Trade;
- (b) Substantive support to the African Union in preparation for the planned African Union ministerial meeting on EPA negotiations, including a technical note entitled “Developments and issues in the negotiations for economic partnership agreements between African ACP States and the European Union in the light of the Doha Round negotiations” (UNCTAD/DITC/TNCD/2007/11);
- (c) A regional workshop for sub-Saharan African countries on “Economic partnership agreements: investment, competition and public procurement issues” (Brussels, 13–14 July). The workshop, gathering policymakers and negotiators from African ACP States, aimed to help sub-Saharan African countries to better prepare for the critical phase of the EPA negotiations by deliberating on new issues in EPA negotiations and their developmental implications;
- (d) Substantive contributions to various events, including a meeting of experts organized by the ACP secretariat to discuss EPA-related institutional and legal issues (Brussels, 9–11 October).

17. UNCTAD also provided expert and advisory services on Aid for Trade. A workshop entitled “Taking forward the recommendations of the WTO Task Force on Aid for Trade” was organized in Geneva by the ACP Geneva office in collaboration with the Commonwealth secretariat, UNCTAD and WTO (26–27 April 2007). UNCTAD also assisted the ACP Geneva office in organizing an informal consultation workshop on Aid for Trade, together with the Commonwealth secretariat and WTO.

6. Support to SADC regional integration and the multilateral trading system

18. In 2007, through the implementation of the European Union-funded project for SADC countries, UNCTAD continued to provide technical assistance in institution- and capacity-building on services assessment and negotiations to the SADC secretariat, the SADC Trade Negotiation Forum and SADC policymakers and trade negotiators. The expertise and knowledge of the member countries’ trade officials in services negotiations were strengthened through activities including: the organization of national training workshops and seminars in all the member countries; the commissioning of national assessment studies in priority services sectors and technical papers on issues relevant to SADC services regional integration; and the provision of ad hoc working materials and studies addressing specific issues and problems identified during regional and multilateral negotiations.

7. Trade in services and development implications

19. UNCTAD is providing support to African countries to assess the contribution of services, to reform the sector with an emphasis on development, including

strengthening access to essential services, and to generate important data and reference material for multilateral and regional trade negotiations. The support is based on research in such sectors as distribution, insurance, financial services, domestic regulation, outsourcing and universal access to services or logistics services. UNCTAD has also continued to develop the Measures Affecting Services Trade (MAST) database for undertaking cross-country, cross-sectoral analysis of legal measures applied to services.

20. The following activities were carried out specifically for Africa in 2007:

- (a) Technical assistance to African countries on negotiations related to the General Agreement on Trade in Services (GATS), focusing on the request/offer negotiations under article XIX of GATS, and on rule-making negotiations, including domestic regulations;
- (b) Specialized group training on negotiating skills in services negotiations;
- (c) Customized assistance to individual delegations, and also collectively to a number of African countries, on issues of common interest;
- (d) A workshop on strategies for developing services sectors, and WTO negotiations on services (13–14 September, Port Louis, Mauritius);
- (e) Monitoring and analysis of different proposals submitted in GATS negotiations, both on specific commitments and rule-making in the areas of domestic regulation and subsidies (while gathering data on them), and sharing of these reviews with countries at their request;
- (f) Reinforcing assessment of trade in services, supporting intergovernmental deliberations and advancing awareness on topical services issues. An advisory mission was undertaken to Senegal to finalize the services assessment studies (Dakar, 5–9 November) and studies are under preparation in Cameroon, the Congo and the Democratic Republic of the Congo.

8. Commodity development

21. UNCTAD launched the Regional Standards Programme to enable African producers and exporters to meet both official and private sector standards. A “Model for the development of a private/public safety control system for the horticultural sector” was developed and implemented in Guinea with the aim of developing and implementing good agricultural practices (GAP) in production and harvest. The project also provided advice to national authorities on strategies to strengthen food control systems to protect public health, prevent fraud and deception, avoid food adulteration and facilitate trade. A similar project was launched in April 2007 in Mozambique. The “Mango Fly Project” is also under way in four selected West African countries – Guinea, Burkina Faso, Mali and Senegal. UNCTAD also assisted small producers in achieving market acceptance by supermarkets, in cooperation with the Swiss supermarket chain Migros. Under this partnership, the Mango and Papaya Producers’ Association of Ghana, which is composed of small farms, succeeded in exporting 200 boxes to Switzerland top the value of CHF 200,000.

9. Competition law and policy

22. UNCTAD continued to provide capacity-building and technical activities on competition law and policy to African countries in formulating, revising and enforcing competition policies and legislation, including through study tours, workshops and expert reviews. The assistance included: (a) helping to create a competition culture among government officials, the private sector, State-owned

enterprises and consumers; and (b) support to regional cooperation arrangements on competition issues that are supportive of trade, investment and development.

23. Activities in 2007 for Africa were particularly focused on supporting the development of competition policy in the West African Economic and Monetary Union (WAEMU), the Southern African Customs Union (SACU), Botswana and Mozambique.

24. **West African Economic and Monetary Union.** The eighth session of the Intergovernmental Group of Experts on Competition Law and Policy (Geneva, 17–19 July 2007) provided a framework within which UNCTAD held a voluntary peer review on the competition law and policy of WAEMU and its eight member States. It was the first review of a regional grouping's competition policy in an international setting. The peer review highlighted the challenges and opportunities which developing countries face in strengthening their regional cooperation and integration schemes. As a follow-up, two national training seminars on the WAEMU common competition rules were organized in cooperation with the WAEMU secretariat: one from 24 to 28 September in Abidjan, Côte d'Ivoire, and one from 29 October to 2 November 2007 in Lomé, Togo. A regional seminar on common competition rules of WAEMU was also held on from 10 to 14 December 2007 in Dakar, Senegal; this seminar was organized jointly with the WAEMU secretariat for the judges of the WAEMU Competition Court to explain complex economic theories to judges, lawyers and public prosecutors.

25. **Southern African Customs Union.** UNCTAD continued to support the implementation of the SACU agreement on common policies on competition and unfair trade practices. A series of national consultative meetings and information gathering workshops for the development of the SACU Cooperation Agreement on Competition Policy was jointly organized in 2007 by UNCTAD, the SACU secretariat and trade ministries (26–27 February, Pretoria, South Africa; 1–2 March, Windhoek, Namibia; and 5–6 March, Manzini, Swaziland). The final draft agreement was submitted to the SACU secretariat by UNCTAD in November 2007.

26. **Botswana.** A benchmarking exercise for the Botswana institutional framework was undertaken with the assistance of the competition authorities of South Africa and Zambia (5–6 November in Pretoria and 8–9 November 2007 in Lusaka). The consultations were intended to initialize the institutional structure for the establishment of a competition authority. In the area of consumer protection, assistance was provided to Botswana in the amendment of the Consumer Protection Act. A workshop for stakeholders was organized on 2 November 2007 in Gaborone. In addition, a training course on competition and consumer protection for government officials of Botswana was held in Francistown on 4–7 December 2007. UNCTAD also organized a workshop for stakeholders to discuss the final draft of the Competition Bill (1 November 2007, Gaborone).

27. **Mozambique.** Assistance in drafting competition legislation was also provided to Mozambique and several reviews of the draft law have been held with government officials and experts in cooperation with the Portuguese competition authority.

10. Integrated Framework for Trade-related Technical Assistance to Least Developed Countries

28. UNCTAD participated actively in the intensive preparatory work for the enhancement of the Integrated Framework for Trade-related Technical Assistance to Least Developed Countries (IF) which resulted in the adoption of detailed modalities for the implementation of the recommendations of the Enhanced Integrated framework (EIF) Task Force. The recommendations addressed the key

elements of level and predictability of funding, in-country capacity for the implementation of the IF and global governance structures of the IF.

29. The IF has been extended to 31 African LDCs, including Cape Verde, though the latter is no longer in the LDCs category. UNCTAD, in partnership with other IF partners, is engaged in the implementation of the IF in a number of countries guided by the Diagnostic Trade Integration Studies (DTIS) Action Matrices. UNCTAD participated in three DTIS national validation workshops in Africa (in Angola, Burkina Faso and the Comoros). UNCTAD has also been involved in assisting in-country implementation of the following: institutional capacity-building in the trade ministries of Sierra Leone and Angola; competition and investment policies in Chad, the United Republic of Tanzania and Uganda; and commercial diplomacy in Sao Tome and Principe. With the increase in resources to be made available under the EIF, which is soon to become operational, UNCTAD should be able to step up its efforts in assisting African LDCs with implementation.

11. Training activities

Regional courses on key issues on the international economic agenda

30. Two regional courses on key issues on the international economic agenda were delivered for African countries in Cairo, Egypt, in February 2007 and in Dakar, Senegal, in October 2007. These courses were attended by 51 participants from 27 countries, including 15 LDCs. In an effort to strengthen the links between policymakers and academics and to encourage the integration of course materials into participating countries' academic programmes, 15 university lecturers and researchers also attended the above courses.

TrainForTrade programme

31. Local IT tutors were trained during a four-day regional workshop organized for African French-speaking countries in Dakar, Senegal, and distance-learning sessions were delivered in local training centres with their support. In October 2007, a new TrainForTrade project for Angola was launched in Luanda. The project was prepared by UNCTAD in collaboration with the European Commission, the European Union Delegation in Angola, the Angolan authorities and the Permanent Mission in Geneva. This four-year project aims to assist the Angolan Government in the implementation of a locally-owned national training and capacity-building framework.

Port Training Programme

32. In January 2007, a training-of-trainers' workshop was organized in Marseille, France, for 19 African port management instructors from Algeria, Benin, Cameroon, Guinea, Togo and Senegal. The workshop was followed by a meeting of the French- and Portuguese-speaking Port Training Programme (PTP) networks, at which the 2007 plan of action was approved. The calendar included the implementation of the entire port training cycle by the ports of Cotonou (Benin), Conakry (Guinea), Dakar (Senegal), Douala (Cameroon) and Lomé (Togo). During the meeting, contacts were established with the *ports autonomes* of Abidjan and San Pedro, Côte d'Ivoire, for their possible inclusion into the programme.

33. To initiate the preliminary activities for the creation of a PTP English-speaking network, a PTP International Coordination Meeting was organized in Dublin, Ireland, in June 2007, and was attended by representatives of six African English-speaking port communities.

Virtual Institute on Trade and Development

34. The UNCTAD Virtual Institute (VI) continued to pay particular attention to the strengthening of trade and development-related teaching and research at African universities and institutes. The number of universities from the region that are members of the VI doubled in the course of 2007, with four new members joining from Egypt, Kenya, South Africa and Uganda. This makes Africa the region with the highest representation in the Virtual Institute.

35. VI activities in Africa concentrated on capacity-building. One regional and one national professional development workshop for academics were organized in 2007. The regional workshop on the teaching and research of trade and poverty for English-speaking African academics, based on VI teaching materials, held in November 2007 in Dar-es-Salaam, United Republic of Tanzania, was attended by 20 participants and resource persons from 11 African countries (Benin, Cameroon, Kenya, Lesotho, Mozambique, Rwanda, South Africa, the United Republic of Tanzania, Uganda, Zambia and Zimbabwe). UNCTAD assisted in the delivery of a national professional development workshop on the World Integrated Trade Solution (WITS) to the staff of the University of Dar-es-Salaam in the United Republic of Tanzania in July 2007. The VI fellowship programme provided an opportunity for seven African academics (from Mozambique, Senegal, South Africa and the United Republic of Tanzania) to spend between four and six weeks in Geneva working on specific research projects and benefiting from support by UNCTAD “mentors”. Several African academics from the University of Mauritius and the University of Dakar, Senegal, also improved their expertise on topical international economic issues by conducting research required for the adaptation of VI teaching materials on commodities and on foreign direct investment to the context of their countries.

E-tourism Initiative

36. A seminar on sustainable tourism for development was held in July 2007 in Antsirabe, Madagascar, organized by the TrainforTrade programme and the e-Tourism Initiative. Trainees from the national and local authorities, as well as tourism SMEs and NGOs, were offered the opportunity to increase their knowledge on effective new tools for tourism development.

37. Advisory services on e-tourism issues were provided to representatives of western African French-speaking countries on the occasion of the UNCTAD XII pre-event on “The implications of tourism services for developing countries” (Geneva, November 2007).

B. Services development**1. Automated System for Customs Data (Asycuda)**

38. The Asycuda programme for customs automation is currently being implemented and upgraded in 25 African countries with the assistance of three regional support and training centres located within the regions of the Common Market for Eastern and Southern Africa (COMESA), the Southern African Development Community (SADC) and the Economic Community of West African States (ECOWAS). These centres also provide the necessary maintenance and contribute to regional integration. The Asycuda system went live in Eritrea and Swaziland in 2007, and in May 2007 Zimbabwe launched a migration project to Asycuda World. The support centre in Lusaka conducted Asycuda training modules for 30 participants from COMESA member States. The Southern and Eastern Africa Technical Asycuda Centre (SEATAC), based in the United Republic of Tanzania, is currently undertaking training sessions on Asycuda e-banking and e-scanning

facilities for 32 COMESA participants, with representatives from the following SADC countries: Namibia, Botswana and the United Republic of Tanzania. These facilities, which are operated live in the United Republic of Tanzania, are the first step towards the single window scheme and will subsequently be implemented in Ethiopia, Uganda and Malawi. Five study tours were organized for participants from the Comoros, the Democratic Republic of the Congo, Seychelles and Swaziland to Benin, Botswana, Namibia and the United Republic of Tanzania. Customs officials have followed continuous training classes on the different modules of the system, including customs management, the implementation of the selectivity module and transit transport issues.

2. Transport and transit

39. Analytical and research work conducted by UNCTAD emphasizes the importance of regional cooperation in transit transport and opportunities and challenges for developing countries resulting from the globalization of port logistics. During expert meetings, several experiences on corridor development activities in southern Africa at both national and regional levels, were reported by national experts and confirmed the relevance of the proposed measures. In the field, the project on the development of the Trans Caprivi Corridor (TCC) linking Zambia to the Port of Walvis Bay in Namibia, to provide landlocked and transit developing countries with sustainable capacity to implement regional trade and transport facilitation initiatives, was successfully completed. Clusters linking all stakeholders have been established and they effectively contribute to increased operational efficiency.

3. Information and communication technology (ICT) and e-business

40. A regional workshop on information society measurement in Africa was organized by UNCTAD jointly with the International Telecommunication Union (ITU) and the United Nations Economic Commission for Africa (ECA), and held on 7–9 March 2007 in Addis Ababa, Ethiopia. The workshop built on work by the Partnership on Measuring ICT for Development and ECA's ICT measurement project (Scan-ICT) to advance the availability of comparable data on ICT in Africa. Fifty participants (producers or users of official ICT statistics) and experts discussed the need for comparable data on "information society" developments, shared best practices in ICT measurement and learned from experiences in the Scan-ICT process. At the request of the Government of Egypt, UNCTAD assisted the Information Technology Industry Development Agency of the Ministry of Communications and Information Technology of Egypt to carry out a project to survey the ICT industry. UNCTAD also provided assistance to the East African Community (EAC) to help harmonize their regional e-commerce legislation. Further to the training workshop of December 2006, the EAC secretariat invited partner States to appoint members to the Regional Cyber Laws Task Force.

41. As part of its research activities in the area of pro-poor ICTs, UNCTAD conducted a study on how telecentre networks are supporting livelihoods. Telecentres, that is, public facilities where people can access ICTs, communicate with others and develop digital skills, are often a key policy or programme to bridge the digital divide in African and other developing countries. Telecentre networks from six different African countries responded to the survey.

C. Debt, finance and development

1. Paris Club

42. UNCTAD has continued to provide support to African and other debtor countries in preparing their negotiations on the rescheduling or restructuring of bilateral official debt in the framework of the Paris Club. Since the last report, four African countries have rescheduled their debt with Paris Club creditors, and there was some activity in prepayment and regularizing relations with Paris Club creditors. In April 2007, Paris Club creditors met with the delegation of the Central African Republic and rescheduled arrears as of 30 November 2006 and maturities falling due from December 2006 until November 2009 under Naples Terms. Because of its limited capacity to pay, the Central African Republic has also obtained a deferral on the repayment of arrears on short-term and post-cut-off date debts, and a deferral of moratorium interest due under the rescheduling. Sao Tome and Principe reached completion point in March 2007, and the Paris Club meeting to provide debt relief under the Heavily Indebted Poor Countries (HIPC) Initiative took place in May 2007. The debt stock was treated under Cologne Terms, and on a bilateral basis official bilateral creditors decided to go beyond the Cologne Terms and pledged to cancel 100 per cent of Sao Tome and Principe's debt. In December 2007, the Gambia reached completion point, and a Paris Club meeting ensued in January 2008. Paris Club creditors cancelled the entire pre-cut-off date debt of the Gambia, as well as 86 per cent of the debt stock accumulated between 1986 and 1999.

43. In July 2007, Paris Club creditors accepted in principle Gabon's offer to prepay at par its non-official development assistance debt rescheduled at the 1994, 1995, 2000 and 2004 meetings. In December 2007, Angola announced that it would clear all its outstanding arrears and thus regularize its relations with Paris Club creditors.

44. In conjunction with its activities under the Development Account, UNCTAD also organized and sponsored a one-month study tour at the Bank of Uganda for three debt officials from Zimbabwe and Ethiopia, from 28 May to 23 June 2007. In November 2007, two debt officials from the Bank of Uganda were sponsored to participate in UNCTAD's Sixth Debt Management Conference in Geneva. The conference brought together representatives of Governments, international organizations, the private financial and legal sector, academia and civil society to examine pertinent issues in debt management.

2. Debt Management and Financial Analysis System (DMFAS)

45. In 2007, UNCTAD's DMFAS programme supported the day-to-day debt management of the following NEPAD countries: Algeria, Angola, Burkina Faso, Burundi, Central African Republic, Chad, the Congo, the Democratic Republic of the Congo, Djibouti, Egypt, Ethiopia, Gabon, Madagascar, Rwanda, Sudan, Togo, Uganda, Zambia and Zimbabwe. The support included assistance and advice on a wide range of functional and technical issues in relation to the use of the DMFAS debt management software, on which these countries depend for the recording and monitoring of their debt. The most recent version of the DMFAS software was installed in four African countries – Burundi (Ministry of Finance), Chad (Ministry of Finance), Egypt (Central Bank) and Zambia (Ministry of Finance and National Planning) – and the related training was provided. "In-country" training in the use of the system for debt operations, including data validation, reporting, statistics and analysis, was also provided to Algeria (reporting), Burkina Faso (data validation and recording of debt reorganization operations), Burundi (data validation and statistics), the Democratic Republic of the Congo (statistics, analysis) and Ethiopia

(domestic debt, onlending, reporting and debt data validation). The programme also organized study tours for the debt management offices of Algeria and Sudan to other debt management offices for comparison and learning purposes. Furthermore, the programme co-organized debt management technical activities with the following regional/international providers of technical assistance in the African region in 2007: the Macroeconomic and Financial Management Institute of Eastern and Southern Africa (MEFMI) (UNCTAD/MEFMI regional workshop in the use of DMFAS, August 2007); and the Africa Regional Technical Assistance Centers (AFRITAC) (regional workshop on debt organization and domestic debt management, December 2007). Other activities involving countries from the NEPAD region included the participation of Algeria, Angola, Benin, Burkina Faso, Chad, the Congo, Djibouti, Egypt, Guinea, Madagascar, Morocco, Mozambique, Sudan, Tunisia, Uganda, Zambia and Zimbabwe in UNCTAD's Debt Management Conference in November 2007.

D. International investment and enterprise development

1. Investment issues analysis

46. In the reporting period, the World Investment Report 2007 and Asian Foreign Direct Investment in Africa: Towards a New Era of Cooperation among Developing Countries were published. The former, as in previous editions, contained detailed discussions on trends in foreign direct investment (FDI) in Africa, and the latter focused on FDI from developing Asia in Africa, showing the importance of Asian FDI in African economy and development.

47. In 2007, UNCTAD and COMESA created the Task Force on FDI/TNC Statistics for the region's 19 member States. The related draft plan was submitted to and endorsed by the COMESA central bank governors and council of ministers in late 2007. The work related to harmonizing FDI statistics for the COMESA region will be implemented partly under the framework of the Development Account project during 2008–2009, taking into account different needs and levels of development in each member State.

48. Many African countries are looking to tourism as a promising avenue for economic and human development. UNCTAD research and policy analysis on FDI in this sector has aimed to provide information and analysis that will help policymakers to design policies that most support their development objectives and strategies. FDI is one of the routes through which countries can promote tourism. In 2007, the work in Africa covered Botswana, Kenya, Mauritius, South Africa, the United Republic of Tanzania, Tunisia and Uganda. The results of this research are making a useful contribution to an understanding of the trends, determinants and implications of tourism FDI and its related policies within the development community in general as well as in the particular countries concerned, and will feed into debate and policymaking, including linkage policies to strengthen the relationship between tourism TNC enterprises and the domestic economy in Uganda.

2. Policies and capacity-building

Investment policy reviews

49. During the reporting period, UNCTAD provided support to a number of African countries in the area of investment promotion to enable them to attract and benefit from FDI. The investment policy reviews (IPRs) for Morocco, Zambia and Rwanda were published and presented to the international community through UNCTAD's intergovernmental machinery, while those for Mauritania and Nigeria

are under preparation. At the meeting of the Commission on Investment, Technology and Related Financial Issues in March 2007, the recommendations of the IPRs for Morocco and Zambia were endorsed by their respective ministers. In Morocco, the Government has already successfully implemented several recommendations. Rwanda and Zambia have requested technical assistance from UNCTAD and, as a result, have made significant progress in addressing shortcomings that made it difficult for them to attract and benefit from FDI.

50. In addition to the IPR, UNCTAD prepared the *Blue Book on Best Practices in Investment Promotion and Facilitation in Zambia*, which was presented to Mr. Rupiah Banda, Vice-President of Zambia, in Lusaka in March 2007. The *Blue Book* proposes a 10-point action plan to help Zambia improve its performance in attracting foreign investment. A report on the implementation of the IPR of Uganda was presented to the Commission on Investment at its session in March 2007. The report assesses the extent to which the recommendations of the IPR have been implemented. It concludes that although a significant number of recommendations have been implemented, gaps remain and need to be addressed. UNCTAD also prepared an action plan for a “skills attraction and development programme” for the Government of Rwanda as part of its follow-up IPR activities. Following a presentation in Kigali in September 2007, the Government has taken full ownership of the recommendations and has requested technical assistance from UNCTAD to proceed with the implementation of the proposed immigration policy.

Investment promotion: Advisory Service on Investment and Training (ASIT)

51. In November 2007, as part of the good governance in the investment promotion programme, UNCTAD organized an advisory workshop in Nairobi for the Kenya Investment Authority on their policy advocacy process and goals, which was followed up with a policy advocacy strategy note. In the context of the same programme, UNCTAD organized a training-of-trainers course in November 2007 for staff of the Rwanda Investment and Export Promotion Agency to facilitate client charter development in public institutions. Advisory services in client charter development were also provided to the Rwanda Revenue Authority and the Rwandan Directorate-General of Immigration and Emigration. UNCTAD also continued to carry out a project in Ethiopia to strengthen the capacity of the Ethiopian Investment Agency and two sub-national investment offices in facilitating FDI.

52. UNCTAD provided assistance to African countries in the form of advisory services and training workshops on a wide range of investment and related issues. In 2007, workshops were carried out on issues such as investor targeting and aftercare for the Ethiopian Investment Agency, on FDI trends and policy options in LDCs for investment promotion practitioners from a number of African countries, including Benin, Burundi, Ethiopia, Madagascar, Mauritania, Uganda and Zambia, and on investment promotion and investor targeting for Angolan trade representatives abroad and for regional Africa.

International investment agreements

53. African countries continue to be concerned about the considerable number of investor-State disputes. These disputes not only put a heavy financial burden on countries, but also divert scarce human resources that are crucial for investment negotiations and the proper implementation of treaty commitments. In 2007, UNCTAD organized a course on international investment agreement (IIA) negotiations for French-speaking African countries. The training, organized with the financial support of the Governments of France and Switzerland, was attended by 29 participants from 19 countries from the region, including 14 participants from 10

LDCs, and two regional organizations. The nineteenth regional training session on IIAs and investment disputes for member countries of the Islamic Development Bank was attended by 25 participants from 22 countries, including the Comoros, Djibouti, Egypt, Gambia, Mauritania, Morocco, Mozambique, Sudan, Tunisia and Uganda. Furthermore, ad hoc technical assistance was provided to Angola on recent developments in IIAs and a training course was organized for diplomats from Guinea and Egypt through a workshop on the Egyptian bilateral investment treaty (BIT) model through the Centre for Applied Studies in International Negotiations (CASIN). At the request of beneficiary countries, ad hoc technical assistance was provided to individual countries through the organization of training courses and workshops.

54. In 2007, following the request of the Commission on Investment, Technology and Related Financial Issues to advance the understanding of IIAs and their development dimension, with particular consideration for the needs of LDCs, UNCTAD conducted an expert meeting on “International investment rulemaking: the development implications”. The expert meeting facilitated an in-depth analysis of three issues, namely, policy coherence, the balancing of private and public interests in IIAs, and the development dimension in IIAs, all of which are aimed at ensuring that developing countries retain sufficient regulatory autonomy to pursue their economic and social development goals.

Investment and intellectual property

55. African countries also benefited from the UNCTAD secretariat’s programmes on investment and intellectual property. Advisory reports completed for Ethiopia and the United Republic of Tanzania gauged the extent to which their patent laws incorporated available TRIPS Agreement flexibilities to support the development of a generic pharmaceutical industry, and whether their investment promotion framework encouraged investment by foreign generic manufacturers into the country. In November 2007, UNCTAD co-organized the UNCTAD/Action Medeor/InWent/EU workshop on TRIPS flexibilities in the WTO rules for intellectual property rights, which was held in Moshi, United Republic of Tanzania. The beneficiaries of this workshop were stakeholders from the East African Community countries and the aim was to encourage greater awareness among stakeholders of the full range of public health-related flexibilities under the TRIPS Agreement.

Investment facilitation

56. During the period, the Investment Facilitation Section provided support to a number of Governments and institutions in Africa in the area of investment promotion and facilitation and good governance. UNCTAD continued to carry out a project in Ethiopia to strengthen the capacity of the Ethiopian Investment Agency and two regional investment offices to facilitate FDI. A study and promotional tour was organized for Ethiopian investment practitioners to Switzerland and the United Kingdom. This was followed by an advisory mission to Addis Ababa where investment commissioners from the Oromia Regional State and the Southern Nations and Nationalities Peoples’ Region participated in a study tour hosted by the Malaysia Industrial Development Agency. Similarly an investment profile for the Ethiopian dairy sector was developed with the assistance of a national consultant. An investment procedures portal was developed for the Ethiopian Investment Agency and is fully operational. This project has been implemented in cooperation with the United Nations Industrial Development Organization (UNIDO), UNDP and the Oromia Regional Commission. In Nairobi, UNCTAD organized an advisory workshop to: facilitate the creation of a policy advocacy priority list for the Kenya

Investment Authority; assess this authority's policy advocacy strategy; and make recommendations for its improvement (the "GGIP project"). With a view to promoting good governance in investment promotion, in Rwanda UNCTAD organized the training-of-trainers course and the advisory services mentioned in paragraph 51 above.

57. As part of its training activity, the Investment Facilitation Section offered training to investment promotion officials for a number of African countries. A training workshop on investor targeting and aftercare was organized in Addis Ababa for 25 officials of the Ethiopian Investment Agency. A training workshop for Moroccan diplomats was also organized in Rabat. Furthermore, a regional training workshop on strategic investor targeting was organized in Mauritius as part of a series of training events that UNCTAD and the World Association of Investment Promotion Agencies (WAIPA) are conducting for developing countries. Thirty-three officials from 12 African countries, mainly LDCs (Benin, Botswana, Egypt, Ethiopia, Gambia, Madagascar, Mauritius, the Democratic Republic of the Congo, Rwanda, Seychelles, Swaziland and Uganda), were trained at this workshop.

58. In cooperation with WAIPA, a regional training workshop on FDI trends and policy options in LDCs was organized for Geneva-based investment promotion practitioners from Benin, Burundi, Ethiopia, Madagascar, Mauritania, Uganda and Zambia. The presentations dealt with the importance of good governance in investment promotion, the review of investment policies by organizations like UNCTAD and the proliferation of international investment agreements. Similarly, in cooperation with the International Trade Centre, a training workshop on investment promotion and investor targeting for Angolan trade representatives abroad was organized in Geneva. Eight Angolan trade representatives were trained at this event.

3. Enterprise development

59. In 2007, the African Empretec centres launched their regional initiative, the Empretec Africa Forum, to reinvigorate the Empretec programme in Africa. Zimbabwe, Ethiopia and Uganda will be taking the lead and will strategize with colleagues from the continent on the best ways to mobilize resources, establish an effective communication and marketing strategy, and ensure the consolidation of existing programmes and the creation of new country programmes in Africa with the support of UNCTAD.

60. UNCTAD's business linkage programme in Uganda strives to enhance the competitiveness of domestic SMEs by establishing and strengthening TNC-SME business linkages. Specific training in Uganda have given wrangling partners guidance and helped them settle disagreements.

III. The question of impact

61. The evaluation of the impact of the activities of UNCTAD in favour of Africa is a complex task.

62. The impact of the research and policy analysis can be particularly difficult to assess as UNCTAD's work contributes to a broader stream of national and international policy analysis and many factors influence the uptake of ideas. However, important steps were taken during the year to disseminate findings at the country level through regional workshops and the elaboration of a policymakers' handbook based on national and regional workshops. These activities provided a strong and affirmative reality check for UNCTAD's analytical work. There was also significant explicit feedback from Africa on the value of UNCTAD's research. For

example, the Executive Secretary of the Council for the Development of Social Science Research in Africa (CODESRIA) has described *The Least Developed Countries Report 2006* as “un outil précieux aux décideurs politiques et une source d’information inestimable aux chercheurs qui consultent notre Centre de Documentation” (“a valuable tool for political decision-makers and a priceless source of information for researchers using our documentation centre” – letter of 23 January 2007). With regard to *The Least Developed Countries Report 2007*, the President of Malawi said that it “would be utilized as a reference document in the development, implementation and follow-up of Malawi’s growth and development programmes”.

63. The immediate impact of technical cooperation activities can be gauged in terms of activities implemented during projects. Thus, for example, the following activities were implemented as part of the project to support standards in the horticulture sector in Guinea:

- (a) Train a safety assurance task force for the horticultural sector to assist Guinean producers and SMEs to implement safety control systems;
- (b) Establish a public inspection office to control quality aspects and labelling issues;
- (c) Organize six national training workshops on good agricultural practices (GAP), good manufacturing practices (GMP) and other safety assurance systems such as HACCP, GlobalGap, ISO 9000, ISO 22000, ISO 14000, and other commercial standards (e.g. fair-trade standards);
- (d) Build a national certification capacity by establishing a collaborative framework for an internationally accredited certification body and national public/private auditors;
- (e) Strengthen the capacity of laboratories in charge of sanitary and phytosanitary analyses and pesticide residue levels for exporters; and
- (f) Buy IT equipment to set up a website for the dissemination of project results, training modules and teaching materials, and the links with other portals in this area.

64. Similarly, the immediate impact of training activities is evident in increased understanding of issues, options and commitments. For example, the European Union-funded project for SADC led to a better understanding by SADC member States of the commitments and necessary actions to be undertaken to implement pro-development services policies and to achieve the goals and objectives set out in the SADC Annex on Trade in Services. SADC member States also further developed their capacity to assess the range of options and possible strategies to be considered for the services sector and the strategies that may be required to develop a proactive approach at the subregional level with a view to formulating negotiating objectives concerning existing and forthcoming trade arrangements.

65. The long-term developmental impact of technical cooperation activities is more difficult to measure. Past UNCTAD activities have facilitated the development of competition and investment policy in a number of African countries. With regard to competition policy, for example, there have been noticeable changes in policy in the following countries where UNCTAD has provided assistance: Egypt, Kenya, Malawi and Mozambique. But the broader impact of the introduction of competition law and policy on development, poverty reduction and the achievement of the Millennium Development Goals is more nebulous.

66. Despite these difficulties of evaluation, one positive indicator is that there is continued demand from African countries for a number of long-standing UNCTAD

technical cooperation activities, such as Asycuda, DMFAS, support in the Paris Club negotiations, support for trade negotiations and commercial diplomacy, and improvement in port services, as well as wide interest in new initiatives such as the Virtual Institute. There is also buoyant demand for expertise in relation to policies to attract FDI and increase investment development linkages. To date, 16 African countries have benefited from investment policy reviews and UNCTAD was called upon in 2007 on a number of occasions to make keynote interventions and organize workshops or seminars on FDI (e.g. in the area of extractive industries), as well as to become a partner in some important initiatives in Africa (e.g. the NEPAD-OECD African Investment Initiative). It may be expected that the developmental impact of activities will be highest where long-term relationships have been established.

67. Overall, UNCTAD support for Africa covers a large number of countries and an important feature of its work is its significant cooperation with African subregional organizations and the broad alignment of its work with NEPAD priorities.
