



**United Nations
Conference
on Trade and
Development**

Distr.
GENERAL

TD/B/46/3/Add.1
TD/B/WP/117/Add.1
7 September 1999

ENGLISH ONLY

TRADE AND DEVELOPMENT BOARD

Forty-sixth session

Geneva, 18 October 1999

Item 7 of the provisional agenda

REVIEW OF TECHNICAL COOPERATION ACTIVITIES OF UNCTAD

Report by the Secretary-General of UNCTAD

Annex 1: Review of activities undertaken in 1998

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Notes

All references to dollars (\$) are to United States dollars

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Amounts in brackets indicate a negative value.

IALA means "Inter-Agency Letter of Agreement".

OPC means "operationally but not financially completed".

The asterisk (*) following the project number indicates that UNCTAD acted as associate agency.

Details and percentages do not necessarily add up to totals, owing to rounding.

The financial data in the tables on projects reflect the situation as at 31 December 1998. Occasionally, total expenditures exceed total budget. Early in 1999, budget figures were corrected to reflect correct income. The negative amounts in the 1998 expenditures column pertain to the adjustments of prior year accounts and/or savings on the liquidation of prior year's obligations.

Abbreviations

ALADI	Latin American Integration Association
APEC	Asia-Pacific Economic Cooperation Forum
BTI	Bureau du Trafic International
CAPAS	Coordinated African Programme of Assistance in Services
CDM	Clean Development Mechanism
COMESA	Common Market for Eastern and Southern Africa
CS	cost sharing
DANIDA	Danish International Development Agency
DESA	Department of Economic and Social Affairs
DFID	Department for International Development
DMFAS	Debt Management and Financial Analysis System
DSE	German Foundation for International Development
DSM	Debt Sustainability Model
EISADARM	Eastern and Southern African Initiative in Debt and Reserves Management
FDI	foreign direct investment
FTAA	Free Trade Area of the Americas
GATS	General Agreement on Trade in Services
GSP	Generalized System of Preferences
GSTP	Global System of Trade Preferences among Developing Countries
ICME	International Council on Metals and the Environment
IDRC	International Development Research Centre
IMF	International Monetary Fund
IPF	indicative planning figure
IRSG	International Rubber Study Group
ISO	International Organization for Standardization
ITC	International Trade Centre UNCTAD/WTO
ITU	International Telecommunication Union
JITAP	Joint Integrated Technical Assistance Programme for Selected Least Developed and Other African Countries
JOBMAR	On-the-job Training in Shipping and Ports
LDC	least developed country
MEFMI	Macroeconomic and Financial Management Institute of Eastern and Southern Africa
MENA	Middle Eastern and North Africa
MICAS	Microcomputer-based Commodity Analysis and Information System
NIE	newly industrialized economy
ODA	official development assistance
OECD	Organisation for Economic Co-operation and Development
PHARE	European Community assistance programme for the reconstruction of the economies of Central and Eastern Europe (Originally: "Poland and Hungary: Assistance to the Reconstruction of the Economy")
POEMA	Programme on Poverty and Environment in Amazonia

RBP	restrictive business practices
SAARC	South Asian Association for Regional Cooperation
SADC	Southern African Development Community
SCFB	Société de Chemins de Fer de Burkina
SDR	special drawing right
SICF	Société Ivoirienne des Chemins de Fer
SIDA	Swedish International Development Agency
SIECA	Permanent Secretariat of the General Treaty on Central American Economic Integration
SITDC	SADC Industry and Trade Coordination Division
SMART	System for Market Analysis and Restrictions on Trade
SPPD	support for policy and programme development (UNDP)
SPR	Special Programme Resources (UNDP)
STS	Support for Technical Services (UNDP)
TCR	Tanzanian Railways Corporation
TRAC	targets for resource assignments from the core (UNDP)
TRAINS	Trade Analysis and Information System
UDEAC	Central African Customs and Economic Union
UNDP	United Nations Development Programme
UNEP	United Nations Environment Programme
UNFCCC	United Nations Framework Convention on a Climate Change
UNFIP	United Nations Fund for International Partnership
UNIDO	United Nations Industrial Development Organization
UNITAR	United Nations Institute for Training and Research
USAID	United States Agency for International Development
WIPO	World Intellectual Property Organization
WTO	World Trade Organization

Introduction

1. This annex provides a description of the main technical cooperation projects and programmes undertaken by UNCTAD in 1998. It is presented, as far as possible, in accordance with the structure of the divisions/branches of the secretariat responsible for backstopping the projects or programmes concerned. A list of individual projects implemented by each organizational unit follows the corresponding narrative.

Review of activities by programme area

A. Division on Globalization and Development Strategies

1. Macroeconomic and development policies

(a) *Technical support to the Intergovernmental Group of 24*

2. **Development context:** The international monetary and financial system has a decisive impact on the interdependence between international trade, finance and development, as it contributes to shaping the international environment for development and national macroeconomic policies in individual countries. The role of the Intergovernmental Group of 24 (G24) is to strengthen the contribution of the developing countries in discussions and negotiations on issues related to the design and functioning of the international monetary and financial system.

3. **Objectives:** The project aims at strengthening the G24 in its efforts to build the necessary capacity in developing countries for them to make meaningful contributions to the design of the international monetary and financial system, and to strengthen their ability to cope with the consequences of interdependence.

4. **Features /output/results:** The G24 was provided with technical studies and research papers on selected topics, prepared by internationally renowned experts, for the preparation of discussions and negotiations on international monetary and financial issues in the framework of the Interim Committee of the International Monetary Fund (IMF), the Joint IMF/World Bank Development Committee, and other bodies. The papers were first presented to the Technical Group of the G24 and then to the meetings of G24 deputies and ministers, before being published in a special series. In 1998, drafts of 11 studies were submitted to the G24. The topics covered were: the external debt burden of middle-income countries; the World Trade Organization (WTO) agreement on financial services; various issues for developing countries in the process of negotiations of a multilateral agreement on foreign direct investment (FDI); banking supervision in developing countries; the role of regional arrangements in international financial governance; sources and allocation of the World Bank's net income and reserves; origins of capital market crises; modelling credit risk; and economic policy and convergence. Eight research papers that had been submitted to the G24 meetings in 1997 were published in Vol. IX of *International Monetary and Financial Issues for the 1990s*, including studies on the experience of developing countries with financial liberalization and capital account regimes; the official development assistance (ODA) crisis; external debt, structural adjustment and growth; the significance of the euro for developing countries; the role of special drawing rights (SDRs) in the international monetary system; governance in international organizations; and the role of non-governmental organizations in the international monetary and financial system. An

assessment of the World Bank's *World Development Report 1997* was also included in this volume. Moreover, seven studies that had been submitted to the G24 in previous years were republished commercially by Macmillan Press in 1998 under the title *Capital Account Regimes and the Developing Countries*.

5. The project has contributed significantly to strengthening the coherence of the G24 and to enhancing the understanding in developing countries of current and upcoming issues subject to discussion and negotiation in the international financial institutions, and the capacity of these countries to contribute constructively to such discussions.

(b) *Economic development and regional dynamics in Africa: lessons from the East Asian experience*

6. ***Development context:*** The process of rapid outward-oriented development in the newly industrialized economies (NIEs) in East and South-East Asia has been at the centre of the debate on development policy in recent years. At the same time, the question as to what extent lessons can be drawn from the East Asian experience has received increasing attention among policy makers. Appropriate answers to this question can contribute to the design of new development strategies in other developing countries.

7. ***Objectives:*** The project has aimed at enhancing the perception among policy makers in developing countries and countries with economies in transition of the factors that have contributed to rapid outward-oriented development and the remaining problems in the NIEs of East and South-East Asia. It has also aimed at contributing to the formulation of new development strategies by advancing, in particular, the understanding of the role played by government policies, the role of agricultural development and the relevance of the new international environment for outward-oriented development following the conclusion of the Uruguay Round.

8. ***Features/output/results:*** In continuation of the activities of the previous year, 13 research papers were finalized in 1998, on issues including: the relationships between capital accumulation, agricultural surplus, the informal economy and structural adjustment; the development of manufacturing industry and the export structure; trade policy reforms and supply response; the financing of enterprise development and export diversification; and institution-building for industrial and technological development. Some of the studies were submitted as background documents to the International Conference on African Development in a Comparative Perspective (see below).

9. The project has contributed to strengthening the capacity of African policy makers to review their development strategies in the light of other countries' experiences and new opportunities and challenges emerging for their economies. The studies prepared under this project were also used as inputs to the analysis in part two of the *Trade and Development Report, 1998*.

(c) *International Conference on African Development in a Comparative Perspective*

10. ***Development context:*** While in recent years many developing countries have achieved rapid economic growth, countries in sub-Saharan Africa have by and large suffered economic stagnation. Development experiences in East Asia have often been at the centre of the debate on development policy, and the question as to the possible lessons for sub-Saharan Africa from East Asia's experiences has received increasing attention among policy makers and academics.

11. **Objectives:** As a follow-up to the project "Economic development and regional dynamics in Africa: lessons from the East Asian experience" (see above), the purpose of this project was to further the understanding of the role played by government in the development process in several East Asian countries, and to explore the relevance and replicability of these countries' development experience in sub-Saharan Africa, with a view to strengthening the capacity of African policy makers to formulate national and regional development strategies. Other objectives of the Conference were to strengthen links between national policy makers in Africa and various public and private institutions working on related areas of development policy in Africa, and to identify new forms of collaboration with regional policy makers.

12. **Features/output/results:** The Conference was held on 24 and 25 September 1998 in Mauritius. It was attended by representatives of 34 African Governments, officials from international organizations and members of the African research community. Several research papers prepared under the project on Economic development and regional dynamics in Africa (see above) were used as a background for the debate, as was the *Trade and Development Report, 1998*. The discussions were on: trends, prospects and issues in African development; external debt and financial flows; the new international trading regime; agricultural development; and trade and industrialization. The research papers and, in particular, the *Trade and Development Report* were considered by the participants as providing important strategic guidance for the design of development policies. The Conference formulated a number of policy recommendations which would apply at both the international and national level. A summary of the proceedings of the Conference was submitted to the forty-sixth session of the Trade and Development Board in October 1998.

2. Globalization, development and debt management

(a) Globalization, finance and sustainable development

(i) Development of a global greenhouse gas emissions trading system

13. **Development context:** In response to the decision in article 17 of the Kyoto Protocol to the United Nations Framework Convention on Climate Change (UNFCCC), the activities carried out under this project focused on helping Governments and other international stakeholders to formulate and develop an international greenhouse gas emissions market, as well as to devise a set of recommendations for the structure and modalities of operation of the Clean Development Mechanism (CDM).

14. **Objectives:** The project aims to provide support to interested Governments, corporations and non-governmental organizations in the development of, among other things: an international legal framework to accommodate international transactions in greenhouse gas allowances and credits; effective domestic regulatory and supervisory frameworks; and technical assistance, training and institution- and capacity-building in developing countries and countries with economies in transition.

15. **Features/output/results:** The main activity in 1998 was the preparation and publication of the research report "International rules for greenhouse gas emissions trading: defining the principles, modalities, rules and guidelines for verification, reporting and accountability" (UNCTAD/GDS/GFSB/Misc.6) prepared by a team of experts and accompanied by a separate

executive summary (UNCTAD/GDS/GFSB/Misc.6/Executive Summary). This study was carried out in consultation with the UNFCCC secretariat as a contribution to the ongoing negotiations in the context of the UNFCCC and the Kyoto Protocol. The study deals with, among other important issues, historical antecedents, banking, allocation of allowances to sources, transaction costs, reporting, monitoring, transparency, certification and verification, compliance and enforcement, and liability.

16. Other activities carried out under this project included: (a) the organization of the third session of the policy forum (jointly with the Earth Council); (b) the follow-up to and participation in discussions and negotiations at the UNFCCC subsidiary body meetings (June 1998, Bonn, Germany) and the Fourth Conference of the Parties to the UNFCCC (November 1998, Buenos Aires, Argentina); (c) the successful launching of the International Emissions Trading Association in Buenos Aires (November 1998); (d) the preparation and publication of the quarterly newsletter, *Global Greenhouse Emissions Trader*, and (e) the organization of two international workshops on the CDM, one in Ottawa and the other in Buenos Aires, where there was widespread interest from Governments, industry and non-governmental organizations, and close cooperation was established with other United Nations agencies, namely the United Nations Development Programme (UNDP), the United Nations Environment Programme (UNEP) and the United Nations Industrial Development Organization (UNIDO). These meetings produced the first major concept paper on the CDM.

(ii) *The debt strategy of the Mauritius Government*

17. **Development context:** The globalization of international financial markets has opened up a number of opportunities, but also increased the challenges posed to developing countries in the management of their exposure to fluctuations in interest rates and foreign exchange rates. In an integrated global financial market, developing countries are seeking ways to improve the management of their assets and liabilities.

18. **Objectives:** The project aims at assessing the Government's financial requirements and the potential mismatch between future income and expenditure, in particular in relation to possible exchange rate and interest rate risks, by preparing a study on asset liability management for presentation to the Government of Mauritius. The Government has requested follow-up training on risk management, which should take place in 1999.

19. **Features/output/results:** At the request of the Ministry of Finance of Mauritius, a financial risk management workshop was organized, with technical support from the International Finance and Commodities Institute. The workshop introduced the use of risk management techniques to hedge against exchange rate and interest rate risks, for the benefit of participants from the Ministry of Finance, the Central Bank and parastatal companies. Attention was also given to the management and control of risk-hedging activities. In a globalized financial context, risk management techniques are being increasingly used for active asset/liability management in developing countries.

(iii) *Private risk capital funds for the least developed countries*

20. **Development context:** Following the decision taken at UNCTAD IX, a pilot seminar for the promotion of private investment flows to the least developed countries (LDCs) was held in Geneva in June 1997. It was co-sponsored by UNIDO. The seminar examined how the mechanisms of

investment funds (country funds, venture capital funds or specific sectoral investment funds) could be used to attract foreign investment flows to LDCs with particular reference to tourism, agro-industries and infrastructure.

21. **Features/output/results:** Feasibility studies on foreign investment were prepared in the three sectors mentioned above. The studies analysed the most appropriate investment vehicles that could be used to channel private non-FDI investment into LDCs, and examined the commercial, legal and financial framework required to make the creation of such a fund viable.

22. The final output took the form of a publication in English ("Investing in pre-emerging markets" (UNCTAD/GDS/GFSB/3)), which compiles the findings of the three feasibility studies and the contributions from LDCs on specific investment opportunities in their countries. The publication was printed in the first half of 1998 and was disseminated among the investor communities. The findings from the pilot seminar and subsequent studies were presented at a seminar jointly sponsored by UNCTAD and the Macroeconomic and Financial Management Institute of Eastern and Southern Africa (MEFMI) in November 1998. The seminar discussed, among other topics, the potential benefits and drawbacks of risk capital investment and the prospects for risk capital flows to African countries.

(iv) *Venture capital funds*

23. **Development context:** One of the main conclusions to emerge from the pilot seminar on the mobilization of the private sector in order to encourage foreign investment flows to LDCs (June 1997) is that there are highly profitable investment opportunities in LDCs but a number of conditions need to be met by recipient countries in order for such investments to take place. In its recommendations to the Trade and Development Board, the pilot seminar suggested that technical assistance needed to be mobilized to help improve the basic institutional infrastructure in LDCs in order to enable them to enhance their ability to attract more equity investment flows. Participants at the seminar also agreed that venture capital funds were an appropriate form of non-FDI foreign equity investment in LDCs.

24. **Features/output/results:** This project focuses on three core activities: (a) the study of best practices for attracting risk capital through venture capital funds; (b) training entrepreneurs in LDCs to prepare project proposals for foreign investors; and (c) the organization of regional workshops on non-FDI investment in LDCs. In 1998, substantive preparations for the project were carried out: project documents were prepared, the terms of references for consultants were drawn up, strategies for implementing the project were conceptualized, and other multilateral and regional organizations were contacted.

b. *The DMFAS Programme*

25. **Development context:** The scant attention paid by many developing countries to the basic functions of debt management was one of the contributing factors to the debt crisis of the 1980s. Such basic functions include: (a) the compilation of accurate and up-to-date records on all external loans, (b) full awareness of the timing and amounts of debt-servicing obligations, and (c) the possibility of projecting the impact of foreign borrowing decisions of various entities on the overall debt profile and balance of payments.

26. **Objectives:** The objectives of the Debt Management and Financial Analysis System (DMFAS) Programme are: to help developing countries and countries in transition to develop appropriate administrative, institutional and legal structures for effective debt management; to establish an adequate information system, with detailed and aggregated data on loan contracts, past and future disbursements, and past and future debt service payments; to improve national capacity to define and select appropriate debt strategies; and to increase national capacity to record grants and projects financed from external resources, thereby contributing to aid management.

27. **Features:** The core of the DMFAS technical cooperation package is the provision of an effective debt management framework analysis and a computer-based debt management system. This system is usually installed in central banks or ministries of finance within the framework of a technical cooperation country project, funded by UNDP, other multilateral or bilateral donors, or sometimes Governments themselves.

28. The assistance given under the Programme has three main features:

- (a) Advisory services, including needs assessments and advice on technical, administrative, legal and institutional debt management issues, and assistance in software installation and maintenance;
- (b) Software designed to fulfil the operational, statistical and analytical needs of debt managers and bodies involved in elaborating external debt strategies;and
- (c) Training in the use of the software and in debt management issues in general.

29. With around 50 active country projects and expenditure of around \$2.3 million per year, the DMFAS Programme is one of the main technical cooperation programmes of UNCTAD.

30. In response to high demand from countries presently cooperating with the DMFAS Programme, UNCTAD regularly organizes regional and interregional workshops and seminars pertaining both to current debt management topics and trends and to the advance use of the DMFAS system. These organized events enhance the understanding of debt management problems in developing countries and in countries with economies in transition, in accordance with the Midrand Declaration adopted by UNCTAD IX in May 1996.

31. DMFAS, which represents more than 13 years of cumulative experience in the area of debt management, is a state-of-the-art debt management system, and is currently the most widely used standard system in the world. Over the last four years, the DMFAS Programme has more than doubled its client base to more than 50 countries. The long- and medium-term debts that are now being or are to be managed by DMFAS amount to nearly \$400 billion and represent around 25 per cent of the debts of this group of countries. It is expected that this expansion will continue and that in the year 2000 the Programme will be managing a client base of around 60 countries.

32. **Output/results/impact:** In 1998, activities were focused on the continued implementation in eight countries of the new version of the system (DMFAS 5.0), which is replacing the previous DMFAS 4.1 Plus version. A few of these countries also received, in the second half of the year,

DMFAS 5.1, which incorporates new features linked to the analysis functions of debt management. The new version, which is available in English, French, Russian and Spanish, has been developed using Oracle's relational database management system and its fourth-generation programming tools.

33. During 1998, in addition to the maintenance of the system, its implementation and support, major activities included needs assessments and demonstration missions, as well as the design of national and regional projects. In addition, a partnership agreement was signed between the World Bank and UNCTAD pertaining to the enhancement, dissemination and support of the World Bank's Debt Sustainability Model (DSM) for DMFAS user-countries. The DSM is a macroeconomic debt analysis tool particularly useful for countries undergoing debt-restructuring exercises within the Heavily Indebted Poor Countries Debt Initiative.

34. The gains obtained from the DMFAS Programme by user countries are difficult to quantify, as the benefits of better information, analysis, negotiations and policy-making cannot easily be measured. However, it is generally accepted that these gains far exceed the cost of DMFAS country projects. The cost of these projects ranges from \$60,000 to over \$1 million, depending on the activities to be undertaken, the size of the debt database to be computerized, and the equipment and staff included in the project.

35. At the very least, DMFAS pays for itself by making debt-servicing procedures more efficient and by checking inconsistencies in the claims of creditor agencies. Substantial savings can also be made by avoiding unnecessary costs such as overpayments to creditors or penalty interests due to poor bookkeeping. In Argentina, for example, where the DMFAS project cost around \$1 million, the direct savings made during the three-year implementation phase of the project amounted to around \$25 million.

36. While the DMFAS Programme provides its products and services within the framework of country projects, for which funding is generally available, it operates with a central team of experts (now 16 professionals) based in Geneva. Since 1995, in addition to regular budget and country projects, this team has mostly been funded by a group of bilateral donors. Donor meetings are organized regularly in order to obtain the resources required. Discussions are presently under way in order to ensure more stable and adequate funding of the Programme so that it can continue to respond to the challenges ahead.

3. Special programmes

(a) Assistance to the Palestinian people

37. **Development context:** Since 1993 the prospect of peace in the Middle East has given special prominence to the prerequisites for development of the Palestinian economy in the West Bank and Gaza. Since 1995, a range of needs of the emerging Palestinian economy has been identified through UNCTAD's substantive research and close consultations with the Palestinian Authority. In many sectors where development and reconstruction programmes have been initiated by the Palestinian Authority with the support of the international donor community, urgent action is still called for. Specific needs have been identified in a range of areas of UNCTAD's competence, including: regional and multilateral trade policy; trade-related services and facilitation; international commodity trading; customs administration and trade-related data; multimodal transport and port

operations; public debt management; domestic insurance sector reform; investment promotion framework; and enterprise and technology development.

38. **Objectives:** In line with the provisions of the United Nations Medium-term Plan for 1998-2001, and the current biennial programme budget, UNCTAD aims to continue its work, in accordance with its mandate, in helping the Palestinian people to develop capacities for effective policy-making and management pertaining to international trade, investment and related services. In this regard, UNCTAD is expected to take into account the work done by other international organizations in order to enhance synergies, avoid duplication and coordinate related activities.

39. **Features:** While specific proposals for technical assistance projects have been prepared, and have been endorsed by the Palestinian Authority, covering 13 separate areas, resource constraints mean that no activities have yet been undertaken in seven of these areas. By the end of 1998, the UNCTAD secretariat was implementing projects in the following six areas, with activities fully or partially funded through the regular budget, by UNDP or the United Nations Institute for Training and Research (UNITAR) or from bilateral resources:

- (a) Feasibility study for an industrial estate in Nablus;
- (b) Promoting the cooperation of the Palestinian Authority with Egypt and Jordan in improving subregional trade-related services (customs procedures, transport coordination and business information for trade);
- (c) Training programme in international commercial diplomacy ;
- (d) Strengthening trade efficiency (Ramallah - Palestine Trade Point) (see para. 207 below);
- (e) Guidelines for human resource development in trade (TRAINFORTRADE); and
- (f) Guidelines and principles for sustained development of the Palestinian economy, including macroeconomic forecasting and analysis.

40. In addition, extrabudgetary funding is still being sought for the following projects, for which draft project documents have been prepared:

- (a) Strengthening institutional capacities of the domestic insurance sector (see para. 288 below);
- (b) Seminar on international procurement and trading of strategic food commodities and commodity supply management;
- (c) Technical and operational capacities in customs administration;
- (d) Compilation of statistical series on Palestinian international trade;
- (e) Managerial and institutional capacities for operation of the Gaza Commercial Sea Port;

- (f) Debt Management and Financial Analysis System (DMFAS); and
- (g) Support for the development of small and medium-sized enterprises (EMPRETEC).

41. **Impact and orientation:** Since UNCTAD IX, the new focus on technical cooperation activities has provided a relevant response to the emerging needs of the Palestinian Authority in key areas of UNCTAD's competence. Further consolidation of UNCTAD's capacities will be sought within the context of a series of projects executed in close cooperation with other agencies and with the Palestinian Authority in order to enhance synergies. This is expected to provide tangible technical support to the Palestinian Authority at a crucial stage of reconstruction and development. UNCTAD's programme of assistance helps to pave the way for integrating the Palestinian economy into the regional and global economy. More information will be provided in the report on UNCTAD's assistance to the Palestinian people that will be submitted to the forty-sixth session of the Trade and Development Board.

(b) Trust Fund on Iron Ore

42. **Development context:** Following the suspension of the activities of the Association of Iron Ore Exporting Countries as from 1 June 1989, the Governments of certain countries decided to establish a trust fund on iron ore information to be administered by UNCTAD.

43. **Output/results:** *Iron Ore Statistics*, a statistical report published annually around August, continues a series that started in 1989. It contains tables with worldwide and country-specific data for iron ore production, exports, imports and prices, as well as pellet production, exports and production capacity and other data relevant to the world iron ore market. The 1998 *Market Report on Iron Ore* is the latest in a series of annual publications (usually issued in April/May) containing updated data on iron ore production, trade and prices, and the short-term outlook, as well as a market analysis. In 1998, 111 copies of these reports were sold to 71 different clients in 21 countries, generating resources of \$39,000.

A. DIVISION ON GLOBALIZATION AND DEVELOPMENT STRATEGIES

Project No.	Short title	Duration	Type of project	Status in 1998	Source of funds	Total budget	Cumulative expenditures	Expenditures 1998	
<u>Macroeconomic and development policies</u>									
MLW/97/001 *	Enterprise development and employment generation	1998 1999		Ongoing	UNDP	15'000	22'644	22'644	MLW/97/001
RAF/96/A40	Economic development and regional dynamics in Africa: lessons from the East Asian experience	1996 1999		Ongoing	Japan	320'775	277'092	7'064	RAF/96/A40
RAF/97/A28	International Conference on African Development in a Comparative Perspective	1997 1999		Ongoing	Japan	289'627	184'391	184'391	RAF/97/A28
INT/89/A15	Studies for the G24	1990 1999		Ongoing	Multidonors	431'014	301'831	91'550	INT/89/A15
INT/91/A21	Studies on international monetary and financial issues for the G24	1991 1999		Ongoing	Netherlands	157'221	161'732	4'858	INT/91/A21
INT/93/A30	Technical support for the G24	1993 1997		OPC	Denmark/ DANIDA	85'840	98'282	10'064	INT/93/A30
INT/96/A13	Development of East and South-East Asia and new development strategy - role of the Government (Conference of eminent persons)	1996 1998		Completed	Japan	209'780	209'780	-146	INT/96/A13
INT/96/A61	G24, Phase III	1997 2000		Ongoing	Canada/IDRC	150'473	62'464	26'663	INT/96/A61
Total: Macroeconomic and development policies						1'659'730	1'318'216	347'088	

Globalization, development and debt management

ALB/97/010	Strengthening the debt management capacity of the Government	1998 2000		Ongoing	UNDP/IPF	257'500	126'999	126'999	ALB/97/010
ARG/93/045	DMFAS	1993 1999		Ongoing	UNDP/IPF	1'369'616	1'183'419	34'362	ARG/93/045
ARM/97/018	Capacity-building in external debt management	1997 1999		Ongoing	Argentina/CS UNDP/SPPD	3'500	1'908	26	ARM/97/018
BGD/91/029 *	DMFAS	1998 1999		Ongoing	UNDP	47'851	21'637	21'637	BGD/91/029
BYE/94/002	Strengthening the external debt management capacity	1995 1999		Ongoing	UNDP/IPF	83'100	42'465	21'032	BYE/94/002

Project No.	Short title	Duration	Type of project	Status in 1998	Source of funds	Total budget	Cumulative expenditures	Expenditures 1998	
CAF/95/A42	Information de la gestion de la dette extérieure	1995 1999		Ongoing	Central African Republic/ World Bank	53'000	37'511	676	CAF/95/A42
COS/97/A19	Installation of DMFAS 5.0	1997 1999		Ongoing	Costa Rica/ Central Bank	60'199	50'459	31'785	COS/97/A19
DOM/95/A05	Control y administración del endeudamiento externo	1996 1999		Ongoing	Dominican Republic	178'713	75'093	33'738	DOM/95/A05
ECU/96/A01	DMFAS	1996 1999		Ongoing	Ecuador/ World Bank	429'000	345'831	156'838	ECU/96/A01
IRA/97/A13	DMFAS 5.0 installation in Bank Markazi	1997 1999		Ongoing	Iran, Islamic Rep./ World Bank	178'593	109'755	-37'811	IRA/97/A13
GEO/97/001 *	Installation of UNCTAD's DMFAS programme	1998		Ongoing	UNDP	933	2'077	2'077	GEO/97/001
GEO/98/008 *	Strengthening the external debt management capacity	1998 2000	IALA/Govt	Ongoing	UNDP/TRAC	307'300	11'653	11'653	GEO/98/008
KAZ/96/A28	Implementation of DMFAS 5.0	1996 1999		Ongoing	USA/USAID	150'800	139'393	5'504	KAZ/96/A28
KAZ/97/A39	External debt information system	1997 1999		Ongoing	Kazakhstan/ World Bank	173'200	69'893	33'391	KAZ/97/A39
MAR/93/005 *	Support to capacity-building for economic and social development	1995	IALA/Govt	OPC	UNDP	136'400	105'065	-1'032	MAR/93/005
MAR/97/001 *	Sustainable human development, policy and strategy dialogue in Mauritius	1998 1999		Ongoing	UNDP	46'700	34'234	34'234	MAR/97/001
MEX/96/003	Control y administración del endeudamiento público	1996 1998		OPC	UNDP/IPF	52'051	52'051	8'105	MEX/96/003
MOL/97/007 *	International financial markets and debt management	1997 1999		Ongoing	UNDP/TRAC	142'330	99'929	54'314	MOL/97/007
MOL/98/005	International financial markets and debt management	1998 1999		Ongoing	UNDP/STS	60'800	8'585	8'585	MOL/98/005
PAN/95/028	Control y administración del endeudamiento público	1995 1999		Ongoing	UNDP/IPF	497'174	392'626	57'734	PAN/95/028
PAK/96/A30	Implementation of DMFAS 5.0 in the Ministry of Finance and Economic Affairs (Economic Affairs Division)	1996 1999		Ongoing	Pakistan/ Asian Development Bank	43'300	38'272	7'529	PAK/96/A30
PAR/95/003	Control y administración del endeudamiento público	1995 1999		Ongoing	UNDP/IPF Paraguay/CS	247'727	149'545	2'984	PAR/95/003
PER/95/016 *	Base técnica para el manejo de la deuda externa	1998 1999		Ongoing	UNDP	103'840	49'546	49'546	PER/95/016
PHI/95/002 *	Investment programming and debt management	1996 1999	IALA/Govt	Ongoing	UNDP/IPF	141'334	78'315	39'372	PHI/95/002
ROM/94/A46	Registration and control of external debt	1994 1999		Ongoing	Japan, World Bank	350'753	317'242	115'350	ROM/94/A46

Project No.	Short title	Duration	Type of project	Status in 1998	Source of funds	Total budget	Cumulative expenditures	Expenditures 1998	
STP/96/002	* Renforcement des capacités de gestion de la dette au Ministère des Finances et de la planification, et de la Banque Centrale	1997 1999		Ongoing	UNDP/IPF Govt/CS	59'700	51'142	22'503	STP/96/002
UGA/96/A51	Implementation of DMFAS 5.0 in the Ministry of Finance and Economic Planning	1996 1999		Ongoing	Uganda	33'770	27'226	12'915	UGA/96/A51
UZB/96/001	* Strengthening the debt management capacity of the Government	1996 1999	IALA/UNDP	Ongoing	UNDP/ Uzbekistan/CS	87'220	87'196	75'857	UZB/96/001
VEN/95/007	* Gestión y control de las finanzas públicas	1998 1999		Ongoing	UNDP	310'700	121'822	121'822	VEN/95/007
VIE/93/007	* Strengthening financial policies and institutions	1996 1999	IALA/IMF	Ongoing	UNDP	225'500	186'624	82'486	VIE/93/007
RAF/94/A51	Strengthening the debt management capacity of FSAIDARM	1994 1999		Ongoing	MEFMI Member Countries	481'234	471'712	123'696	RAF/94/A51
RER/97/004	* Training curriculum on effective debt management	1998 1999		Ongoing	UNDP	30'000	11'582	11'582	RER/97/004
INT/89/A06	Norwegian support to UNCTAD's debt management	1989 1998		OPC	Norway	325'762	324'697	450	INT/89/A06
INT/91/A18	Support for the conversion of official bilateral debt	1991 1999		Ongoing	Italy	353'427	331'589	1'343	INT/91/A18
INT/91/A29	Development of a pilot scheme for trading CO2 emission entitlements (Phase III)	1991 1999		Ongoing	Norway, Canada	1'160'000	546'214	91'512	INT/91/A29
INT/95/A11	Strengthening the debt management capacity of developing countries	1995 1999		Ongoing	Switzerland	1'722'288	2'039'052	663'258	INT/95/A11
INT/95/A43	Strengthening the debt management capacity of developing countries	1995 1999		Ongoing	Denmark	265'500	272'689	3'423	INT/95/A43
INT/95/A66	Strengthening the debt management capacity of developing countries	1995 1999		Ongoing	Netherlands	1'106'306	1'157'304	32'754	INT/95/A66
INT/95/A85	Strengthening the debt management capacity of developing countries	1995 1999		Ongoing	Sweden	530'973	505'664	47'792	INT/95/A85
INT/95/A89	Strengthening the debt management capacity of developing countries	1995 1999		Ongoing	Norway	507'276	547'237	364'643	INT/95/A89
INT/96/A58	Strengthening the debt management capacity of developing countries	1996 1999		Ongoing	Belgium	177'135	165'742	16'902	INT/96/A58

Project No.	Short title	Duration	Type of project	Status in 1998	Source of funds	Total budget	Cumulative expenditures	Expenditures 1998	
INT/97/A12	Feasibility studies on the creation of private risk capital funds for LDCs	1997 1999		Ongoing	Norway	120'000	75'111	5'081	INT/97/A12
Total: Globalization, development and debt management						12'612'505	10'466'106	2'496'647	

Special programmes

PAL/96/036	Development of an industrial estate in Nablus: project feasibility, implementing strategy and environmental impact	1996 1999		Ongoing	UNDP/SPR	230'000	200'297	181'342	PAL/96/036
RAB/96/001 *	Promotion of the Palestinian Authority's cooperation with Jordan and Egypt in improving subregional trade-related services	1997 2000	IALA/UNDP	Ongoing	UNDP	72'000	18'132	18'132	RAB/96/001
INT/94/A37	Collection and dissemination of iron ore statistics	1994 1998		Completed	Multidonors	317'010	304'616	27'033	INT/94/A37
Total: Special programmes						619'010	523'045	226'507	

Total: DIVISION ON GLOBALIZATION AND DEVELOPMENT STRATEGIES						14'891'245	12'307'367	3'070'242	
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B. Division on International Trade in Goods and Services, and Commodities

1. Trade analysis and systemic issues

(a) Development of trade capacities

(i) Impact of the Uruguay Round and its follow-up on selected African countries: country studies

44. **Development context:** While African countries are highly dependent on foreign trade, export-led growth remains seriously constrained by weak production structures and their heavy reliance on a narrow range of primary exports. At UNCTAD IX, member States agreed that UNCTAD should focus on assisting in the effective integration of developing countries into the international trading system to promote their development and competitiveness.

45. **Objectives:** The main objectives of the studies are: to assist Governments in acquiring a better understanding of the overall impact of the Uruguay Round on their respective economies and to facilitate appropriate policy responses for adjusting to the Uruguay Round agreements, as well as to take maximum advantage of the opportunities created by the Round. Each study will be followed by a national workshop to discuss findings and recommendations.

46. **Features:** The approach followed in conducting the studies is based on the assumption that the attainment of effective integration into the world trading system depends on both exogenous trade factors and the adoption of suitable domestic policies. The methodology adopted consists of analysing existing trade flows for each country, and identifying where and to what extent tariff changes are likely to benefit the exports concerned. In addition, attention was paid to the likely growth of new export products, where these could be identified.

47. **Output/results:** In October 1997, following a request by African ministers of trade, UNCTAD launched a cycle of country-specific studies in selected African countries on the impact and dynamic effects of the Uruguay Round and its follow-up on national development objectives. The countries covered are Benin, Burkina Faso, Chad, Mali, the Niger and Togo. Work on these studies started in 1997, but their completion was delayed owing to the unavailability of relevant data.

48. In 1998, work on the draft studies on Benin and Burkina Faso was completed. Final drafts for Chad, Mali, the Niger and Togo should be finalized by the end of 1999. It should be noted that the study on Benin will complement the JITAP work on this country (see below).

(ii) Tripartite project: the UNCTAD component of the UNCTAD/WTO/ITC Joint Integrated Technical Assistance Programme for Selected Least Developed and Other African Countries (JITAP)

49. **Development context:** JITAP is the integrated response of UNCTAD, WTO and the International Trade Centre UNCTAD/WTO (ITC), in collaboration with interested international donors, to assist in the effective integration of beneficiary African countries into the international trading system so as to promote their development.

50. **Objectives:** JITAP's overall objective is to enhance the development prospects and competitiveness of African countries through their increased participation in international trade. It emphasizes human resource development and institutional capacity-building as well as the strengthening of export supply capabilities.

51. **Features:** JITAP is designed to be implemented in two stages. In stage one, priority attention is given to human resource development and institutional strengthening relating to the implementation of the Uruguay Round agreements. In this stage, UNCTAD's contribution is focused on public awareness campaigns on the Uruguay Round agreements, national and subregional seminars for the public and private sectors on the multilateral framework for international trade, and the training of trainers in international trade. Stage two concentrates on policy and other supportive measures to strengthen export supply capacities so as to exploit the new trading opportunities identified as arising from the multilateral trading system. In this stage, UNCTAD's contribution is focused on strengthening institutional capacity for trade policy removing trade-related bottlenecks, improving the efficiency of trading and strengthening trade negotiating capacities.

52. The JITAP Common Trust Fund for beneficiary countries was launched on 1 March 1998 with an estimated financing need of \$10.3 million. As at February 1999, total pledges to the Fund amounted to \$7.1 million, with an overall shortfall of pledges for the three-year period of \$3.2 million. The Fund is managed by ITC and supervised by a steering group composed of representatives of donors, beneficiaries and the secretariats of ITC, UNCTAD and WTO.

53. **Output/results/impact:** The beneficiary countries of JITAP presently are Benin, Burkina Faso, Côte d'Ivoire, Ghana, Kenya, Tunisia, Uganda and the United Republic of Tanzania. Implementation of JITAP started in May 1998 on the basis of specific country projects organized into 15 clusters of closely related activities so as to achieve synergies and economies of scale. Progress between May and December 1998 includes the following:

- (a) Two regional coordinators were appointed, one based in Abidjan (Côte d'Ivoire) for West African countries, and the other in Kampala (Uganda) for East African countries. In each beneficiary country, except those in which the duty stations of the regional coordinators are located, national facilitators are being appointed to assist with the logistics of activities to be implemented. The Tunisian project is managed directly from Geneva in collaboration with UNDP;
- (b) An intensive training of trainers course on the multilateral trading system was held in Geneva for 23 participants from francophone JITAP countries in November-December 1998 (following a similar one held in November 1997 for anglophone JITAP countries). UNCTAD, in collaboration with four Geneva-based African representatives, prepared a video presentation on the major requirements of multilateral trade negotiations, together with negotiation simulation exercises on the identification of national interests in preparation for trade negotiations;
- (c) Computer equipment and software are being procured and relevant documentation on the Uruguay Round agreements compiled to assist in the establishment of reference centres for the business community (by ITC) and the academia research community (by UNCTAD) in selected countries. Official reference centres have already being set up

by WTO. These centres will serve as sources of information on the multilateral trading system as well as focal points for the exchange of experiences among programme partners by means of electronic media known as the “communication and discussion facility”;

- (d) Country-specific studies on the impact of the multilateral trading system and integration into the system are now under way and, following completion, are due to be discussed at national workshops in 1999.

(iii) *Technical assistance to countries acceding to WTO*

54. **Development context:** In 1998, the UNCTAD secretariat pursued the implementation of its intergovernmental mandate agreed at UNCTAD IX aimed at assisting countries in the process of accession to WTO as part of their integration into the world economy and international trading system. This technical assistance is normally delivered through national projects financed by UNDP.

55. **Objectives:** UNCTAD’s technical cooperation with the Governments of acceding countries has the following general objectives:

- (a) To assist national officials in elaborating optimal policy approaches in the WTO accession process, particularly in making an inventory of relevant problems to be solved of both an internal and external nature, including those related to the adaptation of existing and new trade-related legislation to the WTO rules and disciplines;
- (b) To train national officials and to improve their knowledge of multilateral trade negotiations' techniques and tactics in order to strengthen their negotiating capacity;
- (c) To provide advice in trade policy formulation, particularly relating to the WTO accession negotiations; and
- (d) To strengthen the capacities of trade-supporting national institutional structures (including the private sector and the academic community) through training and joint analysis of the relevant problem areas.

56. **Features:** Technical assistance is delivered by UNCTAD through:

- (a) Undertaking advisory missions and working directly with the national negotiating team;
- (b) Providing assistance in preparing the documentation required for the WTO accession negotiations;
- (c) Preparing analytical papers and briefings for national policy makers;
- (d) Organizing brainstorming meetings and seminars; and
- (e) Diffusing trade policy information.

57. **Output/results/impact:** In 1998, the following outputs and results were achieved in the implementation of the main projects.

58. *Russian Federation:* The project contributed to: (a) the preparation of an *initial offer in services through providing expertise and support of a national consulting institution*; (b) further work by national consultants on WTO-related agricultural issues; (c) the preparation of documentation for the meetings of the WTO working parties on accession; (d) substantive and organizational support for two major conferences for economic operators on the implications of accession to WTO; and (e) training of national experts on the contingency protection measures. The project was completed in 1998, but the agreed new project (Phase II) could not be started owing to the lack of financing.

59. *Kazakhstan:* The new UNCTAD/UNDP project supporting Kazakhstan's accession to WTO started in February 1998. The project activities focused on: (a) supporting the preparations of Kazakhstan's negotiating team for the third meeting of the WTO Working Party on Kazakhstan's Accession (October 1998) and providing advisory services to Kazakhstan's delegation at the Second WTO Ministerial Conference (Geneva, May 1998); (b) assisting the Government in the preparation of a revised offer on market access in goods, and commitments on agriculture and service sectors; (c) preparing reports and background papers on the policies of Kazakhstan's trading partners who are members of WTO, dealing with its accession and various scenarios for the accession negotiations; (d) providing expertise and advice on strengthening capacity-building in the area of trade policy; (e) training of trade officials in specific trade policy issues; and (f) subcontracting a national consulting institution. The technical assistance provided resulted in the more effective participation of Kazakhstan's negotiating team in the WTO accession negotiations as it had an improved understanding of the WTO rules and disciplines and their implications for national policy options.

60. *Sudan:* The UNCTAD secretariat provided ad hoc support to the Government in the preparation of the memorandum on the Sudan's foreign trade regime, while prospects for launching and financing a national project were explored. The memorandum was submitted to WTO in January 1999 to allow the substantive phase of the WTO accession process to start.

61. *China:* The main activities carried out in 1998 were: (a) the organization of an international seminar on agriculture; (b) the finalization of the reports on the challenge of trade liberalization in agriculture, the automobile industry, banking services and textiles; (c) the organization of a training course on the world trading system for Chinese trade officials; and (d) the preparation of publications on the findings of the project for the diffusion of trade related information to the general public.

62. *Viet Nam:* The activities implemented by UNCTAD in 1998 were mainly related to (a) the organization of training courses, study tours, and internships to improve the knowledge of Vietnamese trade officials of the world trading system; (b) assistance to Viet Nam in preparing replies to the questions raised by WTO members on Viet Nam's trade regime; and (c) assistance to Viet Nam in effectively preparing for and participating in the two meetings of the working party on WTO accession held in 1998.

63. *Nepal:* The project contributed to: (a) a preliminary review of Nepal's laws, regulations and legislation, in preparation for WTO accession; (b) the preparation of a draft project on institutional

capacity-building for Nepal's integration into the international trading system; (c) the preparation of the memorandum on Nepal's foreign trade regime; (d) the preparation of replies to the questions on the memorandum; (e) the training of government officials on international trade regulations and WTO accession by means of national seminars and a study tour in Geneva; (f) the preparation of preliminary studies in the areas of trade in services, the Agreement on Trade-related Aspects of Intellectual Property Rights, and special treatment for the least developed countries.

64. *Cambodia*: The UNCTAD secretariat provided ad hoc support to the Government in the preparation of the memorandum on Cambodia's foreign trade regime, which was submitted to WTO in May 1999. Also, two government officials from Phnom Penh undertook a one-month study tour in Geneva. These activities were financed by the Trust Fund for the Least Developed Countries.

65. *Jordan*: UNCTAD provided: (a) assistance in the preparation of an initial offer in the area of services; (b) assistance in preparing the documentation related to requests for a transitional period, submitted to the meeting of the working party on WTO accession in May 1999; (c) comments and recommendations on the legislative framework relating to intellectual property, technical barriers to trade and sanitary and phytosanitary measures (including analysis of the costs involved in terms of human and institutional resource-building to meet the requirements of WTO agreements relating to the above-mentioned areas); and (d) advice and briefing papers on matters relating to the Agreement on Trade-related Aspects of Intellectual Property Rights, including different approaches to the request for a transitional period. UNCTAD also organized a brainstorming session for Jordan and other Arab countries in the process of accession, to share experiences and to devise solutions to the difficulties encountered during accession negotiations.

66. *Belarus*: The project contributed to: (a) the facilitation of consultations before the second meeting of the working party on accession in Geneva in April 1998, between key Belarus negotiators, the UNCTAD and WTO secretariats and a considerable number of WTO members; (b) advisory and supervisory tasks concerning the work on the economic impact of Belarus accession to the WTO carried out by a national researcher and an international expert; (c) a stocktaking mission by a Belarus resource person seeking advice and guidelines from UNCTAD on the replies to questions raised at the second meeting of the working party and on how to prepare the necessary documentation related to offers on goods, agriculture, and state trading enterprises, and the initial offer on services; and (d) the purchase of WTO-related literature to increase the knowledge of Belarus officials of WTO issues and the WTO system.

67. *Algeria*: In cooperation with the Algerian authorities and the UNDP office in Algiers, a programme of assistance to Algeria was formulated based on advisory services, training and dissemination of information. Various UNCTAD technical missions visited Algeria and assisted the Algerian National Committee on Accession to WTO in acquainting the Algerian negotiators with the necessary negotiating techniques and details of their participation in the working group in WTO.

68. *Arab regional programme*: In association with UNDP, various activities were developed in 1998 in the field of WTO: Arab countries were assisted in preparations for the Second WTO Ministerial Conference (Geneva, May 1998); Arab experts meeting on trade and environment (Cairo, June 1998); meeting on electronic commerce for Arab countries (Cairo, September 1998).

69. At the request of the League of Arab States and the Organization of African Unity, the UNCTAD secretariat was involved in conducting a meeting on trade during the Second Afro-Arab Business Week (Ouagadougou, November 1998).

(iv) *Trade in services - CAPAS*

70. **Development context:** In most of the African countries there is a dearth of knowledge of services and their critical role in a national economy. The negotiation and adoption of a multilateral framework of rules under the General Agreement on Trade in Services (GATS) made many African and other developing nations painfully aware of this knowledge gap. The Coordinated African Programme of Assistance in Services (CAPAS), was conceived by the African countries as a capacity-building tool to narrow this knowledge gap and assist them to link the liberalization process in WTO in the framework of GATS with clearly identified national development objectives.

71. **Objective:** The ultimate objective is to enable African Governments to respond to the new environment in the services sector created as a result of the Uruguay Round agreements and, more particularly, GATS.

72. **Features:** National studies of the strength and weaknesses of strategic service sectors are carried out by national research teams and inter-institutional working groups as part of a policy-making and capacity-building efforts in the field of services. This approach can be described as a "positive trade agenda approach" to negotiations on trade in services. CAPAS has so far covered 20 African countries in its three phases. Up to now, the emphasis in CAPAS has been on developing national research capacities on issues relating to trade in services and on linking that capacity to national policy-making by encouraging a dialogue among national decision makers, led by trade ministries with support from researchers.

73. **Output/results:** Nine of the group of 20 CAPAS countries (Burkina Faso, Côte d'Ivoire, Lesotho, Madagascar, Mali, Mauritius, Namibia, South Africa and Zambia) met in Mauritius in early December 1998 to: (a) review work done by the nine countries during the third phase of CAPAS; (b) discuss GATS 2000 negotiations and the contribution of CAPAS; (c) facilitate the development of negotiating positions, and a positive and improved schedule of commitments; and (d) exchange views on the future of CAPAS, including the dissemination of studies, the holding of regional meetings and the evaluation of the programme.

74. Following the regional meeting in Mauritius, and with a view to supporting African Governments' preparations for future negotiations on trade in services under GATS, including through strengthening their subregional coordination, UNCTAD is collaborating with the International Telecommunication Union (ITU), the Department of Economic and Social Affairs (DESA), the World Bank, and the World Tourism Organization in the organization of three sub-regional seminars in Africa during 1999. The seminars will focus on a broad range of issues that are likely to come up in the forthcoming negotiations on trade in services, and will also be focusing on service sectors of export interest to African countries. In advance of these seminars, papers are being prepared, building on the capacity developed through the network of CAPAS researchers over the past seven years or so in Africa.

75. A book is being published for wider dissemination in African countries on the work done and lessons learned under the three phases of CAPAS.

(b) Trade Analysis and Information System (TRAINS)

(i) TRAINS CD-ROM

76. **Development context:** Following a decision by the Trade and Development Board calling on the UNCTAD secretariat to provide, on request, information from its Database on Trade Control Measures under its own responsibility (decision taken at the session of the Board), UNCTAD developed the Trade Analysis and Information System (TRAINS) and its corresponding dissemination tool, the TRAINS CD-ROM.

77. **Objectives:** TRAINS is an information system intended to increase transparency in international trading conditions. It is intended more specifically to provide a comprehensive information system for use by policy makers and economic operators engaged in exporting. It is also a powerful tool that can be used in trade negotiations (e.g. to monitor an integration process) and for general research on international trade. One component of the system relates to the Generalized System of Preferences (GSP) in that it includes information on tariffs, preferential margins, rules of origin and other regulations affecting the export interests of developing countries vis-à-vis the preference-giving countries.

78. **Features:** The TRAINS CD-ROM can be compared to a specialized library containing books on trade-related topics. It currently contains:

- (a) 105 volumes of tariff schedules, 48 of which are for 1998;
- (b) 33 volumes with para-tariff measures;
- (c) 50 publications on non-tariff measures, produced by UNCTAD;
- (d) 293 volumes on detailed import statistics by origin for 79 reporting countries, some of them for the five successive years of the period 1993-1997.

79. The software accompanying the information on the CD-ROM is designed to make the presentation and analysis of several databases compatible. It enables the user to search for and sort data, as well as to do comparative data analysis more effectively than would be possible in a conventional library. For each of the more than 5,000 basic items in the current international trade classification, as well as for any aggregate thereof, it allows for a cross-country comparison of basic indicators on the import regime, such as tariff averages and the incidence of non-tariff measures. Likewise, it allows the same comparison to be made of import values. The further development of the TRAINS software, including the integration into it of the SMART module (System for Market Analysis and Restrictions on Trade), is being carried out in collaboration with the World Bank. A subsystem (TRAINS for the Americas) is also being developed in collaboration with the Inter-American Development Bank for extension of the database with information on bilateral preferential trade agreements, as well as on rules of origin for the western hemisphere.

80. For dissemination purposes, UNCTAD has invited member States and subregional institutions to designate TRAINS focal points which, in addition to being supplied with updated information on trade control measures, also serve as a channel through which UNCTAD obtains recent information on countries or regions, particularly computerized information on tariffs and

trade, as well as documentation on para-tariff and non-tariff measures. Among the regional secretariats actively collaborating with UNCTAD are those of the Latin American Integration Association (ALADI), the South Asian Association for Regional Cooperation (SAARC), the Permanent Secretariat of the General Treaty on Central American Economic Integration (SIECA), the Central African Customs and Economic Union (UDEAC) and, most recently, the South African Development Committee (SADC) Industry and Trade Coordination Division (SITCD). The TRAINS CD-ROM is available to other parties that make a minimum contribution to the UNCTAD trust fund created for this purpose.

81. **Output/results/impact:** The widespread use of the UNCTAD database, particularly in the publications of such organizations as the Organisation for Economic Co-operation and Development (OECD), the World Bank and the IMF, as well as UNCTAD itself, attests to the recognition of its usefulness. That a number of universities and private organizations have made voluntary contributions to the TRAINS trust fund is a good indication of the value of the system. In 1998, for the first time, contributions were made by research institutions in Botswana and India. Requests for the TRAINS CD-ROM have also come from government ministries and international organizations engaged in trade negotiations under the Asia-Pacific Economic Cooperation forum (APEC) and the Free Trade Area of the Americas (FTAA).

(ii) *TRAINS for the Generalized System of Preferences (GSP)*

82. **Development context/objectives:** The aim of TRAINS for GSP is to increase transparency on GSP and other preferential tariffs available to developing countries, and, more specifically, to facilitate the spread of up-to-date information on tariffs and para-tariffs among Mediterranean and other GSP preference-receiving countries by disseminating TRAINS to GSP focal points.

83. **Features/output/results:** During the period under review, with the cooperation of the preference-giving countries, updated information was incorporated into the 1998 version of TRAINS on new and revised GSP schemes and preferential European Union tariffs for the Mediterranean countries and for countries with economies in transition. The new version was distributed to GSP focal points in spring 1999. This improved version of TRAINS will encourage the increased utilization of preferential schemes. The Arabic version of the software, introduced for the first time in the 1998/1999 version, should increase the accessibility and utilization of TRAINS in the Mediterranean countries.

(c) **Preferential arrangements**

(i) *Market access, trade laws and preferences*

84. **Development context:** Developing countries are confronted with the preparations for a new round of multilateral talks, the renegotiation of the Lomé Convention, and the implementation and negotiation of bilateral and regional free trade area agreements among themselves and with industrialized countries. Within this context, there is clearly a need to increase the capacity of officials from developing countries to conduct negotiations and implement the resulting agreements through improved knowledge of the laws, tariffs and administrative procedures regulating market access as they relate to products of export interest to them. At the same time, exporters need to be informed of the advantages these agreements may bring to them, as well as of the necessary

requirements that they need to fulfil, so as to avoid the common problems of under-utilization of preferences.

85. **Objectives:** The objectives are: to increase the utilization of the trading opportunities and trade preferences under the preferential arrangements (such as GSP, the Lomé Convention and other bilateral agreements) available to developing countries by familiarizing the business community and trade officials with them and by conducting an analysis of the possibilities for gaining access to the markets of major trading partners; to increase regionalization efforts and foster intraregional trade by supporting and enabling government officials to conduct negotiations at multilateral and regional levels; and to enhance the understanding in developing countries of the trade laws and regulations governing market access conditions in the international trading system so as to enable officials and exporters from developing countries to improve their capacity to respond to the challenges and opportunities arising from trade negotiations and disputes and in utilizing preferential and reciprocal trade arrangements.

86. **Output/results:** In 1998, workshops and seminars on GSP and other preferential arrangements were conducted in various developing countries, namely, Haiti (4-5 May), Somalia (10-12 May), Cambodia (29 May-4 June), Mozambique (7-11 September) and Sri Lanka (6-7 October).

87. Advisory missions on trade laws, rules of origin and techniques of tariff liberalization within the context of regional integration and bilateral trade agreements were conducted in a number of countries, particularly in the SADC region.

88. During the period under review, the project undertook the revision and updating of the handbooks of all GSP schemes as well as of the handbook on trade arrangements under the Lomé Convention, to provide adequate information and support for a better utilization of these trade preferences. So far, the project has published the GSP handbooks of Canada, the European Union, Norway and Switzerland.

89. At the same time, the project continued to develop a computerized tutorial based on the above-mentioned handbooks to be made available on CD-ROM, diskettes and the Internet to developing countries' administrations and GSP focal points. It re-established relations with preference-giving countries to update the GSP trade data system, containing data on country/product utilization rates under the different GSP schemes. This information is particularly useful during field missions since it allows low levels of utilization to be brought to the immediate attention of exporters and trade officials.

90. Furthermore, the project continued to participate in the Technical Committees on Rules of Origin of the World Customs Organization, currently elaborating multilateral rules of origin.

91. The advice given by project staff during advisory missions within the context of bilateral and regional negotiations resulted in an enhancement of the negotiating capacity of the beneficiary countries, as indicated by visible improvements in the terms of several agreements, as well as in the format and progress of trade negotiations.

92. In 1998 alone, as a result of the seminar and workshop activities, several hundred exporters and government officers in five countries (including four of the least developed countries) gained

a better understanding of the features and the requirements of the GSP schemes of the preference-giving countries, and had an opportunity to obtain clarifications on specific issues of interest on an individual basis.

93. Finally, the increased cooperation with SITCD, the implementation of the SADC Trade Protocol resulted in a memorandum of understanding, between SITCD and UNCTAD, signed in late 1998. Under the terms of this agreement, in 1999 an officer from SITCD will receive training in Geneva on data management in connection with the TRAINS database and the negotiations under way within SADC.

(ii) *The Global System of Trade Preferences among Developing Countries (GSTP)*

94. **Development context/objectives:** The GSTP was established as a framework for the exchange of trade preferences among developing countries with a view to promoting their mutual trade. Since its entry into force, 44 countries have become participants. The second round of GSTP negotiations was conducted with the aim of facilitating the process of accession to the GSTP and advancing the exchange of trade concessions. The objective of the UNCTAD GSTP project is to support these processes.

95. **Output/results:** In the course of 1998, technical support was provided for the implementation of the GSTP preferential concessions. Support activities were related to servicing meetings of the GSTP bodies. Background notes were provided to developing countries interested in participating in the GSTP, and information was made available to delegations and experts from capitals attending trade meetings in Geneva. Technical assistance was extended to developing countries participating in the second round of GSTP negotiations. Supportive activities covered the main areas of product-by-product negotiations.

96. In the course of the product-by-product negotiations, a large number of participating countries submitted their consolidated lists of concessions which, collectively, established the schedule of concessions resulting from the second round. The second round was concluded in December 1998.

(iii) *Subregional and regional integration*

97. **Development context:** The strengthening of subregional and regional integration processes among developing countries is an important aspect of the wider objective agreed at UNCTAD IX on the effective integration of developing countries, especially LDCs and countries with structurally weak economies, into the international trading system. Developing countries view their effective integration in subregional and regional integration processes as pivotal to overcoming common development problems and as a stepping stone to greater integration into the global economy.

98. **Objectives:** UNCTAD assists regional integration groupings of developing countries in realizing and maximizing their potential benefits in terms of expanding trade and investment flows among members and thus promoting their economic development. It also assists these countries in negotiating and concluding trade agreements with developed countries.

99. **Features:** UNCTAD's assistance to subregional and regional integration groupings includes policy advice on tariff reduction, market access, the rules of origin related to the formation of free trade areas and customs unions, and on the effects of free trade areas or customs unions; the

customization of information packages from the TRAINS database to a particular grouping; and the training of human resources.

100. **Output/results/impact:** UNCTAD provided technical and advisory support on the formulation of a free trade agreement for the SADC, which is scheduled to be completed by the end of 1999. As part of this process, training in UNCTAD (Geneva) was provided to an SADC official on the development of an SADC trade database that utilized the TRAINS database. UNCTAD also provided support to the Government of South Africa in matters relating to the trade effects and rules of origin of the proposed South Africa-European Union free trade agreement. The project liaises its activities with technical cooperation on trade relations and economic cooperation in the Mediterranean region as well as with the project on market access (see below).

101. In respect of human resource development, UNCTAD and the Ministry of Commerce, Tourism and Industry of Mozambique organized a workshop in September 1998 on "Building up human resources capacity in international trade" in Maputo, Mozambique. The workshop, one of the first of its kind in Mozambique, was attended by about 15 to 25 participants from the Government, the private sector and semi-private entities. It contributed to raising awareness among the participants about the obligations and opportunities for Mozambique emerging from the post-Uruguay Round multilateral trading system. The topics covered included trade and environment, the SADC reciprocal trade agreement and the GSP as a non-reciprocal trade instrument. UNCTAD is preparing a number of commercial diplomacy training modules on strategic multilateral issues (trade-related investment measures, GATS, the Agreement on Agriculture, rules of origin) and regional trade issues (regional trade agreements), which could be used by training institutions in developing countries to conduct the relevant training.

(iv) *Technical cooperation on trade relations and economic cooperation in the Mediterranean region*

102. **Development context:** The implementation of the Uruguay Round agreements and the reorientation of European Union trade policy towards third countries has resulted in drastic changes in market access and trade relations for the developing countries of the Mediterranean region. The Barcelona Declaration of October 1995 envisages the establishment of a Euro-Mediterranean free trade zone by the year 2010, involving bilateral association agreements between the European Union and individual Mediterranean countries, to be followed by closer ties among the Mediterranean countries. These developments confront the region with a significant shift in the trade policy of their main trading partner, from non-reciprocal to reciprocal market access. The establishment of the association agreements will also affect areas beyond trade in goods, involving the adaptation of trade related policies, especially as regards intellectual property rights, competition law, customs cooperation and standards.

103. **Objectives:** The Barcelona programme represents a formidable challenge for the economies of the countries involved. The objective of the project is to support the Mediterranean countries' efforts to meet this challenge by assisting in the negotiation and implementation of the agreements, and to lay the groundwork for the second phase of the Barcelona programme, namely, the establishment of free trade agreements among Mediterranean countries.

104. **Features:** The project activities are aimed at:

- (a) Providing support to policy makers, both during the negotiations and during the implementation of agreements, on selected topics such as preferential market access provided by the European Union to each Mediterranean country and territory for agricultural goods (also in comparison to European Union concessions in WTO), alternatives for the liberalization of the industrial sector, provisions regarding intellectual property rights, competition law, liberalization in services, customs cooperation, and environmental and technical standards; and
- (b) Familiarizing the business community with the coverage and depth of the tariff cuts and other preferential market access provisions, including information on rules-of-origin regulations and administrative requirements to obtain such benefits, as well as with the necessary procedures to obtain financing under the MEDA funds.

105. **Output/results:** In 1998, advisory missions were conducted in Algeria and Egypt, to provide specific advice on selected aspects of the association agreements and to build negotiating capacity and assist in evaluating the implications of implementing specific provisions of the agreements.

106. The project built on the experience of recent workshops and advisory missions and contributed to important publications in the Arab region, such as the second edition of the Economic Trends in the MENA Region (second edition) of the Economic Research Forum for the Arab Countries, Iran and Turkey, published in Cairo in November 1998.

107. The project has continued to implement a subregional project financed by UNDP on the Maghreb strategy for integration. The objective of this sub-project is to study the trade policy choices and strategy which could be adopted by the countries of the Arab Maghreb Union to achieve a regional free trade area or customs union in line with the overall objective of establishing a Euro-Mediterranean free trade area by the year 2010. A preliminary version of the study was prepared and discussed with experts from countries of this region in December 1998. The final version of the study will be published in 1999.

108. At the same time, another sub-project is being finalized in Egypt (“Calculation of the effective rate of protection for selected subsectors of the Egyptian industrial sector, with due regard for rules-of-origin regulations”). The sub-project aims to calculate the effective rate of protection for specific products representing an important share of the production of two industrial sectors, namely, textiles and clothing, and electronics. The resulting indicator will give an objective measure of the degree of protection that different industries currently enjoy, and of how it would change during the transition period of the Euro-Mediterranean agreement under different scenarios of liberalization.

109. These activities are supported and complemented by TRAINS, which provides up-to-date computerized information on relevant preferential market access provisions (see above).

110. In the period under review, the distribution of a series of studies, handbooks and handouts (mostly published in 1997) to diplomatic representatives, chambers of commerce, ministries and others was continued (for details please see TD/B/45/6/Add.1- TD/B/WP/109/Add.1).

- (v) *Assistance to countries of the Asian region on most-favoured-nation treatment and preferential tariff negotiations and GSP utilization*

111. **Development context/objectives:** The programme aims at strengthening the capacity of developing countries in Asia in tariff negotiations, to increase the utilization of GSP benefits and to provide a better understanding of the import remedy measures of major trading partners. The programme will also identify trading opportunities following the tariff reductions effected by the Uruguay Round.

112. **Output/results:** The project strengthened and updated the information materials such as the Handbook on the GSP Scheme of Japan and information on trade laws, which are necessary for the seminar and workshop that will be held as well as for dissemination to the recipient countries. The project contributed to the updating of the GSP component of TRAINS, especially on newly included documentation on GSP schemes and other trade laws which have already been explained in the seminar and appreciated by traders. In terms of operational activities, national seminars on the GSP and other trade laws in Cambodia and Sri Lanka were held.

2. Commodities

(a) Diversification and natural resources

113. **Objectives:** The overall objectives are as follows: (a) to assist the Governments of commodity-dependent countries in the design and implementation of policies and measures to facilitate horizontal and vertical diversification, and to improve the performance of traditional commodity sectors; and (b) to help the enterprise sector to benefit from the opportunities available and deal with the new challenges in the post-Uruguay Round trading framework.

114. **Features:** The programme consists of country- and sector-based analytical studies, policy advice and capacity-building.

115. **Output/results:** A project in Angola aims at assisting the Government in the rehabilitation of the coffee and palm oil sectors. Two reports were prepared on the coffee and palm oil sectors. Another report was prepared on the coffee sector in three Asian countries in order to draw lessons for Angola. These reports, which include specific project proposals for the rehabilitation of these two sectors, were submitted to the Angolan Government and made available to the International Coffee Organization.

(b) International market access information: horticultural sector

116. The aim of the project is to assist developing countries in obtaining information regarding international trade in horticultural products. The project consisted of the preparation and dissemination of a handbook (UNCTAD/ITCD/COM/Misc.32) that provides guidance for exporters of horticultural products in their quest to find information. The publication contains brief sections discussing a variety of issues relevant to trade and the establishment of partnerships. It has been widely disseminated and has solicited interest from a variety of potential users.

(c) Mineral resources and participatory development

117. In the context of participatory development and the social impacts of mining, the principal objective of this project is to assist the Governments of developing countries in implementing policies which ensure that the interests of local communities are taken into account at an early stage of project development and that solutions acceptable to all stakeholders are reached.

118. UNCTAD has developed a model framework to assist in the identification, analysis and management of long-term mineral resource issues. This framework will be applied in individual developing countries, with the support of national and regional institutions, together with training on tools, techniques and methodologies to support a cooperative approach to sustainable development involving all stakeholders including local communities. The model framework consists of a geomangement system and an economic/ecological model. A first pilot project has been initiated in South Africa, where UNCTAD is cooperating with the Government of the Northern Cape Province in exploring development alternatives for the Namaqualand region, which is heavily dependent on the mining of diamonds and base metals. The first stage of the project was concluded in 1998, with the preparation of an economic model of the region which was used to assess the consequences of anticipated reductions in mining employment and to evaluate different scenarios for the future development of the region.

(d) Commodity marketing and risk management

119. *Objective/features:* The main objective of work in the area of commodity marketing, risk management and finance is to improve the use made of modern marketing and financing techniques in commodity trade. This not only makes important cost savings possible, but also allows Governments, parastatals and private sector entities to plan and manage more efficiently. The programme involves the publication of analytical studies and manuals, policy advice, awareness-raising activities and training.

120. *Output/results:* The largest activity funded in 1998 in this area was the Second African Oil Trade Conference, held in Harare, Zimbabwe, from 22 to 24 April. This conference (organized with the Government of Côte d'Ivoire, and with considerable private sector sponsorship, including from African companies) attracted some 270 participants from over 30 African countries, mostly high-level decision makers from the African oil and finance sectors. The conference was deemed very successful by participants, and requests for further assistance have since been received from several countries. The third conference will be organized in Namibia, and will again be entirely funded by private sector sponsorship.

121. Several activities were directly financed by other agencies. One important area, in this respect, was support for the development of new commodity exchanges - a very important issue in many countries, as Governments are withdrawing from their agricultural marketing and price-setting roles, and there is a need for new marketing and price discovery mechanisms. The World Bank financed UNCTAD's work on commodity exchange development in Turkey; apart from policy papers, this included the development of a training course for commodity exchange managers. A similar project in India, also supported by the World Bank, enabled the development of and approval of a project document for the strengthening of India's institutional capacity to stimulate commodity exchange growth, under an appropriate regulatory framework. The Indonesian private sector, supported by the Government of Indonesia, sponsored a mission on this issue to Jakarta.

122. Other technical assistance activities, sponsored by counterparties, were focused on training in the area of commodity finance. They included work on structured finance in the Russian timber industry (with a seminar in St. Petersburg), and a seminar on warehouse receipt finance in Benin.

3. Trade, environment and development

(a) General

123. *Development context:* Agenda 21 stressed the need to make trade and environmental policies mutually supportive through appropriate actions at the national and multilateral levels. This requires the attention of, among others, policy makers, the business community, academic institutions and non-governmental organizations. UNCTAD IX requested UNCTAD to continue to play a special role in this field, including through technical cooperation.

124. *Objectives:* The immediate objectives of UNCTAD's technical cooperation programme on trade, environment and development are:

- (a) To facilitate dialogue between trade, environment and development communities;
- (b) To strengthen capacities for policy analysis and trade and environment policy coordination in developing countries;
- (c) To assist developing countries in taking advantage of new trading opportunities; and
- (d) To support the effective participation of developing countries in international deliberations on trade and environment.

125. In the long run, the programme aims at assisting developing countries in achieving sustainable development through trade.

126. *Features:* Important features of this programme include:

- (a) Close interaction with the intergovernmental work programme and secretariat research;
- (b) Broad geographical coverage which implies a divergence of national experiences;
- (c) Special attention for LDCs;
- (d) Broad coverage of issues;
- (e) Participatory approaches using local research and the capacity of non-governmental organizations; and
- (f) Networking with other institutions and civil society.

127. *Output/results:* Policy-oriented studies carried out under this programme cover a range of issues and examine how environmental policies, standards and regulations can be implemented without unnecessary adverse effects on the trade and competitiveness of developing countries as

well as how developing countries can strengthen their capacities to deal with trade and environment issues and to take maximum advantage of new trading opportunities.

128. The results of country case studies on the interlinkages between trade and environmental policies were brought together in a book entitled *Reconciling Trade and Environment: Lessons from Case Studies in Developing Countries*, published by Edward Elgar Publishers. It includes case studies for Brazil, China, Colombia, Costa Rica, India, Malaysia, the Philippines, Poland, Thailand, Turkey and Zimbabwe.

129. UNCTAD has gathered and disseminated information on promoting the production and export of environmentally preferable products in developing countries. Activities in this area, are being coordinated closely with non-governmental organizations. A book entitled *Profiting from green consumerism in Germany - Opportunities for Developing Countries in Three Sectors: Leather and Footwear, Textiles and Clothing, and Furniture* was prepared for publication in 1999.

130. In cooperation with the Overseas Development Institute, research on “win-win” situations has been initiated and basic information and the preliminary results of simulations using the UNCTAD trade policy simulation model have been obtained. The major objectives of the research are to examine the implications for individual and groups of developing countries as well as to identify cases where “win-win” situations are likely to occur.

131. UNCTAD began to implement a project to promote the internalization of environmental costs and benefits in the prices of rubber and rubber goods. Several workshops and studies are being carried out in cooperation with the International Rubber Study Group (IRSG), focusing on the use of economic instruments for enhancing waste tyre management and rubber recovery, and the use of carbon offset financing in the context of the Kyoto Protocol and the CDM, which appears to be a promising way to enhance the competitiveness of natural rubber as compared with synthetic rubber and thus to encourage the sustainable production and consumption of rubber. The proceedings of a joint UNCTAD/IRSG workshop on these issues, held in Bali, Indonesia, in October 1998, were prepared for publication.

132. An empirical analysis is being carried out on the trade implications of ISO 14000 standards as well as on national implementation issues that could have a bearing on international trade. In this area UNCTAD is cooperating with the International Organization for Standardization (ISO), ITC, UNIDO and the Public-Private Partnership Programme of UNDP. A background document on the impacts of standards on trade, with special reference to small and medium-sized enterprises, was prepared for discussion at a seminar on standards and quality for the countries of the Group of 15, held in New Delhi from 13 to 14 January 1998.

133. Activities regarding the contribution that foreign direct investment and transnational corporations could make to sustainable development were initiated. The emphasis is on technology dissemination and spillover effects on host countries, including through the supply chain. While building on the findings of ongoing projects implemented by the Division on Investment, Technology and Enterprise Development, this project is more specific in scope as it focuses on multilateral environmental agreements. Case studies carried out by institutes in China, India and Malaysia will feed into the project.

134. Activities are being carried out to promote the diffusion of environmentally sound technologies to developing countries. The analytical phase of a project on enhancing capacity in the environmentally and economically sustainable management of lead in the Philippines has been completed, and the analysis is to be published under the title "The effects of trade measures of the Basel Convention on environmentally sound resource recovery in rapidly industrializing countries: the case of scrap vehicle batteries in the Philippines".

135. Advisory services were provided, on an ad hoc basis, through missions to Algeria, Guatemala, Malawi and the Philippines to brief government officials and other stakeholders on trade and environment issues. Background and briefing notes for country and regional projects on trade and environment were prepared for Algeria, Bolivia, Cuba, Egypt, India, Mozambique and Viet Nam, as well as for the Arab countries, Central American countries and the African lusophone countries.

136. In cooperation with the Governments of the countries concerned, seminars to support the effective participation of developing countries in multilateral discussions on trade and environment were organized in Antananarivo (Madagascar), Havana (Cuba), Hanoi (Viet Nam), Tunis (Tunisia), Cairo (Egypt, national and regional seminar for Arab countries), Maputo (Mozambique) and Bali (Indonesia). In addition to the organization and conduct of the seminars, the UNCTAD secretariat prepared background documents for discussion at each of them. In the case of the national seminar for Madagascar and Joint UNCTAD/IRSG workshop on rubber held in Bali, the proceedings served as the basis for subsequent publications.

(b) The BIOTRADE Initiative

137. *Development context:* Many developing countries are endowed with rich and highly diverse biological resources which provide a wide range of products and services. Developing countries which seek to use biological resources as a tool for development could promote the bio-resource industry by creating a critical mass of technical and entrepreneurial skills, covering research and development and the marketing of biological resources. To ensure that the benefits generated by biological resources are enjoyed by future generations and contribute to development, these resources should be used sustainably. Unfortunately, for a number of reasons, Governments, private sector and local communities have lacked incentives to preserve biological resources. Among the factors that have contributed to this state of affairs are uncertainty over property rights, the lack of entrepreneurial and financial resources, and the political, economic and technological risks involved.

138. In light of the above, and in the context of the call in the Convention on Biological Diversity for the linking of trade, biodiversity conservation and sustainable development in a mutually beneficial way, UNCTAD launched the BIOTRADE Initiative in November 1996.

139. *Objectives:* The BIOTRADE Initiative aims at stimulating investment and trade in biological resources as a means of furthering the three objectives of the Convention, namely, the conservation of biodiversity, the sustainable use of its components, and a fair and equitable sharing of the benefits arising from the utilization of biological resources. The ultimate objective of the Initiative is to enhance the ability of developing countries to use their biodiversity sustainably to produce new value-added products and services for both international and domestic markets.

140. *Features:* The Initiative collaborates with the private sector, local and indigenous communities, governmental and non-governmental organizations and academia. It is an integrated

programme consisting of the following three complementary and mutually reinforcing components: BIOTRADE country programmes; market research and policy analysis; and Internet services and communications.

141. **Output/results:** To prepare country activities, planning meetings were organized with representatives of the Governments and civil society in Colombia, Ecuador, Peru and Venezuela. On the basis of these meetings the activities proposed in the country programmes were refined in line with the needs of the different countries. In Colombia and Peru, work started on the organization of the first exploratory workshops, to be held in 1999. Background studies were carried out for the Colombian country programme. In Colombia, all activities are carried out with the Alexander von Humboldt Institute and the Ministries of Environment and Foreign Trade. In Peru, activities are coordinated by the National Environment Council and the Ministry of Foreign Affairs.

142. In Brazil, UNCTAD established collaborative frameworks with Banco AXIAL and the Programme on Poverty and Environment in Amazonia (POEMA). A meeting was held in Brazil in October on the Bolsa Amazonia, a joint programme being developed by UNCTAD and POEMA. During the meeting a letter of intent regarding the funding of the programme was signed by 16 public and private organizations. Partnerships for the development of joint programmes with these organizations were signed during the Partners for Development meeting in Lyon.

143. In 1998 a project proposal was drafted and submitted for funding to the United Nations Fund for International Partnerships. The project focuses on the Amazon region and should be carried out in the period 1999-2002.

144. In the spring of 1998, UNCTAD, the German organization Deutsche Gesellschaft für Technische Zusammenarbeit (GTZ) and the Guinean non-governmental organization Guinée Ecologie organized a joint mission to Guinea to assess the interest and needs in the area of BIOTRADE. It was found that the greatest interest was in starting work in the area of marketing and the sustainable use of medicinal plants. A joint UNCTAD-GTZ workshop was held on this subject in April 1999.

145. In November 1998, the BIOTRADE Initiative was represented at a capacity-building seminar on indigenous populations and biodiversity, held in Santa Cruz, Bolivia. UNCTAD also participated in the fourth Conference of the Parties to the Convention on Biological Diversity in Bratislava, Slovakia.

146. The BIOTRADE Initiative organized the conference on "Bio-partnerships for sustainable development: the bio-industry challenge", held in Lyon, France, in November 1998, in parallel with the Partners for Development meeting. The conference attracted more than 200 participants from developed and developing countries, including representatives of the public and private sectors, local and indigenous communities, non-governmental organizations, academia and other international organizations. The conference highlighted the potential for partnerships in development and announced new partnerships with BIOTRADE. In round-table discussions and various seminars, ways were discussed to make biodiversity a tool for sustainable development.

147. At the Partners for Development meeting, UNCTAD signed several partnerships in support of the technical cooperation activities of the BIOTRADE Initiative. Partnerships were signed with

POEMA, Banco AXIAL, Corporación Andina de Fomento, the University of Chicago and Rutgers University. On the same occasion, the Spanish Government announced its offer to support the BIOTRADE Initiative in various ways.

4. Competition law and policy and consumer protection¹

148. *Development context:* Strengthened competition enhances overall economic efficiency and significantly improves prospects for sustained economic growth and development. The worldwide implementation of fundamental market-oriented economic reforms has unleashed considerable competitive forces, which play a key role in ensuring the success of the reforms and which need to be supported by appropriate rules. However, despite a general widespread trend towards the adoption, reformulation or better implementation of competition laws and policies in developing countries and countries with economies in transition, many of these countries still do not have up-to-date competition legislation and policies or do not apply them effectively and request technical assistance in this area. In this connection, the United Nations Set of Multilaterally Agreed Equitable Principles and Rules for the Control of Restrictive Business Practices calls for the provision of technical assistance, and advisory and training programmes, particularly to developing countries. Furthermore, at UNCTAD IX, UNCTAD was given a mandate to enhance technical cooperation in this area by promoting national competition and consumer protection law and policy formulation for developing countries, including LDCs, and for countries with economies in transition.

149. *Objectives:* The programme aims at assisting developing countries in formulating or reviewing competition policies and legislation, contributing to the building of national institutional capacity in this area, and providing government officials and private entrepreneurs with a better understanding of competition laws and policies.

150. *Features:* Assistance is provided in accordance with requests received, the needs of the countries concerned and the resources available. The main types of technical cooperation activities can be described as follows:

- (a) Provision of information about restrictive business practices (RBPs) and their possible adverse effects on the economy, which involve a study of RBPs in a specific country;
- (b) Introductory seminars directed at a wide audience, including government officials and academics as well as business and consumer-oriented circles;
- (c) Assistance to States which are in the process of drafting competition legislation, in the form of provision of information on such legislation in other countries or advice on drafting;
- (d) Advisory services for the setting-up of a competition authority, which usually include the training of officials responsible for the actual control of RBPs and which may

¹ See also: "Evaluation of technical cooperation activities in the area of competition law and policy" (TD/B/WP/119).

involve training workshops or on-the-job training with competition authorities in countries with experience in the field of competition;

- (e) Organization of seminars for States which have already adopted competition legislation, which have experience in the control of RBPs and which wish to consult each other on specific cases and exchange information;
- (f) Assistance to States which wish to revise their competition legislation and seek expert advice from competition authorities in other States, to enable them to amend their laws in the most effective manner possible; and
- (g) Assistance in the area of creating a "competitive culture" and preparing developing countries, including LDCs as well as countries with economies in transition, for future multilateral negotiations in this area.

(i) *National activities*

151. **Output/results:** In 1998, technical assistance related to the preparation, drafting or revision of national competition legislation was provided to Egypt, Guatemala, Kenya, Malawi, Malaysia, Mauritius and Morocco. UNCTAD also assisted in arranging for the participation of officials from Kenya, Malawi and Zambia in training courses and study tours. Also, the work to develop a common approach to competition policy for the member States of the Common Market for Eastern and Southern Africa (COMESA) was launched and is expected to be completed in summer 1999.

152. A seminar on competition and consumer protection law was organized by UNCTAD in November 1998 in Viet Nam. The seminar included training courses and visits to enterprises. A national competition seminar held in Egypt in April 1998 acquainted a wide range of participants with specific features of Egyptian competition legislation and enabled the Egyptian Government to take note of specific advice from international experts.

153. A one-week seminar on competition policy, law enforcement, analysis and techniques was held in January 1998 in Kenya in cooperation with the Monopolies and Prices Commission of Kenya and the Kenya Institute of Administration. A workshop organized by the German Foundation for International Development (DSE) in cooperation with UNCTAD took place in Malaysia in March 1998. In May 1998 national seminars were organized by UNCTAD in Georgia in cooperation with the State Antimonopoly Service of Georgia, and in the Islamic Republic of Iran, in cooperation with the Ministry of Commerce.

(ii) *Regional and subregional activities*

154. **Output/results:** The UNCTAD secretariat, in cooperation with the Egyptian authorities, organized the African Regional Seminar on Competition Law and Policy, held in Cairo, Egypt, from 21 to 23 April 1998. The seminar was open to participants from all African countries, and its objective was to strengthen African countries' knowledge of the main issues related to the adoption and efficient application of competition law and policy. The seminar focused on an exchange of experiences with respect to the application of competition law and policy in industrialized countries as well as in developing countries that have competition legislation.

155. In cooperation with the secretariat of UDEAC, UNCTAD organized a two-week workshop on competition law and policy for UDEAC countries which took place from 6 to 17 July 1998 in Libreville, Gabon. One of the main objectives of the seminar was to train experts from UDEAC, who would then assume training responsibilities in their home countries. An important part of the seminar was the focus on case studies presented by resource persons and participants, which formed the basis for discussion and an exchange of information on different approaches to anti-competitive practices.

156. A regional Arab seminar on competition law and policy, held in Manama from 20 to 21 October 1998, was organized by UNCTAD jointly with the Government of Bahrain. The objective of the meeting was to assist Arab countries in participating fully in the multilateral forums discussing competition issues and in formulating domestic competition policies. The seminar discussed various competition law and policy issues of relevance to the countries in the region, specifically addressing the problems of small and oil-dependent economies.

157. In cooperation with the authorities of Côte d'Ivoire, UNCTAD organized a regional seminar on competition law and policy and consumer protection for West African countries, which was held in Abidjan from 16 to 18 December 1998. The seminar included training courses and visits to enterprises. Also, specific issues related to business practices in Côte d'Ivoire and other participating countries were raised and discussed with managers and other economic operators.

158. In cooperation with DSE, UNCTAD participated in February 1999 in Pakistan in a subregional workshop on the harmonization of national competition policies as an integral part of economic cooperation for the countries of SAARC.

(iii) Participation in seminars and conferences

159. **Output/results:** In 1998, staff members of UNCTAD took part in a number of seminars, workshops and conferences related to issues of competition law and policy and consumer protection. In particular, the UNCTAD secretariat actively participated in: (a) the APEC/Partners for Progress Course on Competition Policy, held in Bangkok in February 1998 and organized by the Governments of Thailand and Japan; (b) the Second Oslo Competition Conference, held in September 1998, which brought together a wide range of government officials, business representatives and academics to discuss the foundations of competition policy analysis; (c) the First International Competition Symposium, organized in October 1998 in Istanbul by the Turkish competition authority; and (d) the Seminar on competition law and policy held by the Tunisian competition authority in April 1998 in Tunis.

B. DIVISION ON INTERNATIONAL TRADE IN GOODS AND SERVICES, AND COMMODITIES

Project No.	Short title	Duration	Type of project	Status in 1998	Source of funds	Total budget	Cumulative expenditures	Expenditures 1998	
<u>Trade analysis and systemic issues</u>									
ALG/98/001	* Elaboration d'un programme d'appui à l'adhésion de l'Algérie à l'OMC et à son association à l'Union	1998 1999		Ongoing	UNDP/ Algeria/CS	240'000	34'436	34'436	ALG/98/001
BEN/98/A51	Suivi des accords de l'OMC et amélioration des débouchés internationaux pour les entreprises exportatrices du Bénin	1998 2000		Ongoing	ITC	407'080	7'592	7'592	BEN/98/A51
BKF/98/A52	Suivi des accords de l'OMC et évaluation des débouchés internationaux pour les entreprises du Burkina Faso	1998 2000		Ongoing	ITC	315'930	7'592	7'592	BKF/98/A52
BYE/94/003	Support of negotiations on accession to GATT	1994 1999		Ongoing	UNDP/IPF	93'435	77'788	18'321	BYE/94/003
CPR/91/543	Effective participation in the international trading system	1992 1998		OPC	UNDP/IPF	998'900	940'628	118'226	CPR/91/543
GHA/98/A54	Follow-up to the WTO agreements and exploitation of business opportunities by Ghanaian enterprises	1998 2000		Ongoing	ITC	344'148	3'765	3'765	GHA/98/A54
IRA/96/002	* Development of non-oil exports and strengthening the external sector (Phase I)	1996 1999	IALA/Govt	Ongoing	UNDP/Iran, Islamic Rep./CS	30'000	240	-22'388	IRA/96/002
IVC/98/A53	Suivi des accords de l'OMC et évaluation des débouchés internationaux pour les entreprises exportatrices	1998 2000		Ongoing	ITC	306'194	7'593	7'593	IVC/98/A53
KAZ/98/001	Support of Kazakhstan accession to the WTO	1998 2000		Ongoing	UNDP/IPF	120'000	68'038	68'038	KAZ/98/001
KEN/98/A55	Follow-up to the WTO agreements and exploitation of business opportunities by Kenyan enterprises	1998 2000		Ongoing	ITC	400'885	3'044	3'044	KEN/98/A55
MAG/98/A10	Appui au développement du commerce extérieur de Madagascar	1998 1999		Ongoing	France	78'233	25'832	25'832	MAG/98/A10
MON/97/113	Support to the Government in its initial phase of membership in the WTO	1997 1999		Ongoing	UNDP/SPPD	40'000	23'557	23'557	MON/97/113
NEP/96/010	Assistance to the Ministry of Commerce (trade policies)	1997 2001	Preparatory assistance	Ongoing	UNDP/IPF	234'914	143'901	107'748	NEP/96/010
LIT/93/Q02	* WTO accession support	1996 1999	IALA/UNDP	Ongoing	UNDP	40'000	18'300	-2'374	LIT/93/Q02
RUS/93/001	Support in accession to WTO	1993 1998		OPC	UNDP/IPF	408'140	408'142	40'476	RUS/93/001

Project No.	Short title	Duration	Type of project	Status in 1998	Source of funds	Total budget	Cumulative expenditures	Expenditures 1998	
TUN/96/007	* Mise à niveau des capacités nationales pour gérer le nouveau système commercial multilatéral	1997 1999		Ongoing	UNDP	45'000	42'571	22'344	TUN/96/007
UGA/98/A58	Follow-up to the WTO agreements and exploitation of business opportunities by Ugandan enterprises	1998 2000		Ongoing	ITC	398'381	3'609	3'609	UGA/98/A58
URT/98/A56	Follow-up to the WTO agreements and exploitation of business opportunities by Tanzanian enterprises	1998 2000		Ongoing	ITC	476'991	2'815	2'815	URT/98/A56
VIE/95/024	* Capacity development for effective and sustainable integration into the international trading system and promotion of trade efficiency	1996 1999	IALA/Govt	Ongoing	UNDP/IPF	535'727	487'916	82'039	VIE/95/024
RAB/91/003	* Appui à l'Union du Maghreb Arabe (UMA)	1994	IALA/UMA	Ongoing	UNDP/IPF	162'500	161'606	102'946	RAB/91/003
RAB/95/005	Arab States' economic integration and trade programme (EITP)	1995 1999	Preparatory assistance	Ongoing	UNDP/IPF	202'500	164'171	-1'132	RAB/95/005
RAB/96/001	* Support to the Arab States in economic and social reform and multilateral economic cooperation (Algeria)	1997 2000	IALA/UNDP	Ongoing	UNDP	127'400	73'880	22'822	RAB/96/001
RAB/96/001	* Support to the Arab States in economic and social reform: strengthening Bahrain's capacity in the globalization of trade	1997 1999	IALA/UNDP	Ongoing	UNDP	54'545	1'377	-2'660	RAB/96/001
RAB/96/001	* Support to the Arab States: effective rates of protection and its interaction on selected aspects of origin (Egypt)	1997 2000	IALA/UNDP	Ongoing	UNDP	34'000	43'740	39'450	RAB/96/001
RAB/96/001	* Support to the Arab States in economic and social reform: challenges of the integration of the Arab countries into the multilateral, regional and interregional trading system	1997 2000	IALA/UNDP	Ongoing	UNDP	272'000	162'720	134'761	RAB/96/001
RAB/96/001	* Support to the Arab States in their pursuit of economic and social reform: study on the implications of GATT on the economy of the United Arab Emirates	1997 2000	IALA/UNDP	Ongoing	UNDP	40'065	37'757	37'757	RAB/96/001
RAF/90/A01	Etudes nationales du secteur des services (CAPAS)	1990 1997		OPC	France	395'150	393'327	-307	RAF/90/A01
RAF/94/A34	Post-Uruguay Round assistance to African countries	1994		Ongoing	Netherlands	347'788	302'898	47'949	RAF/94/A34
RAF/96/001	* Capacity-building for trade and development in Africa	1996 1999	IALA/UNOP	Ongoing	UNDP	368'274	393'030	91'074	RAF/96/001
RAF/97/A16	Implementing the General Agreement on Trade in Services (GATS) in Africa	1997 1999		Ongoing	Canada/IDRC	279'000	202'604	70'454	RAF/97/A16

Project No.	Short title	Duration	Type of project	Status in 1998	Source of funds	Total budget	Cumulative expenditures	Expenditures 1998	
RAF/97/A34	Post-Uruguay Round assistance to African countries	1997 1999		Ongoing	France	59'646	31'060	18'135	RAF/97/A34
RAF/97/A54	Fostering competitive service sectors in selected African countries	1998 1999		Ongoing	France	75'354	72'957	72'957	RAF/97/A54
RAS/93/039	Pacific Basin Partnership Initiative (PBPI)	1993 1999	Preparatory assistance	Ongoing	UNDP/IPF	20'000	20'079	9'898	RAS/93/039
RAS/97/A18	Assistance to countries of the Asian Region on most-favoured-nation treatment and preferential tariffs negotiations	1998 1999		Ongoing	Japan	524'904	210'633	123'048	RAS/97/A18
RAS/97/A35	Training seminar on the implications of WTO accession for development policy of LDCs and acceding developing countries in Asia and the Pacific	1997 1999		Ongoing	Japan	111'198	91'749	8'242	RAS/97/A35
RLA/92/012	LATINTRADE	1992 1998		OPC	UNDP/IPF	738'993	738'692	5'050	RLA/92/012
INT/84/A01	GSP - Technical assistance programme	1984		Ongoing	Multidonors	3'228'771	3'208'419	3'930	INT/84/A01
INT/90/A07	TRAINS: development and dissemination of selected computerized trade data	1991 1999		Ongoing	Multidonors	225'764	201'760	69'312	INT/90/A07
INT/90/A19	Negotiations for a GSTP among developing countries	1990		Ongoing	Multidonors	1'050'592	1'013'727	153'740	INT/90/A19
INT/92/A04	TRAINS for GSP	1993 1999		Ongoing	Italy	70'796	54'256	22'538	INT/92/A04
INT/92/A18	Interactive dissemination of computerized trade information	1992		Ongoing	Netherlands	246'902	252'608	-1'004	INT/92/A18
INT/93/A34	Trade relations and economic cooperation in the Mediterranean region	1993 1999		Ongoing	Italy	529'605	486'352	16'927	INT/93/A34
INT/93/A42	Support for an evaluation of the Uruguay Round of multilateral trade negotiations	1993 1996		OPC	The Ford Foundation	132'744	138'713	625	INT/93/A42
INT/97/A06	Technical cooperation on market access, trade laws and preferences	1997 1999		Ongoing	Italy, China, European Commission	439'420	221'644	195'970	INT/97/A06
INT/95/X09	Associate expert - global trade policies	1995 1999		Ongoing	France	333'551	198'535	73'796	INT/95/X09
INT/95/X68	Associate expert - global trade policies	1995 1999		Ongoing	Italy	337'845	183'535	7'334	INT/95/X68
INT/96/X43	Associate expert - global trade policies	1996 1999		Ongoing	Netherlands	166'187	161'748	76'439	INT/96/X43

Project No.	Short title	Duration	Type of project	Status in 1998	Source of funds	Total budget	Cumulative expenditures	Expenditures 1998
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INT/97/X24	Associate expert - global trade policies	1997	1999	Ongoing	Japan	197'574	129'828	69'441	INT/97/X24
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Total: Trade analysis and systemic issues						16'287'026	11'660'764	2'021'757	
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Commodities

ANG/97/020	Coffee sector review	1997	1998	OPC	UNDP/SPPD	53'700	47'814	46'726	ANG/97/020
MLW/98/008	Economic aspects of development of agricultural alternatives to tobacco production and export marketing	1998	1999	Ongoing	UNDP/SPPD	55'500	10'000	10'000	MLW/98/008
SAF/95/A17	Natural resources and commodity production: a framework for sustainable development	1996	1999	Ongoing	Netherlands	56'000	54'222	4'282	SAF/95/A17
SAF/97/A14	Socio-economic consequences of the privatization of Alexkor	1997	1998	OPC	South Africa/ Government of the Northern Cape Province	15'040	15'038	4'996	SAF/97/A14
RAS/97/A37	Creation of multi-stakeholder advisory panel on sound and cost-effective management of health and environmental risks	1997	2001	Ongoing	Australia, Canada, India, Philippines, Korea Rep of	500'000	21'250	21'250	RAS/97/A37
INT/87/A05	Role of the minerals sector in the development process of developing countries	1988	1999	Ongoing	Norway, Sweden	193'100	194'521	2'982	INT/87/A05
INT/91/A41	Microcomputer-based Commodity Analysis and Information System (MICAS)	1991	1998	Completed	France, Italy, Netherlands, Norway, REUTERS	394'234	393'483	1'219	INT/91/A41
INT/93/A09	International commodity marketing and commodity-price risk management	1993	1997	Completed	Netherlands	194'542	195'698	2'662	INT/93/A09
INT/95/A39	Statistical review of international trade in metal waste and scrap	1995	1996	Completed	Canada/ICME	39'261	39'354	93	INT/95/A39
INT/95/A91	Modern commodity marketing mechanisms	1995	1997	OPC	Switzerland	256'637	248'540	-10'000	INT/95/A91
INT/96/A26	Commodity risk management and finance	1996		Ongoing	Multidonors	133'219	100'235	56'231	INT/96/A26

Project No.	Short title	Duration	Type of project	Status in 1998	Source of funds	Total budget	Cumulative expenditures	Expenditures 1998
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INT/96/A38	Clearing house for natural resources information: pilot project on mineral resources	1997	1999	Ongoing	Netherlands	44'248	43'040	12'306	INT/96/A38
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Total: Commodities	1'935'481	1'363'195	152'747
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Trade, environment and development

IND/97/955	Strengthening capacities for trade and environment policy coordination in India	1998	1999	Ongoing	UNDP/SPPD	142'400	10'500	10'500	IND/97/955
PHI/96/015	* Capacity-building on management of hazardous waste	1998	1999	Ongoing	UNDP	25'000	25'228	25'228	PHI/96/015
VIE/98/008	Trade and environment workshop	1998	1999	Ongoing	UNDP/SPPD	12'000	16'450	16'450	VIE/98/008
RAS/92/034	Institutional capacity for multilateral trade	1993	1998	Completed	UNDP/IPF	1'960'511	1'960'511	73'216	RAS/92/034
INT/92/207	Reconciliation of environmental and trade policies	1992	1998	OPC	UNDP/SPR	496'950	473'516	26'875	INT/92/207
INT/92/A06	Reconciliation of environmental and trade policies	1992	1999	Ongoing	Netherlands, Norway	549'571	561'268	-3'273	INT/92/A06
INT/92/A31	Developmental aspects of global environmental deliberations	1992	1997	Completed	Italy	132'743	124'278	7'198	INT/92/A31
INT/93/A48	Trade and environment	1994	1999	Ongoing	UNEP	217'214	207'014	31'994	INT/93/A48
INT/94/A66	Associate expert - trade and environment	1995	1997	OPC	Finland	217'835	190'121	-2'223	INT/94/A66
INT/95/A58	Environmental factors and trading opportunities for developing countries	1995	1999	Ongoing	Italy	188'500	178'075	16'398	INT/95/A58
INT/97/A50	Biotope Initiative Programme	1997	1999	Ongoing	Multidonors	88'500	104'904	88'047	INT/97/A50
INT/98/A11	Information sources on international trade rules and services for the fruit and vegetables sector	1998	1999	Ongoing	Switzerland/Spociété Générale de Surveillance	124'500	88'626	88'626	INT/98/A11
INT/98/A27	Trade, environment and investment	1998	1999	Ongoing	Germany	53'097	19'655	19'655	INT/98/A27
INT/98/A63	Trade and environment policies: research on "win-win" situations	1998	1999	Ongoing	United Kingdom/DFID	4'600	4'587	4'587	INT/98/A63

Project No.	Short title	Duration	Type of project	Status in 1998	Source of funds	Total budget	Cumulative expenditures	Expenditures 1998
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INT/96/X71	Associate expert - trade and environment	1997	1999	Ongoing	Netherlands	179'027	108'543	57'054	INT/96/X71
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Total: Trade, environment and development	4'392'448	4'073'276	460'332
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Competition law and policy and consumer protection

ZAM/92/026	* Capacity-building in the Ministry of Commerce, Trade and Industry	1994	1999	IALA/Govt	Ongoing	UNDP/IPF	171'175	89'104	-6'765	ZAM/92/026
RAF/97/A41	Institutional and capacity building in competition law and policy for African countries	1997	1999		Ongoing	Netherlands	353'982	217'704	217'704	RAF/97/A41
INT/86/A01	Training programme on RBPs	1986	1999		Ongoing	France, Norway, Sweden/SIDA	587'051	441'156	71'391	INT/86/A01
INT/95/X69	Associate expert - global trade policies	1995	1999		Ongoing	Italy	291'454	181'486	33'772	INT/95/X69
INT/96/A19	Strengthening competition policy and legislation in developing countries and countries in transition	1996	1999		Ongoing	Netherlands	108'097	104'822	17'409	INT/96/A19

Total: Competition law and policy and consumer protection	1'511'759	1'034'272	333'511
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Total: DIVISION ON INTERNATIONAL TRADE IN GOODS AND SERVICES, AND COMMODITIES	24'126'714	18'131'507	2'968'347
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C. Division on Investment, Technology and Enterprise Development

1. International investment, transnationals and technology flows

(a) Work programme on a possible multilateral framework for investment

160. **Development context:** The proliferation of discussions and negotiations on international investment agreements at the bilateral, regional and multilateral levels has given new momentum to the involvement of developing countries and countries with economies in transition in discussions on a possible multilateral framework for investment (MFI). All participants in these discussions need to be thoroughly familiar with key issues concerning FDI and especially their development dimension, as well as with key concepts likely to be considered in the context of a possible MFI.

161. **Objectives:** The objectives of this programme are to identify and analyse in accordance with paragraph 89(b) of "A Partnership for Growth and Development" (TD/378/Rev.1), the implications for development of issues relevant to a possible MFI. The prime objective of UNCTAD's work in this area is to help developing countries and countries with economies in transition to participate as effectively as possible in international discussions on investment rule-making, be it at the bilateral, regional, plurilateral or multilateral level. This reflects the need for greater information, transparency and proper economic and legal analysis of this subject. More specifically, UNCTAD's work aims at consensus-building and seeks to help developing countries to deepen their understanding of the issues involved, explore the range of problems that need to be considered, identify their interests, and, in particular, ensure that the development dimension is understood and adequately addressed.

162. **Features:** Important features of this programme are: (a) the preparation of a series of international investment agreements issues papers, intended primarily to provide an analytical stocktaking of approaches to the various issues in the context of international arrangements on investment, with particular emphasis on the development dimension, including a comprehensive analysis and documentation of how a particular concept has been used and the legal, economic and development trade-offs associated with different approaches; (b) the organization of a series of regional symposia and seminars for Geneva-based delegates; and (c) the organization of a number of training courses for diplomats and government officials on matters related to a possible MFI.

163. Parts of the work programme (in particular the seminars for Geneva-based delegates) are jointly implemented with WTO. UNCTAD cooperates with, and draws upon the work done by, relevant international organizations dealing with a possible MFI. In particular, UNCTAD is following closely the work and the discussions within the OECD and WTO and, in the latter case, is providing inputs to the Working Group on the Relationship between Trade and Investment. Experts from these organizations have already been involved in work undertaken in this area. UNCTAD is also interacting closely with the IMF and the International Chamber of Commerce (ICC).

164. **Output/results/impact:** In 1998, three regional seminars were organized. The regional symposium for Asia took place in New Delhi, India, on 15 and 16 July 1998. Hosted by the Government of India, the symposium included 19 participants from 16 countries in Asia. The Asian symposium was followed by a round table with non-governmental organizations (NGOs), jointly organized by UNCTAD and the Consumer Unity and Trust Society, that took place on 17 July in

New Delhi. The regional symposium for the Caribbean was jointly organized with the Organization of American States and took place in Kingston, Jamaica, on 27 and 28 September 1998. Conducted in cooperation with the University of the West Indies, the symposium included participants from 11 Caribbean English-speaking countries, as well as representatives of civil society. The regional symposium for the Andean Group took place from 4 to 6 November 1998 in Lima, Peru. Organized jointly with the secretariat of the Andean Community and the Organization of American States, the symposium was attended by 52 participants from the five Andean countries and by observers from civil society. The symposium was followed by a round table for NGOs, business representatives and academia on international investment arrangements and their implications for civil society organized jointly with the Universidad del Pacífico on 7 November 1998. Also during 1998, two Geneva seminars were organized in cooperation with WTO, both in Glion-sur-Montreux, on 26 and 27 February and 8 and 9 June 1998. Both events included participants from civil society. The seminars were attended by a total number of 50 participants from 43 member States of WTO and UNCTAD.

165. Related to these activities, two round-table events with interested groups from civil society were organized in 1998. These events provided a forum for public-private sector dialogue on issues related to international investment agreements. The round table for ambassadors and NGOs took place on 10 June 1998, in connection with the annual UNCTAD-NGO consultations. A similar event involving the International Confederation of Free Trade Unions took place on 9 December 1998 in Geneva.

166. According to the interim report from an independent evaluator (based on questionnaires and interviews with participants), all the symposia, seminars and civil society events were generally well received by participants, especially as regards the depths of coverage of the topics, the quality of the exchanges, organization, timeliness and quality of faculty and participants. All the symposia and seminars fulfilled the purpose of capacity-building through deepening the understanding and exploring the range of issues at hand according to the government representatives and participants from civil society who attended.

(b) Technical cooperation among developing countries to expand and strengthen the role of foreign direct investment by small and medium-sized enterprises in the developing countries of Asia

167. **Development context:** The project responds to a growing demand from developing countries in Asia for technical assistance in attracting FDI from and for small and medium-sized enterprises (SMEs) and in maximizing their contribution to development.

168. **Objectives:** The project seeks to enhance the skills of national policy makers in the developing countries of Asia in formulating measures and programmes to attract FDI from and for SMEs and to maximize their contribution to development.

169. **Features:** The project seeks to train decision makers in policy formulation to promote FDI from and for SMEs.

170. **Output/results/impact:** The *Handbook on Foreign Direct Investment by Small and Medium-sized Enterprises: Lessons from Asia* was prepared. The draft of the *Handbook* was used as the principal document of the *International Conference on SME - FDI - Development: Attracting SMEs and*

Promoting , held in Kunming City, China, from 29 to 31 October 1997 Drawing on discussions during the Kunming Conference and the particular experience of the conference participants, the was finalized in early 1998. The key findings of the Kunming Conference *Handbook* are presented in the *Executive Summary and Report on the Kunming Conference*. *Handbook* was released during May 1998.

(c) **project on investment guides and capacity-building for the less developed countries**

171. *context:* n economic development, in particular with respect to increasing local supply capacity in LDCs. action of global FDI inflows, some of them have been relatively To realize this an appropriate infrastructure and socio-political environment. This is precisely the long-term ent objective of the countries involved, and it is being addressed by the local capacity-building dimension of the project.

172. One of the main objectives of this project is to ensure that detailed information investment opportunities in LDCs is made available to potential investors, with a view to increasing investment in these countries and, in this manner, contributing to the creation of support . Another equally important objective is to contribute to capacity-building in the area of investment t representatives on the investment climate in the country concerned.

Features: The project has two main components The two are interrelated in that the production of effort and t e guides. In practical terms, for each LDC an investment guide will be will be organized . The project be implemented first in a pilot group of six LDCs (Bangladesh, Ethiopia, Madagascar, Mali Mozambique and Uganda). The project is carried out in close cooperation with the private sector, illustrated by the direct involvement of ICC in the project, and the support provided by about 30 transnational corporations acting as business champions.

174. A meeting with several representatives from investment promotion business sector was organized in January 1998 in D finalized, together well as the design of a prototype investment guide were finalized.

175. fall 1998, UNCTAD began activities to launch the project in Ethiopia, with a view to holding the first seminar on investment guides and capacity-building in that country early in 1999.

2. National innovation and investment policies

(a) FORINVEST: policy framework for attracting foreign investment

176. **Development context:** With the globalization of economic activities, driven by increased liberalization, more and more developing countries are seeking investment from transnational corporations. This effort takes the form of a proactive policy designed to maximize foreign investment flows with a view to increasing external capital/foreign exchange, exports, employment and training, technology capacity and management and marketing skills.

177. **Objectives:** The objective is to assist developing countries in strengthening their capacity to create and manage the policy and operating climate in which foreign investment and international business can thrive.

178. **Features:** FORINVEST provides advisory services and training packages related to investment policy, investment legislation, investment codes, sectoral policies governing the participation of transnational corporations in specific sectors, technology transfer and mechanisms for attracting investment (such as export processing zones, industrial estates and build-operate-transfer arrangements).

179. **Output/results:** In 1998, components of the FORINVEST programme were implemented in the following countries or territories: Albania, Bangladesh, Bolivia, the Gambia, India, the Sudan, Uganda and the West Bank and Gaza Strip. Furthermore, UNCTAD was involved in a number of regional initiatives. The following cases exemplify how the programme was implemented:

- (a) *West Bank and Gaza Strip:* At the request of the Palestinian Authority and UNDP, UNCTAD was asked to implement a project entitled "The development of an industrial estate in Nablus: project feasibility, implementation strategy and environmental impact". After conducting a pre-feasibility study in 1997, a tender for the feasibility study was issued. The feasibility study for the Nablus industrial estate was completed in 1998, and promotional activities have been started in order to attract private investors.
- (b) *Gambia:* At the request of the Government of the Gambia, UNCTAD undertook an analysis of existing foreign investments in the Gambia and interviewed foreign investors. Following a workshop for private sector and government representatives, an investment policy was drafted and submitted, together with recommendations for an investment incentive code, for consideration to the Government.
- (c) *Group of Arab countries:* In 1997, a regional project was initiated to harmonize the relevant business legislation in Arab countries. For this purpose, local legal consultants completed studies of the business legislation in Egypt, Lebanon, Morocco and Saudi Arabia. The studies served as a major input to a regional seminar held in Beirut, Lebanon, in September 1998. The declaration adopted at the seminar by participants from 14 Arab countries calls for the continuation of the harmonization process and the establishment of annual meetings to discuss investment and its promotion in the Arab world. The first follow-up seminar was due to take place in Morocco in June 1999.

(b)

180. *Development context:* Many countries have requested independent assessments of their investment policies and business environment, which they hope will identify their strengths and weaknesses in terms of attracting FDI. FORINVEST in that they focus on investment as part of a holistic process of enterprise development. They provide an analytical base and diagnostic tools to evaluate the strengths and weaknesses of countries to foreign investors. They involve ministries and public-private sector dialogues to strengthen policies and institutions relevant to FDI.

181. The objective is to provide developing countries with an external tool for assessing how they stand today in attracting FDI that is in consonance with stated national objectives and for incorporating a medium- to long-term perspective on how to respond to emerging regional

182. *Features:* (a) an audit of the country's objectives and administrative structures and procedures; (b) an audit of the country's FDI policy framework and experiences; (c) a survey of options for participation in international forums whereby other Governments and private sector representatives themselves with the country's investment environment and policies, and also benefit from peer review.

183. In 1998, UNCTAD organized a series of workshops by teams comprising UNCTAD staff and international and local experts. The workshops were held in Mauritius, Mauritius, and Mauritius. Collaboration with other organizations was sought in several instances. OECD participated in the evaluation mission in Uzbekistan, and UNCTAD collaborated in the preparation of sectoral profiles for Uganda. A joint programme was also launched with UNIDO in Ecuador.

Surveys were conducted in preparation of two workshops in Alexandria, Egypt, in 1999. The objectives of these workshops are to present the investment policy of Egypt to the key constituencies (the public sector, the private sector, academia and NGOs) to obtain feedback on the policy conclusions and recommendations. The results of the workshops will be discussed at the fourth session of the Commission on Investment, Technology and Related Financial Issues, to be held in October 1999. Peer reviews by the Commission will include the presentation of the reviews of Egypt, Peru, Uganda and Uzbekistan.

(c) **TRANSACT: negotiating international business arrangements**

185. *Development context:* Successful agreements in today's complex international business environment require a command of innovative financial techniques and sophisticated legal and fiscal structures, as well as expertise in a variety of other disciplines.

186. **Objective:** The objective is to assist Governments (and the private sector) in tackling the whole range of issues that arise in their negotiations with foreign investors, especially transnational corporations.

187. **Features:** TRANSACT provides advisory services and training packages related to investment projects, sectoral regimes, construction contracts and joint ventures, as well as to related technology transfer, finance and taxation issues.

188. **Output/results:** In 1998, components of the TRANSACT programme were implemented in Solomon Islands, the Government of which was assisted in obtaining information about a company with which it had been negotiating an important agreement.

(d) STAMP: strengthening/streamlining agencies concerned with maximizing and promoting FDI

189. **Development context:** In an environment of increased liberalization, countries have been adopting a very proactive policy of maximizing foreign investment flows, subject to the terms and conditions that prevail in a given environment.

190. **Objective:** The objective is to assist developing countries and countries with economies in transition in strengthening their investment institutions - especially investment promotion agencies (IPAs) - in streamlining their modes of operation and approval processes, in monitoring the quantity, quality and impact of inflows and in promoting their host country as attractive locations. Special attention is being given to the institutional strengthening of IPAs in Africa and investment promotion efforts for the African region.

191. **Features:** STAMP provides advisory services and training packages related to: (a) setting up an investment promotion agency from scratch or clarifying the identity, role and powers of existing institutions; (b) establishing effective "one-stop" agencies; (c) procedures and practices that could be employed in encouraging and evaluating foreign investment inflows; (d) the development of an information system capability to both effectively register or record inflows and to assess the impact on employment, taxation, balance of payments, training and technological development, and backward and forward linkages; and (e) setting up information systems, organizing promotional visits and promotional material (including brochures) and arranging investment round tables.

192. **Output/results:** In 1998, components of the STAMP programme were implemented in the following countries/territories: Albania, Bangladesh, Bolivia, the Gambia, Jordan, Kenya, Pakistan, Uganda, and the West Bank and Gaza Strip. Furthermore, UNCTAD was involved in a number of regional and interregional initiatives and in the work of the World Association of Investment Promotion Agencies (WAIPA). The following cases exemplify how the programme was implemented:

- (a) **Bolivia:** At the request of the Government, UNCTAD assisted the Ministry of Foreign Trade and Investment in strengthening the country's investment promotion capacity. After conducting a survey of potential foreign investors from five neighbouring countries, the newly established promotion agency C-ProBol was assisted in drafting a national investment promotion strategy and a relevant plan of activities. The results of the survey and the outline of the investment promotion strategy were discussed with

representatives of the private sector and Government at a workshop in December 1998. As a follow-up, the Government will be assisted in implementing the proposed investment promotion activities.

- (b) *Kenya*: At the request of the Investment Promotion Centre of Kenya, UNCTAD started the implementation of a project aimed at strengthening investment promotion activities through improved targeting of investors. The project includes the establishment of a special investor-targeting unit at the centre and a training programme aimed at strengthening the national capacity to target and attract foreign investors.
- (c) *World Association of Investment Promotion Agencies (WAIPA)*: In continuing its support to WAIPA, UNCTAD hosted the Third Annual WAIPA Conference in the framework of the Partners for Development meeting in Lyon in November 1998. The Conference was aimed at promoting partnerships among development partners. The 180 participants included representatives of IPAs from about 75 countries throughout the world, transnational corporations and multilateral organizations, as well as international experts. About 40 meetings between representatives of IPAs and the private sector took place during the Conference. In addition, the WAIPA conference participants took full advantage of the many opportunities offered by the Partners for Development event. In the context of the WAIPA initiative, the following publications were prepared by UNCTAD: the annual *WAIPA Report 1997/1998*; the *1998 World Directory of Investment Promotion Agencies*; and *Pro-Invest*, a newsletter for IPAs. In order to improve support to WAIPA and better coordinate activities, five international organizations decided to establish a consultative committee to WAIPA. The organizations concerned were: the Foreign Investment Advisory Services (FIAS) of the World Bank, the Multilateral Investment Guarantee Agency (MIGA), OECD, UNCTAD, and UNIDO.

193. Throughout 1998, UNCTAD continued to act as the temporary secretariat for WAIPA. Initiatives have been undertaken to provide WAIPA with an independent secretariat as soon as possible. A decision was to be taken at the Annual Conference of WAIPA in Geneva in May 1999.

(e) **STIP: science, technology and innovation policies**

194. *Development context*: The purpose of STIP reviews is to enable developing countries to evaluate the efficiency with which their scientific and technological, as well as industrial, economic, educational and social, institutions and mechanisms contribute to the development - particularly technological development - of their enterprises. By enriching the knowledge of how these policies are designed and applied, the reviews will help countries to improve their policies, while at the same time opening up opportunities for greater international cooperation.

195. *Objectives*: The STIP review is intended to facilitate the effective integration of science and technology policies into development planning through, *inter alia*, establishing a constructive dialogue between the various agencies responsible for technology, investment, agriculture, trade, education and related issues, with a view to building up and strengthening local technological capabilities and resources. In examining such issues, the STIP review aims at enhancing the policy-making capability of Governments with respect to innovation and strengthening of the technological infrastructure.

196. **Features:** At the invitation of the relevant authorities, the UNCTAD secretariat carries out a brief programming mission in the participating country and, together with the local authorities, designs the content and the guidelines of the country's background report. Following the completion of the background report by the national authorities, a small team of international experts, chosen jointly with the participating country, carries out an independent evaluation of the country's science, technology and innovation (STI) conditions and policies. Subsequently, the international review teams prepare a brief evaluation report, with the secretariat acting as a rapporteur, containing their own assessment of the STI system in the country and suggesting appropriate policy options. Finally, a round-table meeting is held in the country itself involving the international experts, the secretariat and the key local players in the STI system, to discuss preliminary findings, policy options and recommendations.

197. **Output/results:** In 1998, the STIP reviews in Colombia and Jamaica were completed and prepared for publication. In relation with the Jamaican review, cooperation with the World Intellectual Property Organization (WIPO) was initiated in connection with the protection of property rights in the music sector. The STIP review in Ethiopia began in 1998.

3. Enterprise development

(a) EMPRETEC: entrepreneurship and SME development

198. **Development context:** Increasing the number of entrepreneurs in developing countries can provide the impetus for a vigorous developmental process, which generates a dynamic business environment with a multitude of new employment opportunities. In many cases, however, market imperfections work against small and medium-sized enterprises (SMEs), inhibiting the emergence of the entrepreneur and the growth of SMEs.

199. **Objectives:** UNCTAD's activities in this area directly promote entrepreneurship and SME development through public-private sector dialogue, policy coherence, rationalization of support services, networking, clustering and partnering. The technical cooperation programme aims at stimulating employment creation, technology transfer and exports through the development of indigenous entrepreneurs and innovative SMEs.

200. **Features/output:** EMPRETEC is an integrated entrepreneurship and innovation capacity-building programme that provides training, technical assistance and an institutional base for the formation, expansion and internationalization of SMEs. The programme identifies promising entrepreneurs, provides them with training aimed at developing their entrepreneurial traits and business skills, assists them in the preparation of business plans and in seeking finance for their business ventures, helps to arrange mutually beneficial connections with larger national and foreign companies, and makes available long-term support systems to facilitate the growth and internationalization of their ventures.

201. Since EMPRETEC's inception in 1988, the programme has become operational in Argentina, Botswana, Brazil, Chile, Colombia, Ethiopia, Ghana, Morocco, Nigeria, Peru, the Russian Federation, Uruguay, Venezuela and Zimbabwe, assisting more than 15,000 entrepreneurs through 34 market-driven local EMPRETEC centres.

202. **Output/Results:** Mediterranean 2000, a three-year capacity-building programme to stimulate the growth and competitiveness of SMEs in 10 developing countries/territories of the Mediterranean Basin and Africa (Egypt, Ethiopia, Morocco and the Palestinian territory [first phase], Eritrea, Jordan, Tunisia, and Uganda [second phase], and Albania and Lebanon [third phase]), is being implemented. Integrated project activities are carried out by UNCTAD in cooperation with ISO, ITC, UNIDO, the Food and Agriculture Organization of the United Nations (FAO) and the Turin Centre of the International Labour Organization (ILO).

203. Mediterranean 2000, which has been designed in a modular fashion so that it can be tailored to individual country situations, aims at complementing existing programmes in the region. Working in cooperation with those programmes, it intends to build the local training, managerial and innovative capability required to sustain capacity-building efforts in the long term on a self-financing basis.

204. During the first six months of the programme progress was made in four critical areas: management and coordination of the programme; leveraging additional funding from other donor countries; stimulating business linkages between Mediterranean SMEs and Italian SMEs; and partnering with other United Nations organizations and stakeholders from civil society. In particular, substantive progress was made in launching programme activities in Ethiopia, Morocco and the Palestinian territory.

205. **Partnerships stakeholders from civil society:** At the Partners for Development meeting in Lyon, a partnership agreement was signed with the Spanish Confederation of Employers and Industries (CEOE) and with Bocconi University for the development of joint activities in the Mediterranean region. With assistance from the Spanish Agency of International Cooperation (AEC), the Confederation established the Euro-Mediterranean Centre for Business Cooperation in Valencia. The Centre is managing a \$3-million programme of business support in the Mediterranean region. As a result of the partnership agreement with UNCTAD, it is expected that both the Italian-funded Mediterranean 2000 programme and the Spanish-funded CEOE-Med-Valencia programme will combine resources and expertise in order to improve the effectiveness of technical cooperation delivery in the region.

206. Capitalizing on the Lyon meeting, selected SMEs from Mediterranean countries were assisted with help from the Italian Technology Development Agency to identify potential Italian business partners. Twenty-two companies were involved in these exercises, half of which initiated business partnerships. Effective follow-up will be required to monitor and evaluate the long-term results of such matching activities.

207. Activities have commenced in Ethiopia, Morocco and the Palestinian territory.

- (a) *Ethiopia:* an agreement was reached on the constitution of an autonomous programme management unit and on the composition of the advisory board which will oversee the operations of the unit. Progress was also made on the policy review component, which will focus on investment and STI;

- (b) *Morocco*: Two missions were undertaken in 1998 to negotiate and launch the EMPRETEC Maroc project. The project is operating within the Office for Professional Training and Promotion of Work which is active in the area of vocational training. EMPRETEC Maroc complements the activities of the Office by selecting from its 49,800 trainees the entrepreneurs with the potential to achieve success within three or four years. The first of three entrepreneurship training workshops was held in 1998 for 20 entrepreneurs and 5 prospective trainers. Core staff were trained and key members for the EMPRETEC Maroc identified;
- (c) *Palestinian territory*: The first trade point was opened in Ramallah, and a second one is scheduled for Gaza. Institutional arrangements for the operation of the trade points were worked out with the Ministry of Economy and Trade, the Palestinian Centre for Trade Development, the Palestinian Trade Promotion Organization, and the World Trade Centre in Gaza. A director was hired and a consultant was retained to prepare a training programme in electronic commerce. All the staff will have been trained in early 1999, and the two trade points will be fully operational in the course of the year. Some 200 Palestinian SMEs are expected to benefit from the activities of the trade points in 1999.

208. ***Latin America and the Caribbean***: A series of training workshops on the management of change to assist SMEs to succeed in increasingly competitive markets was held in Barcelona for 100 *empretecos* and other entrepreneurs from Latin America. AECI has agreed to assist in the follow-up to these workshops through training activities to be conducted in its facilities in Bolivia, Colombia and Guatemala.

209. UNCTAD was requested by UNDP to formulate an EMPRETEC project within the First Country Cooperation Framework for Suriname 1999-2001. A programming mission was undertaken in November 1998 to meet with government officials, stakeholders and potential donors. The Government of Suriname has indicated its intention to submit the EMPRETEC Suriname project proposal for funding from European Union's 5-million-ECU support to the Private Sector programme. EMPRETEC Suriname could thus become the first operational EMPRETEC project in the framework of the EMPRETEC Caribbean regional programme, prepared at the request of the secretariat of the Caribbean Community (CARICOM) in 1997. Following the mission to Suriname, discussions were also held in Georgetown, Guyana, and Port of Spain, Trinidad and Tobago, to follow up on the EMPRETEC Caribbean regional programme.

210. ***Central America***: An EMPRETEC programme for Central America was formulated in consultation with the Central American Integration System (SICA) and leading SME organizations in the region. AECI is considering funding the initial two workshops in Guatemala and the national EMPRETEC projects for El Salvador and Nicaragua from bilateral funds.

211. An EMPRETEC project for Nicaragua was formulated jointly with CEOE. The project will be financed by AECI. UNDP is considering making 20 per cent of the project budget available as seed money upon finalization of the project document with CEOE.

212. Following the signature of UNCTAD's partnership agreement with the Inter-American Development Bank (IDB), the Governments of the Central American countries (Costa Rica, El Salvador, Guatemala, Honduras, Nicaragua and Panama), the Government of Uruguay and the

EMPRETEC Association of Uruguay during the Partners for Development meeting in Lyon, a proposal to stimulate the development of SMEs in Central America was drafted by IDB in cooperation with UNCTAD and EMPRETEC Uruguay, for submission to the IDB Multilateral Investment Fund. IDB recently approved funding of \$5 million for this project. Joint UNCTAD/IDB missions are currently under way to identify counterparts in each country.

213. ***Russian Federation:*** The EMPRETEC pilot programme in Rostov, Russian Federation, which was financed by the UNDP Moscow office, held an awareness-raising seminar to introduce the project concept to 100 governmental and private sector decision makers in the Rostov region (June 1998), undertook a programming mission and formulated a project document (September 1998), established temporary offices with skeleton staff (December 1998), translated and adapted the training materials into Russian, and organized and conducted the first two-week entrepreneurship workshop for 20 selected entrepreneurs and potential trainers (February 1999). The adaptation of training materials and the introduction of local examples is ongoing. A fundraising initiative is under way to allow a comprehensive programme to be set up.

214. ***Centres for Innovation and Enterprise Development (CIEDs):*** Building on the experience of each of the EMPRETEC national projects and in response to changing demands, UNCTAD has developed EMPRETEC further by introducing an innovation focus and by integrating into the programme new sector-specific activities needed by SMEs to succeed in increasingly liberalized and eco-conscious markets. The new innovation thrust and corresponding activities have been structured within CIEDs which hereafter will be a feature of new EMPRETEC projects, or will be established as separate entities in partnership with EMPRETEC projects.

215. CIEDs constitute an emerging network of change-generating agencies designed to promote technological innovation in manufacturing firms and to stimulate the development of networks for innovation among firms, and between firms and local knowledge-producing institutions. Under the programme's pilot phase, CIEDs have been established in Kumasi, Ghana, and Harare, Zimbabwe. These two centres will assist up to 80 firms in Ghana and Zimbabwe in diagnosing their technological problems and embarking on innovation projects that address these problems.

216. ***Partners for Development meeting in Lyon:*** During the Partners for Development meeting in Lyon, UNCTAD was responsible for a number of activities, namely, a high-level expert panel on the issue of partnering SMEs; the facilitation of partnership meetings between SMEs in developing countries and selected Italian firms (in cooperation with the Italian Technology Development Agency); the organization of a five-day summit of young entrepreneurs with the participation of EMPRETEC entrepreneurs, including a matchmaking event between participating SMEs (in partnership with the Institute for Leadership Development, Canada); and the provision of an EMPRETEC exhibition stand demonstrating specialized services to SMEs (in cooperation with ITC and UNIDO).

217. ***EMPRETEC directors meeting:*** Taking advantage of the Lyon meeting, a two-day EMPRETEC directors meeting was held in Lyon. Ten programme directors from national and regional programmes discussed, among other things, the development and implementation of new products and services, a new approach for trainer certification and international expansion.

218. ***EMPRETEC programme evaluations:*** Two extensive programme evaluations were conducted in 1998. An independent consulting firm analyzed programme performance in Ghana

and UNCTAD, at the request of the international donor community, prepared a study of three Latin American EMPRETEC programmes, utilizing criteria developed by the donor community.

(b) Other SME development programmes

(i) Enhancing public-private sector dialogue in LDCs

219. **Features:** National consultants from Cambodia, Ethiopia, Madagascar, and the United Republic of Tanzania were engaged to produce a report on their respective countries covering, *inter alia*: the extent to which public-private sector dialogue has resulted in a coherent policy framework in the areas of enterprise development; the structure of the dialogue in terms of its objectives, participants and the issues addressed; the mechanisms for public-private sector interaction; and the particular problems of SMEs engaging in dialogue with the Government, and how these problems are being resolved.

220. **Output/results:** Project funding was obtained at the end of 1998 and the process of engaging national consultants is under way.

(ii) National policies and measures for growing small and micro enterprises in LDCs

221. **Features:** A study of SME development strategies has been carried out in four LDCs - Burkina Faso, Nepal, Samoa and Zambia focusing mainly on policy coherence at the various levels of government, the availability of SME development services, and the role of business associations and their interaction with the Government. The audit was carried out by national consultants on the basis of a framework for analysis and a benchmark study on the key elements of a coherent enterprise development strategy.

222. **Output/results:** All the country reports have been finalized and will be synthesized in a report.

(iii) Integrated country programme for the Gambia: restructuring of the Indigenous Business Advisory Service

223. **Output:** Consultancy work was carried out in the country in conjunction with the Indigenous Business Advisory Service and the State Department for Trade and Industry.

224. **Results:** A report was produced that presented the findings on the status quo of the Advisory Service and proposals for its restructuring. The report will be the basis for a project proposal to be presented to the forthcoming round table of donors.

(iv) Private sector and trade development programme

225. **Output:** A workshop on trade and private sector development was held in Somalia on 10 and 11 May 1998.

226. **Results:** For the first time since the outbreak of the civil war in Somalia, more than 160 Somali entrepreneurs and traders from all regions of the country participated in a workshop on private sector development and took this opportunity to exchange practical experiences in trade and

discussed related problems, both in terms of trade policy and trade practices. In their discussions among themselves and with representatives of international organizations, participants prioritized several areas for technical assistance activities.

(v) *Entreprise networking: commodity production and trade diversification through Asian-African partnerships*

227. **Features:** The project is designed to enable African enterprises and entrepreneurs to network with their counterparts in South-East Asia, specifically in Indonesia, Malaysia and Thailand. This is to be accomplished by generating awareness of the growing importance of high-value, income-elastic commodities and commodity-based products (HICs); and by promoting mutual contacts and identifying joint venture opportunities and niches in trade and investment in the two regions.

228. South-South cooperation is the central characteristic of this project, which is exclusively focused on the private sector. Furthermore, project activities are operational in nature, in the form of the conduct of study visits to South-East Asia for African business executives and the promotion of return visits to Africa by prominent South-East Asian entrepreneurs.

229. **Output/results:** the First Subregional Workshop on Asia-Africa Trade and Investment Diversification and Networking was held in Harare, Zimbabwe, from 24 to 28 November 1997. Pre-workshop publicity generated wide interest, which resulted in a large attendance: 65 participants from 18 African and 3 Asian countries, and an observer from Japan. All African participants met their own travel costs, and quite a few also met their own accommodation expenses. Moreover, ZimTrade and the Japan External Trade Organization, which closely collaborated in the organization of the workshop, provided support in cash and kind. The successful event drew wide coverage in the local news media.

230. The ongoing interaction between Asian and African entrepreneurs resulted in: (a) improved awareness of the growing opportunities for HICs, of the long-term nature of the networking process and of the improved infrastructure for linkages with the setting up (with Thai and possibly Indonesian participation) of a distribution centre in Mauritius; and (b) a lively interaction between African and South-East Asian business persons present at the meeting, who had some 100 one-on-one business discussions.

231. An unexpected by-product of the event was the agreement reached during the meeting between the Minister of Industry and Commerce of Zimbabwe and the two Thai business-cum-resource persons for a trade delegation from Zimbabwe to visit Thailand during the first quarter of 1998, and to investigate the possibility of a treaty to prevent double taxation between the two countries.

232. Participants expressed great satisfaction with various aspects of the workshop, and strong support for more Asia-Africa business networking meetings in Africa and more study visits to Asia. Participants from Ethiopia and Ghana volunteered assistance in the convening of the next subregional meeting in 1998.

233. The momentum gained so far is being sustained. In particular, the network of some 200-250 forward-looking, highly committed entrepreneurs being built up in around 15 African developing

countries provides a solid base for future linkages, plus potential panellists for future intergovernmental meetings.

234. More immediately, workshop participants strongly endorsed proposals for (a) the twinning of selected Asian-African enterprises; (b) internship schemes for selected African entrepreneurs in Asia; (c) the provision of business advisory services to African enterprises by Asian entrepreneurs with a proven track record; (d) more study and networking visits to Asia; and (e) the active participation of UNCTAD in the Second Tokyo International Conference on African Development.

(vi) *Enhancing the participation of women entrepreneurs in the economies of LDCs*

235. This project assesses and reports on the impact that successfully implemented policies have had in promoting women's entrepreneurship, and identifies those measures adopted at international conferences which have not been implemented but need to be in place if women are to become and remain entrepreneurs in the formal sector. Ten LDCs have been selected for the project: Burkina Faso, Cambodia, Ethiopia, the Gambia, Haiti, Madagascar, Nepal, the United Republic of Tanzania, Vanuatu and Zambia. These reports have been completed and seminars are planned for Burkina Faso and Nepal to discuss the results.

(c) **Accounting reform and retraining**

(i) *Reform and retraining*

236. **Development context:** Accurate and understandable financial information is necessary to enable Governments and investors and other users of financial information to make financial decisions. Reliable financial information is a *sine qua non* for increasing FDI, for stable stock exchanges and for sound banking systems. In order to attract foreign investors and partners, enterprises must be able to instil confidence via reliable financial statements.

237. **Objectives:** Technical assistance projects have been developed over many years in conjunction with UNCTAD's Intergovernmental Working Group of Experts on International Standards of Accounting and Reporting. The UNCTAD programme adapts international standards for use by developing countries and countries with economies in transition, which have many difficulties with the interpretation and implementation of such standards.

238. **Features:** The Auditor Training Programme in Azerbaijan retrained auditors to enable them to provide auditing services to enterprises which operate in a market economy and to build institutional capacity within the Audit Chamber to contribute to the professional development of its members.

239. **Output:** Training materials were developed in Russian and Azerbaijani, 500 auditors and 80 insolvency practitioners were trained, and various departments of the Audit Chamber received technical advice to enable them to better carry out their functions.

(ii) *Environmental accounting workshops*

240. **Objective:** The immediate objective is to improve environmental financial accounting and reporting by enterprises for the benefit of the external users of the annual reports and financial

statements, which can be achieved by disseminating the guidance agreed by the Intergovernmental Working Group both to standard-setters and to the preparers of reports. The boundaries of the conventional accounting model should be extended by making the link between financial performance and environmental performance by standardizing environmental performance indicators. These indicators should also be disseminated.

241. **Output/results:** In collaboration with UNEP, a series of workshops were held around the world to spread the concept of environmental accounting and reporting to developing countries. The objective of the workshops was to improve financial accounting and reporting by enterprises for the benefit of external users of financial statements. They provided guidance to both standard-setters and the preparers of reports. The workshops were funded by the World Bank, the Brazilian National Bank for Economic and Social Development and the Arab Society of Certified Accountants. Three workshops were held in Brazil, Egypt and Thailand, which attracted participants from 25 countries:

- (a) In Thailand, over 80 high-level accounting and financial practitioners from Australia, China, Hong Kong, Malaysia, the Philippines, the Republic of Korea and Thailand attended the workshop;
- (b) In Brazil, the workshop attracted over 120 specialists from industry, accounting firms and environmental groups;
- (c) In Egypt, 60 practitioners attended the workshop in Alexandria. Practitioners from the following countries/territories attended: Bahrain, Egypt, Jordan, Kuwait, Lebanon, Oman, the Palestinian territory, Qatar, Saudi Arabia, the Syrian Arab Republic, the United Arab Emirates and Yemen. The Egyptian Ministry of Environmental Affairs, the Arab League, the Arab Academy for Science and Technology and the Arab Society of Certified Accountants were also represented at the workshop.

C. DIVISION ON INVESTMENT, TECHNOLOGY AND ENTERPRISE DEVELOPMENT

Project No.	Short title	Duration	Type of project	Status in 1998	Source of funds	Total budget	Cumulative expenditures	Expenditures 1998	
<u>International investment, transnationals and technology flows</u>									
BRA/95/023 *	Group of analysis and research	1996 1997	IALA/UNDP	OPC	UNDP/Govt	104'000	101'839	1'047	BRA/95/023
RAF/96/A56	Investment, trade and international policy arrangements (World Investment Report 1996)	1997 1997		OPC	Norway	150'847	147'130	-3'061	RAF/96/A56
RAS/95/030	Role of foreign direct investment by small and medium-sized enterprises in developing countries in Asia	1995 1998		Completed	UNDP/IPF	290'000	274'812	55'921	RAS/95/030
RAS/96/A35	Report on "Sharing Asia's dynamism: Asian foreign direct investment in the European Union"	1996 1997		Completed	Thailand	75'198	74'465	18'589	RAS/96/A35
RAS/97/A07	Regional seminar on the possible multilateral framework for investment in Asia	1997 1998		Completed	European Commission	58'233	64'464	48'594	RAS/97/A07
RLA/95/A18	Associate expert - transnational corporations	1995 1997		Completed	Denmark	150'105	135'338	-10'408	RLA/95/A18
INT/93/A46	Research on foreign direct investment in services	1993 1999		Ongoing	Korea, Rep. of	15'847	10'573	-156	INT/93/A46
INT/93/A50	Transnational corporations and industrial restructuring in developing countries	1993 1999		Ongoing	Denmark/DANIDA	346'071	331'123	38'531	INT/93/A50
INT/94/A22	Tradability of services: impact and implications for developing countries	1994 1999		Ongoing	Denmark/DANIDA	194'936	147'186	13'600	INT/94/A22
INT/95/A14	The new globalism and developing countries: investments, trade and technology linkages in the 1990s	1995 1999		Ongoing	Netherlands	47'850	44'194	4'978	INT/95/A14
INT/96/A17	Associate expert - transnational corporations	1996 1998		Completed	Germany	239'322	183'131	35'481	INT/96/A17
INT/96/A20	Policy-oriented case studies on interlinkages between foreign direct investment, trade and technology	1996 1999		Ongoing	Netherlands	197'345	179'057	-13'127	INT/96/A20
INT/97/A26	Multilateral framework on investment	1997 1999		Ongoing	Netherlands, Norway, Switzerland	1'658'300	446'780	422'579	INT/97/A26
INT/97/A38	Investment framework information services	1997 1998		Completed	France	35'398	35'382	3'227	INT/97/A38

Project No.	Short title	Duration	Type of project	Status in 1998	Source of funds	Total budget	Cumulative expenditures	Expenditures 1998	
INT/98/A40	Investment guides and capacity-building for least developed countries	1998 1999		Ongoing	Multidonors	743'363	20'189	20'189	INT/98/A40
INT/97/X59	Associate expert	1997 1999		Ongoing	Italy	102'272	83'234	83'234	INT/97/X59
INT/98/A36	<i>World Investment Report 1998</i>	1998 1999		Ongoing	Norway	88'500	54'785	54'785	INT/98/A36
INT/98/X55	Associate expert	1998 1999		Ongoing	Germany	90'173	16'482	16'482	INT/98/X55
Total: International investment, transnationals and technology flows						4'587'760	2'350'164	790'485	

National innovation and investment policies

ALB/93/014	Investment promotion in Albania	1994 1999		Ongoing	UNDP/IPF	433'000	388'220	11'545	ALB/93/014
CPR/91/573	Internship training in TNCs for business managers	1994 1999		Ongoing	UNDP/IPF	9'591	30	23	CPR/91/573
EGY/97/001	Investment policy review of Egypt	1997 1999		Ongoing	UNDP/SPPD	60'000	57'812	33'056	EGY/97/001
ERI/91/002	* Programme support project (investment)	1995 1998	IALA/UNOP ^s	OPC	UNDP	158'200	107'270	9'643	ERI/91/002
KAZ/94/002	Assistance in supporting economic reforms and creating a favourable investment climate	1994 1998		Completed	UNDP/IPF	275'335	273'182	287	KAZ/94/002
OMA/96/A09	Legal and regulatory framework for mining sector	1996 1997		Completed	OMAN	68'227	68'226	2'773	OMA/96/A09
PER/97/041	Revisión de políticas de inversión de Perú	1998 1999		Ongoing	UNDP/Govt and IPF/TRAC/CS	47'162	27'287	27'287	PER/97/041
RUS/98/002	* Preparatory assistance for the establishment of EMPRETEC in the Rostov region - capacity-building to foster SME growth and competitiveness	1998 1999		Ongoing	UNDP	33'200	20'751	20'751	RUS/98/002
RUS/98/003	Adaptation of the EMPRETEC programme to the local conditions in the Russian Federation and the Rostov region in particular	1998 1999		Ongoing	UNDP/SPPD	34'000	5'450	5'450	RUS/98/003
STP/95/002	Amélioration du régime d'investissement	1995 1999		Ongoing	UNDP/IPF	198'266	191'437	843	STP/95/002
UGA/97/014	Investment policy review	1997 1999		Ongoing	UNDP/SPPD	140'000	64'265	64'265	UGA/97/014

Project No.	Short title	Duration	Type of project	Status in 1998	Source of funds	Total budget	Cumulative expenditures	Expenditures 1998	
UZB/93/011	* Investment policy review	1996 1999		Ongoing	UNDP	100'000	77'370	29'264	UZB/93/011
RAB/96/001	* Support to Arab States in economic and social reform: enabling environment for foreign investment	1997 2000	IALA/UNDP	Ongoing	UNDP	200'000	166'227	59'570	RAB/96/001
RER/96/003	Fund-raising for the commercialization of science and technology	1996 1998	Preparatory assistance	OPC	UNDP/IPF	18'000	495	-7'365	RER/96/003
INT/91/A17	Technological dynamism and R&D in exports of manufactures of developing countries	1991 1999		Ongoing	Sweden/SAREC	449'340	448'675	20'931	INT/91/A17
INT/93/A44	United Nations Trust Fund on Transnational Corporations	1993 1999	General TF	Ongoing	Multidonors	2'166'589	2'106'242	10'837	INT/93/A44
INT/95/A84	Publication of the Advanced Technology Assessment System (ATAS) Bulletin	1995 1998		OPC	European Commission	19'152	3'456	17	INT/95/A84
INT/96/A34	Implications of the TRIPS agreement for developing countries	1996 1997		Completed	WIPO	37'497	36'513	-112	INT/96/A34
INT/96/A59	Commission on science and technology for development	1997 1999		Ongoing	Netherlands	619'469	302'758	36'783	INT/96/A59
INT/96/A60	Promotion of foreign investment in developing countries	1996 1999		Ongoing	Netherlands	320'000	191'639	96'459	INT/96/A60
INT/97/A33	Support to national investment policy reviews	1997 1999		Ongoing	Switzerland	176'900	112'666	112'666	INT/97/A33
INT/97/A36	The role of publicly-funded and publicly-owned technologies	1997 1999		Ongoing	Korea, Rep. of	132'744	101'624	-3'441	INT/97/A36
INT/97/A44	Quick Response Window for ASIT	1997 1999		Ongoing	Switzerland	358'896	229'808	225'512	INT/97/A44
INT/96/X37	Associate expert on investment and technology	1996 1999		Ongoing	Netherlands	153'866	137'828	38'431	INT/96/X37
Total: National innovation and investment policies						6'209'434	5'119'231	795'475	

Enterprise development

AZE/96/A53	Training of auditors	1997 1999		Ongoing	European Commission/ TACIS	1'373'988	915'034	490'294	AZE/96/A53
NAM/97/008	Entrepreneurship development	1997 1999		Ongoing	UNDP/SPPD	18'000	11'084	11'084	NAM/97/008
SOM/97/014	Private sector and trade development programme	1998 1999		Ongoing	UNDP/SPPD	120'000	95'594	95'594	SOM/97/014

Project No.	Short title	Duration	Type of project	Status in 1998	Source of funds	Total budget	Cumulative expenditures	Expenditures 1998	
RAF/96/A44	African commodity sector diversification through South-South cooperation	1996 1999		Ongoing	Japan	453'591	125'294	9'106	RAF/96/A44
RAF/97/A52	Centres for Innovation and Enterprise Development (CIEDs) pilot phase	1997 1999		Ongoing	Canada/IDRC	231'400	118'347	88'992	RAF/97/A52
RLA/96/A37	Empresa y tecnología para el siglo XXI (EMPRETEC)	1996 1999		Ongoing	Spain	753'943	584'032	197'398	RLA/96/A37
RLA/96/A43	Expert for EMPRETEC	1996 1999		Ongoing	Spain	121'675	117'685	6'895	RLA/96/A43
IGD.15.491	Trust Fund for the Intergovernmental Working Group of Experts on International Standards of Accounting and Reporting	1994		Ongoing		15'000	9'069	2'600	IGD.15.491
INT/89/A25	Trade-related public enterprises in low-income countries	1989 1997		OPC	Italy	835'852	826'452	-17	INT/89/A25
INT/94/A48	Transnational corporations and sustainable development	1994 1998		Completed	Sweden	57'988	65'209	1'372	INT/94/A48
INT/96/A21	Technology partnership for capacity-building (special gathering of policy makers and experts)	1996 1999		Ongoing	Finland	50'467	45'922	6'625	INT/96/A21
INT/96/A31	Promoting an integrated approach to SMEs development and joint ventures in developing countries	1996 1999		Ongoing	Italy	318'584	318'584	76'191	INT/96/A31
INT/96/A57	Blueprint for green accounting	1997 1999		Ongoing	World Bank	100'000	195'514	149'417	INT/96/A57
INT/97/A29	National policies and measures for growing small and micro-enterprises in LDCs	1997 1999		Ongoing	Netherlands	70'800	58'845	58'845	INT/97/A29
INT/98/A33	Mediterranean 2000	1998 2000		Ongoing	Italy	4'424'779	74'329	74'329	INT/98/A33
INT/95/X06	Associate expert - EMPRETEC 21	1995 1999		Ongoing	Netherlands	259'448	225'658	236	INT/95/X06
INT/98/X18	Associate expert	1998 1999		Ongoing	Sweden	104'509	36'077	36'077	INT/98/X18
INT/98/X49	Associate expert	1998 1999		Ongoing	Netherlands	66'048	27'387	27'387	INT/98/X49

Total: Enterprise development	9'376'072	3'850'116	1'332'425
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Total: DIVISION ON INVESTMENT, TECHNOLOGY AND ENTERPRISE DEVELOPMENT	20'173'266	11'319'511	2'918'385
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D. Division for Services Infrastructure for Development, and Trade Efficiency

1. Trade infrastructure

(a) Transport

(i) *Advance Cargo Information System (ACIS)*

242. **Development context:** One of the major factors hindering the economic development of developing countries is the high cost of transportation resulting from extended door-to-door transit times. A combination of both physical and non-physical constraints accounts for this situation. To assist these countries to overcome this problem, UNCTAD has developed and is installing a transport management tool called the Advance Cargo Information System (ACIS).

243. **Objectives:** The objectives of ACIS are as follows:

- (a) To provide information on the progress of consignments so that market pressures can be applied to identify and cure delays and other problems;
- (b) To reduce costs to shippers, thus enhancing trade competitiveness;
- (c) To foster subregional integration and partnership with transport clients; and
- (d) To change the transportation culture by promoting business partnerships between those involved with cargo transit and transferring appropriate technology.

244. **Features:** Of the four components of ACIS, designed to track, respectively, cargo on rail, at ports, on rivers and on roads, RailTracker and LakeTracker have attained a level of performance enabling them to be installed on any relevant network, while PortTracker is still under development. The Backbone Information System is also under development, and is due for commissioning in 2000.

245. **Output/results/impact:** 1998 saw the handover of the RailTracker system to the railways of Bangladesh, Kenya, Uganda, the United Republic of Tanzania and Zambia and the installation of the Port Tracker system in Kenya and the United Republic of Tanzania. An independent evaluation report commissioned by a major donor reported that RailTracker is already an integral part of the management systems of railways and is proving an invaluable tool. Improvements to the transport systems are reported to be of direct social benefit to the employees of the railways and ports, as improved profitability leads to greater job security. The development of human resources is reported to be one of the most noticeable indirect benefits of the ACIS programme. It is also reported that, thanks to ACIS, the beneficiary transport operators will obtain significant benefits from improvements to their own operations. There is, according to the report, already sufficient evidence that the private sector is gaining significant benefits from ACIS: Governments, chambers of commerce and large organizations confirm the strong interest of the business community. The beneficiary organizations were reported to have provided the required resources for the project.

246. Many shippers and freight forwarders, subject to the appropriate security arrangements, can now use the Internet access facilities worldwide to enquire about the whereabouts of their cargo on any network that tracks cargo by using the ACIS system.

247. 1998 saw the introduction of ACIS RailTracker for the first time in a European network, the Bulgarian State Railways. RailTracker was chosen to be the basis of the country's new freight operating system, funded by a World Bank loan and implemented by an international consulting corporation following an international tender.

248. RailTracker maintenance contracts were renewed with railways in western Africa and this practice is being introduced into eastern Africa and Bangladesh.

249. The first steps were taken to introduce RailTracker into the networks of Malawi, Mozambique and Zimbabwe and to interconnect 10 railways in eastern and southern Africa with the SPRINT tracking system of South Africa's railways to provide a seamless monitoring of cargo throughout the subregion. This project is being carried out under the auspices of SATCC and funded by USAID in collaboration with two United States corporations. The railways of Ethiopia/Djibouti, India, Myanmar, Sri Lanka and Viet Nam, requested the implementation of RailTracker and funding is being sought, to do this. PortTracker was requested by Bangladesh, Djibouti, the Islamic Republic of Iran and Honduras.

(ii) *Ports, shipping and training*

Rehabilitation of Somali port management

250. **Objective:** The overall objective is to contribute to the peace-building process in the country by promoting economic recovery and governance in the north-western and north-eastern in Somalia, in particular by:

- (a) Improving the service to users provided by the port authorities of Berbera and Bosaso in the areas of finance, accounting and reporting to facilitate an increase of international trade;
- (b) Increasing the operational efficiency of the port of Berbera and Bosaso through the joint and organized efforts of their port communities;
- (c) Ensuring that personnel in the ports of Berbera and Bosaso are managerially and technically competent to sustain efficient port operations and create conditions which will encourage the development of new business activities in the port and town; and
- (d) Drawing up policies and strategies for trade development and enhancing partnerships with the private sector so as to promote new trade and accelerate the economic recovery of Somalia.

251. **Features/output/results:** The rehabilitation programme for Somali ports continued in 1998. A contribution by Sweden was added to the UNDP funding and a new project, also financed by UNDP, started in April 1998. The activities continued to be focused in northern Somalia on advisory services to port management and were complemented by vocational and port training. An

assessment of the needs of the trading community was conducted in collaboration with the Dubai Chamber of Commerce and a number of remedial measures to encourage trade were prepared. Also, an assessment of the environmental condition of the Somali coastline was completed, in collaboration with specialized agencies of the United Nations system and NGOs. The rehabilitation of buildings and technical assistance in the field of port accounting, which were financed by the European Union, were also completed in 1998.

Assisting Thai private sector participation in maritime and related services

252. **Development context:** In order to comply with the requirements of the globalization of manufacturing and trading, an increasing number of developing countries are undertaking activities to open maritime markets and to transfer ownership in maritime assets from the public to the private sector, on the basis of appropriate governmental policies that provide the private sector with the necessary tools to compete effectively in liberalized markets.

253. **Objectives/features:** The project, which was implemented in Thailand on a pilot basis, comprehensively assessed national maritime transport policies and practices with the aim of improving the sector's competitiveness and ultimately of promoting imports and exports in the regional and international markets in a liberalized trading environment. To this end, the project made policy proposals aimed at strengthening the framework for private sector participation in the maritime transport sector and provided management training to local operators.

254. **Output/results:** The project provided the Thai Government with a number of proposals on how to improve the framework for private sector participation in maritime transport. These proposals were discussed and approved at a national meeting on the maritime sector. On the basis of the lessons gained from the seminars and discussions conducted as part of this project, government organizations and the private sector mapped out their future programmes and came up with various proposals, including proposals for a feasibility study on fleet expansion on coastal and cross-Gulf of Siam shipping, a feasibility study on the establishment of coastal/riverine trans-shipment stations and a plan to establish a Thai national line operating small and medium-sized general cargo ships and containerships in intra-Asia trade, as well as a proposal for phase II of the Laem Chabang port development.

255. In addition, four training courses on strategic planning and the introduction of quality management were conducted in 1997 and 1998 for nearly 150 managers. Requests for follow-up seminars have been received from shipping service providers and users as well as government organizations.

Assisting Indonesian private sector participation in maritime and related services

256. This project, which got under way in December 1998, has the same development context, objectives and features as the Thai project. The activities of this project have been identified as important tools for implementing the Action Plan on Infrastructure Development in Asia and the Pacific (adopted at the New Delhi Ministerial Conference), which identify these activities as a priority in their efforts to develop efficient maritime transport and related services.

Training: Strategic planning for senior shipping managers (STRATSHIP) and on-the-job training in shipping and ports (JOBMAR)

257. **Development context:** A vital aspect of development is the ability to trade competitively in the world economy. Efficient maritime transport services are a prerequisite to reach overseas markets, as freight and insurance costs are particularly high for developing countries' exports and a decisive factor in determining the marketability of developing countries' goods.

258. **Objectives:** The global shipping industry is characterized by rapid technology change, consolidation of companies, large capital investments, high risk and a critical demand for well-trained management. The goals of both STRATSHIP and JOBMAR are to improve the performance of shipping management through human resource development.

259. **Features:** STRATSHIP workshops generally last three working days and are based on a mixture of presentations, case studies and a computer-based management game. The main purpose of the computer simulation is to reinforce the concepts developed in the workshop, recreate actual decision-making experiences and upgrade management skills in a competitive environment.

260. JOBMAR emphasizes a hands-on approach to acquiring management skills. Experience, which cannot be simulated by traditional training methods, is gained by effectively dealing with business situations under actual commercial pressures and progress is measured by practical results.

261. **Output/results:** To date more than 40 STRATSHIP workshops have been delivered (four of them in 1997), and over 800 participants trained. Evaluations by participants continue to be very positive. Specific comments emphasize the usefulness of the training in strategic planning activities, in increasing competitiveness and in improving overall company performance.

262. The demand for JOBMAR placements exceeds availability and existing resources. Nevertheless, since its inception, 50 managers have participated. Evaluations by both trainees and host companies indicate a high level of satisfaction and show that the mutual benefits of cooperation extend beyond the training and have expanded commercial network relationships.

(b) Trade facilitation

(i) ASYCUDA

263. **Development context:** A well-functioning customs administration is an essential part of a country's good governance policy. Customs departments have a wide area of responsibility, including helping the government to deal with: national, regional and international policy; fiscal collection and combating fraud; combating the import of prohibited and restricted goods; providing trade data for government analysis and planning; and physical control and examination of cargo. For a variety of reasons, many administrations are unable to comply with their responsibilities and many areas are often neglected or poorly dealt with.

264. **Objectives:** The Automated System for Customs Data (ASYCUDA) programme is primarily concerned with the modernization of customs, including the automation and clearance of goods. One of the ways in which it aims to achieve trade facilitation is by speeding up the clearance process through the use of information technology and the simplification of forms and procedures. It also

has the objective of increasing revenue by automating customs tariffs, thereby automatically calculating duties and taxes. As a complementary, but nevertheless important, by-product of processing customs data, a further aim is to provide both reliable and timely trade and fiscal statistics to assist Governments in their economic planning and publication of trade data.

265. ASYCUDA technical assistance projects are designed to be implemented in the shortest possible time in the specific institutional and environmental circumstances. In addition, project implementation includes a comprehensive training package that allows for the transfer of know-how and skills to national staff, thus ensuring that the project can be sustained by the national administration.

266. **Features:** ASYCUDA is a computerized customs management system covering import and export procedures while taking into account international codes and standards established by ISO, the World Customs Organization (WCO) and the United Nations. The system has the standard features expected of a modern customs system, based on risk management, including manifest control, transit, declaration processing, accounting and selectivity. It also has a module that allows traders to input declarations directly as well as an interface for electronic data interchange to permit the electronic exchange of data between customs and approved third parties such as banks or airlines.

267. The ASYCUDA implementation strategy has been developed and refined, on the basis of over 10 years' experience. The strategy has been developed to respond to the customs automation programme and is structured in three phases to ensure a low-risk, cost-effective approach which provides for national long-term sustainability. The first, pre-installation, phase requires a complete assessment of the current state of customs procedures, including their legal aspects, tariffs and infrastructure. In the second phase, the system is configured in accordance with national regulations and installed at one or two selected pilot sites, where national configurations and procedures are tested, and staff and the trading community are trained. In the third phase, the system is extended to the other customs offices, in ports, border stations and free zones. The use of the system developed in the second phase at the remaining sites ensures that data flows from operational sites to headquarters, and from headquarters to end-users, such as the statistical office and other government departments, and are working correctly.

268. The first two phases usually take about 18 months and the final phase between 6 and 12 months, depending on resources and the number of sites to be installed.

269. **Impact/output/results:** The impact of ASYCUDA projects can be assessed by various institutional and trade facilitation benchmarks, including increased revenue, improved trade facilitation and clearance times, and the availability of reliable trade data. Some projects are more successful than others, an important factor in their success is the commitment to change and the full support of the Government. Certain projects do not realize the full benefits of automation, mainly because of resistance to the institutional and procedural reforms that the programme requires.

270. In 1998, 24 ASYCUDA projects were operational, with a total expenditure of \$6,1 million. The ASYCUDA programme remains the largest technical cooperation programme in UNCTAD, with over 70 user countries. Contracts for three new projects were signed, in Fiji (a major subregional project), in Malawi and Slovakia. In addition, at the request of countries and donors, a number of ad hoc pre-automation feasibility studies were undertaken.

271. In March 1998, the first World ASYCUDA Meeting took place in Manila, Philippines, and was attended by over 200 representatives from user countries, regional secretariats and the private sector. The meeting adopted the Manila Declaration, which acknowledged that ASYCUDA had facilitated the introduction of international standards and had the potential to improve collection of revenue. The Declaration also noted that customs administrations and private sector partners should implement strategies to ensure the long-term sustainability of ASYCUDA projects, and called on UNCTAD to implement a strategy to recover part of its costs for central support activities. This is in accordance with paragraph 93(b) of "A Partnership for Growth and Development", where UNCTAD is called on to explore means to make ASYCUDA and various other technical cooperation programmes financially self-sustainable.

272. Following the Manila meeting, UNCTAD organized meetings held in July and December 1998 to discuss with donors and member States possible methods of partial cost recovery in respect of central support activities for selected technical cooperation programmes.

(ii) *Multimodal transport*

273. **Development context:** International trade requires efficient door-to-door logistics chains, and simple trade formalities, procedures and operations. It is essential to improve the quality of international transport and logistics, adapt commercial practices to international standards and remove unnecessary trade barriers. The efficient operation of transport modes and interface facilities is a necessary precondition for effective improvement of international trade and transport operations.

274. **Objectives:** The objectives of UNCTAD's activities in these areas are not only to improve the physical features of the transport network, but also to improve the performance of transport operators and auxiliary services, to change the commercial behaviour of users, and to introduce innovative relations between public institutions and transport providers and users of international trade and transport. An additional objective is to eliminate outdated procedures and multiple, non-standardized documents, which result in additional transaction costs and unnecessary delays.

275. In early 1998, the Government of Nepal initiated the implementation of an important infrastructure development project financed through the World Bank's soft loan branch, the International Development Association. The principal development objective of the multimodal transit and trade facilitation project is to reduce the transport costs associated with Nepal's imports and exports. Other objectives are to streamline trade and transit procedures and to improve the efficiency and organization of transit trade documentation and data exchange. The overall project is also aimed at the further modernization of the customs clearance process at the three border stations with India.

276. In March 1998, UNCTAD and the Government of Nepal signed an agreement covering an UNCTAD technical assistance project to promote the trade and transport sector of Nepal. In this agreement, UNCTAD was requested to implement, within the next three years, the institution-building components of the project, namely, the provision of technical assistance and training for trade facilitation and the installation of ASYCUDA and ACIS.

277. The purpose of UNCTAD's contribution is to correct the inherent inefficiencies in the country's transport and trade system by suggesting adjustments to key aspects of the Transit Treaty

with India, modernizing Nepal's transport legislation and introducing electronic communications in the Calcutta/Haldia-Birgunj corridor and in Nepal's customs administration.

278. UNCTAD activities began in June 1998 with the organization of a "project mobilization workshop" to introduce project objectives and activities to all concerned Nepalese parties. Soon after that, the National Trade and Transport Facilitation Committee was set up to facilitate coordination between UNCTAD and the beneficiary.

279. In October 1998, UNCTAD participated in the delivery of a workshop organized in Cotonou, Benin, by the Liaison Committee for the Promotion of Tropical Fruits and Off-Season Vegetables Exported from African, Caribbean and Pacific States (COLEACP). Within the framework of the UNCTAD-COLEACP memorandum of understanding on technical assistance in the areas of logistics and training, UNCTAD contributed to the discussions on the management of air-freight issues for bobby beans exported from western and central Africa.

280. The Transit Transport Framework Agreement was signed by member States of the Economic Cooperation Organization at Almaty, Kazakhstan, on 9 May 1998. It promotes transit transport facilitation in the region by: (a) coordinating region-wide transit transport policy; (b) facilitating transit transport through the coordination of regional transport networks; (c) harmonizing technical standards of regional transport networks; (d) adopting basic rules governing transit transport operations; (e) introducing simplified and harmonized customs procedures so that transit goods can travel with minimum interference *en route* and yet offer maximum safeguards; and (f) setting up an effective institutional support arrangement for transit. The Agreement is reinforced by protocols which provide operational underpinning and which form an integral part of the Agreement.

2. Business facilitation

(a) Banking and insurance

(i) *Development of competitive insurance markets*

281. **Development context:** Insurance services, a major component of financial services, enable economic agents to protect themselves against risks and help safeguard national assets while sustaining development and trade. In many developing countries, particularly in Africa, affordable, available and reliable insurance services that match the needs of a country's economic agents are often lacking. There is a need therefore to establish competitive and efficient insurance markets and to improve access for a large part of the population to insurance services.

282. **Objectives:** The objectives are: (a) to provide technical support, advice, guidance and training for insurance supervisory authorities, in particular for the establishment of legal and supervisory frameworks geared towards sustaining the development of competitive insurance markets; and (b) to improve the understanding of and provide information on the impact of the liberalization of insurance markets and on other more technical subjects to government officials and managers of insurance concerns.

283. **Features:**

- (a) Organization of training seminars and missions to improve the understanding of the role of supervisors and the competence and technical abilities of the staff of supervisory authorities, particularly in African and Caribbean countries;
- (b) Organization of conferences and seminars on the impact of liberalization and other technical subjects relevant to decision makers.

284. **Output/results:**

- (a) Organization of and/or contribution to the following conference, meetings and seminars: the Conference of the Insurance Supervisory Authorities of Central and Eastern Europe, held in Warsaw, Poland, in March 1998 (50 representatives from 20 countries); meetings of the Caribbean Association of Insurance Regulators and of the Offshore Group of Insurance Supervisors on reinsurance security and international fraud, held in Nassau, Bahamas, in May 1998; the seminar on the supervision of insurance operations, in cooperation with the International Association of Insurance Supervisors, the International Insurance Foundation and the Financial Services Board of South Africa, held in Pretoria, South Africa, in July 1998 (35 representatives from 14 African countries); and the seminar on the monitoring of reinsurance operations, in cooperation with the Caribbean Association of Insurance Regulators and the Eastern Caribbean Central Bank, held in Saint Kitts and Nevis, in November 1998 (24 representatives from 10 Caribbean countries and territories). To evaluate the impact of the project, particularly for African countries, a mid-term assessment was conducted in 1997 which showed that as a result of participation in the seminars about 15 African countries of the 20 that responded to the questionnaire had substantially changed their insurance regulatory and supervisory frameworks. Another indicator of the commitment of the supervisory offices concerned to improve the competence of their staff was that the travel costs of most participants were covered by their country's authorities. Also, the Association of African Insurance Supervisory Authorities, the Caribbean Association of Insurance Regulators and the Offshore Group of Insurance Supervisors have been strengthened as a result of the activities carried out;
- (b) Organization of and/or contribution to the following Conference, workshops and mission: the annual Conference of the African Insurance Organization ("Reaching the grassroots") and the meetings of the Association of African Insurance Supervisory Authorities and the meetings on export-credit insurance during the Conference, held in Kampala, Uganda, in May 1998 (more than 600 delegates from all over the world); the workshop on establishing effective insurance training institutes, held in Nairobi, Kenya, in July 1998 (representatives of 17 of the 19 insurance training institutes in Africa and of Asian and European insurance institutes); the workshop on export-credit insurance and trade finance operations, held in Harare, Zimbabwe, in November 1998 (105 delegates from 26 African countries); and the reassessment mission of the Mauritanian insurance regulatory and supervisory framework, carried out in November 1998.

285. As a result of the activities conducted under (b), an association of insurance educators and trainers is being established with the support of UNCTAD by African insurance training institutions

and a work programme for the establishment of sound export-credit insurance mechanisms has been developed in cooperation with concerned parties.

(ii) *Trade finance and credit insurance*

286. **Development context:** Strengthening trade-related financial services is a central element of developing trade and improving trade efficiency. This is especially true for developing and transition economies. Hence the further development of the UNCTAD trade efficiency programme involves organization of venues for developing technical cooperation in the field of trade-related financial services.

287. **Objectives/features:** The objectives include the provision of analysis, advice, technical support and training to developing countries and countries with economies in transition in the crucial areas of trade-related financial services, and the provision of support to establish a conducive regulatory and institutional framework and to facilitate access to modern sources and techniques in those areas.

288. **Output:** On the basis of a fact-finding mission in July 1998 to Armenia and communications with Armenian authorities, UNCTAD has prepared a review of the Armenian insurance sector that includes an in-depth look at the possibilities of developing credit insurance services in Armenia. More information on the credit insurance requirements of the majority of developing countries and countries with economies in transition has been collected through research and the organization of the workshop on credit insurance held in Harare, Zimbabwe, in November 1998, and through participation in meetings with officials and private sector representatives responsible for finance and insurance from several developing and developed countries. Advising on regulatory issues and forging closer relationships between leading international export-credit providers and multilateral institutions, on the one hand and local regulators and the emerging insurance sector, on the other hand, should facilitate the introduction of credit insurance and credit information services in the majority of developing countries and countries with economies in transition. UNCTAD intends to play an active role in that respect and is now submitting pilot projects on building up credit information and credit insurance services in selected countries to interested donors.

289. UNCTAD also prepared a report assessing the main obstacles in Cambodia to the development of trade, including in the area of financial services (banking and insurance) and prepared a proposal to develop the insurance sector in Armenia. An assessment of financial services in Cuba was also carried out.

290. UNCTAD took an active part in the preparation of the Russian Oil Congress, held in September 1998, and the Credit Insurance Workshop of the African Insurance Association, held in November 1998.

(b) **Legal issues**

291. **Development context:** Trade Points serve as a major tool for the integration of developing countries and SMEs worldwide into the global economy. Trade Points require legal assistance if they are to have an appropriate legal infrastructure and function efficiently.

292. **Objectives/features:**

- (a) To prepare and distribute guidelines and examples of recommended practices for Trade Points in the form of a compendium of common guidelines;
- (b) To prepare draft statutes for the setting up of regional and subregional forums and distribute them to Trade Points;
- (c) To collect information on electronic commerce from international organizations and the private sector with a view to applying it to the GTPNet and prepare a paper for dissemination.

293. **Output/results/impact:** The statutes of a number of Trade Points were obtained, analysed and compared for the preparation of a compendium of common guidelines. In addition, assistance was given to Trade Points in drafting their statutes. At the regional level, a model of statutes for regional Trade Point forums was prepared in cooperation with some Trade Point directors and disseminated to Trade Points in several regions. Assistance was also given to Trade Points on specific legal issues such as contracts, the use of the name and emblem of the United Nations and its programmes, and intellectual property protection of the names and logos used by the Trade Point programme.

3. Services for development

(a) **Microfinance**

294. **Development context:** Over 500 million of the world's economically active poor people run profitable micro and small business. They represent a potential credit market of \$100 billion and an even larger market for savings and insurance. However, a mere 5 per cent of needs are presently covered by an estimated 7,000 specialized institutions, most of which are non-profit-making. UNCTAD's activities in microfinance focus on promoting the flow of private funds towards the microfinance sector, since it is generally recognized that private funding will be essential to complement public efforts to finance the development of the microfinance industry.

295. **Objectives:**

- (a) To channel private funds to the micro-enterprise sector through microfinance institutions;
- (b) To facilitate the establishment of links of mutual interest between private investors and microfinance institutions working in the development field, thereby contributing to the development of financial services suited to the needs of the poor.

296. **Output/results:**

- (a) Creation of investment funds in debt securities issued by microfinance institutions in developing countries;

- (b) Assistance to interested Governments in facilitating access to and decreasing the cost of commercial funding for microfinance institutions, in particular with respect to taxation issues and currency risk;
- (c) Organization of the Tripartite Meeting on Microfinance, which was held in the framework of the Partners for Development meeting in Lyon, in November 1998; and
- (d) Creation and update of a financial database on microfinance institutions for the use of interested private investors.

297. As a result of UNCTAD's work, the Dexia Micro-Credit Fund was created by the International Bank of Luxembourg (BIL), with an initial capital of \$10 million. The Fund was registered and officially approved by the Luxembourg Central Bank in August 1998 and launched at the Lyon meeting. It is designed to invest commercially in debt securities (loans) issued by microfinance institutions in developing countries. The Fund, which brings together business logic and development concerns, is the first of its kind, and could trigger off the creation of other funds and the channelling of commercial resources towards the micro-enterprise sector in the developing world. The Fund is managed by AXA Investment Managers, the world's third largest asset managers, with \$600 billion under management. In the initial stage of operations, loans are generally (but not necessarily) being made in United States dollars, for amounts of \$200,000 and over and for periods of between 3 months and one year. In 1998, the Fund invested in several institutions in Latin America.

298. Negotiations on exempting from tax the dividends and other income from investment in debt securities made in microfinance institutions were undertaken by UNCTAD with the Government of Bolivia.

299. Four hundred representatives of Governments, investors and microfinance institutions - the three main actors in the emerging microfinance industry - met in Lyon to draw up action plans to develop this market through a wide range of new partnerships. The Tripartite Meeting on Microfinance consisted of keynote addresses, panels, round tables and private meetings on the challenges and prospects for the microfinance industry, the results of ongoing partnerships in the microfinance market, and new ways of thinking and working.

300. The database on microfinance institutions has been widely used by the Dexia Micro-Credit Fund and by other interested private investors to obtain information on microfinance institutions.

(b) Human resources development

(i) TRAINMAR

301. **Development context:** Trade in goods requires that trade-supporting services, notably for the marketing and distribution of goods, be readily available and offer both efficiency and diversity. The terms of foreign trade and its potential to grow depend on the existence and nature of such services. It is widely recognized that the growth and diversification of profitable trade will depend above all on people – their skills, knowledge and attitudes and their operating environment. While this has always been so, opportunities offered by the current trend towards globalization and the

imperatives of new technology and legal and commercial practices make it both more important and more difficult than before to maintain those skills, knowledge and attitudes.

302. To do so those skills, knowledge and attitudes in turn calls for training, and many of UNCTAD's programmes include training components to assist in the implementation of change and the improvement of standards. However, these components, and various other training opportunities offered by industrialized countries commercially or within assistance programmes, are limited in their impact by sheer costs as well as by lack of specific applicability. There is only one approach that can tackle the full extent of training needs in developing countries and countries with economies in transition: to build local training capacity. Training in this sense must be interpreted as covering the complete process, from identifying needs to course design and the practical application of the substance of the training. While design may amount simply to identifying suitable training materials available elsewhere – including individual learning options and modern formats such as CD-ROM or various on-line options – the course must have a local component if serious results are to be expected. So local training capacity is essential, and its reach can be greatly enhanced if local institutes cooperate and pool their efforts and resources.

303. **Objectives:** The primary objective is to provide or reinforce in-country capacity for training and human resource development (HRD) with regard to managing trade-supporting services, so that the training needs of each sector can be identified and satisfied comprehensively through local resources or arrangements in the context of technical cooperation among developing countries. A secondary objective is to provide structured training materials that respond to immediate problems or policy issues of a widespread nature but there are not amenable to local solutions. The development objective in both cases is for countries to enhance their conditions of trade and opportunities for trade through more efficient and diversified services.

304. **Features:** Training is a major component of HRD. It should be practical and professional in its own right but should also be an integrated part of overall HRD policies. UNCTAD has a well-tried and thoroughly documented training methodology adapted to the needs of trade-supporting services, with the result that instructional techniques, curriculum development and the management of training and HRD can be conducted locally to high professional standards. UNCTAD has also created a system of cooperation, based on regional networking, that enables training centres or institutes to cooperate together in the preparation and conduct of training, as well as to exchange experience and thus improve performance. This system is well established in the domain of services to maritime transport, for which UNCTAD runs the TRAINMAR programme, and is being developed for application to all trade-supporting services through the TRAINFORTRADE programme. The role of each programme is to help local training centres and networks to promote HRD policies, improve training skills, develop and implement strategies, maintain standards and obtain external support where necessary.

305. **Output/results/impact:** More than 50 training centres or institutes have benefited from cooperation in the global TRAINMAR network, which is subdivided into eight regional networks. Each member centre has acquired competence in the conduct of professional training for management and commercial aspects of organizing maritime trade, while each regional network has a growing capacity to share experience and products using modern technology, particularly the Internet. The actual results achieved are the responsibility of the centres and networks themselves; together they have the capacity to train an estimated 10,000 persons per year. Monitoring of activities in the Latin America and Caribbean region has shown that some 3,200 persons were

trained there during 1998, which is consistent with the estimated global capacity. However, there is reason to believe that owing to various practical factors – including the level of national commitment and UNCTAD's capacity to support and promote action – achievements in other regions are less than they could be. A catalogue of courses available for exchange between centres is prepared by UNCTAD and for 1998 includes various modules of long-term career training in the field of transport and logistics.

306. In a new and related venture, career training for port management had been produced with assistance for training institutes in Europe that cooperate with TRAINMAR. A training course entitled the “Port Management Certificate” has been produced with the needs of ports in West Africa particularly in mind. Materials providing six weeks of modular training have been prepared, managers from interested ports in West Africa have been trained as instructors to deliver the training with the materials provided, and regular training has been conducted in these ports. Project assistance has been provided by Belgium and Spain for both development and implementation, while Benin, Gabon and Senegal have also contributed funds to support the work - quite apart from covering the costs of local implementation – and HRD policies have been designed to ensure that the training carries through to application. It is intended that certificates of achievement will be offered by local authorities and that the scheme will be extended more widely as soon as the results can be confirmed.

307. The effects of training are notoriously difficult to measure. This is partly because training is indissociable from external change and neither can succeed without the other, and partly because the effects of training are gradual and merge with other aspects of HRD. The UNCTAD secretariat limits its attention to monitoring course development and delivery while encouraging local training centres to follow through their action to achieve permanent results. As training and related activities are conducted under the authority of local institutes, project funds channelled through UNCTAD do not represent the full investment made in related activities. In 1998 there were 20 projects under execution by UNCTAD in support of TRAINMAR and the Certificate, with a budgeted expenditure of \$880,000.

(ii) *UNCTAD Port Management Certificate*

308. **Development context:** The idea of the creation of a diploma in port management for middle managers from various ports in developing countries since 1993, stems from a concern with regard to the globalization of the world economy, increasing competition, new maritime technologies and means of communication which have resulted in significant changes in the traditional port environment. In this new environment, middle managers need to be able to assume a variety of duties and responsibilities. Training thus becomes crucial.

309. **Objectives:** The objective of the Port Management Certificate is to train middle managers working in port community enterprises to assume different duties during their professional life. The training programme allows them to become familiar with the port system and to grasp the role and function of an innovative port that caters for the present and future needs of the port community.

310. **Features/output/results:** The first phase of the Port Management Certificate programme was initiated simultaneously in December 1996 in three western African ports, in Benin (Port Autonome de Cotonou), Senegal (Port Autonome de Dakar) and Libreville (OPRAG), and in Belgium (Port Autonome de Gand). A first training-of-trainers seminar was held in Gent, Belgium,

in 1996 and a second took place in Las Palmas, Spain, in 1997 for representatives of these ports. The first delivery of the eight modules which constitute the training material of the Port Management Certificate, took place between January and May 1998. The training cycles were conducted with small groups of not more than 20 participants, most of whom were middle managers from the ports concerned, including participants from private companies of the port community.

311. The possibility of delivery of the Port Management Certificate by national educational establishments is currently under discussion in the ports. Cooperation with the port community has been established by the National Pedagogic Councils of the port communities. Trainers and participants all come from companies that are part of the port community. The establishment of a regional pedagogic council, the main tasks of which are to coordinate the activities of the three training centres, to develop complementary training materials adapted to local needs in western Africa, to organize an annual meeting and to supervise examinations leading to the delivery of the Port Management Certificate, has been a positive experience in the programme. In collaboration with international experts and consultants each port has adapted the training material to local needs. Furthermore, translations are currently being undertaken to adapt the material to new countries.

312. After the completion of phase 1 of the project and in order to satisfy the demand from several ports and port communities who wish to participate in the programme, a system of long-distance learning, linked to the programme, is currently being established. A first training-of-trainers seminar will be held in 1999. The new pedagogic material produced for this seminar will be translated so that it responds to the needs of these newly participating countries.

(iii) *TRAINFORTRADE*

313. **Development context:** An evaluation of the programme was carried out in November 1997 and the results are reported in TD/B/46/3 - TD/B/WP/117. As a result, strategic decisions were taken within the secretariat and two distinct lines of action were pursued in 1998. On the one hand, a number of courses were prepared jointly, using the technical knowledge within the secretariat and of consultants. These have been held in Geneva or in local institutes with external support. They include a series of courses on electronic commerce developed under the e-trade initiative, to enable enterprises to participate in electronic commerce by becoming more competent in foreign trade and in the use of information technology. The series was developed using on-line techniques in 1998, but had not been validated at year-end; its components are intended for on-line study. On the other hand, the improvement of local capacity continued to be pursued. Initiatives were taken to generate local action, particularly in interested African countries, whereby the UNCTAD training methodology will be used by local training institutes to develop and apply training for the solution of specific local problems. Only preparatory work was completed in 1998. Progress under both of these approaches is under review.

314. **Objectives:** In accordance with its mission, the TRAINFORTRADE programme aims at strengthening training capacities in developing countries and countries with economies in transition in the field of international trade and related services. The main objectives in 1998 were the following:

- (a) To concentrate the work plan on a limited number of countries;

- (b) To bring together UNCTAD and institutes willing to collaborate in the implementation of a training programme by providing technical assistance, counselling and complementary support; and
- (c) To develop partnerships with other international organizations involved in international trade or institutes specialized in it.

315. **Features/output/results:** The capacity of the central support team of the TRAINFORTRADE programme has been strengthened through the contribution of new specialists, in particular in the field of long-distance learning techniques, and by close cooperation with other divisions of UNCTAD.

316. Among the large number of countries and regional institutions that have recently solicited technical assistance in the field of training in international trade and development of national training capacities, priority has been given to least developed countries and Portuguese-speaking countries. In Benin, Mali and Burkina Faso, a pilot committee for training in international trade was established, regrouping the Ministry of Commerce, the Ministry of Environment, the University, the Chamber of Commerce and institutes involved in exports and imports. Three states in Southern Brazil have deposited a request for technical assistance. This programme might be the starting point for a cooperation programme for Portuguese-speaking countries.

317. Collaboration with other UNCTAD divisions has been intensified in various fields, in particular by the creation of new courses on international trade and environment and on competitiveness and restrictive commercial policies. An effort aimed at updating the training material started in July 1998.

318. Partnership agreements exist in the field of training in port management with Belgium, France, Portugal and Spain. New agreements are currently under discussion with higher education establishments specialized in training in international trade or long-distance learning. These new partnerships will allow for enlargement of competences in these very specialized fields.

319. In this context, a new course has been under development since December 1998, on the analysis of the effects of international trade policies with the help of a global model. Cooperation with higher education establishments in western Africa is currently being discussed and should lead to a regional cooperation programme based on these new techniques.

320. Cooperation between ITC and UNCTAD in this field was strengthened. The two organizations worked together on the development of training materials for four new courses and on a programme for training in international trade for African countries.

4. The Trade Point Programme

321. **Development context:** The Trade Point Programme is the operational component of the trade efficiency initiative. Trade Points are interconnected in the Global Trade Point Network (GTPNet)², a global, Internet-based trade-related network launched at the United Nations International

² Website: <http://www.unicc.org/untpdc>.

Symposium on Trade Efficiency in 1994 as a major tool for the integration of developing countries and SMEs worldwide into the global economy.

322. At UNCTAD IX, member States confirmed that UNCTAD's primary role in this sector was to assist developing countries and countries in transition in generating trade-supporting services that were adapted to their special requirements, with a particular focus on services addressing the needs of SMEs. The secretariat was requested to consolidate the GTPNet.

323. **Objectives:** The main objectives are to enhance the participation of developing countries and countries with economies in transition in international trade, with special emphasis on SMEs and LDCs, to reduce transaction costs and promote better trade practices, to allow better access for traders to trade-related information and global networks, and to promote the use of international standards for electronic data interchange, such as the United Nations electronic data interchange for administration, commerce and transport (EDIFACT).

324. **Features:** The Trade Point Programme is in its third phase, entitled "Development of low-cost and easy-to-use solutions for secure electronic commerce" ("from contacts to contracts", according to the formula popularized by the seminar on trade efficiency in Midrand during UNCTAD IX in May 1996); as a result partnerships with various components of civil society have been proposed.

325. Strong inter-institutional cooperation between the Economic Commission for Europe, ITC and UNCTAD continued during 1998. For example, ITC gave a five-day seminar on business information for international trade in New Delhi, India, in June 1998, a one-week training course on trade information for the eastern and southern African countries in Harare, Zimbabwe, in June 1998 and a management course on trade information in Bangkok, Thailand, in September 1998. A joint UNCTAD/ITC mission attended a donor's meeting held at the UNDP office in Kingston, Jamaica, in May 1998, to discuss an ITC project proposal entitled "Capacity-strengthening for trade efficiency and promotion of export competitiveness", including a module on the establishment of a trade point in Jamaica.

326. In 1998, the Trade Points continued to exchange experience and cooperate in order to improve the network. Some Trade Point directors also assisted other Trade Points, through advisory missions. The following regional meetings were held:

- (a) The fifth World Trade Point Meeting was held in Lyon, from 10 to 13 November 1998: the participation of 22 Trade Point directors from LDCs or African countries was financed by five different technical cooperation projects;
- (b) Eastern and southern African Trade Points met from 1 to 2 June 1998 in Harare, Zimbabwe, for their third regional meeting;
- (c) In Latin America, members of the Steering Committee of the Inter-American Trade Point Forum met in April 1998 in Santiago, Chile, to discuss the work programme of the Forum. Two Brazilian Trade Point meetings were held, the first in Sao Paulo from 18 to 20 March 1998 and the second in Manaus from 10 to 12 August 1998. The annual Inter-American Trade Point Forum meeting due to take place in La Plata,

Argentina, in October 1998 was postponed to April 1999 and moved to Porto Alegre, Brazil.

327. All GTPNet technical cooperation projects continued in 1998. A final report was issued for the project "Support to the establishment of a trade efficiency network in Africa". The following new projects were started in 1998: "Legal aspects related to Trade Points", "Increasing the participation of Bulgarian SMEs in international trade through the establishment of a Trade Point in Sofia" and "Mediterranean 2000".

328. The work on electronic trading opportunities (ETOs) continued. However, the secure electronic authenticated link (SEAL) component of the United Nations Trade Point Development Centre (UNTPDC) in Melbourne, Australia, was discontinued.

329. **Output/results/impact:** As of January 1999, there were 35 Trade Points at the feasibility stage, 19 at the development stage and 48 at the operational stage.

330. An increasing number of users made use of the ETO system in 1998. The ETO switch in Melbourne was ranked among the top 20 sites in the world as regards the volume of information transmitted daily. UNTPDC conducted a survey addressed to randomly selected ETO users over the world; the results were published on the GTPNet website (www.untpdc.org).

331. The *Trade Point Review* (UNCTAD/SDTE/Misc.7) was published in September 1998. The document presents detailed information on Trade Points' activities in each region and the Trade Point strategy for the next two years.

D. DIVISION FOR SERVICES INFRASTRUCTURE FOR DEVELOPMENT, AND TRADE EFFICIENCY

Project No.	Short title	Duration	Type of project	Status in 1998	Source of funds	Total budget	Cumulative expenditures	Expenditures 1998	
<u>Trade infrastructure</u>									
1. Transport									
BGD/94/A57	Railway Wagon Information and Control System (DAI/WICS)	1995 1999		Ongoing	Germany/KFW	1'042'583	857'976	280'225	BGD/94/A57
BKF/92/A35	Installation de RailTracker BTI (SCFB - SICF)	1992 1999		Ongoing	Burkina Faso/ World Bank	129'577	127'721	10'432	BKF/92/A35
CMR/93/A24	Installation du système RailTracker à la REGIFERCAM	1993 1999		Ongoing	Cameroon	101'565	86'871	19'914	CMR/93/A24
INS/98/011	Assisting private sector participation in maritime and related services	1998 1999		Ongoing	UNDP/IPF Japan/CS	164'000	13'225	13'225	INS/98/011
KAZ/95/019	Central Asian external trade and transit transport initiative: rebuilding the Silk Road	1995 1999		Ongoing	UNDP/IPF	80'000	42'277	2'483	KAZ/95/019
KYR/96/009	Central Asian external trade and transit transport initiative: rebuilding the Silk Road	1996 1999		Ongoing	UNDP/IPF	80'000	44'858	-11'968	KYR/96/009
NEP/97/A53	Promotion of the trade and transport sectors of Nepal	1998 2001		Ongoing	Nepal/IBR(IDA)	2'652'600	780'937	780'937	NEP/97/A53
SOM/93/003	Port rehabilitation in Somalia	1993 1998		OPC	Sweden/CS	5'138'964	5'055'061	188'871	SOM/93/003
SOM/96/A08	Somali port management assistance	1996 1999		Ongoing	European Commission	550'714	512'367	178'689	SOM/96/A08
SOM/96/A47	Assistance to the Bari regional administration	1996 1999		Ongoing	European Commission	511'821	422'420	83'974	SOM/96/A47
SOM/97/002	Development of Somali civil protection programme	1997 1999		Ongoing	UNDP/SPPD	145'384	139'059	-3'923	SOM/97/002
SOM/97/012	Protection and sustainable development of Somali marine environment, seaports and coastal areas	1997 1999		Ongoing	UNDP/SPPD	74'790	52'190	48'600	SOM/97/012
SOM/97/016	Rehabilitation of the Somali ports	1997 1998		Completed	UNDP/STS	40'293	40'293	35'127	SOM/97/016
SOM/98/001	Ports and trade efficiency for economic recovery of Somalia	1998 2000		Ongoing	UNDP/IPF	2'428'040	507'629	507'629	SOM/98/001
Project No.	Short title	Duration	Type of project	Status in 1998	Source of funds	Total budget	Cumulative expenditures	Expenditures 1998	

THA/96/A54	Private participation in shipping and related services - sectoral analysis and development proposals	1996	1998	OPC	Japan	94'119	84'238	27'197	THA/96/A54
TAJ/96/004	Central Asian external trade and transit initiative	1996	1999	Ongoing	UNDP/IPF	80'000	48'466	-18'872	TAJ/96/004
TUK/96/007	Central Asian external trade and transit initiative	1996		Ongoing	UNDP/IPF	80'000	64'861	-6'650	TUK/96/007
URT/93/A43	TCR restructuring project design and implementation of RailTracker	1993	1999	Ongoing	European Commission(EDF)	430'797	385'172	62'893	URT/93/A43
UZB/96/011	Central Asian external trade and transit transport initiative: rebuilding the Silk Road	1996	1999	Ongoing	UNDP/IPF	130'000	115'007	-9'624	UZB/96/011
RAF/92/A40	Création du système de saisie et de taxation informatisées compatible avec SICOF/GTI-SIAM	1993	1998	OPC	France	268'209	267'598	6'096	RAF/92/A40
RAF/94/A70	Development and installation of ACIS in COMESA	1995	1999	Ongoing	European Commission	6'786'909	5'506'533	1'309'328	RAF/94/A70
DID.15.384	Assisting private participation in maritime related services	1998	1999	Ongoing	Trust Fund for International Cooperation for Development Multidonors	8'330	5'069	5'069	DID.15.384
INT/83/A04	Course on improving port performance (IPP)	1983	1999	Ongoing	Norway	457'591	484'007	2'367	INT/83/A04
INT/88/A01	STRATSHIP: strategic planning course	1988	1999	Ongoing	Multidonors	206'828	200'771	3'597	INT/88/A01
INT/93/A22	Introduction of multimodal transport and microcomputer software programmes	1993	1999	Ongoing	Belgium/ Administration for Development and Cooperation	35'860	24'004	2'507	INT/93/A22
INT/97/A47	Seminar on the new commercial role of ports and port marketing	1998	1999	Ongoing		86'967	72'070	72'070	INT/97/A47

Sub-total: Transport	21'805'941	15'940'680	3'590'193
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2. Trade facilitation

ARM/94/A21	Strengthening customs administration and trade facilitation programme	1994	1999	IALA/WORLD BANK	Ongoing	Armenia/World Bank	1'372'566	1'411'793	135'981	ARM/94/A21
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Project No.	Short title	Duration	Type of project	Status in 1998	Source of funds	Total budget	Cumulative expenditures	Expenditures 1998
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ARM/97/A05	ASYCUDA	1997	1999	Ongoing	Armenia/IDA	432'000	175'397	16'138	ARM/97/A05	
AZE/96/004	* State customs committee	1998	1999	OPC	UNDP	3'097	3'738	3'738	AZE/96/004	
BZE/92/A48	ASYCUDA	1993	1998	Completed	Belize	180'789	180'685	542	BZE/92/A48	
COL/94/006	* Modernización de la administración financiera - SIDUNEA	1996	1998	IALA/Govt	CLOSED	UNDP	542'000	5'612	5'510	COL/94/006
ELS/96/009	* Modernización del sistema de aduanas	1996	1999	IALA/Govt	Ongoing	El Salvador/CS	275'040	219'835	103'691	ELS/96/009
EST/97/A45	ASYCUDA	1998	1999	Ongoing	European Commission/ PHARE	623'009	311'747	311'747	EST/97/A45	
ETH/94/005	* ASYCUDA	1996	1998	IALA/Govt	OPC	UNDP	701'686	760'845	59'159	ETH/94/005
ETH/97/013	* Implementation of ASYCUDA (phase II)	1998	1999	Ongoing	UNDP	665'000	328'361	328'361	ETH/97/013	
GAM/91/004	ASYCUDA	1992	1999	Ongoing	UNDP/IPF	611'917	587'668	5'520	GAM/91/004	
GEO/94/A52	Trade facilitation	1994	1999	Ongoing	Gambia/CS Georgia/ World Bank	1'143'860	1'058'271	300'899	GEO/94/A52	
HAI/95/007	* Plan d'urgence pour le Ministère des Finances - Douanes	1995	1999	IALA/Govt	Ongoing	UNDP	884'090	736'739	67'995	HAI/95/007
HON/92/018	* SIDUNEA	1993	1996	IALA/Govt	OPC	UNDP/IPF	734'876	717'550	-17'326	HON/92/018
IRA/96/003	* Computerization of customs	1996	1999	IALA/Govt	Ongoing	Honduras/CS UNDP/ Iran, Islamic Rep./CS	648'000	511'214	80'486	IRA/96/003
JOR/96/004	* Computerization of customs procedures and data for improved revenue collection - phase I	1997	1999	Ongoing	UNDP/TRAC	1'048'765	540'501	433'532	JOR/96/004	
LAT/98/A13	ASYCUDA	1998	1999	Ongoing	European Commission/ PHARE	510'000	241'836	241'836	LAT/98/A13	
LAT/98/A44	Technical assistance to the customs administration for the implementation of ASYCUDA	1998	1999	Ongoing	European Commission/ PHARE	139'584	24'090	24'090	LAT/98/A44	
LEB/92/017	* Fiscal reform and administration	1993	1999	IALA/Govt	Ongoing	UNDP/IPF	1'178'195	729'350	52'625	LEB/92/017
LIT/98/A14	ASYCUDA	1998	1999	Ongoing	European Commission/ PHARE	484'000	255'830	255'830	LIT/98/A14	
MAT/91/A10	ASYCUDA training course	1991	1996	OPC	Multidonors	126'247	105'400	41'097	MAT/91/A10	

Project No.	Short title	Duration	Type of project	Status in 1998	Source of funds	Total budget	Cumulative expenditures	Expenditures 1998	
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MAT/91/A25	ASYCUDA	1992	1999	Ongoing	MALTA	491'648	470'972	3'706	MAT/91/A25
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MAU/92/002	Facilitation du commerce extérieur	1992	1999	Ongoing	UNDP/IPF	623'970	619'630	15'853	MAU/92/002	
MCD/96/A03	ASYCUDA support activities	1996	1999	Ongoing	European Commission/ PHARE	845'133	739'949	66'788	MCD/96/A03	
NAM/94/A31	ASYCUDA	1993	1999	Ongoing	Denmark/DANIDA	1'593'805	1'531'526	27'774	NAM/94/A31	
NEP/96/A08	Efficiency enhancement of customs operations	1996	1999	Ongoing	Asian Development Rank	778'761	802'436	182'201	NEP/96/A08	
PHI/94/A36	ASYCUDA	1994	1999	Ongoing	Philippines/ World Rank	2'269'000	1'971'901	290'495	PHI/94/A36	
PUE/98/A37	Modernización del sistema de arbitrios - SIDUNEA++	1998	1999	Preparatory assistance	Ongoing	Puerto Rico	22'478	10'500	10'500	PUE/98/A37
ROM/95/A53	ASYCUDA	1995	1999	Ongoing	United Kingdom/ Know How Fund	1'398'000	994'964	176'895	ROM/95/A53	
ROM/96/002	ASYCUDA	1996	1999	Ongoing	UNDP/IPF United Kingdom/CS	273'000	244'644	87'241	ROM/96/002	
SLO/98/A25	Computerization of customs procedures and data	1998	1999	Ongoing	European Commission/ PHARE	583'150	179'518	179'518	SLO/98/A25	
SRL/97/010	* Preparation for migration to ASYCUDA ++	1997	1999	Ongoing	UNDP	29'000	12'030	5'392	SRL/97/010	
SRL/97/A51	Customs modernization programme - migration to ASYCUDA++	1997	1999	Ongoing	Sri Lanka	305'972	176'101	128'000	SRL/97/A51	
SUR/94/001	Computerization of customs procedures	1994	1998	OPC	UNDP/IPF Suriname/CS	179'533	131'285	8'951	SUR/94/001	
UGA/96/A48	ASYCUDA	1996	1999	Ongoing	Uganda/World Bank, UNDP/OPS	535'347	359'459	59'788	UGA/96/A48	
URT/93/009	ASYCUDA	1994	1999	Ongoing	UNDP/IPF	932'000	924'373	277'965	URT/93/009	
VIE/91/007	ASYCUDA (phase I)	1992	1997	OPC	UNDP/IPF Viet Nam/ CS	686'875	677'044	-20	VIE/91/007	
VIE/92/012	* Programme support management project	1998	1999	Ongoing	UNDP	28'000	26'604	26'604	VIE/92/012	
YEM/95/002	* Economic and financial management ASYCUDA mission	1997	1997	OPC	UNDP/IPF	13'000	14'613	7	YEM/95/002	
ZAM/97/A46	Computerization of customs procedures	1997	2000	Ongoing	United Kingdom	192'035	36'182	36'182	ZAM/97/A46	

Project No.	Short title	Duration	Type of project	Status in 1998	Source of funds	Total budget	Cumulative expenditures	Expenditures 1998	
RAF/92/A37	Computerization of customs and foreign trade statistics for eastern and southern Africa COMESA (EUROTRACE regional project)	1992		Ongoing	European Commission/ EDF	3'405'310	3'316'039	288'004	RAF/92/A37

RAS/89/035	Automation of customs accounting and data management	1989	1999	Ongoing	UNDP/IPF Sri Lanka, Maldives, Bangladesh/CS	1'998'467	1'931'776	73'523	RAS/89/035
RAS/98/A07	Computerization of customs data and external trade statistics	1998	2000	Ongoing	Australia/AusAID	3'755'442	159'759	159'759	RAS/98/A07
RAS/98/A21	Customs human resource development programme in Asia and the Pacific	1998	2000	Ongoing	Japan/ Human Resources Trust Fund	62'297	1'337	1'337	RAS/98/A21
RER/94/A28	Implementaion of ASYCUDA in the Slovak Republic and Hungary	1994	1999	Ongoing	United Kingdom	2'500'595	2'498'739	147'121	RER/94/A28
INT/94/A44	Support to the enhancement and dissemination of ASYCUDA	1994	1998	Completed	Switzerland	710'349	710'121	88'860	INT/94/A44
INT/94/A49	ASYCUDA marketing activities	1994	1999	Ongoing	Multidonors	150'000	48'245	40'554	INT/94/A49
INT/95/A59	ASYCUDA	1995	1998	OPC	Denmark/DANIDA	1'167'000	1'241'194	168'081	INT/95/A59
INT/96/A23	ASYCUDA	1996	1997	OPC	United Kingdom	141'388	137'156	474	INT/96/A23
INT/98/A17	LDC participation in World ASYCUDA Meeting (Manila, 9-10 March 1998)	1998	1999	OPC	Switzerland	149'888	82'235	82'235	INT/98/A17
INT/98/A26	Support to the enhancement of ASYCUDA - development of a transit module	1998	2002	Ongoing	Switzerland	1'061'947	150'552	150'552	INT/98/A26
INT/98/A42	Support for ASYCUDA implementation activities	1998	1999	Ongoing	Multidonors	108'251	25'345	25'345	INT/98/A42
INT/95/X67	Associate expert - ASYCUDA	1995	1999	Ongoing	Italy	300'121	248'309	66'654	INT/95/X67

Sub-total: Trade facilitation	39'596'483	29'381'000	5'327'790
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Total: Trade infrastructure	61'402'424	45'321'680	8'917'983
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Project No.	Short title	Duration	Type of project	Status in 1998	Source of funds	Total budget	Cumulative expenditures	Expenditures 1998
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Business facilitation

ARM/98/010	Supporting Armenia's insurance sector	1998	1999	Ongoing	UNDP/STS	4'546	4'683	4'683	ARM/98/010
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ECU/97/009	Investigación en el marco normativo financiero, institucional, legislativo y regulatorio	1998	1999	Ongoing	UNDP/SPPD	31'000	14'006	14'006	ECU/97/009
RAF/94/A38	Développement des marchés des assurances compétitifs	1994	1999	Ongoing	Luxembourg	1'171'000	731'879	100'014	RAF/94/A38
RER/97/005 *	Programme to support small and medium-sized enterprise development	1998	1999	Ongoing	UNDP	19'700	3'363	3'363	RER/97/005
INT/94/A20	Support to development of EDI - Transport data control and management	1994	1997	Completed	Switzerland	439'315	439'315	32'244	INT/94/A20
INT/97/A40	Legal aspects related to Trade Points	1997	1999	Ongoing	Netherlands	256'000	90'411	90'411	INT/97/A40

Total: Business facilitation	1'921'561	1'283'657	244'721
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3. Services for development

INT/98/A50	Participation of key actors in the Tripartite Meeting on Microfinance - Partners for Development Summit	1998	1999	Ongoing	Norway	44'248	28'122	28'122	INT/98/A50
INT/95/A90	Micro-Banques	1995	1999	Ongoing	Luxembourg	601'256	514'164	186'472	INT/95/A90

TRAINMAR

GAB/95/A61	TRAINMAR	1996	1999	Ongoing	Gabon	57'500	42'426	78	GAB/95/A61
MAR/98/A03	Préparation d'un plan d'action de formation dans le domaine portuaire et para-portuaire	1998	1999	Ongoing	Mauritius / Marine Authority	61'872	34'026	34'026	MAR/98/A03
RAF/92/A07	TRAINMAR pour l'Angola et le Mozambique	1994	1999	Ongoing	Mozambique, European Commission/EDF	959'242	910'640	-5'807	RAF/92/A07
RAF/96/A49	TRAINMAR in western/central Africa (Certificat portuaire CNUCED)	1997	2000	Ongoing	Multidonors	358'000	132'086	78'327	RAF/96/A49

Project No.	Short title	Duration	Type of project	Status in 1998	Source of funds	Total budget	Cumulative expenditures	Expenditures 1998	
CAR/92/A45	TRAINMAR - Caraïbes	1992	1996	Completed	France	129'045	129'045	43	CAR/92/A45
CAR/95/A65	TRAINMAR - Caraïbes	1995	2000	Ongoing	France	240'159	126'484	29'370	CAR/95/A65

RER/94/A08	TRAINMAR - Europe: conception du séminaire stratégique sur le short sea en Europe	1994	1999	Ongoing	European Commission,	162'830	129'919	507	RER/94/A08
ROM/94/A25	TRAINMAR: Maritime School of Costanza	1994	1999	Ongoing	Multidonors European Commission	73'932	67'473	3'398	ROM/94/A25
ROM/95/A06	Plan of action for TRAINMAR	1995	1999	Ongoing	European Commission/ PHARE	140'960	86'871	-26	ROM/95/A06
RLA/87/A07	TRAINMAR	1987	1997	OPC	European Commission	496'570	495'807	273	RLA/87/A07
INT/91/A13	Training in port tariff management	1991	1999	Completed	Netherlands	56'379	56'017	1'421	INT/91/A13
INT/91/A15	TRAINMAR	1991		Ongoing	Multidonors	503'391	464'641	37'589	INT/91/A15
INT/93/A13	Conception d'un cours TRAINMAR Europe	1993	1996	OPC	France, European Commission	71'450	71'364	202	INT/93/A13
INT/93/A26	On-the-job training in shipping and ports (JOBMAR)	1993	1999	Ongoing	Multidonors	19'895	18'991	2'523	INT/93/A26
INT/94/A54	Centre TRAINMAR Belgique	1994	1999	Ongoing	Belgium	328'900	251'153	40'405	INT/94/A54
INT/96/A55	TRAINMAR	1996	1999	Ongoing	Multidonors	63'700	37'745	35'127	INT/96/A55
INT/97/A04	Conférence des Nations Unies sur le Commerce et le Développement	1997	1999	Ongoing	Ls Palmas Port Authorities	19'000	16'460	9'579	INT/97/A04
INT/97/X31	Associate expert	1997	1999	Ongoing	France	227'940	123'040	77'686	INT/97/X31

Sub-total: TRAINMAR	3'970'765	3'194'188	344'721
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TRAINFORTRADE

ROM/97/A15	TRAINFORTRADE	1997	1999	Ongoing	Switzerland	283'186	174'645	81'574	ROM/97/A15
CAR/94/A71	TRAINFORTRADE pour les Antilles et la Caraïbe francophone	1994	1997	Completed	France/FIC	67'783	70'156	2'548	CAR/94/A71

Project No.	Short title	Duration	Type of project	Status in 1998	Source of funds	Total budget	Cumulative expenditures	Expenditures 1998	
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RAF/96/A05	TRAINFORTRADE - project for ACP countries of western Africa	1996	1998	Completed	European Commission	523'066	353'186	16'503	RAF/96/A05
RAB/92/A33	TRAINFORTRADE - Maghreb	1992	1996	OPC	Luxembourg	457'096	456'632	1'664	RAB/92/A33

RAB/96/001	* Support to Arab States (TRAINFORTRADE)	1997	2000	Ongoing	UNDP	732'744	661'846	617'436	RAB/96/001
INT/90/A18	Training in the field of foreign trade	1990	1999	Ongoing	France	794'485	719'962	78'879	INT/90/A18
INT/93/A11	TRAINFORTRADE	1993	1997	OPC	France	296'350	301'594	819	INT/93/A11
INT/93/A39	TRAINFORTRADE: commodity trading: cash markets	1993	1997	OPC	Norway	107'960	110'948	818	INT/93/A39
INT/94/A55	TRAINFORTRADE: appui aux projets régionaux d'Asie et d'Afrique	1994	1997	Completed	Luxembourg	155'345	155'347	2'020	INT/94/A55
INT/95/A40	TRAINFORTRADE: développement de programmes de formation dans le domaine de l'efficacité commerciale	1995	1998	OPC	Multidonors, France (Rhône Alpes region)	15'274	15'506	730	INT/95/A40
INT/97/A48	TRAINFORTRADE / reinforcement of the Central Support Team	1997	1999	Ongoing	Norway	132'743	97'111	77'788	INT/97/A48

Sub-total: TRAINFORTRADE	3'566'032	3'116'933	880'779
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Total : Services for development	8'182'301	6'853'407	1'440'094
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Trade Point Programme

BUL/98/A02	Increasing the participation of Bulgarian SMEs in international trade through the establishment of a Trade Point in Sofia	1998	2000	Ongoing	Switzerland	145'100	20'066	20'066	BUL/98/A02
KEN/95/305	* Improved NGO and private sector capacity	1997	1999	Preparatory assistance	UNDP/IPF	40'000	39'420	16'061	KEN/95/305
PAN/95/029	Estudio de factibilidad para la creación de un Trade Point	1996	1997	Completed	UNDP/IPF	17'289	17'419	130	PAN/95/029
HUN/94/003	Preparing participation of Hungary in the UNCTAD Trade Point Programme	1995	1999	Ongoing	UNDP/IPF Hungary/CS	51'975	27'231	691	HUN/94/003

Project No.	Short title	Duration	Type of project	Status in 1998	Source of funds	Total budget	Cumulative expenditures	Expenditures 1998	
ROM/97/A02	Increasing the participation of Romanian SMEs in international trade through the establishment of a Trade Point in Sibiu	1997	1999	Ongoing	Switzerland	142'124	30'061	21'189	ROM/97/A02
RAB/96/001	* Support to Arab States in economic and social reform: trade efficiency	1997	2000	Ongoing	UNDP	400'000	189'238	189'238	RAB/96/001

RAF/94/A33	Support to the establishment of a trade efficiency network in Africa	1994	1998	OPC	Netherlands	110'619	113'264	28'754	RAF/94/A33
RAS/97/760	Support to ECO countries in trade efficiency and economic cooperation	1997	1999	Preparatory assistance	UNDP/IPF	84'000	40'339	35'554	RAS/97/760
RER/96/A52	GTPNet preparatory assistance missions to Bulgaria, Romania and the Russian Federation	1996	1998	OPC	Switzerland	18'801	17'885	2'016	RER/96/A52
INT/94/A10	Associate expert - transnational corporations	1994	1999	Ongoing	Denmark/DANIDA	407'800	362'680	31'308	INT/94/A10
INT/94/A62	Support to the establishment and networking of Trade Point	1994	1998	OPC	United States/USAID	221'000	238'926	13'684	INT/94/A62
INT/95/A67	Setting up the Global Trade Point Network	1995	1999	Ongoing	Switzerland	1'590'352	1'149'085	266'452	INT/95/A67
INT/96/A29	(1) Organizing the South African national event: the Executive Symposium on Trade Efficiency; (2) Participation of African experts in the Lyon Summit (9-12 November 1998)	1996	1998	OPC	Switzerland	250'134	245'142	33'124	INT/96/A29
INT/98/A46	Contribution à la participation des PMA au sommet "Partenaires pour le Développement", Lyon, 9-12/11/98	1998	1999	Ongoing	France	117'693	115'804	115'804	INT/98/A46

Total: Trade Point Programme	3'596'887	2'606'560	774'071
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Total: DIVISION FOR SERVICES INFRASTRUCTURE FOR DEVELOPMENT AND TRADE EFFICIENCY	75'103'173	56'065'304	11'376'869
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E. Office of the Special Coordinator for Least Developed, Landlocked and Island Developing Countries

332. While LDC issues, including technical cooperation projects, are considered throughout the UNCTAD secretariat, the Office of the Special Coordinator for Least Developed, Landlocked and Island Developing Countries is responsible for coordinating the activities relating to the countries in question. The core function of the Office of the Special Coordinator comprises coordination of sectoral work, monitoring the implementation of the Programme of Action for the Least Developed Countries for the 1990s and other relevant programmes of action, providing inputs for the review by the Trade and Development Board of the progress made in the implementation of the Programme of Action, and promoting the implementation of specific actions related to the particular needs and problems of landlocked and small island developing countries. The Office is also responsible for mobilizing resources for, and administering the allocation of, the Trust Fund for the Least Developed Countries. In addition, it is responsible for the implementation of a number of technical assistance projects.

Trust Fund for the Least Developed Countries

333. In accordance with the recommendations of UNCTAD IX that LDCs should constitute a cross-cutting issue in the work of UNCTAD and with the focus on them in UNCTAD's technical cooperation activities, the Trust Fund for LDCs was established and became operational in early 1997. The objective of the Trust Fund is to facilitate the start-up of new activities in favour of LDCs and to enhance UNCTAD's technical cooperation activities in support of those countries. The Trust Fund has attracted earmarked and unearmarked contributions or pledges from donors, including non-traditional and developing countries (see also (TD/B/45/6 - TD/B/WP/109, part IV).

334. **Features:** The focus of the technical assistance activities backstopped in 1998 by the Office of the Special Coordinator was on the implementation of core projects of the Trust Fund for LDCs financed by unearmarked contributions used for the elaboration of UNCTAD-wide integrated country programmes for strengthening the supply capacities of LDCs in tradeable goods and services. One of the core projects of the Trust Fund for LDCs includes activities related to the follow-up of the implementation of measures in favour of LDCs adopted by major global conferences. The activities undertaken under these projects were carried out through a combination of field work and research. In some cases, national workshops were organized.

335. **Output/results/impact:** Activities undertaken in 1998 included programming missions to Ethiopia, Haiti and the Sudan in preparation for the UNCTAD segment of multi-year technical cooperation programmes in the context of the Integrated Framework for Trade-Related Technical Assistance, including for Human and Institutional Capacity-Building, to Support Least Developed Countries in Their Trade and Trade-Related Activities. Documentation was prepared that took fully into consideration the needs assessment exercise for trade-related technical assistance for LDCs carried out in the context of the High-level Meeting on Integrated Initiatives for Least Developed Countries' Trade Development. Work began on the preparations for a trade-related round table in the framework of the Integrated Framework in the Gambia.

336. The following national workshops and seminars were held in 1998:

- (a) *Gambia*: a national workshop on investment policy options and a national workshop on trade policy;
- (b) *Haiti*: a seminar on market access;
- (c) *Sudan*: a national workshop on investment policies and investment promotion.

337. The project also supported a study tour on accession to WTO for one official from an LDC. Work on the preparation of a framework trade policy and framework investment policy for the Gambia, initiated in 1997, was completed in 1998. Work on the preparation of studies on competition policy in LDCs and on the role of civil society in the development of LDCs was also initiated in 1998.

338. Follow-up activities and the implementation of measures in favour of LDCs' adopted by major global conferences continued in the area of enhancing the participation of women entrepreneurs in LDCs economies, financial sector reforms in LDCs and fiscal reforms in LDCs. Work also continued on assessing the impact of the Uruguay Round in LDCs. With regard to the participation of women entrepreneurs, the activities mainly take the form of commissioning national consultants to help in the preparation of country case studies. In 1998, country case studies were finalized for Burkina Faso, Cambodia and Vanuatu. Country case studies were being reviewed for Ethiopia, the Gambia, Madagascar, Nepal, the United Republic of Tanzania and Zambia. Upon completion of all country studies, a synthesis will be prepared and two national seminars, one in Asia and one in Africa, will be organized.

339. With regard to financial sector reforms and fiscal reforms, in 1998 the country studies which had been prepared for Bangladesh, the Lao People's Democratic Republic Madagascar, Malawi, Nepal, Uganda, the United Republic of Tanzania and Zambia were reviewed for publication. A study on the impact of the East African Community on Ugandan tax revenue was also undertaken. However, the major activity in 1998 concerned assessing the impact of the Uruguay Round in LDCs. Studies and research on this subject were used in the preparation of the *Least Developed Countries 1998 Report*, the main theme, of which was trade, investment and the multilateral trading system. Moreover, the project co-sponsored the organization of a workshop on strengthening Africa's position in world trade, organized in Zimbabwe by the Southern and Eastern African Trade Information and Negotiations Initiative prior to the second WTO Ministerial Conference, in May 1998. The workshop was attended by representatives of eastern and southern African LDCs.

340. The Office of the Special Coordinator also backstopped a project on support for the development of foreign trade in Madagascar. Activities undertaken under this project in 1998 were related to the evaluation of trade efficiency and to trade and environment.

E. OFFICE OF THE SPECIAL COORDINATOR FOR LEAST DEVELOPED, LANDLOCKED AND ISLAND DEVELOPING COUNTRIES

Project No.	Short title	Duration	Type of project	Status in 1998	Source of funds	Total budget	Cumulative expenditures	Expenditures 1998	
ZAI/97/017	Support to investment and trade development	1998 1999		Ongoing	UNDP/SPPD	28'100	15'242	15'242	ZAI/97/017
GLO/94/001	Assistance to LDCs in the preparation of the Mid-term Global Review Conference for the Programme of Action, 1994	1994 1998		Completed	UNDP/SPR	148'088	148'087	933	GLO/94/001
GLO/97/217	Review of recent developments in the transit transport systems for landlocked developing countries	1997 1999		Ongoing	UNDP	60'000	53'624	4'077	GLO/97/217
INT/92/A17	LDC participation in Trade and Development Board sessions	1993 1999		Ongoing	Multidonors	65'230	42'505	387	INT/92/A17
INT/96/A14	Follow-up and implementation of measures in favour of LDCs adopted by major global conferences	1996 1999		Ongoing	Netherlands	737'500	551'790	150'114	INT/96/A14
INT/97/902	* TCDC - Operational support to sustainable human development (SHD) (phase I)	1998 1999	IALA/UNOPS	Ongoing	UNDP	88'000	5'046	5'046	INT/97/902
INT/97/A09	Trust Fund for the Least Developed Countries: core project	1997		Ongoing	Multidonors	1'029'454	349'977	259'236	INT/97/A09
INT/97/A43	Development in transit transport systems	1997 1999		Ongoing	European Commission	56'903	37'902	-3'211	INT/97/A43
Total: OFFICE OF THE SPECIAL COORDINATOR FOR LEAST DEVELOPED, LANDLOCKED AND ISLAND DEVELOPING COUNTRIES						2'213'275	1'204'173	431'824	

F. Executive Direction and Management and Support Services

341. Certain technical cooperation activities are undertaken centrally in view of their inter-divisional nature.

1. UNCTAD/UNDP Global Programme

342. **Development context:** As defining features of the world economy at the turn of the century, globalization and liberalization have profound implications for sustainable human development. A large part of the world economy has experienced progressive integration, accelerated by new technologies and by the liberalization policies pursued by virtually all Governments. Though globalization has opened up new opportunities, it has proved a mixed blessing, and it poses new challenges for development strategies and policies and, more importantly, for international economic cooperation. The main challenge facing developing countries is how to manage their integration into the global economy in such a way as to exploit the opportunities globalization offers for achieving high and sustainable growth, generating employment and eradicating poverty, while minimizing the risks of economic and social dislocation and marginalization. Meeting this new challenge not only requires strong national actions and strengthened national institutions, but also a broader vision of development that encompasses people-centred development and addresses its relationship with globalization.

343. **Objectives:** In response to these challenges, the UNCTAD and the UNDP launched in September 1998, a three-year global programme entitled "Globalization, liberalization and sustainable human development". The main objective of the programme is to start a process to enhance the ability of developing countries, especially low-income countries, to manage their integration into the global economy in a manner supportive of sustainable human development.

344. **Features:** To achieve this objective, the programme will operate at two levels, the global level and the country level. At the global level, the programme will assist developing countries in building and strengthening their capacities to participate effectively in multilateral discussions and negotiations and will promote better understanding in the development community of the linkages between globalization and sustainable human development. At the country level, the programme will focus on assisting 10 to 12 low-income developing countries in equipping themselves with the policy and institutional tools at all significant levels - macroeconomic, sectoral (particularly in the field of trade, investment and finance) and microeconomic (especially in the field of enterprise development) - to better manage the integration of their economies into the global economy.

345. **Output/results:** During 1998, at the global level, the programme engaged in the preparation for the first meeting of experts on a "Conceptual and operational framework for the analysis of the integration of developing countries into the global economy in a manner supportive of sustainable human development", which was held in Geneva from 3 to 5 February 1999. In this connection, two leading economists were hired to prepare two papers on the links between liberalization and sustainable human development, which served as background papers for the discussion at the meeting.

346. At the request of the Government of Haiti, the programme fielded a consultant to assist authorities in preparing the documentation for the Sectoral Round Table on Trade, foreseen as part of the implementation of the Integrated Framework for Trade-Related Technical Assistance to

Support LDCs, adopted by the WTO High-level Meeting on Integrated Initiatives for Least Developed Countries' Trade Development of October 1997. Preparations were interrupted due to political changes, but are being resumed in June 1999. The round table is planned for September 1999.

347. At the country level, the programme commenced the preparation of the country assessment studies through the formulation of the common assessment framework. The latter, discussed at the meeting of experts in February and modified according to the inputs received from the participants, will be used in the studies launched in 1999. Several assessment studies (Botswana, El Salvador, Guatemala, Honduras, Jamaica, Malawi, Nepal, Nicaragua and Zimbabwe) are being launched in 1999.

348. The assessment studies are undertaken by teams of local consultants coordinated by international consultants. Upon completion, national workshops will be organized in each country in close cooperation with UNDP local offices to present and discuss the results of the studies. These workshops will aim at building a consensus across all development actors on the formulation of national action plans.

349. The programme will also contribute to facilitating the countries' dialogue with the donor community with respect to the activities under the action plans.

2. Advisory services

350. As reported in previous years, UNCTAD's technical cooperation is supported not only from project-specific funds but also from another source, namely section 12 of the United Nations programme budget.

351. Under section 12 of the United Nations programme budget, UNCTAD received for 1998 an allotment equivalent to 36 work-months, together with travel, consultants, fees and individual fellowship funds, for the purpose of participating in interregional advisory services, together with funds for participants in seminars. Thirty-eight work-months were actually used. These resources were devoted to four main areas: (a) globalization and development; (b) international trade in goods and services and commodities issues; (c) investment, enterprise development and technology; and (d) services infrastructure for development and trade efficiency. Advisers undertook 28 missions in 1998.

F. EXECUTIVE DIRECTION AND MANAGEMENT AND SUPPORT SERVICES

Project No.	Short title	Duration	Type of project	Status in 1998	Source of funds	Total budget	Cumulative expenditures	Expenditures 1998	
GLO/97/219	Globalization and liberalization	1997	1999 Preparatory assistance	Ongoing	UNDP	90'000	73'648	47'266	GLO/97/219
GLO/98/615	Globalization, liberalization and sustainable human development	1998	2001	Ongoing	UNDP	2'636'364	72'673	72'673	GLO/98/615
GLO/98/B02	Globalization, liberalization and sustainable human development	1998	2001	Ongoing	UNDP	272'700	56'039	56'039	GLO/98/B02
INT/83/X40	Sectoral support	1988	1998	Completed	UNDP	4'438'938	4'432'326	-6'612	INT/83/X40
INT/90/A10	Liaison and assistance with technical cooperation donors	1990	1999	Ongoing	Italy	477'875	440'230	-1'825	INT/90/A10
INT/98/A32	In-depth evaluation of UNCTAD's Trade Point Programme	1998	1999	Ongoing	Switzerland	235'378	224'995	224'995	INT/98/A32
INT/98/X35	Associate expert	1998	1999	Ongoing	Netherlands	68'181	34'927	34'927	INT/98/X35
INT/98/X53	Associate expert	1998	1999	Ongoing	Italy	113'121	28'274	28'274	INT/98/X53
UND12.340	Interregional advisory services	1988		Ongoing	United Nations regular budget	5'793'755	5'504'919	611'151	UND12.340

Total: EXECUTIVE DIRECTION AND MANAGEMENT	14'126'312	10'868'031	1'066'888
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GRAND TOTAL	150'633'985	109'895'893	21'832'555
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