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Activities undertaken by UNCTAD in favour of Africa

Report by the Secretary-General of UNCTAD

Executive summary

UNCTAD supports African development through activities that enhance Governments' policymaking capacities in trade, investment, trade-supporting infrastructure, human development and institution-building, in order to ensure more effective governance for development. These initiatives include efforts (i) to strengthen trade-facilitation and negotiation capacities through trade technical assistance, (ii) to diversify production of agricultural, oil and mineral commodities, (iii) to enhance service-sector technological capacities in trade, transport and the Internet, (iv) to offer operational and strategic debt management support, and (v) to provide capacity-building activities for investment, enterprise development and insurance.

Among the many policy analyses carried out by UNCTAD are two major series of reports, the *Economic Development in Africa Report* and the *Least Developed Countries Report*, which contribute to an understanding of the issues currently faced by African countries.

An evaluation process has been launched to solicit feedback from research and policy initiatives, in order to ensure that the quality and the utility of the work produced optimally serves the needs of Africa and of the least developed countries.

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. This document is the thirteenth in the series since the fifteenth executive session of the Board. It provides an overview of research and analysis 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 that falls under UNCTAD's mandate. This report complements and updates the information in document TD/B/EX(44)/2, submitted to the forty-fourth executive session of the Board in July 2008, and covers activities undertaken during 2008.

2. In accordance with United Nations General Assembly resolution 63/1, the United Nations system is requested to intensify efforts to assist African countries. The Board, in its document entitled "Agreed conclusions 494 (LV)", requested that UNCTAD should, within its mandate, continue to undertake insightful and critical analysis and to seek to widen the dissemination of its research findings.

3. Various UNCTAD divisions and programmes have continued their cooperation with the secretariat of the New Partnership for Africa's Development (NEPAD). UNCTAD's activities are detailed in the Report of the Secretary-General on United Nations system support for NEPAD (E/AC.51/2008/5). Contributions from 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 of document TD/B/EX(35)/2, presented to the thirty-fifth executive session of the Trade and Development Board.

I. Policy analysis, research and dissemination

5. Among the many policy analyses undertaken by the UNCTAD secretariat are two major reports: the Economic Development in Africa series of reports, and the Least Developed Countries series. The 2008 report entitled *Economic Development in Africa: Export Performance following Trade Liberalization – Some Patterns and Policy Perspectives* showed that most African countries have undertaken extensive trade liberalization and most are said to have had open economies since the mid- to late-1990s. However, export performance following trade liberalization has been weak in terms of increased export volumes, increased export/gross domestic product (GDP) ratios and diversification of high-value agricultural exports and manufactures. This is partly due to a lack of complementary policies to tackle the structural, institutional and socio-economic constraints that restrain African supply response to export opportunities. The report argues that African countries should adopt sector-specific policies, focusing on manufacturing and agriculture, to tackle these constraints. These should not only seek to increase exports, but should also seek to improve productive capacities and productivity at a deeper level, for example through increased investment in agricultural research and development (R&D) or encouragement of the creation of large firms.

6. UNCTAD's *Least Developed Countries Report 2008: Growth, Poverty and the Terms of Development Partnership* argued that the sustainability of the growth surge which many least developed countries (LDCs) have experienced in this decade is

highly questionable. LDCs are highly vulnerable to a slowdown in growth caused by external shocks, because growth has been highly dependent on high commodity prices and high levels of capital inflows, particularly aid. Most LDCs are still characterized by low levels of domestic savings, very weak development of manufacturing industries, high levels of commodity dependence, weak export upgrading, worsening trade balances, and rising food and oil import bills. Using a new set of poverty estimates, the report finds that rapid economic growth in the LDCs has not been associated with significant poverty reduction and progress towards the Millennium Development Goals (MDGs). It argues that both the vulnerability of LDC economies and the weak inclusiveness of the growth process relate to the development model pursued. Enhanced country ownership of national development strategies and policies is essential for greater development effectiveness. But the report shows that various processes continue to weaken country ownership. It identifies some practical measures that can contribute to rectifying this situation and ensuring better outcomes and more balance in the terms of development partnership, including adopting national aid management mechanisms and policies, rethinking policy conditionality, and boosting domestic knowledge systems to enhance policy analysis and research capacity in LDCs.

II. The Least Developed Countries

7. The UNCTAD secretariat prepared an issues note for the High-level Segment of Heads of State and Government held at UNCTAD XII on 21 April 2008, on “Trade and Development for Africa’s Prosperity: Action and Direction” (TD/433), and organized a thematic roundtable on “Developing Productive Capacities in the Least Developed Countries”. Two pre-events were organized for UNCTAD XII: a workshop of renowned African economists on “Development Strategies in Africa”, run in collaboration with the Friedrich Ebert Foundation, in Accra, Ghana on 19 April 2008, and a “High-level Workshop for African LDCs”, organized and hosted in collaboration with the Turkish Government, on 4 and 5 March 2008.

8. UNCTAD developed and implemented a project (INT/OT/BP) in several African countries with the financial support of the Governments of Austria and Norway. The project helped undertake sector-specific case studies on key export items of interest to selected African countries. The secretariat published the final outcome of the project, containing a synthesis of sector-specific case studies and country-case studies, lessons learned and policy conclusions, as well as the recommendations of the expert meeting held in Arusha, Tanzania in 2007. The findings from national and sector-specific case-studies indicated that despite numerous and complex obstacles, there was considerable scope for many poor African countries to join the group of successful exporters, particularly regarding exports such as oil, copper, coffee, cocoa, groundnuts and textiles. Horticulture, fishing and tourism were found to be additional areas where there was significant export potential for many African countries.

Small island developing States (SIDS)

9. UNCTAD, based on the recommendations of the Enhanced Integrated Framework (EIF), provided direct assistance for Cape Verde’s diagnostic phase in preparation for the country’s graduation from LDC status on 21 December 2007. Assistance focused on Cape Verde’s wish to open new avenues for economic transformation, especially offshore services. UNCTAD’s input resulted in the formulation of a project to examine the feasibility of developing offshore company

formation services. A project document was submitted to the Cape Verde authorities (notably to the economic ministries and to legal professionals) in December 2008, in the context of the validation of the Diagnostic Trade Integration Study under the EIF.

10. UNCTAD provided Equatorial Guinea with a range of advisory services, including several briefing sessions in Malabo at different levels of decision-making within the Government (including the Prime Minister), and prepared a vulnerability profile, in accordance with UNCTAD's mandate from the General Assembly (resolution 59/209). The main focus of the briefing sessions and discussions was on a "smooth transition" strategy for Equatorial Guinea, in anticipation of the likely decision in 2009 by the United Nations to graduate that country from LDC status.

11. In 2008, UNCTAD pursued extensive consultations with the Indian Ocean Commission on enhancing cooperation between that organization and UNCTAD in the 2010 mid-term review of the implementation of the Mauritius Strategy for SIDS. Three members of the Indian Ocean Commission are SIDS (the Comoros, Mauritius and Seychelles).

Landlocked developing countries (LLDCs)

12. Fifteen of the 31 LLDCs are located in Africa. UNCTAD continued to contribute to implementation of the 2003 Almaty Programme of Action, which addresses the special needs of landlocked developing countries within the New Global Framework for Transit Transport Cooperation for Landlocked and Transit-Developing Countries.

13. The issues paper "Foreign direct investment in landlocked developing countries: trends, policies and the way forward" (UNCTAD/ALDC/2008/3) – discussing recent trends and issues related to attracting foreign direct investment (FDI) relevant to LLDCs – was prepared, and a high-level investment forum for LLDCs was held on 1 October 2008.

14. UNCTAD was actively involved in the substantive preparations and the delivery of the mid-term review of the Almaty Programme of Action on 2–3 October 2008, and provided advice to the group of Geneva-based LLDCs on a regular basis.

15. UNCTAD also assisted LLDCs during the preparatory process for UNCTAD XII, in particular with regard to the final documentation adopted by the Conference and to a ministerial meeting of LLDCs in Ghana.

III. Sectoral issues

A. International trade

1. International Trade Centre UNCTAD/WTO Joint Integrated Technical Assistance Programme to selected least developed countries and other African countries

16. Since the Joint Integrated Technical Assistance Programme expired in December 2007, UNCTAD has been working on launching a follow-up initiative.

2. Integrated Framework for trade-related technical assistance to LDCs

17. The Integrated Framework (IF) is a multi-agency and multi-donor undertaking for the coordinated delivery of trade-related technical assistance and institutional capacity-building activities in LDCs. By the end of December 2008, 46 LDCs were at different stages of the Integrated Framework process. Twenty-eight African countries

have validated their diagnostic studies and action matrix lists, namely Angola, Benin, Burkina Faso, Burundi, Cape Verde, the Central African Republic, Chad, the Comoros, Djibouti, Ethiopia, Gambia, Guinea, Lesotho, Liberia, Madagascar, Malawi, Mali, Mauritania, Mozambique, Niger, Rwanda, Sao Tome and Principe, Senegal, Sierra Leone, Sudan, Uganda, the United Republic of Tanzania, and Zambia. Although the Integrated Framework was transitioning during 2006–2008 from the original Integrated Framework to the Enhanced Integrated Framework (EIF), in-country activities continued.

18. Since 1 May 2007, the IF interim Board has taken up the work from the Integrated Framework Working Group. At the September 2007 pledging conference in Stockholm, 22 donors pledged \$170 million for the five-year tenure of the EIF. Since then, a further \$3 million have been pledged.

19. In 2008, the IF interim Board selected the United Nations Office for Project Services as the new trust fund manager for the EIF trust fund. Headquartered in Copenhagen, it will carry out its trust fund management activities with a fully dedicated staff in Geneva, supported by regional offices in Bangkok, Dakar, Johannesburg and Nairobi. National implementation arrangements and preparations for financing projects under both tier 1 and tier 2 of the trust fund are at various stages of completion in a number of countries. To facilitate this process, the interim EIF Board, with help from the relevant World Trade Organization (WTO) implementation unit, has recently made available some simple guidelines to assist countries in implementing the EIF.

20. Approved project implementation from the old Integrated Framework continued uninterrupted, with the existing trust fund manager continuing to manage approved and committed funds and reporting to the Board.

21. The IF interim Board has appointed an IF executive director to head the IF executive secretariat, to be housed administratively by the WTO. Final organizational details have been finalized by the EIF Board, and the first projects under tier 1 and tier 3 have been approved.

3. Trade negotiations

22. UNCTAD support in 2008 for African countries to strengthen their trade-policy, institutional and human-resources capacities included:

- (a) Monitoring the WTO Doha agenda negotiations and their impact on African countries' trade and development interests;
- (b) Offering tailor-made, comprehensive assistance to African countries acceding to the WTO, or in the post-accession phase (Algeria, Ethiopia, Sudan), to manage the complex negotiations, and to implement the changes required and adjust to them;
- (c) Helping countries take advantage of market access opportunities by familiarizing them with national trade regimes; and providing information on the WTO negotiations, or utilizing North–South preferential trade arrangements including the Generalized System of Preferences, the African Growth and Opportunity Act, and the African, Caribbean and Pacific States (ACP)–European Union (EU) Cotonou Agreement;
- (d) Supporting the understanding and utilization of duty-free and quota-free market access initiatives for LDCs by developing countries such as China and India;
- (e) Providing advice and analysis on proactive participation in South–South trading arrangements such as the Global System of Trading Preferences

among Developing Countries, and regional arrangements among developing countries such as SADC (Southern African Development Community) and COMESA (Common Market for Eastern and Southern Africa), especially regarding services negotiations;

(f) Assisting Rwanda in developing a comprehensive trade policy framework;

(g) Supporting Uganda, under UNCTAD's Biotrade Initiative, to analyse and identify several biotrade products with export potential, including natural ingredients for cosmetic industries;

(h) Providing support to the African Biofuels and Renewable Energy Fund, which was launched in 2007 under the auspices of ECOWAS Bank for Investment and Development, to help development of biofuels and renewable energy in Africa, including R&D and technical assistance. UNCTAD and the World Bank have been providing advisory and technical support to help the Fund's operations and to build its institutional capacity;

(i) Producing and disseminating two studies on trade and gender, to raise awareness on making trade policy sensitive to gender issues. These were: (i) "Mainstreaming gender into trade and development strategies in Africa" and (ii) "Mainstreaming gender into trade and development strategies: the case of East Africa";

(j) Providing analysis on the global food crisis, suggesting long-term strategies to help developing countries, including African countries, to deal with the crisis.

4. Trade facilitation

WTO Trade Facilitation Needs Assessment (Ouagadougou)

23. As an Annex D organization, UNCTAD collaborates with the WTO secretariat in its training and technical assistance activities in Africa. Since October 2007, Annex D organizations have provided ongoing support to developing countries in the self-assessment of technical assistance needs through national workshops. The trade facilitation needs assessment objectives are to evaluate countries' levels of compliance with the current proposals and to identify implementation adjustments and the ratio of technical assistance needed. UNCTAD – through its trust fund on "Capacity-building in developing countries and least developed countries to support their effective participation in the WTO negotiations process on trade facilitation" – regularly participates in these workshops. UNCTAD organized a national workshop in Burkina Faso from 6 to 11 October 2008, presenting the results to officials from the Ministry of Commerce, the Customs Department and the private sector. The trust has received contributions from Sweden, Spain, Norway and Switzerland.

International Single Window Conference (Senegal)

24. The single window is a facility allowing parties involved in trade and transport to log standardized information and documents with a single entry point to fulfil all import, export, and transit-related regulatory requirements. The November 2008 conference in Senegal focused on current single window initiatives in Africa, discussing the challenges related to implementation. The Conference emphasized regional and international standards for the operating technologies, and presented several standards and recommendations for e-documentation, single window systems, and electronic data interchange. One session discussed ongoing negotiations about trade facilitation at the WTO, and their implications for trade facilitation initiatives.

5. Capacity-building in developing and least developed countries to support their effective participation in the WTO negotiations on trade facilitation

25. The UNCTAD multi-donor trust fund to support developing countries in their effective participation in the ongoing WTO negotiations on trade facilitation has received contributions since late 2004 from the Governments of Sweden and Spain, and most recently from the Government of Norway.

26. The trust fund provides support and training during the negotiating process such as drafting technical background papers on negotiation issues, conducting regional and national awareness-raising workshops, organizing roundtables for Geneva-based delegations, and financing participation by officials from developing countries at meetings of the WTO Negotiations Group on Trade Facilitation.

27. Delegations have made rapid progress on the substantive draft provisions of a future agreement on trade facilitation. Simultaneously since 2007, members have undertaken national trade facilitation self-assessments, in which administrations review the impact of trade facilitation disciplines currently negotiated as part of the WTO Doha Round, and define implementation actions and technical assistance needs.

28. UNCTAD works in close collaboration in Geneva with representatives from developing countries, by participating as a facilitator for national self-assessments, and by providing advice, training and financial support for the setting-up and strengthening of national task forces on trade facilitation. Assessment findings are linked to the development of implementation plans and are fed back into the negotiation process.

6. Transport and trade facilitation

29. UNCTAD continues to assist the Government of Mali in setting up a national task force on trade facilitation. An awareness-raising workshop on the WTO's negotiations on trade facilitation and self-assessment methodology took place in 2008. A workshop in March 2009 focused on the implementation of negotiated trade facilitation commitments. UNCTAD experts were facilitators in the national trade facilitation self-assessments of Burkina Faso and Mali in 2008. UNCTAD chaired the roundtable on the economic benefits of trade facilitation at the annual conference of the Global Facilitation Partnership in Cape Town, South Africa, where key trade and transport facilitation topics of interest to governments and the private sector were discussed. Countries were also updated on the work and new developments in key areas undertaken by the Global Facilitation Partnership core partners (World Bank, World Customs Organization, UNCTAD, International Chamber of Commerce, United Nations Economic Commission for Europe, and United Nations Industrial Development Organization). UNCTAD participated in the Organization for Economic Cooperation and Development (OECD) Regional Forum (Eastern and Southern Africa) on Trade Facilitation in Cape Town, South Africa, chairing the opening session on "The Economics of Trade Facilitation". Both meetings were held sequentially in June 2008.

7. Trade and environment

United Nations Environment Programme–UNCTAD Capacity-building Task Force on Trade, Environment and Development

30. Launched at UNCTAD XII and funded by the Austrian Government, this joint project promotes production and trading opportunities for organic agricultural products. UNCTAD provided support to the African Union Conference on Ecological Agriculture: "Mitigating Climate Change, Providing Food Security and Self-Reliance for Rural Livelihoods in Africa", in Addis Ababa; and to the West African Organic

Summit, in Nigeria – both were held in November 2008. UNCTAD is preparing an overview of the organic development status in Burundi, Ethiopia, Kenya, Rwanda, Uganda, and the United Republic of Tanzania, to be published in 2009. UNCTAD supports the consultations on a draft organic policy in Uganda; and the national Ethiopian Organic Forum, 2009; and the African Organic Conference, scheduled for May 2009 in Kampala.

*International Task Force on Harmonization and Equivalence in Organic Agriculture
(UNCTAD–Food and Agriculture Organization of the United Nations (FAO)–International
Federation of Organic Agricultural Movements)*

31. This forum offers a dialogue between public–private sector institutions involved in regulating the international organic sector and removing technical barriers to trade in the organic agricultural products that result. Two concrete tools have been developed: (i) Tool for Equivalence (EquiTool), an international guideline for determining the equivalence of organic standards, and (ii) International Requirements for Organic Certification Bodies, establishing an international baseline on what organic certification bodies must do to be effective. Several publications by UNCTAD in 2008 of interest to member States are: “Organic agriculture and food security in Africa” (UNCTAD/DITC/TED/2007/15); “Private sector standards and national schemes for good agricultural practices: implications for exports of fresh fruit and vegetables from sub-Saharan Africa – experiences of Ghana, Kenya, and Uganda” (UNCTAD/DITC/TED/2007/13); “Certified organic export production: implications for economic welfare and gender equity among smallholder farmers in tropical Africa” (UNCTAD/DITC/TED/2007/7); and “Best practices for organic policy – what developing-country Governments can do to promote the organic agriculture sector” (UNCTAD/DITC/TED/2007/3). Meetings in 2008 included the pre-UNCTAD XII event on “Making sustainability standards work for small-scale farmers”, held at Arusha, United Republic of Tanzania, 7–9 April 2008; and “Making sustainability standards work for pro-poor agricultural trade and development”, held at Accra, Ghana, on 22 April 2008.

8. Commodity development

Cotton

32. The UNCTAD Secretary-General convened a multi-stakeholder meeting on cotton, in Geneva, on 2 December 2008. Participants included six African trade ministers, high-level government officials, and representatives of international organizations including the African Union, the Organisation internationale de la Francophonie, and the Organization of the Islamic Conference; plus civil society organizations, including producers’ associations and the private sector. The meeting reviewed opportunities and challenges for cotton trade in the evolving global economic and trade environment, and identified ways in which low-income cotton-exporting countries could be assisted to respond to the challenges and opportunities of commodity markets. A follow-up meeting in Africa will bring together all key cotton-industry stakeholders and will help identify opportunities for linkage between the cotton trade and investment opportunities in Africa, while promoting and nurturing regional integration to provide a sustainable product for investors and the international market.

Capacity-building

33. The ACP capacity-building programme on agricultural commodities focuses on reinforcing strategies and policies, smoothing transactions, and empowering farmers,

and on helping countries to develop their commodity/cotton sectors, while complementing nationally funded initiatives. UNCTAD, the World Bank, FAO, the Common Fund for Commodities, and the International Trade Centre WTO/UNCTAD are implementing the projects in four thematic areas in Africa: (i) market information systems, (ii) sustainability claims portal, (iii) commodity exchanges, and (iv) supply chain finance.

African Oil, Gas and Minerals Conference and Exhibition

34. This annual conference took place in Equatorial Guinea in 2008. Participants shared experiences on sustainable management of the oil, gas, and mineral sectors and on best practices for transforming African natural resource endowment into wealth. The Conference facilitated innovative strategic partnerships, and shaped appropriate policies and legal frameworks for the creation of backward–forward linkages between the extractive industries and the host country to enhance the contribution of the energy and mining sectors to long-term sustainable development. Key decision makers from government; business, including major oil and mining company executives; international and regional agencies; academia and civil society organizations participated.

35. Equatorial Guinea signed a Memorandum of Understanding between the Government and ExxonMobil to capture and monetize otherwise flared gas. Equatorial Guinea will reduce gas emissions and use the captured gas to expand gas processing at its plants. The benefits of the deal include an increased supply of liquefied natural gas and methanol to feed international markets, and the supply of liquefied petroleum gas to domestic and regional markets, helping improve their energy security.

9. Competition law and policy

36. UNCTAD and the Government of Cameroon co-organized a national seminar on competition policy and internationalization in May in Doula. Participants were from government, the private sector, and civil society. A national seminar in November with the Ministry of Economy, Trade and Industry in Madagascar examined “Competition policy within the framework of economic reforms and poverty reduction”. It coincided with finalization of the institutional framework report on competition law and policy and stakeholder consultations and opinion surveys relating to the creation of a competition authority. In 2008, UNCTAD provided training and workshops on competition law and policy to Botswana, Cameroon, Mozambique, Rwanda, Tunisia and Zambia. UNCTAD organized the first regional workshop on “The role of competition policy in the current food crisis” in June 2008 at the newly established UNCTAD/Tunisia Regional Centre on Competition Policy, in Tunis, in coordination with the International Development Research Centre of Canada and the Ministry of Commerce of Tunisia. From August to October 2008, the newly established Swaziland Competition Commission received assistance. UNCTAD also supported members of the West African Economic and Monetary Union (WAEMU) with implementation of common competition rules, and participated in the steering committee of the WAEMU capacity-building project on competition policy in Niamey, Niger, in April. Together with the secretariats of the Economic Community of West African States (ECOWAS) and of WAEMU, UNCTAD organized regional seminars for ECOWAS/WAEMU member States in May in Bamako, Mali. The first regional training and information seminar on competition law and policy in ECOWAS introduced the draft regional competition rules and discussed the regional regulatory framework on competition policy. The second gathered experts from ECOWAS, WAEMU and UNCTAD to discuss ways of using the WAEMU experience to promote common competition rules in Western Africa.

37. Officials responsible for investigating anti-competitive practices and merger control enforcement in many Eastern and Southern African countries received enhanced training skills in administering and enforcing competition law and policy. UNCTAD advised on the implementation of the SADC Cooperation Agreement on Competition Law and Policy (25–27 August 2008, Gaborone, Botswana).

10. Training activities

Regional courses on key issues on the international economic agenda

38. These courses build policymakers' knowledge and skills about international trade, finance, investment and technology, and their interrelationship with development. A course developed in 2008 for African countries was held in Cairo, Egypt, from 25 January to 12 February 2009.

TrainForTrade programme

39. The UNCTAD TrainForTrade programme organized a high-level workshop on tourism issues, the design and updating of training material, and the delivery of training courses. In the second half of 2008, 10 face-to-face and distance-learning training seminars benefited 216 trade operators from 12 African countries. An extensive programme on international investment agreements (IIAs) was conducted in Portuguese in Angola, in cooperation with UNCTAD. In June 2008, a nine-week distance-learning course was organized for 78 participants from Angola, Guinea-Bissau, Mozambique and Sao Tome and Principe. Thereafter, a case study analyzing IIAs signed by Angola was prepared, followed by a four-day training course in Luanda for 25 IIA negotiators from Angola, Guinea-Bissau, Mozambique and Sao Tome and Principe. The objective was to reinforce knowledge and improve skills in negotiating IIAs. Other activities included assistance in the field of competition law, and the designing of specific training material on trade, energy and the environment. A three-day training for distance-learning tutors took place in Luanda, in March 2009.

40. A joint UNCTAD/International Trade Centre project was launched for the "Strengthening of Guinean capacities in the field of international trade through training, support to intermediate institutions, and direct assistance to food-processing businesses and units" in 2008, funded by the French Development Agency. This two-year project, in cooperation with the Ministry of Trade and Competitiveness, promotes the integration of Guinea into international trade through capacity-development and training.

Port Training programme

41. The "Modern Port Management" course was delivered in the ports of Conakry, Cotonou, Dakar, Douala and Lomé in 2008. About 78 participants were granted UNCTAD port certificates, after presenting their final assignments to a panel of port experts.

42. In July 2008, a training session for 14 Portuguese-speaking port trainers from Angola, Cape Verde, and Guinea-Bissau was organized in Luanda. Seven port trainers from Ghana and the United Republic of Tanzania attended a train-the-trainers course in Dublin, in September, on the modern functioning of an innovative and efficient port incorporating the needs of port communities.

Virtual Institute on Trade and Development

43. The UNCTAD Virtual Institute continued to strengthen trade and development teaching and research at African universities. With member universities in Egypt, Kenya, Mauritius, Mozambique, Senegal, South Africa, Uganda and the United Republic of Tanzania, Africa has the highest representation in the Virtual Institute. In November 2008, a regional professional development workshop on economic and legal aspects of investment, based on Virtual Institute teaching material, was organized in Kampala, Uganda, in cooperation with UNCTAD's programme on IIAs. Academics from 10 English-speaking African countries, mostly LDCs, attended the workshop, which was funded by the Governments of Finland and Spain.

44. The Virtual Institute fellowship programme, sponsored by the Government of Finland, provided an opportunity for three African academics (from Senegal, Uganda and the United Republic of Tanzania) to spend six weeks in Geneva working on research projects, supported by UNCTAD "mentors". Academics from the University of Mauritius, Cairo University, the University of Nairobi, and the Makerere University Business School enhanced their expertise on topical international economic issues by conducting research to adapt Virtual Institute teaching materials on trade and poverty and regional trade agreements to the context of their countries. The Virtual Institute provided advisory and curriculum support to Makerere University Business School in Uganda for the development of a master's programme in trade and development.

E-Tourism

45. UNCTAD – in collaboration with the Economic Commission for Africa and in cooperation with ECOWAS and WTO – is designing innovative networking models to help local tourism stakeholders better organize and promote themselves. The project promotes participative e-tourism strategies, capacity-building, and network-oriented activities that integrate all stakeholders in the dissemination and sharing of knowledge. Six ECOWAS countries will benefit. Government authorities responsible for designing and implementing the national e-strategy in this field will be targeted, as will tourism-related institutions, small and medium-sized enterprises, and industry and sector associations and organizations – including tourist operators in the beneficiary countries and relevant non-governmental organizations. Funding has been identified through the United Nations Development Account.

46. Since the summer of 2008, a new e-tourism training package has been enabling local stakeholders to develop and adopt sustainable e-business strategies in tourism. E-tourism capacity-building activities will commence in Burkina Faso, Guinea, Mali and Mauritania in April 2009. National consultants will support the following activities: SWOT analyses on the use of information and communications technologies (ICT) in tourism; national workshops for public and private stakeholders; and support to local tourism stakeholders' networks.

Sustainable tourism

47. TrainForTrade – in cooperation with the Ministry of Handicrafts and Tourism – ran a high-level workshop in October 2008, in Bamako, Mali, for French-speaking countries in Africa, on sustainable tourism for development. Delegates from Burkina Faso, Guinea, Madagascar, Mali, Mauritania, Senegal, and representatives from donor institutions, exchanged experiences and views on ways to develop sustainable tourism in their countries. TrainForTrade prepared a three-year project in cooperation with the Ministry of Environment, Forestry and Tourism of Madagascar and with GTZ (the German cooperation agency) on "Sustainable management of natural

resources”, to help reduce poverty by developing the tourism sector, as envisaged in the Madagascar Plan of Action. The first activities will be implemented in early 2009.

48. A joint UNCTAD/International Trade Centre eighteen-month project funded by the Integrated Framework for Benin has commenced. It will promote “Sustainable community tourism” in Benin by developing local capacities in tourism in Abomey, Ganvié and Ouidah. In March 2009, a workshop discussed project activities and established an institutional framework.

B. Services development

1. Automated System for Customs Data (ASYCUDA)

49. The ASYCUDA programme aims to modernize customs, using information technology to speed and simplify the goods’ clearance process. Training allows full transfer of ASYCUDA know-how and skills to national staff, ensuring that the system can be sustained by national administrations. Project training implementation in 2008 took place in 35 African countries.

2. Transport and transit

50. The UNCTAD publication *Review of Maritime Transport 2008* analysed the rail infrastructure developments that took place in many world regions in 2007. It reported that the African Union was seeking to link the infrastructures of its member countries into a comprehensive pan-African transport infrastructure, and cited the following needs: systematic programmes to replace old locomotives and wagons; improved communications systems; the improvement of inadequate railway lines; rehabilitation or upgrading of structures; and customer-responsive services to attract customers.

3. ICT and e-business

51. UNCTAD helps African countries create a favourable environment for e-commerce and e-business. During 2008, it provided technical assistance and capacity-building for the statistical measurement of ICT in the Tunisian economy. UNCTAD is a leading member of the Partnership on Measuring ICT for Development. In May, UNCTAD funded the participation of representatives from Kenya, Sierra Leone and the United Republic of Tanzania at an expert group meeting and a global event on “Measuring the information society”. The discussions focused on the progress made in global ICT measurements and on revising the core ICT indicators list to support national ICT policies for development.

52. UNCTAD continued to assist the countries of the East African Community (Burundi, Kenya, Rwanda, Uganda and the United Republic of Tanzania) to harmonize their cyberlaws, through its ICT and law reform programme. In collaboration with the East African Community Task Force on Cyberlaws, UNCTAD prepared a comparative review of existing cyberlaws and a regional legal framework for developing e-commerce and realizing e-government services.

53. UNCTAD’s *Information Economy Report 2007–2008* examined mobile telephony in several sub-Saharan African countries, citing indicators for mobile telephony penetration rates, subscribers, and pricing trends, and giving examples of where mobile telephony had helped to enhance entrepreneurial and market efficiencies, thus improving value creation. It identified policies to improve mobile network coverage and to increase the subscriber base.

C. Debt, finance and development

1. Paris Club

54. UNCTAD continues to support African and other debtor countries in preparing their negotiations on the restructuring of bilateral official debt within the framework of the Paris Club. Since the last report, five African countries have rescheduled their debt with Paris Club creditors.

55. Following agreement on 21 April 2008 on a new a three-year programme with the International Monetary Fund, Paris Club creditors met in June to consider the case of Togo, and granted the country debt relief on its obligations falling due during the consolidation period under the Naples Terms. Togo will also make no payment to its Paris Club creditors from April 2008 to March 2011.

56. A Paris Club meeting in October 2008 granted Djibouti rescheduling, under the Houston Terms, of its principal and interest payments falling due between September 2008 and October 2011, and also of its arrears from August 2008. Djibouti also obtained a goodwill clause from Paris Club creditors stating that in the future, its debt could be considered for treatment under the Evian Approach.

57. The Congo met with Paris Club creditors in December 2008 to reschedule its arrears as of February 2008, and also its principal and interest payments falling due between January 2008 and December 2010, under the Cologne Terms. Payments on a post-cut-off date debt were rearranged, with payments deferred until 2011.

2. Debt Management and Financial Analysis System (DMFAS)

58. In 2008, the DMFAS programme supported the operational and strategic debt management of 21 NEPAD countries. Countries rely on DMFAS software for recording and monitoring debt.

59. The most recent version of the DMFAS software was installed in three African institutions in 2008: the finance ministry of the Central African Republic, the central bank of Egypt, and the finance ministry of Togo. Related training was also provided. Capacity-building sessions on use of the system for debt operations, including data validation, reporting, and statistics and analysis were provided to Algeria, Burkina Faso, the Central African Republic, Chad, the Democratic Republic of the Congo, Ethiopia, Guinea-Bissau, Rwanda, Sudan, Togo and Uganda. The results included debt data validation calendars in the Central African Republic, Chad, the Democratic Republic of the Congo, and Sudan, and statistical bulletins in the Democratic Republic of the Congo and Ethiopia. Ethiopia, Sudan and Zimbabwe all benefited from the new capacity-building module in debt portfolio analysis organized in Jordan in November. The DMFAS programme encourages regional collaboration, through a regional workshop with Pôle-Dette in Togo and a study tour for the debt management office in Sudan. Since April 2008, a DMFAS staff member has been posted in Bamako, Mali, to support West African countries and to coordinate more efficiently with other providers in the region.

D. International investment and enterprise development

1. Analysis of investment issues

60. Publications in 2008 included the *World Investment Directory: Africa*, and the *World Investment Report*, which contains a section analysing FDI trends in Africa. During 2008, the research and policy analysis project “FDI in tourism: the

development dimension” expanded its focus to West Africa, rolling out a third phase of field studies in Ghana, Mali and Senegal. West African country studies are nearly completed; findings will be reported during 2009, including at national- and regional-level workshops. Findings relating to the second phase of the project (East and Southern Africa, 2007–2008), were disseminated through workshops in Kenya and Mauritius, and through discussions with tourism and development stakeholders. Project researchers also contributed directly to tourism and investment policymaking in Kenya, Mauritius, South Africa, Uganda, and the United Republic of Tanzania. The project was co-financed by the International Development Research Centre (Canada).

61. In 2008, UNCTAD intensified its technical assistance for collecting and harmonizing data on FDI and the activities of transnational corporations (TNCs). The COMESA FDI/TNC statistics task force met in Lusaka, Zambia, from 10 to 12 March, to review and adopt its terms of reference and to amend regulations regarding FDI data compilation and reporting, setting the stage for future work in the COMESA region. In August, representatives from national agencies of COMESA member States attended the first COMESA/UNCTAD Regional Workshop on the Common Survey on FDI/TNC Statistics, preparing a survey on FDI flows and stocks, and on the activities of foreign affiliates of TNCs. In 2008, national workshops were held in Ethiopia, Kenya, Malawi, Rwanda and Zambia.

62. UNCTAD – a member of the Steering Group of the NEPAD–OECD African Investment Initiative – participated in its third annual high-level meeting and expert roundtable in Kampala, Uganda, on 10 and 11 December 2008. An analysis of UNCTAD’s *World Investment Report 2008: Transnational Corporations and the Infrastructure Challenge* was presented at the meeting, with particular emphasis on infrastructure investment in Africa.

2. Policies and capacity-building

Investment policy reviews (IPRs)

63. In 2008, UNCTAD carried out work on IPRs in Burkina Faso, Burundi, Nigeria and Sierra Leone. Each IPR examines the country’s ability to absorb and maximize the development gains of inward investment, taking into account the views of the Government, civil society and private investors. UNCTAD works closely with governments and with other development organizations, including NEPAD, to ensure that the policy and strategic recommendations contained in the IPRs meet country-specific needs. UNCTAD is a member of the Steering Group of the NEPAD–OECD African Investment Initiative, and participated in the third annual high-level meeting and expert roundtable of the NEPAD–OECD Africa Investment Initiative in Kampala, Uganda, in December 2008. The Nigerian IPR was presented at a national workshop in Abuja, Nigeria, on 24 July 2008. UNCTAD briefed President Yar’Adua of Nigeria on the key recommendations of the IPR, and he assigned his chief economic advisor to follow up on their implementation. Plans are underway to present the report at an intergovernmental meeting on 5 May 2009. Burkina Faso’s IPR was presented at a national workshop in Ouagadougou on 22 January 2009. The IPRs of Burundi and Sierra Leone, initiated in the second half of 2008, were presented to the country authorities in the context of national workshops which took place in the first quarter of 2009. Both reports are expected to result in technical assistance activities to improve the legal and institutional framework for private sector development.

64. Benin’s IPR was completed in 2004, with follow-up activities in 2008 which included implementing a tracking system for investors’ project applications and preparing an investment guide. Morocco’s IPR was completed in 2006; in November 2008, the draft codification of the existing investment regulations, prepared by

UNCTAD, was delivered to the Government. UNCTAD and the International Chamber of Commerce prepared the “Investment Guide for Morocco”, which was presented at a national workshop in Rabat in November.

65. UNCTAD’s technical assistance to Rwanda supports the IPR recommendation on the establishment of a “skills attraction and dissemination programme”. An international adviser, recruited by UNCTAD, worked with the Directorate of Immigration during the second quarter of 2008 to implement the action plan on migration policy, to attract tourists, entrepreneurs, and needed skilled workers to Rwanda.

International investment agreements

66. UNCTAD’s work programme helps developing countries participate effectively in international investment rulemaking through policy analysis, technical assistance and consensus-building. UNCTAD provided technical assistance to 25 African countries in 2008.

67. The series “Issues in International Investment Agreements” continues to be the primary reference tool for negotiators and lawmakers. The series “International Investment Policies for Development” has become an important strategic tool for policymakers, providing analysis on difficult technical issues relating to international investment rulemaking and their impact on development.

68. In 2008, three new volumes were published: one focusing on investment promotion provisions in IIAs, and another entitled *International Investment Rulemaking: Stocktaking, Challenges and the Way Forward*. A new database mapping the substantive provisions of bilateral investment treaties and other IIAs and recording their similarities and differences includes many African countries (Botswana, Egypt, Morocco, Namibia, Swaziland). The *World Investment Report 2008*, which deals with infrastructure investments and investor-State disputes in infrastructure investments, is of particular importance to African countries.

69. In November 2008, Angola held a training course for IIA negotiators from the Portuguese-speaking countries (Angola, Guinea-Bissau, Mozambique, and Sao Tome and Principe). The preparatory distance-learning course on key issues in IIAs was open to a larger audience, and was delivered in cooperation with TrainforTrade. A revision of Ghana’s model bilateral investment treaty was conducted in 2008, and this is underway for Botswana and Morocco. National seminars on IIAs and/or investor-State dispute settlement were held in Botswana (April 2008) and Morocco (July 2008). UNCTAD’s IIA work programme contributes its technical expertise and materials to a number of regional and international organizations and meetings. A joint regional seminar for Arab countries (with 109 participants) on investor-State dispute settlement, entitled “Challenges and perspectives for Arab countries” was organized in Egypt in May 2008, in cooperation with the Cairo Regional Centre for International Commercial Arbitration. A briefing session on the Economic Partnership Agreement negotiations regarding investment and services for the EU missions of SADC member countries was held in Brussels in June 2008. In cooperation with UNCTAD’s Virtual Institute, a teaching and research workshop on the economic and legal aspects of IIAs was organized in the United Republic of Tanzania in November 2008 for Southern African countries (Botswana, Cameroon, the Central African Republic, Ethiopia, Kenya, Lesotho, Mauritius, Rwanda, Sudan, Uganda, and the United Republic of Tanzania).

70. The first Multi-year Expert Meeting on Investment for Development was held in Geneva in February 2009 and focused on the development dimension of IIAs, with

representatives from 20 African countries. A training workshop on trends and emerging issues in IIAs for eight countries, including six African countries, and a specific technical assistance activity on IIA negotiations for Ghana, will follow.

Investment promotion and facilitation

71. UNCTAD provided a number of African Governments with support. This included the formulation of a policy advocacy strategy for the Kenyan Investment Authority, and strengthening the capacity of the Ethiopian Investment Agency and two regional investment offices in facilitating FDI. A training workshop for the regional investment commissions of Oromia and Southern Nations and Nationalities People's Region was held in Sululta, Ethiopia, in September 2008. Two study tours for Ethiopian investment promotion practitioners were organized, the first for nine Ethiopian officials, hosted by the Malaysia Industrial Development Agency in August 2008, and the second for three Ethiopian officials, hosted by the Netherlands in November 2008.

72. UNCTAD also developed a client charter and service excellence training for the Zambia Development Agency. An advisory workshop in Port Louis (September 2008) focused on more effective policy advocacy for the Board of Investment of Mauritius. A study tour in autumn 2008 to the "Invest in Sweden" agency in Stockholm included six investment promotion experts from five African countries.

3. Science and technology

73. A science, technology and innovation policy review for Angola was completed in 2008, and three others are envisaged in 2009, for Ghana, Lesotho and Mauritania. The Network of Centres of Excellence was established in 2006 by UNCTAD and the Commission on Science and Technology for Development, and was financed by the Government of Italy. The project transfers knowledge and technology to Africa through advanced training and workshops. Training sessions in China, Egypt, India, South Africa, Tunisia and the United Republic of Tanzania have enabled more than 130 young scientists and engineers from all over Africa to improve their skills in biotechnologies and ICT.

4. Enterprise development

74. UNCTAD's business linkage programme enhances the competitiveness of developing-country small and medium-sized enterprises (SMEs) by establishing and strengthening TNC-SME business linkages. Advice is provided to Mozambique, Uganda, the United Republic of Tanzania, and Zambia. In Uganda, following a policy intervention, sugar cane growers no longer have to pay withholding tax. A savings and credit cooperative society enables farmers to save and to access small loans. Supply chain management and entrepreneurship training offers guidance on wrangles with partners and on the settlement of disagreements. Improved business skills have enabled rural Ugandan SMEs to transform their subsistence farming activity into businesses offering diversified products. In Zambia, a number of TNCs have agreed to participate in the business linkages programme, including Zambian Breweries (SAB Miller), Dunavant (Zambia's market leader in the cotton industry), Celtel (Zambia's leading mobile phone service provider), TATA Zambia, and SPAR supermarkets. Other participants include the Development Bank of Zambia and the Africa Banking Corporation, which has agreed to extend financial support to SMEs involved.

75. International trainers from the Empretec Centre in Zimbabwe held three training workshops in the United Republic of Tanzania in 2008. The Empretec Africa Forum – a regional networking initiative to reinvigorate the Empretec programme in Africa –

met in Accra, Ghana, in April, to define its strategy and prepare a three-year work plan, and presented its strategic plan to the Advisory Board in January 2009.

Enterprise governance

76. In 2008, in Cairo, UNCTAD co-hosted a meeting, together with the Egyptian Institute of Directors, on corporate governance disclosure, completing country case studies, and analysis of the practical implementation of the International Financial Reporting Standards.

77. A number of African countries participated in the 2008 annual session of UNCTAD's Intergovernmental Working Group of Experts on International Standards of Accounting and Reporting.

5. Insurance

78. The UNCTAD Insurance Programme's advisory and technical assistance activities included collaboration with the African Insurance Organization and the African Centre for Catastrophe Risks. In 2008, with financial support from the Spanish Government, technical assistance projects on capacity-building and facilitating access to insurance, banking and financial services for SMEs began in Morocco and Tunisia. The multi-stakeholder Ad Hoc Expert Group Meeting on Capacity-Building for the Insurance Sector, held in Geneva on 23 February 2009, discussed challenges facing the African insurance industry and ways to strengthen the sector.

IV. The question of impact

79. Estimating the impact of research and policy analysis can be complex, since UNCTAD contributes to a broad stream of national and international policy analysis, and many factors influence the uptake of ideas. Following the recommendations in the Accra Accord, UNCTAD is establishing an evaluation process to solicit feedback from research and policy initiatives, to ensure that the quality and the utility of work produced optimally serves the needs of Africa and of the least developed countries.

80. Evaluating the impact of the *Economic Development in Africa* report – as is the case with any research work – requires a longer-term time frame. Partly because research activities often require time for their full impact to be felt, one way of assessing achievements is to listen to what UNCTAD's clients say about its work. The G-77 and China, in a statement that was endorsed by the African group and the Asian group, stated that: “The report presents useful policy proposals...we particularly appreciate the report's conclusion that strong State capacity is required to increase access to factors of production and improve the business environment”, while the Chair of the session described it as “a must-read for African policymakers.” The agreed conclusions of the fifty-fifth session of the Trade and Development Board encouraged UNCTAD “to continue to undertake its insightful and critical analysis”. Positive feedback can also be found in the *Revue Tiers Monde*, no. 196, October–December 2008, praising the report for its analysis and clarity.

81. UNCTAD's handbook on domestic resource mobilization in Africa helps African policymakers adopt the most appropriate policies to foster the mobilization of financial domestic resources. The handbook has been cited by the Governments of both Burundi and Zambia as containing important policy recommendations.

82. The impact of UNCTAD's activities in Africa can also be gauged by its participation in meetings where its representatives have the opportunity to advance understanding of African development issues. UNCTAD was invited to help the North-South Institute (Canada) to launch its own project on domestic financial resource mobilization. Moreover, the African Economic Research Consortium organized two workshops inviting UNCTAD staff to participate as resource persons. This premier economic research organization in Africa brings together about 200 economists from Africa and elsewhere twice a year to discuss economic and social research on Africa. UNCTAD presented the *Economic Development in Africa* report, and the feedback has thus far been very positive.

83. Important steps were taken during the year to disseminate research findings at the country level, through regional workshops and the elaboration of a policymakers' handbook based on subnational, national and regional workshops. These activities provided a strong and affirmative reality check for the analytical work.

84. Through its integrated analytical and capacity-building activities, UNCTAD assisted African countries in making informed decisions and helped to build confidence and consensus internationally on how trade negotiations and their results promote development and have a positive impact on people's lives. On the specific and important issue of commodities, UNCTAD's activities brought to the fore a number of important initiatives and developments, including relaunching the commodity agenda to address the issue of poverty through UNCTAD XII as an important issue for the international community.

85. The long-term developmental impact of technical cooperation activities is equally difficult to measure. Past UNCTAD activities have positively facilitated the development of competition and investment policies in a number of African countries. With regard to competition policy, for example, UNCTAD's activities have helped boost awareness among African countries of the need to adopt and effectively implement competition law and policy, with attention also being paid to linkages with the Millennium Development Goals. In the field of investment, it is now clear that an increasing number of African Governments have adopted more effective and predictable incentives policies, as well as regulations for the promotion of FDI.

86. One positive indicator is the continued demand from African countries for a number of long-standing UNCTAD technical cooperation activities, such as ASCYCUDA, DMFAS, support in the Paris Club negotiations and support for trade negotiations and commercial diplomacy, improvements in port services, as well as wide interest in new initiatives such as the Virtual Institute, the biotrade facilitation programme, and biofuels initiatives. There is also buoyant demand for expertise in relation to policies to attract FDI and increase investment development linkages, including in the area of investment policy reviews.

87. UNCTAD continues to support African countries in a wide range of activities, and has engaged in significant cooperation with African subregional organizations and broad alignment with NEPAD priorities. UNCTAD will continue to support African development, with a special emphasis on actions such as enhancing Governments' policymaking capacities (trade, investments and trade-supporting infrastructure) and human resources, and on institution-building focused on development, in order to ensure more effective development governance on the continent.