



A Commitment to Inclusive Trade



WHO

WE ARE

UNCTAD promotes the equitable participation of developing countries in the global economy through the integrated treatment of trade and development and the interrelated issues of finance, technology, investment and sustainable development. Our activities reflect our vision for a world that is more inclusive, more sustainable and more prosperous.



UNCTAD
Annual Report
2016

A Commitment
to Inclusive Trade



UNITED NATIONS

UNCTAD IN 2016 BY THE NUMBERS



52
years of promoting
development

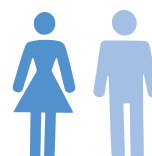


3
ways of working
Thinking, debating, delivering

194
member States



470+
staff members



68 million
Total regular budget for 2016



39 million
Technical cooperation expenditures

229
projects
in 130 countries



280+
press products



3.2 million
unctad.org
unique page views

~7 million
Twitter impressions











13,100
Facebook likes



13,100+
media mentions



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“We should meet the new challenges we face in ways that are nimble and responsive to the membership of UNCTAD and that complement the work of the broader United Nations family.”

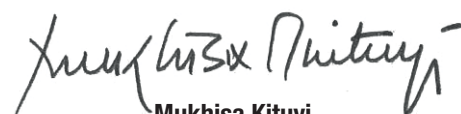
A FRESH COMMITMENT FOR TODAY'S CHALLENGES

In 2016, the fourteenth session of the United Nations Conference on Trade and Development took place in Nairobi at a watershed moment for the international community. As the first quadrennial conference following the historical agreements on financing, sustainable development and climate reached in 2015, the fourteenth session of the Conference marked the beginning of implementation, moving from the decisions of 2015 to the actions and stronger role that UNCTAD should undertake going forward for the benefit of developing countries.

To deliver on the triple international commitments made in 2015, the Nairobi Maafikiano sets out a strengthened work programme for UNCTAD. At the same time, the Nairobi Maafikiano frames the new challenges we face in the context of our longstanding mandate to help developing countries gainfully integrate into the world economy.

As we operationalize the Nairobi Maafikiano, it is important to recognize the broader contours of our actions and their relevance to our member States. In 2016, UNCTAD work touched on a broad spectrum of issues facing developing countries cutting across all of our mandated areas of work – from the ocean economy to e-commerce, from regional connectivity to the follow-up to financing for development.

Moving forward, we should meet the new challenges we face in ways that are nimble and responsive to the membership of UNCTAD and that complement the work of the broader United Nations family. This edition of the *UNCTAD Annual Report* offers a snapshot of the progress we made in 2016 towards this goal, and we look forward to continuing to work with member States and relevant stakeholders to this end in the years to come.



Mukhisa Kituyi
Secretary-General of UNCTAD



Photo credit: Staphan Cladieu © World Bank

INTRODUCTION

ON THE ROAD TO 2030

FOR PEOPLE, PLANET AND PROSPERITY

In 2016, the world economy expanded by only 2.2 per cent, the slowest rate of growth since 2009. The effects of the financial crisis on the global economy eight years on were clear: continuing subdued growth and aggregate demand, income inequality and financial fragility. Trade grew even more slowly, with an expansion of just 1.2 per cent in 2016 – the third lowest rate in the past 30 years. Although interest rates did begin to rise, volatility in capital flows started to become evident. Many countries, particularly developing countries, were still experiencing considerable challenges while some fell further behind.

At the same time, 2016 also marked the start of the implementation of key international agreements and outcomes adopted in 2015. From the Addis Ababa Action Agenda and the 2030 Agenda for Sustainable Development, to the Paris Agreement under the United Nations Framework Convention on Climate Change and the Sendai Framework for Disaster Risk Reduction 2015–2030, these agreements and outcomes reinforced the critical role of trade and development and interrelated issues

in the areas of finance, technology and investment for inclusive and sustainable development that are at the core of UNCTAD work. They also underscored the need to provide integrated policy responses to issues arising in these areas, including addressing inequalities within and among countries.

Against this backdrop, UNCTAD seized an invaluable opportunity to move from decisions to actions, in support of an inclusive and equitable global economic environment for trade and development, with the fourteenth session of the United Nations Conference on Trade and Development.

Hosted by Kenya in July 2016 in Nairobi, the successes of the fourteenth session of the Conference were its two main outcome documents, the Nairobi Azimio and the Nairobi Maafikiano. The political declaration embodied by the Nairobi Azimio represents a broad expression of the social and economic state of the world. The Nairobi Maafikiano is the consensus document, which sets the mandate of UNCTAD and its distinct role in carrying forward the trade and

development mission of the United Nations over the next four years. The Conference brought together more than 100 Heads of Governments, ministers and vice-ministers from member States over six days for the quadrennial event (see Fourteenth session of the Conference, page 11).

ZOOMING IN ON SUSTAINABLE AND INCLUSIVE DEVELOPMENT

The Nairobi Maafikiano reaffirms that UNCTAD was established to promote an inclusive global economy, by informing national and international policies. The new mandate recognizes that giving priority consideration to the needs and interests of developing countries should lead to better standards of living and create a more effective system of international economic cooperation, one that supports a reduction in the poverty divide and achieving prosperity for all.

In an ever more complex and interdependent global economy, the 2030 Agenda for Sustainable Development aspires to an inclusive, equitable global economic environment necessary to achieving the Sustainable Development Goals.



Photo credit: Aisha Faquir © World Bank

The Nairobi Maafikiano positions UNCTAD squarely in this context. Trade, investment, finance and technology are drivers of this enabling environment. As the focal point of the United Nations for the integrated treatment of such issues, the critical role of UNCTAD is twofold: advising on the policy dimensions of trade and sustainable development and supporting the actions that stem from international agreements and outcomes, based on promoting the integrity and complementarity of the three dimensions of sustainable development.

As first articulated in the report of the Secretary-General of UNCTAD to the fourteenth session of the Conference, activities are structured around four action lines: transforming economies, tackling vulnerabilities, improving competitiveness and enriching multilateralism. The forward-looking action lines are designed to enable the UNCTAD activities under them to maximize their potential to support development and contribute towards achieving the Sustainable Development Goals.

BUILDING CAPACITY TO SUPPORT NATIONAL PRIORITIES

In the run up to the fourteenth session of the Conference, implementation of the Doha Mandate and the decisions of the Trade and Development Board continued in 2016 with a view to enhancing the impact of UNCTAD operational activities. This

included the process of consolidation and rationalization of project-based trust funds, in consultation with major donors.

Over the year, UNCTAD implemented 229 projects, of which 130 were national projects. These included interregional, regional and country-specific projects. Annual expenditure was slightly more than US\$39 million, a marginal decrease of 1.2 per cent over 2015, with the least developed countries (LDCs) accounting for 47 per cent of this expenditure.

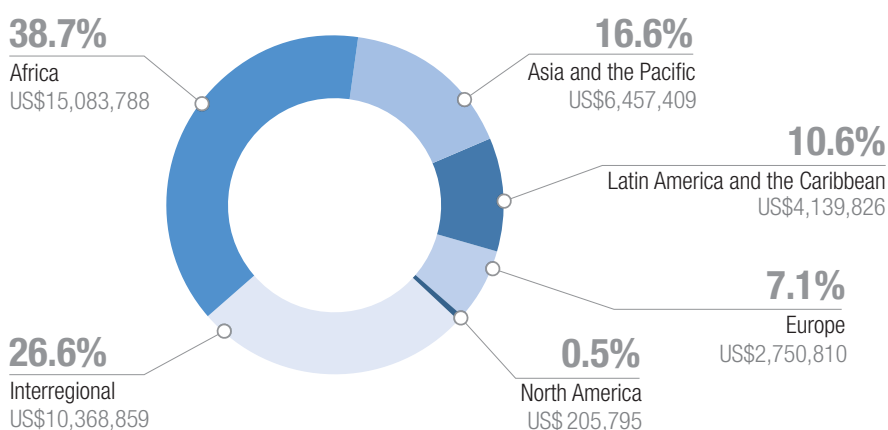
Total bilateral voluntary contributions reached just over US\$40 million, an increase of 15.5 per cent compared to 2015. Developing country contributions accounted for 49.4 per cent of total contributions to trust funds, while those from developed countries represented 24.5 per cent. Other contributions came from

multilateral donors, non-governmental organizations and the private sector.

The Automated System for Customs Data (ASYCUDA) continued to be the largest UNCTAD technical assistance activity, followed by the Debt Management and Financial Analysis System. These two programmes accounted for 60.5 per cent of total delivery on UNCTAD technical cooperation in 2016.

Activities to support United Nations system-wide coherence also continued. UNCTAD continued its leadership of the United Nations Inter-Agency Cluster on Trade and Productive Capacity. In 2016, UNCTAD received US\$397,000 in allocations from specific partner contributions and multi-partner trust funds to support its participation in joint programmes of the Inter-Agency Cluster.

Distribution of project expenditures by region, 2016*



* Data for 2016 up-to-date as at the time of publication.



Within its mandate and core competences, UNCTAD is a major institutional stakeholder in advancing the Sustainable Development Goals. Although the 17 Goals are closely interrelated, the work of UNCTAD – in partnership with other entities of the United Nations system – contributes most to Goals 8, 9, 10 and 17.

Voluntary contributions to UNCTAD technical cooperation trust funds, 2015–2016*

(Thousands of United States dollars)

DEVELOPED COUNTRIES

2015		2016	
Switzerland	1,716	1	2,417 Sweden
Finland	1,485	2	2,259 Switzerland
Netherlands	1,400	3	1,495 United States of America
Germany	1,383	4	984 Netherlands
Sweden	1,141	5	829 Germany
Norway	807	6	619 United Kingdom
Other developed countries	638		1,215 Other developed countries

DEVELOPING COUNTRIES AND ECONOMIES IN TRANSITION^a

2015		2016	
Equatorial Guinea	2,056	1	5,165 Kazakhstan
Democratic Republic of the Congo	1,646	2	1,810 Haiti
Papua New Guinea	1,227	3	1,439 Angola
Nepal	1,154	4	1,236 Democratic Republic of the Congo
Benin	1,031	5	1,007 Bangladesh
Angola	716	6	847 Madagascar
Other developing countries and economies in transition	9,731		8,290 Other developing countries and economies in transition

OTHER SOURCES

2015		2016	
European Commission	1,727		1,073 European Commission
International organizations	6,237		8,881 International organizations
Contributions from other sources	565		515 Contributions from other sources

TOTAL ALL SOURCES, 2015: 34,690

40,082: TOTAL ALL SOURCES, 2016

* Data for 2016 up-to-date as at the time of publication.

Note: Reflects financing from member States, public donations and United Nations organizations.

^a A major part of contributions from developing countries are self-financed projects for the ASYCUDA and Debt Management and Financial Analysis System programmes, financed from proceeds of loans, credits or grants from international financial institutions.





UNCTAD 14
Nairobi, 17–22 July 2016

Photo credit: © United Nations Multimedia Photo Library

FOURTEENTH SESSION OF THE CONFERENCE



Global Leaders Summit,
Ministerial Debates,
High-Level Round Tables,
Thematic Events



World
Investment
Forum



Civil Society
Forum



Global
Commodities
Forum



Youth Forum

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WHY QUADRENNIAL CONFERENCES?

Established as an organ of the General Assembly, the United Nations Conference on Trade and Development meets every four years to carry out its decision-making functions. Held at the ministerial level or higher, sessions of the Conference are widely attended by stakeholders in trade and development including Heads of State and Government, ministers and government officials, heads of international agencies, non-governmental organizations, academic institutions and the private sector.

The mandate and work priorities of the UNCTAD secretariat are set during the sessions of the Conference. Formal activities and side events are organized to facilitate dialogue on central and emerging issues affecting the global economy, deliberation on policy options and formulation of global policy responses.

OVERVIEW

The fourteenth session of the United Nations Conference on Trade and Development, held in Nairobi 40 years after Kenya first hosted the fourth session of the Conference, took place at the Kenyatta International Convention Centre from 17 to 22 July 2016.

The theme of the Conference, “From decision to action: Moving towards an inclusive and equitable global economic environment for trade and development”, underpinned its negotiations and many events.

Negotiations on the outcome of the Conference began in October 2015, with the first meeting of the Preparatory Committee established at the sixty-second session of the

Trade and Development Board. By the close of the Conference, after several months of negotiations, representatives of its member States had reached a consensus that affirmed the central role of UNCTAD in delivering on the Sustainable Development Goals. On 22 July 2016, the Conference formally adopted the Nairobi Azimio and the Nairobi Maaifikiano, taking their names from Swahili for declaration and consensus, respectively.

Among pre-Conference and Conference activities, in addition to the general debate and negotiations, were a number of high-level events, ministerial round tables, forums and side events. More than 5,000 participants from 149 countries attended.



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OPENING EVENT

WORLD LEADERS SUMMIT

18 July 2016

World leaders and heads of agencies, meeting to discuss how to pave the way to 2030, focused on the strategic actions needed to create an enabling environment that leaves no one behind as called for by the 2030 Agenda for Sustainable Development.

The event gathered the Presidents of Kenya and Namibia and the Vice-Presidents of Uganda and the Comoros who spoke

on how to make development central to trade and on making trade a catalyser for poverty reduction. The Secretary-General of UNCTAD pointed to the challenges posed by increasing dissatisfaction with high levels of inequality and wealth concentration. High-level representatives of nine international organizations debated the role of agencies and the vision laid out by the world leaders.

World leaders and heads of agencies exchanged views on practical approaches and solutions to challenges posed by the 2030 Agenda for Sustainable Development. Among the specific commitments for action made were exploring areas of cooperation on technology and innovation for the competitiveness of businesses and for development.

MINISTERIAL DECLARATIONS

The Conference gave ministers from many UNCTAD member States – from members of the Group of 77 and China to members of the Council of Ministers of the African, Caribbean and Pacific States – a chance to have their views heard. In their declarations...

Ministers of the landlocked developing countries:

“ welcome[d] the efforts by UNCTAD, under its three pillars of research, technical assistance and consensus-building, in addressing systemic issues related to trade and development and interrelated issues of finance, technology, investment and sustainable development, assessing

the vulnerabilities and impact of landlockedness, and supporting efforts for structural transformation, diversification and value addition, promoting a more equitable participation of landlocked developing countries in international trade, including in regional and global commodity value chains.

Ministers of the least developed countries called on UNCTAD to:

“ contribute, with the support of member States, to make the graduation of our countries from the LDC category sustainable, smooth and robust, in particular by intensifying and strengthening analytical and technical work on graduation and a ‘smooth transition’.



HIGH-LEVEL EVENTS

IMPLEMENTATION OF THE SUSTAINABLE DEVELOPMENT GOALS: OPPORTUNITIES AND CHALLENGES

18 July 2016

The event's panellists identified partnerships between all stakeholders as essential to achieving the ambitious 2030 Agenda for Sustainable Development, and highlighted the importance of sharing experiences in implementing the indivisible, global and universal goals. They agreed that strategies and resource mobilization needed contextualization and

prioritization according to regional, national and subnational conditions. Participants agreed that Governments would need to count on interventions from a wide range of actors to deliver on the Sustainable Development Goals, as the scale of the challenges posed meant that no one entity could achieve the Sustainable Development Goals on its own. Government representatives shared

actions they were taking to prioritize achievement of the Goals in their countries. Ultimately, discussions reaffirmed that partnerships were vital at multiple levels and needed to be transparent, mutually beneficial and built with strong institutions and the rule of law. All voices should be brought to the decision-making process, so that every citizen felt ownership of the Sustainable Development Goals.





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TRANSFORMING ECONOMIES FOR SUSTAINABLE AND INCLUSIVE GROWTH

19 July 2016

Stakeholders from the public and private sectors gathered to discuss how to strengthen productive capacity, economic diversification and transformation in the poorest countries

Ministers and other participants focused on the role of economic diversification for developing countries and how to enable better integration into global value chains. They sought to set in motion a new transformative package of policy options

that could address this key challenge. International trade and production networks could be leveraged to facilitate economic diversification, and both trade and investment facilitation policies could help link developing countries to regional and global value chains and allow them to reap the benefits.

Among other issues examined, participants discussed the role of technology in developing industries able to generate

high value added products, and how public, private and academic actors could cooperate to substantially expand technology transfer, technical expertise and know-how. Participants with diverse experiences and perspectives converged on the value of international coordination and cooperation in identifying solutions to the challenges of building productive capacity.

BUILDING ECONOMIC RESILIENCE FOR THE MOST VULNERABLE

19 July 2016

A panel of ministers, heads of agencies and representatives of the private sector and civil society, including academia, led a debate on the root causes of social, economic and environmental vulnerabilities and the importance of building economic resilience to address related challenges. Panellists agreed on ways and means of addressing the causes and consequences of different challenges, such as lack of gender inclusion and increased economic inequality. They also agreed on actions – such as

building economic resilience, creating social safety nets and related mechanisms and instruments – that could ease the consequences of multiple challenges and shocks.

No single framework or blueprint served all countries or communities to effectively address vulnerabilities and build economic resilience. Yet building economic resilience required comprehensive policies and strategies. International support measures, such as market access, official development

assistance, increased investment flows and technical assistance and technology transfer, needed to contribute to building the economic resilience of developing countries and their communities.

The panel also encouraged Governments of developing countries, with the private sector and civil society as partners, to develop mechanisms, policies and strategies that took into account the socioeconomic and environmental vulnerabilities of their people.



BOLSTERING PUBLIC POLICIES FOR VIBRANT AND INCLUSIVE MARKETS

20 July 2016

The event served as a forum for key stakeholders to discuss policies and strategies that could help States to harness the power of markets for the benefit of all. A panel focused discussions on how government policies could best ensure sustainable and inclusive growth.

Participants highlighted that, to attain the objectives of the 2030 Agenda for Sustainable Development, the dynamism of the private sector needed to be fully tapped, with the right incentives and regulations put in place for markets to efficiently drive productivity, innovation and investment for inclusive growth. Discussions stressed the need to foster competition, support vibrant business environments and empower

consumers in a globalizing marketplace. One panellist, representing a consumer advocacy group, noted that trade would directly involve consumers more and more. The fast pace of technology development was changing consumer patterns as quickly – Governments needed to be aware and keep up with such changes to react accordingly. Another panellist from the private sector underscored that connecting development with business growth was essential.

Participants also emphasized the importance of ensuring that all Governments have the tools to scale up investments in infrastructure, basic services and skills that underpin sustainable development.

PROMOTING A GLOBAL ENVIRONMENT FOR PROSPERITY FOR ALL

20 July 2016

The event's panel discussion centred on how to reverse the global economic slowdown and create an international economic environment consistent with achieving the Sustainable Development Goals. Speakers emphasized the need to manage globalization in the medium term to become a force for good and to link it to the role multilateralism should play in the management of the global economy.

Participants agreed that to attain the objectives of the 2030 Agenda for Sustainable Development, the international community needed to create a strong and

stable global enabling environment. Amid accelerating globalization and deepening economic ties, collective action was more important than ever. Discussions emphasized the importance of jointly tackling persistent and emerging economic challenges, from tepid growth rates and sluggish international trade growth, to volatile capital flows and increasing levels of debt. Participants also highlighted the need to kick-start the engines of global prosperity, while still avoiding one country's solution becoming another country's headache.

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MAKING INNOVATION A DRIVER FOR SUSTAINABLE DEVELOPMENT

21 July 2016

The event brought to the fore that, in moving on the ambitions of the 2030 Agenda for Sustainable Development, a strong push for science, technology and innovation was indispensable. This reality applied to each of the 17 Sustainable Development Goals. Panellists and participants pointed to the need for national and international action to put in place the right policies and build innovation coalitions that could boost productivity, create jobs and encourage entrepreneurship. Only then could inclusiveness be guaranteed.

Representatives of the international development community shared their

views on the policies needed to allow the potential of science, technology and innovation to flourish and, at the same time, back implementation of the 2030 Agenda. Participants highlighted that a number of solutions related to science, technology and innovation existed that could help in achieving the Sustainable Development Goals, and that it was important to develop evidence-based approaches to identifying and scaling the most promising solutions. Panellists noted that ensuring that science, technology and innovation were harnessed for the benefit of all countries and communities was urgently needed.

FOSTERING AFRICA'S STRUCTURAL TRANSFORMATION

21 July 2016

The event's panellists highlighted the importance of implementing the Agenda 2063 of the African Union, a vision document and mission for Africa, and as such instrumental to the region's integration. Participants noted the key challenges and opportunities for the continent to gather the resources needed for structural transformation in economies.

Africa had set itself an ambitious trade integration agenda. The ongoing negotiations for a continental free trade area – which would enable the continent to dismantle tariff and non-tariff barriers, reduce costs to intra-African trade and improve productivity and competitiveness – made this

evident. Most panellists agreed that the Continental Free Trade Area could create unprecedented opportunities to deepen agricultural markets, widen the base for the manufacturing sector and tap into the expanding African services sector.

In closing the discussion, participants stressed the decisive function of trade as reflected by the Continental Free Trade Area. They also underscored the need for Africa to open up capital, goods and labour markets, address corruption and the role of the African judicial system, foster structural transformation by boosting investment in energy and infrastructure and foster technological innovation and mechanization in the agricultural sector.

“ Economic freedom also includes what the person consumes and access to goods in order to be competitive. Trust is essential to developing markets in a fast, unpredictable and volatile changing world. It's the responsibility of Governments to keep up with these transformations. ”

Khaled Hanafy,
Minister of Supply and Internal
Trade of Egypt

“ Competition is a complex matter and the lack of proper international benchmark exacerbates this fact. Hence, the global work of UNCTAD is a necessity for many developing countries around the world. ”

Pascal Lamy,
former Director General of the World
Trade Organization



UNCTAD 14

Nairobi, 17–22 July 2016



FOURTEENTH SESSION OF THE UNITED NATIONS CONFERENCE ON TRADE AND DEVELOPMENT



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MINISTERIAL ROUND TABLES: A SAMPLING

The Conference saw 16 round tables held at the ministerial level from 18 to 21 July 2016. Topics were linked to the action lines in the report of the Secretary-General of UNCTAD to the fourteenth session of the Conference.

REASSESSING DEBT SUSTAINABILITY IN THE CONTEMPORARY ECONOMY – RISKS, VULNERABILITIES AND POLICY OPTIONS

21 July 2016

The sustainability of developing country debt – external, domestic and private – had moved up on the international policy agenda. Many analysts even expected a so-called “third wave” of the debt saga that began with turmoil in the markets of the United States of America in 2007 and later engulfed European economies. A number of emerging economies as

well as poorer countries could be seen as in or close to severe debt distress. The panel assessed developing country debt sustainability in the contemporary global economy, with a particular focus on risks and policy options, such as refinancing sovereign debt, on the effects of collapsing commodities prices and on the core role of day-to-day debt management practices.

Ultimately, participants emphasized the serious risk of a new debt crisis resulting from the growing number of countries in or close to debt distress. This was compounded by the new and specific vulnerabilities to debt sustainability that had arisen over the past two decades. There was a need for urgent action by the international community in dealing with debt problems.



SUSTAINABLE TRANSPORTATION FOR THE 2030 AGENDA – BOOSTING THE ARTERIES OF GLOBAL TRADE

The event, organized in collaboration with the Partnership on Sustainable, Low Carbon Transport, considered the concept of sustainable freight transport that generates economic, social and environmental value and shared experiences, and reflected on the need for an international framework for sustainable freight transport. Stakeholders from the public and private sectors, Government, transport industry, the United Nations system, academia and regional development banks participated in the high-level panel.

The importance of freight transport for sustainable development was emerging as the world community moved ahead with implementation of the 2030 Agenda for Sustainable Development and the Paris Agreement under the United Nations Framework Convention on Climate Change.

Participants discussed the critical role of freight transport as an enabling factor of trade and development and the pressing need for an integrated treatment of the three dimensions of sustainability. The conclusions drawn also pointed to role of UNCTAD in helping to advance this work, including partnerships with relevant organizations, Governments and other like-minded actors, to provide guidance and leadership, enable the sharing of best practices and promote effective cooperation in support of the 2030 Agenda.

16 MINISTERIAL ROUND TABLES

- Where next for the multilateral trading system?
- Unleashing the power of e-commerce for development
- Lowering hurdles for trade – trade costs, regulatory convergence and regional integration
- A world without least developed countries – towards a better framework to assist structural transformation for least developed country graduation
- Road map for recovery – economic development prospects of the Occupied Palestinian Territory through addressing obstacles to trade and development
- Women as agents for economic change – smallholder farming, food security, agricultural upgrading and rural economic diversification in least developed countries
- South–South mechanism to tackle vulnerabilities and build resilience – regional and monetary integration and innovative finance
- Empowering consumers and fostering competition to transform markets
- Escaping the middle-income trap
- Looking beyond emergencies – creating opportunities in migrant sourcing and transiting countries
- The trillion dollar question – how to kick-start trade and output growth?
- Reassessing debt sustainability in the contemporary economy – risks, vulnerabilities and policy options
- Sustainable transportation for the 2030 Agenda – boosting the arteries of global trade
- Fostering green economies through trade, investment and innovation
- Political challenges to globalization – are we coming to the end of the era of globalization as we know it?
- Making trade work (better) for Africa and least developed countries – how to ensure that trade is inclusive and pro-poor

FORUMS

Four key forums, held starting just before and during the fourteenth session of the Conference, were an integral part of the quadrennial event. The forums brought together a large number of stakeholders, from senior government and business representatives, to civil society and youth.



GLOBAL COMMODITIES FORUM

15–16 July 2016

The seventh Global Commodities Forum, on the theme of breaking the chains of commodity dependence, was organized by UNCTAD in cooperation with the Commonwealth Secretariat and the Food and Agriculture Organization of the United Nations. Following the opening ceremony, forum continued with a keynote session, the four expert panels and a ministerial round table.

The point of departure for the forum's discussions was the recent crash in commodity prices, which had resulted in macroeconomic difficulties in many

commodity-dependent developing countries. One of the most persistent problems was that the majority of exporting countries had been unable to take advantage of windfalls from the 2004–2011 commodity price boom for structural transformation and poverty reduction. These countries had not found the right balance between spending and investing in infrastructure and improvement of productive capacity. On the other hand, most commodity-dependent developing countries, in particular LDCs, faced continued challenges in getting a fair value

for commodity exports, including issues of bargaining power relative to foreign investors and financial flows.

Participants responded with five cross-cutting recommendations, asking commodity-dependent developing countries and other stakeholders to:

- Renew commitment to smallholder-centred agriculture
- Strengthen regional value chains
- Engage the private sector
- Expand clean power generation in Africa
- Tackle trade misinvoicing and capital flight.





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WORLD INVESTMENT FORUM 18–21 July 2016

The World Investment Forum 2016 focused on the central role of investment to realize the 2030 Agenda for Sustainable Development. Government and business leaders, as well as top lawmakers, agreed on the importance of mainstreaming investment to ensure the successful delivery of the Sustainable Development Goals. The forum generated concrete contributions in support of development, cementing its standing as the key event for the international community on investment for development. Among the main forum outcomes were support for, and broad dissemination of, the UNCTAD Global Action Menu for Investment Facilitation, as

well as multi-stakeholder support for reform of the international investment agreements regime, backstopped by UNCTAD.

Notably, the Nairobi Maafikiano, approved by member States, affirmed the forum's pivotal function in the area of investment and enterprise policies for development. The Secretary-General of UNCTAD further stressed that harmonized investment policies and coherent action for investment facilitation could help create a stable and predictable business environment, which in turn could restore investor confidence and facilitate greater investment flows.

Key events of the fifth World Investment Forum

- Global Leaders Investment Forum
- High-level Round Table on Investment and Enterprise Development
- International Investment Agreements Conference

“ The World Investment Forum is a great opportunity to discuss together how we can stimulate investment that contributes to productive capacity. ”

Uhuru Kenyatta,
President of Kenya

“ Innovative financing initiatives between the public and private sectors underpinned by a strong regulatory framework can assist the deployment of investment for development. UNCTAD is playing a unique role in supporting such conditions. ”

Erik Bromander,
State Secretary to the Minister for Infrastructure,
Sweden



CIVIL SOCIETY FORUM 15–21 July 2016

Held over seven days, the Civil Society Forum featured seven plenary sessions and 30 side events. More than 275 participants were involved in debates and discussions on the challenges and opportunities facing the global trade community in achieving the

Sustainable Development Goals. The forum culminated in a declaration delivered to the fourteenth session of the Conference at the closing ceremony.

Adopted on 16 July 2016, the Declaration of Civil Society urged member States to strengthen the UNCTAD mandate to effectively address global challenges. Among the issues UNCTAD could support were development of a normative definition of illicit financial flows and measures for managing rising debt in developing countries, which could compromise the achievement of the Sustainable Development Goals.

Six themes served to structure the forum's many activities: (a) challenges and opportunities in multilateralism for trade and development; (b) finance and debt; (c) women in trade and development; (d) structural transformation; (e) inclusive growth and development; and (f) the contribution of civil society to implementing the 2030 Agenda for Sustainable Development.

The forum also discussed the role of UNCTAD in the United Nations system, the global financial architecture, structural economic transformation and the 2030 Agenda's inclusive nature.



Civil Society Forum highlights...

275+ participants

~160 organizations worldwide represented

7 plenary sessions

30 side events



YOUTH FORUM 18–21 July 2016

The fourteenth session of the Conference saw the first ever Youth Forum held, under the theme of "Shaping the world we want". Some 250 students and young professionals were convened, ranging in age from 18 to 30, and representing over 70 countries. Drawing on the results of the global United Nations survey on "My world" conducted in 2015, the forum's participants chose the topics for discussion they considered of concern: education, more and better jobs and State accountability.

As part of the last day of the forum, the youth organized a high-level event open to all Conference participants. They presented the outcome of their discussions – the Youth Forum Declaration, titled "Moving towards an inclusive and equitable global economic environment for trade and development".

As a follow-up to the forum, the UNCTAD Youth Network was established as a new initiative to encourage young people to share their perspectives on issues related to trade and development.





A SPOTLIGHT ON...

The Conference provided the occasion to shine the light on a variety of initiatives and products. On 21 July 2017, UNCTAD launched the Economic Development in Africa Report 2016: Debt Dynamics and Development Finance in Africa, with a focus on debt sustainability and the finance necessary to achieve the Sustainable Development Goals. Among other events, the eTrade for All initiative was inaugurated, as was a multi-partner trust fund on trade and productive capacity, and the first UNCTAD statistical report on the Sustainable Development Goal indicators was released, while more than 90 countries committed to a roadmap on subsidies fisheries. Other activities covered topics such as non-tariff measures, debt and illicit financial flows.

E-TRADE FOR ALL INITIATIVE

18 July 2017

A fashion show hosted by UNCTAD followed a side event titled “From trade to sustainable and creative livelihoods: Biodiversity and design”. The fashion show highlighted the

potential of creative industries to generate jobs in developing countries. The event embraced high-street and haute-couture labels to feature the breadth of Kenyan fashion.

CREATIVITY IN FASHION

19 July 2017

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JOINT STATEMENT ON FISHERY SUBSIDIES

20 July 2017

UNCTAD, the Food and Agriculture Organization of the United Nations and United Nations Environment Programme issued a joint statement on regulating harmful fishery subsidies. The statement's four-point plan is to serve as a legally non-binding instrument to implement target 14.6 of Sustainable Development Goal 14. The outcomes identified by the plan were:

- Require countries to provide information on what subsidies they are providing
- Prohibit subsidies that contribute to overfishing and illegal fishing

- Introduce new policy tools to deter the introduction of new, harmful subsidies
- Provide special and differential treatment to developing countries.

The statement was backed by some 90 countries, and the Nairobi Maafikiano reaffirmed the role of UNCTAD in supporting implementation of trade-related aspects of Sustainable Development Goal 14. By the end of 2016, 4 intergovernmental organizations and 17 non-governmental organizations had voiced their support for the statement.

E-CERTIFICATION: A TRADE FACILITATION MEASURE

21 July 2017

A new e-certification system, presented during the Conference, was developed by UNCTAD and the Netherlands to replace paper documents with safe, electronic messages exchanged among relevant authorities and businesses. Built onto ASYCUDA (the Automated System for Customs Data), the new system – called ASYCER – integrates issuance of export/import certificates

into the customs clearance process. While promoting agricultural exports and food security, ASYCER helps developing countries to streamline trade procedures, a requirement of the Agreement on Trade Facilitation of the World Trade Organization. The result is perishable goods processed quickly and increased transparency, while contributing to reduced counterfeit certificates and food.

GLOBAL SERVICES FORUM

21 July 2016

The Global Services Forum, co-organized with the Office of the Special Adviser on Africa of the United Nations and the West African Economic and Monetary Union, underscored that services had not received the level of attention they deserved in structural transformation and trade negotiations. Services, though, has links to many of the Sustainable Development Goals, including infrastructure development. Given the commitment of UNCTAD to a more ambitious work programme on services, the forum served as a launching pad for this future activity, including through Services Policy Reviews and deliberations of multi-year expert meetings.

The Services Policy Review of Bangladesh was launched at the forum. The event also saw UNCTAD and the World Tourism Organization sign a memorandum of understanding to strengthen cooperation and collaboration on tourism.





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TRANSFORMING ECONOMIES

- **Investing in a transformative agenda**
- **Leveraging technology and services for inclusive growth**
- **Fostering entrepreneurship for a better future**
- **Catalysing development through structural change**

UNCTAD works to transform economies in ways that lead to more and better jobs. Collaborating with stakeholders and with sustainable development firmly in view, the aim is to create opportunities to tap the potential of enterprising women and men. Whether a matter of reducing dependence on exports of commodities, promoting new technologies and services, developing businesses or fostering structural change in economies, UNCTAD is there to help developing countries.



INVESTING IN A TRANSFORMATIVE AGENDA

Investment is critical to achieving the Sustainable Development Goals. Investment and enterprise development can also make an important contribution to improving the productive capacity – the potential quantity of goods produced and services delivered – of developing countries, and thus assist in transforming their economies. Key UNCTAD activities promote and facilitate investment and entrepreneurship for sustainable development.

“The *World Investment Report* shows concrete action is needed to stimulate investment in productive capacity... We very much welcome UNCTAD initiatives on investment for development.”

Djaffar Ahmed Said Hassani,
Vice-President of the Comoros

World Investment Report 2016: Investor Nationality – Policy Challenges

The *World Investment Report 2016* analyses ownership patterns of multinational enterprises, outlining the main trends and rationale for rules and regulations on foreign ownership. It explores the policy implications of these ownership structures in the areas of investment, tax and competition policy.

The report includes a “global action menu” that fills a systemic policy gap in the area of investment facilitation. This tool provides policy options to improve transparency, ensure greater efficiency and effective administrative procedures, and enhance the stability and predictability of the investment environment – critical to the achievement of the Sustainable Development Goals. Through the Trade and Development Board of UNCTAD, member States

commended the timeliness and quality of the global action menu.

The report's research and findings have been dubbed “groundbreaking” in academic circles. Prominent business publications, including *The Economist* and *The Financial Times* have referenced the report in articles on corporate ownership.

Investment policy reviews

UNCTAD investment policy reviews contain an assessment of all policies, regulations, institutional and operational requirements that affect investment. Such information assists countries in creating the right conditions to attract more foreign investment. The reviews also consider national development strategies and recommend measures to align investments flows with sustainable development objectives, such as job creation. To date,



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UNCTAD has conducted 45 investment policy reviews.

In 2016, UNCTAD released the investment policy reviews of Kyrgyzstan and Tajikistan and the implementation reports of the investment policy reviews of Benin, Botswana, the Dominican Republic and Morocco. UNCTAD is also finalizing the first regional investment policy review for economies in South-East Europe – Albania, Bosnia and Herzegovina, Croatia, Montenegro, Serbia, the Republic of Moldova, the former Yugoslav Republic of Macedonia and Kosovo (United Nations Administrative Region, Security Council resolution 1244 (1999)).

In the area of capacity-building, UNCTAD provided support for the implementation of recommendations from the investment policy reviews of Benin, Botswana, the Congo, the Dominican Republic, Kenya, Morocco and the Sudan.

Investment advisory services

UNCTAD provides advisory services to member States to enable them to mainstream sustainable development in investment

polycymaking. Advice is based on the Investment Policy Framework for Sustainable Development and an analysis is conducted on the basis of the particular needs, concerns or advantages of a given country or region. In 2016, advisory services responded to specific requests from countries and regions, through the provision of comments on model international investment agreements and sections of investment policy reviews related to international investment agreements, as well as demand-driven analyses of the international investment agreement networks or experiences in investment disputes of countries.

UNCTAD also offered extensive advisory services on investment promotion, particularly on green foreign direct investment. The programme ended the year with a successful event in New Delhi on foreign direct investment promotion in the solar energy sector. A new programme will continue supporting investment promotion agencies in the facilitation of projects aimed at supporting the achievement of the Sustainable Development Goals.

The European Parliament “urges the European Commission to advance the UNCTAD comprehensive Investment Policy Framework for Sustainable Development” and “calls on the European and its member States to follow UNCTAD Investment Policy Framework for Sustainable Development recommendations with a view to stimulating more responsible, transparent and accountable investments”.

European Parliament resolution of 5 July 2016, on a forward-looking and innovative future strategy for trade and investment



Photo courtesy of Ana Smilic © World Bank

LEVERAGING TECHNOLOGY AND SERVICES FOR INCLUSIVE GROWTH

The services sector of any developing country can spur on economic development, when their potential is realized. The intersection of technologies and services, in the age of the digital economy, can play a key role in inclusive growth. UNCTAD aims at bridging the digital divide and promoting services effectively.

“It should be noted that, thanks to UNCTAD technical assistance, today we have a detailed study of the construction, telecommunication, finance and education sectors. This will doubtless allow us to create, improve and adapt our national regulations with the aim of generating the adequate conditions for the development of trade in services.”

Pablo Cuevas Giménez,
Vice-Minister of Trade, Paraguay

Services economy and sustainable development

The services sector forms the dominant segment of the global economy, accounting for 66 per cent of world gross domestic product (GDP) and 52 per cent of GDP in developing countries. It represents 45 per cent of global employment and has been the main creator of jobs in developing countries since the 2000s. The achievement of many of the Sustainable Development Goals requires well-functioning infrastructure and basic services, as well as universal access to them.

UNCTAD held the fourth session of the Multi-year Expert Meeting on Trade, Services and Development on 18–20 May 2016. The meeting identified best practices in policymaking, regulations, institutions and trade negotiations, linking services, trade and development. Areas of further work were identified, including services diversification, structural transformation and value chains, initiatives on preferential market access for services, better collection of services data, the digital economy/e-commerce and trade enabled by information and communications technology services.

Science, technology and innovation policy reviews

The systemic analysis and assessments of UNCTAD science, technology and innovation policy (STIP) reviews have provided independent and sound advice on how to integrate national science, technology and innovation policies into national development strategies.

STIP reviews have a direct impact on national policies. For example, Peru approved its national policy on development of science, technology and technological innovation by supreme decree in 2016. Referring extensively to UNCTAD analysis, the national policy also draws directly on the STIP review in two sections.

During the year, the STIP review processes of the Islamic Republic of Iran and Rwanda included over 110 interviews, three round tables and four workshops, stimulating a

healthy dialogue between stakeholders and providing strategic orientation for their future economic policy. The dialogue contributed to delivery of a key message: innovation policy should be considered in a holistic manner, consistent with the overall national development policy.

The STIP review of the Islamic Republic of Iran, initiated in 2015, was completed and presented in Tehran in December 2016. This review followed up on an initial STIP review undertaken in 2005 – the first ever follow-up conducted by UNCTAD. The follow-up review concluded that the country had strengthened its status in scientific research and technology development, but should exploit its growing capabilities more effectively to improve capacity for business innovation.

Thailand has become a main sponsor of the incipient UNCTAD innovation policy learning

In the words of member States...

“The sober analysis and assessment contained in the [STIP review of Oman] as well as the recommendations – their sheer size, but also their intellectual depth – demonstrate the value and significance of UNCTAD technical assistance through the STIP review. One can at this time only wonder about the impact these recommendations may have if implemented.”

Ambassador Thomas Fitschen, Germany, seventeenth session of the United Nations Commission on Science and Technology for Development

“Society demands that investment in innovation leads to productivity and wealth creation... The critical evaluation [of Thailand made in the STIP review] is a useful guideline for stimulating healthy dialogue between sectors.”

Pichet Durongkaveroj, Minister of Science and Technology, Thailand, sixteenth session of the United Nations Commission on Science and Technology for Development

“The STIP review has been very valuable for the country – it has helped consolidate actions and made actors (particularly from universities, research institutions and some productive sectors) work more persistently towards the achievement of national goals.”

Ligia Amada Melo de Cardona, Minister of Higher Education, Science and Technology, the Dominican Republic



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“UNCTAD has a role to support developing countries to enhance the benefits of digitalization and innovation.”

Gib Brown, Development Adviser,
United States Agency for
International Development

“eTrade for All could help alleviate e-commerce barriers. E-commerce should benefit all. Digital trade is an effective tool for economic empowerment of women and youth.”

Khurram Dastgir Khan, Minister of
Commerce, Pakistan

“Today’s launch of eTrade for All is a clear sign of the new priority accorded to developing multi-stakeholder partnerships on the cross-cutting dimensions of e-commerce.”

– Arancha Gonzalez, Executive Director,
International Trade Centre

programme and committed to hosting a regional training workshop in 2017 for countries of the Association of Southeast Asian Nations (ASEAN). The country previously benefited from UNCTAD training and expertise on implementation of national priority economic policies, both in the areas of promoting entrepreneurship and science, technology, innovation and research.

Connecting the dots with the eTrade for All initiative

International organizations, development banks, national agencies, private businesses and donor agencies gathered for the launch of the eTrade for All initiative at the fourteenth session of the Conference in July 2016. By the end of December 2016, 19 members had signed up to eTrade for All and more than 25 private sector entities had joined Business for eTrade Development, the initiative’s private-sector arm.

At the core of the eTrade for All initiative is a new online platform that will help connect the

dots between developing countries, partners and donors. The platform will make navigating the supply of technical and financial assistance from partnering institutions easier for developing countries, to make the most of e-commerce prospects. Donors will also be able to get more information on funding opportunities in line with their development priorities. The platform will be officially unveiled in April 2017.

Commission on Science and Technology for Development

As the secretariat of the United Nations Commission on Science and Technology for Development, UNCTAD organized the nineteenth annual session of the Commission in May 2016. The Commission considered two priority themes, “Smart cities and infrastructure” and “Foresight for digital development”, and reviewed the progress made in implementing the outcomes of the World Summit on the Information Society outcomes. In July



2016, the Economic and Social Council adopted the two draft recommendations agreed by the Commission during its annual session.

To support the Commission in its deliberations, UNCTAD examined several new and emerging technologies – such as automation, 3D printing, the Internet of things and big data – and analysed their potential development impacts. The Chair of the Commission set up a working group

to develop recommendations on further implementation of enhanced cooperation as envisioned in the Tunis Agenda for the Information Society. The working group is expected to report to the twenty-first session of the Commission in 2018.

More than 200 participants attended the 2016 annual session of the Commission, including 23 ministers and other high-level participants.

“I thank UNCTAD for inviting Rwanda to this very important session. [I] particularly commend the organizers for focusing on two major issues that are so relevant... for our development, namely smart cities and digital transformation.”

François Xavier Ngarambe, Permanent Representative of Rwanda to the United Nations Office and other international organizations in Geneva, 9 May 2016

UNCTAD E-commerce Week 2016

The second UNCTAD E-commerce Week, held in Geneva, was attended by more than 270 participants, representing 50 countries. The event has become a unique platform to debate issues on the juncture between international trade and the evolving digital economy.

In 2016, UNCTAD assisted the Government of Egypt in developing a national e-commerce strategy. This involved a comprehensive assessment and diagnostic of the current status of e-commerce in the country.

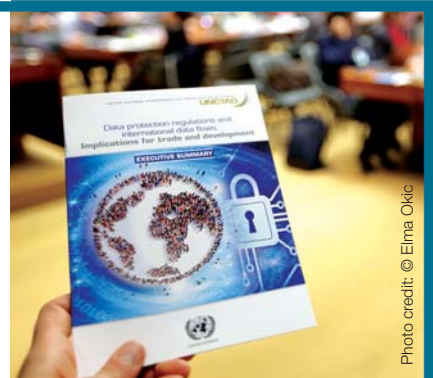


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FOSTERING ENTREPRENEURSHIP FOR A BETTER FUTURE

“Investment needs are staggering: we all need to find ways of stimulating private sector investment. Administrative efficiency is important and Argentina is one of the early adopters of the UNCTAD [eRegulations] tool. UNCTAD is well placed to help of all of us get to the right place.”

Susana Malcorra,
Foreign Minister of Argentina

“If we have gender equality, we can increase global GDP by US\$12 trillion. This is an enormous amount, and that is why mainstreaming gender equality in programmes such as an UNCTAD [investment and enterprise for development] capacity-building fund is so important.”

Erik Bromander,
State Secretary to the Minister for Infrastructure, Sweden

Entrepreneurship can be an important channel that spurs economic growth and innovation when a concern for social conditions and environmental issues underlie efforts. UNCTAD focuses its development work on helping enterprises in developing countries to grow while seeking to address economic, social and environmental challenges. A key element of the UNCTAD approach is empowering women and youth to create their own businesses and even compete globally.

Business facilitation

Transparent and streamlined administrative procedures and business rules – simple and pared down to the essentials – are crucial elements of an enabling environment for private sector development. For more than a decade, the UNCTAD eRegulations programme has helped Governments in consolidating business rules and procedures, making them available in a transparent manner. This has helped to foster small business development and attract increased flows of foreign investment. The Global Enterprise Registration portal (<http://ger.co>), set up by UNCTAD in collaboration with the Kauffman Foundation’s Global Entrepreneurship Research Network and the Department of State of the United States

of America, is a platform that hosts the collective body of business regulations and registration procedures. In 2016, the venture also launched an award as an incentive for countries to participate. The winners of the first edition of the awards were the eRegulations information portal of Bhutan and the single window, MyBusiness.cm, of Cameroon.

The year also saw UNCTAD join forces to create trade portals for members of the Economic Community of West African States and the East African Community. The trade portals offer online, step-by-step guidance on key export, import and transit procedures. They are also intended to support member States in the implementation of the World Trade Organization’s Agreement on Trade

Facilitation, in particular articles 1.2 and 1.3. The business facilitation programme's guiding ethos is to boost transparency, deliver greater efficiency and improve institutions and governance in public service in support of the business sector. The programme has proved particularly beneficial to resource-constrained small and medium-sized businesses, reducing the time and cost needed to set up a business, on average, by 80 per cent. The eRegulations programme is also assisting informal businesses in becoming formal businesses, thereby broadening the tax base – an essential contribution recognized by the General Assembly.

Enterprise development

Significant investments to create the enabling environment needed for achievement of the Sustainable Development Goals are fundamental. Small and medium-sized enterprises also have a valuable contribution to make in helping take sustainability forward. Small and medium-sized enterprises operate across sectors and are well-recognized for their employment absorbing capacity.

UNCTAD developed the Entrepreneurship Policy Framework to assist government officials in designing entrepreneurship strategies that can support economic activity for development. The Framework's methodology has already been applied in several developing countries, including Cameroon, the Dominican Republic, Ecuador, the Gambia and the United Republic of Tanzania. In 2016, two regional workshops were held for policymakers in Latin America.

Entrepreneurs are also trained directly through the UNCTAD Empretec programme, which now has a foothold in 39 developing countries. Empretec interventions help strengthen enterprises, boosting their competitiveness and building their capacity to support development efforts in their countries, such as generating productive employment and improving the profitability of enterprises. In Brazil and Ecuador, almost two thirds of participants reported increases in sales, profits and employment after receiving Empretec training.

To tackle growing youth unemployment, mass-scale migration and scant economic activity in low-income areas, UNCTAD

has also worked to harness enterprise development and assist special groups. UNCTAD developed a policy guide for youth entrepreneurship in partnership with the Commonwealth Secretariat. In 2016, the youth entrepreneurship policy guidance was presented at two regional workshops for policymakers in East Africa and in South and West Africa.

Women's empowerment

The UNCTAD Women in Business Awards not only recognize successful women entrepreneurs, they also promote positive role models to inspire women. Since 2008, the awards have been granted biennially to women who have completed Empretec training. The awards have facilitated greater access to resources and have given winners and finalists alike further educational opportunities, providing impetus to their businesses. In 2016, during the fifth World Investment Forum held in Nairobi, women entrepreneurs from Argentina, the Gambia and Viet Nam were honoured for their achievements and contributions to the small business sectors in their countries.



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CATALYSING DEVELOPMENT THROUGH STRUCTURAL CHANGE

“For a researcher like me, this kind of training opportunity is very vital to my career... especially in providing policy guidance to my region on regional integration matters.”

Khutsafalo Sekolokwane, South African Customs Union

“The course has enhanced my understanding of the relevance of using non-tariff measures for shaping policies on trade and development.

I now understand how I can use the research output on non-tariff measures to influence the trade policy of the Government of my country”.

Emmanuel Orkoh, University of Cape Coast, Ghana (core member of the Virtual Institute)

Injections of foreign capital or temporary commodity booms can benefit developing countries in the short term. Yet long-term solutions depend on transforming economic structures. By stimulating the growth of new industries, developing capacity to compete in strategic sectors, UNCTAD assists countries in making the policy changes necessary to take advantage of opportunities, such as technological innovation, that can help increase productivity and value.

Trade policy frameworks

Promoting a coherent and integrated approach to national trade policy formulation and implementation is a notable challenge for national policymakers seeking to respond to the demands of achieving the Sustainable Development Goals. In 2016, UNCTAD successfully completed a United Nations Development Account project that supported developing countries in formulating and implementing trade policies grounded on sustainable development. An independent evaluation of the project found that it had been highly relevant and generally very effective, reaching more than nine developing countries.

Through the project, UNCTAD has provided assistance on the preparation of trade policy frameworks to Algeria, Angola, Bhutan, Botswana, the Dominican Republic, Jamaica, Kenya, Namibia, Panama, Tunisia and Zambia. In 2016, multi-stakeholder consultative workshops discussed and validated the policy recommendations of UNCTAD reports for Algeria, Botswana, Namibia and Panama. Several countries, such as Botswana, Namibia and Zambia, have moved towards the implementation of trade policy frameworks.

UNCTAD also organized a meeting on trade policy and sustainable development, during the fourteenth session of the Conference in Nairobi, to foster exchanges of experiences

and lessons learned in formulating and implementing development-oriented national trade policy frameworks and examine the role of trade policy in the achievement of the 2030 Agenda for Sustainable Development.

Structural transformation and industrialization

UNCTAD research on structural transformation and industrialization in 2016 focused on how macroeconomic policies can build resilience and enhance development in both the short- and long-term, and how the implementation of industrialization strategies can enhance long-term resilience, generate inclusive development and support the achievement of the Sustainable Development Goals. As part of a memorandum of understanding between the Organization for Economic Cooperation and Development and UNCTAD, both institutions have joined forces to produce the first edition of the *Transforming Economies Report*. The Economic Commission for Africa, Economic Commission for Latin America and the

Caribbean and Economic and Social Commission for Asia and the Pacific of the United Nations have also joined the effort. The report is to be launched in 2017.

Trade trends and regulations

In 2016, UNCTAD continued to lead international cooperation on the development and revision of the classification of non-tariff measures in international trade. UNCTAD coordinates an ongoing global effort to map non-tariff measures data. Data for all countries of ASEAN were collected jointly by the Economic Research Institute for ASEAN and East Asia, in collaboration with government officials from 12 countries.* The project was supported by the World Bank and the National Graduate Institute for Policy Studies of Japan and was launched in both Geneva and Washington D.C. The database is the world's largest and most comprehensive non-tariff measures database, covering 80 per cent of world trade. The launch of a new tool, the Trade Analysis Information System, gave the database a boost by making access to its rich data easier.

UNCTAD conducted capacity-building on non-tariff measures through workshops and online trainings. Government officials in Cambodia, Colombia, Indonesia, Peru, the Republic of Korea, Thailand and Viet Nam were trained to strengthen capacities regarding regulatory policies and regional integration and to enhance competitiveness. Online training for African officials for standard bureaux on non-tariff measures data was conducted as part of an initiative between UNCTAD and the Tripartite Regional Economic Communities. The UNCTAD Virtual Institute launched an online course on the economic analysis of non-tariff measures (with the support of Finland, the Russian Federation and the One United Nations Fund for the United Republic of Tanzania). The first edition of the course attracted a record-breaking 267 applications from lecturers and researchers, representing 73 countries, among which 70 candidates were admitted. Graduates, representing 44 countries, unanimously agreed the course had enhanced their knowledge of data sources, tools, methods and policy-relevant research questions on non-tariff measures.



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Support to least developed countries: Building productive capacities

In 2016, UNCTAD continued to support LDCs in their graduation efforts from the LDC category, particularly Angola and Equatorial Guinea. High-level workshops addressed technical and methodological issues related to the graduation process, the countries' current socioeconomic situations and potential advantages and disadvantages of graduation. The countries adopted a series of recommendations and graduation road maps.

UNCTAD also provided support to Cambodia and Myanmar in building their capacities to upgrade and diversify fish exports. National training and capacity-building workshops, both at the technical and policy levels, were successfully held in both countries. In Cambodia, 40 senior officials including private sector and civil society experts received training, of which 45 per cent were women. In Myanmar, 51 participants (45 per cent women) received training.

UNCTAD also leveraged further resources to address the skills mismatch in LDCs in tapping their fishery resources through intensive training and study tour opportunities offered by China for participants from Cambodia, Mozambique and Myanmar.

The Least Developed Countries Report 2016: The Path to Graduation and Beyond – Making the Most of the Process

The Least Developed Countries Report 2016 advocates LDCs' quest for graduation through the development of productive capacities, to achieve "graduation with momentum". Development strategies in LDCs should focus on developing productive capacities, including upgrading technology and raising productivity, and structural economic transformation – the top priorities. Policymakers should adopt policies that not only lead to and accelerate these transformative processes, but also

steer these changes to achieve inclusive development. LDC criteria could be revised to better reflect the importance in development of issues such as structural transformation, environmental sustainability and gender equality. Graduation needs to be part of a longer and broader development process.

Losing LDC status however may have important economic costs. In trade, for instance, the loss of LDC status would entail a collective drop in export earnings of \$4.3 billion (or 3–4 per cent of the total) annually. In the 45 years since the establishment of the LDC category, only four countries have succeeded in graduating from the LDC status. The expectation is that another 16 countries should graduate between 2017 and 2024.

The Least Developed Countries Report 2016, launched in December 2016 in 16 locations including LDCs, developing and developed countries, received strong media coverage, with nearly 350 articles published.

Trade and poverty

UNCTAD conducted research studies on how to strengthen the linkages between trade and poverty, participating in advocacy and dissemination activities, and providing training to build national capacity on trade and trade related issues. The resulting research papers, presented at seminars, workshops and expert meetings, stimulated debates on trade and poverty issues. Published research also formed the basis for policy advocacy and delivery of technical assistance, thereby contributing to the design and formulation of effective trade and development strategies in Burkina Faso, Ethiopia and Uganda.

Trade and poverty topics, 2016

Two UNCTAD research papers published:

- *Trade and Current Account Balances in sub-Saharan Africa*
- *Making Trade Work for LDCs: A Handbook on Mainstreaming Trade*



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Capacity-building activities for least developed countries

UNCTAD organized a number of capacity-building activities for LDCs in 2016:

- Working with the Ministry of Trade of Senegal, a training workshop to build the capacity of 60 Senegalese policymakers on development policies and issues of graduation from the LDC category – March 2016, Dakar
- A short course for permanent missions in Geneva on the imperative of transforming rural economies in the 2030 Agenda for

Sustainable Development – March 2016, Geneva

- As part of the Midterm Review of the Istanbul Programme of Action – May 2016, Antalya, Turkey:
 - A side event on mobilizing investment in the rural agenda in LDCs to help raise the awareness of LDC policymakers of the central place of rural transformation in the process of structural change
 - A workshop on fostering structural economic progress towards graduation from LDC status.



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TACKLING VULNERABILITIES

- **Limiting exposure to financial volatility and debt**
- **Deepening inclusion of the least developed countries**
- **Channelling commodities for development**
- **Managing climate change**
- **Assistance to the Palestinian people**

The many inequalities that go hand in hand with poverty make the poor particularly vulnerable to external economic shocks wherever they live. UNCTAD contributes to the 2030 Agenda for Sustainable Development by focusing its research and programmes on ways that help developing countries and particularly LDCs to limit the impacts of financial volatility and debt crises on the poorest populations. Advice on policies aims at enabling countries to keep traditional economic activities going, while striving for the structural change that makes them more resistant to global economic weakness or low growth. Activities reflect a mix of taking advantage of economic opportunities and social and environmental responsibility. If developing countries are better positioned to resist various economic shocks, their people will also be better able to cope with difficult times. better able to cope with difficult times.

LIMITING EXPOSURE TO FINANCIAL VOLATILITY AND DEBT

Financial markets – linked across borders, in a region or globally – can help to finance imports of capital goods that can be used to improve productive capacity. Such financial integration, in the face of temporary shocks, can also reduce the pressure on Governments to make macroeconomic adjustments that can lead to recessions and losing jobs. Domestic financial markets can also function more efficiently. Financial integration, though, also opens developing countries up to the risks of financial boom-and-bust cycles. Unpredictable economic upturns and downturns can also put efforts for inclusive and sustained growth and development at risk. UNCTAD works to stem those risks by promoting domestic and international policies and regulations to harness the benefits of financial integration.

In their own words...

Delegates voiced their support for the *Trade and Development Report 2016* at the sixty-third executive session of the Trade and Development Board, 27–29 September 2016.

“Allow me to thank the secretariat for producing once again excellent research in the form of the Trade and Development Report. This report provides valuable food for thought on how to best address some of the key development challenges that we face.” Representative of the Group of 77 and China

“Thanks to the Division on Globalization and Development Strategies for the report. I cannot stress enough the importance our country attach to the independent and development-oriented analytical UNCTAD work, as called for in the Nairobi Maafikiano. Representative of Brazil

Trade and Development Report 2016: Structural Transformation for Inclusive and Sustained Growth

The *Trade and Development Report 2016* reviews recent trends in the global economy and focuses on the policies needed to foster structural transformation. The report argues that to attain sustained and inclusive growth, countries need to adjust their policy strategies in order to advance structural transformation. Proactive industrial policies are needed to encourage the shifting of employment and resources from low-productivity agriculture to higher productivity industrial and modern services sectors. Many developing countries, however, have not been able to sufficiently develop their manufacturing sectors (experiencing “stalled industrialization”) or have even endured “premature de-industrialization” since the 1980s. This is the result of a policy strategy centred on unilateral trade opening, financial deregulation and the retreat of the developmental State. The report identifies some of the critical issues that need to be considered to set structural transformation processes in motion. The report has been cited in *The Guardian* and *The Wall Street Journal*.

Enhanced regional financial and monetary cooperation

In 2016, UNCTAD held two regional seminars on strengthening pro-growth macroeconomic management capacities for enhanced regional financial and monetary cooperation. The first seminar, on South–South mechanisms to tackle vulnerabilities and build resilience, and the innovative use of regional financial and monetary integration, took place on the side lines of the fourteenth session of the Conference. Through the sharing of experiences, the seminar focused on ways in which South–South integration contributes to building resilience and boosting development.

The second seminar was held in Quito, in collaboration with the Government of Ecuador and the Union of South American Nations. Participants at the seminar discussed how South–South collaboration could help promote the development of productive capacities and enhance fiscal capacity, and other means of building resilience and reducing vulnerability in an uncertain global environment.



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Debt and developing finance

A growing number of developing countries witnessed a substantial weakening of their external debt positions in 2016. The countries particularly affected were those highly dependent on commodity exports, small island development States and other vulnerable developing economies. UNCTAD prepared the annual report of the United Nations Secretary-General on external debt sustainability and development. While providing a longer-term perspective on the evolution of external debt sustainability in developing and transition economies, the report also flagged that structural changes in developing countries are essential. Areas such as overall debt compositions, and associated increased risks, as well as an urgent need to improve the availability and quality of debt data require attention.

The follow-up process to the Addis Ababa Action Agenda got its start in 2016, as implementation of the financing for development outcomes took off. As one of the five institutional stakeholders of the process, UNCTAD contributed inputs to the first annual report of the Inter-

Agency Task Force on Financing for Development. UNCTAD also participated in core thematic panels of the first Economic and Social Council forum on financing for development follow-up and co-hosted a side event on the role of the financing for development follow-up process in addressing systemic and debt issues.

UNCTAD work on responsible sovereign lending and borrowing progressed through a project on building the capacity of developing country policymakers to address regulatory and institutional gaps in sovereign debt governance.

Debt management

The UNCTAD Debt Management and Financial Analysis System programme is a leading provider of technical cooperation and advisory services in debt management. Effective debt management is an intrinsic part of sound public financial management and overall good governance. The availability of reliable and timely debt data is essential for prudent risk analysis and the preparation of government strategies aimed at ensuring sustainable debt levels.

UNCTAD work on debt management is critical for achieving target 17.4 of Sustainable Development Goal 17 on the importance of assisting developing countries to attain long-term debt sustainability and reducing the risk of debt distress. Yet debt management remains a challenge for most developing countries. Many Governments lack the appropriate institutional, human and technical capacity for handling public resources and liabilities more effectively. The Debt Management and Financial Analysis System programme helps countries to build that capacity. Offering a set of proven solutions to improve capacity in management of public debt and public resources, the programme works directly with 57 countries and 86 user institutions.

The experience of Côte d'Ivoire highlights the programme's success. Since adopting the Debt Management and Financial Analysis System in 1998, the country has strengthened its debt management competencies. The scope and quality of the debt database has improved over the years in line with international best practices, as attested by international assessment frameworks such as the World Bank's Debt Management Performance Assessment



methodology and Public Expenditure and Financial Accountability programme. The debt database is comprehensive, covering both external and domestic debt, and is validated on a regular basis. Furthermore, Côte d'Ivoire is now publishing its debt statistics, independently prepares its annual debt strategy and conducts its own debt sustainability analysis.

***Economic Development in Africa
Report 2016: Debt Dynamics and
Development in Africa***

The *Economic Development in Africa Report 2016* was launched simultaneously on 21 July 2016 in 17 African countries. Formal discussions by member States were held during the executive session of the Trade and Development Board, focused on Africa, September 2016. Delegations overwhelmingly welcomed the research and analysis in the report, highlighting its timeliness in the context of the Sustainable Development Goals. Many delegations emphasized that the reports and its topic were important not only for Africa, but also for the broader community of developing countries. Drawing on the report, UNCTAD also delivered presentations and seminars on debt dynamics and development finance at the session and in Kenya and Switzerland.

A total of 220 press clippings were collected, and the report was downloaded more than 13,200 times while the e-publication was accessed over 800 times. A video and a new approach to using social media, including Twitter, Facebook and LinkedIn, further promoted the launch of the report. On Twitter, the report generated more than 150,000 impressions and the launch video was viewed nearly 3,000 times on Facebook and Youtube.



Photo credit: Simone D. McCourtie © World Bank

DEEPENING INCLUSION OF THE LEAST DEVELOPED COUNTRIES

Fundamental to achieving the 2030 Agenda for Sustainable Development is helping all countries to make the move towards greater prosperity for all. UNCTAD has a history of leading support for the weakest and most vulnerable countries – the LDCs – in their efforts to integrate into the global trading system. Supporting them means striving to ensure that, despite external economic shocks, they have the means to stay on track in their development.

International transport networks: Liner shipping connectivity

UNCTAD published the thirteenth annual Liner Shipping Connectivity Index. When the index was first created in 2004, 7 of the 10 least connected economies were islands. The latest index showed that, in 2016, the 10 least connected economies were all islands. The trend reflects a vicious circle, where low transport connectivity leads to lower trade volumes, and the lower trade volumes in turn discourage shipping companies from calling at the ports of the smallest and weakest economies.

Investment in structurally weak and small vulnerable economies

The *World Investment Report 2016* includes a special section focused on

investment in structurally weak and small vulnerable economies, including LDCs, landlocked developing countries and small island developing States. An UNCTAD programme provides the latest investment trends for policymakers, academia and the private sector, as well as policy options for attracting foreign investment and ensuring that it contributes positively to sustainable development.

The report is supplemented by specialized background briefs that have been produced for major international events and conferences tackling development in structurally weak and small vulnerable economies. UNCTAD also compiles data and information on investment trends specifically related to structurally weak and small vulnerable economies. A specific issue of the *Global Investment*

Trends Monitor explored how foreign direct investment can be an important source of external development financing for LDCs, landlocked developing countries and small island developing States.

UNCTAD supports investment and development in structurally weak and small vulnerable economies through targeted policy assistance to help boost foreign direct investment and through training and capacity-building to policymakers in using investment policy to better contribute to development. For example, since its inception, the UNCTAD Investment Policy Reviews programme has undertaken reviews and provided implementation assistance in 25 structurally weak and small vulnerable economies, including LDCs, landlocked developing countries and small island developing States.

Small island and landlocked least developed countries – graduating smartly

UNCTAD was a pioneer in supporting the efforts of LDCs to achieve structural economic progress. UNCTAD has been helping several LDCs to “graduate smartly” by encouraging them first to make structural economic transformation their paramount development goal; and second to identify their needs for new concessionary support modalities after graduation from LDC status. UNCTAD work in this area in 2016 benefited four small island LDCs and two landlocked LDCs.

Kiribati, a country not recommended for graduation though it meets graduation criteria, has been leaning on UNCTAD support in its plea for special treatment as a small island developing State. UNCTAD also helped Sao Tome and Principe to assess the extent to which its pre-eligibility for graduation was synonymous with structural economic progress and to develop a resilience-building strategy. In Solomon Islands, UNCTAD has guided resilience-building efforts in anticipation of the 2018 review of graduation cases. The need for intensified efforts to diversify the economy of the archipelago led UNCTAD to identify ways and means of reducing the vulnerability and structural disadvantages the country is facing. In the face of a likely relapse of the per capita income performance of Timor-Leste due to the

fall in oil prices, UNCTAD has focused on helping the United Nations bring a sound answer to the question of the graduation of Timor-Leste given the country’s high economic vulnerability.

In 2016, graduating smartly was also a direction Bhutan and Nepal decided to take with active UNCTAD support. At the request of the Government of Bhutan, UNCTAD began to assist the country in making its future smooth transition strategy consistent with the forthcoming twelfth five-year development plan. In Nepal, UNCTAD undertook an analysis of the anticipated consequences of graduation for the country’s open economy, notably to cast light on the difficult question of the modalities of special treatment Nepal will continue to need.

Assistance to landlocked developing countries

Among the several activities undertaken in support of landlocked developing countries, UNCTAD contributed to the mainstreaming of the Vienna Programme of Action commitments of Mongolia into national policies and strategies, through participation in a high-level national workshop held in Ulaanbaatar in April 2016. UNCTAD organized a special session on challenges and opportunities for the participation of Mongolia in commodity value chains. UNCTAD contributions

provided opportunities for policymakers and experts of Mongolia to explore ways and means to integrate structural transformation and diversification into the country’s development policies and helped to develop collaborative relationships with key national and regional institutions, such as the International Think Tank for Landlocked Developing Countries.

UNCTAD continued its work on building export capabilities of landlocked developing countries in fisheries, through the organization of a second workshop in Entebbe, Uganda, in October 2016. The workshop focused on validating an UNCTAD manual on upgrading and diversifying the fish exports of Uganda while meeting international food safety and quality standards. UNCTAD provided recommendations on the fishery sector and also trained male and female fishers along the fish value chain on key concepts of export diversification, aquaculture and international food safety and quality standards. Overall, 116 Ugandan experts and senior officials as well as fishers were trained, with 30 per cent female participants.

UNCTAD also participated in the High-Level Meeting on Sustainable Transport of Landlocked Developing Countries jointly organized by the Government of the Plurinational State of Bolivia and the Office of the High Representative for the Least Developed Countries, Landlocked





Photo credit: Stephan Gladieu © World Bank

The Department of Fisheries Resources “expressed appreciation to UNCTAD for its continued support and guidance to tap the development potential of the fishery sector of Uganda”.

Ministry of Agriculture, Animal Industry and Fisheries of Uganda, letter to the Secretary-General of UNCTAD

Who attended?

The high-level meeting gathered representatives from...

- ... ministries
- ... transit developing countries
- ... development partners
- ... the United Nations system
- ... other international, regional and subregional organizations
- ... financial institutions
- ... the private sector
- ... non-governmental organizations.

Developing Countries and Small Island Developing States and Department of Economic and Social Affairs of the United Nations, in Santa Cruz in October 2016.

The meeting served to review progress made by landlocked developing countries and consider the challenges faced when developing and maintaining efficient, reliable and sustainable transport systems. UNCTAD provided policy recommendations on how to develop and further improve sustainable freight transport systems for the benefit of landlocked developing countries. The recommendations of the meeting fed into the first global sustainable transport conference held in November 2016 in Turkmenistan.

Making trade work for least developed countries

UNCTAD raises awareness in Africa, LDCs, landlocked developing countries and small islands developing States on how to reduce vulnerabilities through promoting export and product diversification. UNCTAD has contributed to the policymaking process in LDCs, by sensitizing them on the need

to better integrate trade into their national development strategies and to have quantifiable means of measuring success in this endeavour.

A trade and poverty research paper entitled “Mainstreaming trade in Africa: Lessons from Asia and the way forward” was published as a chapter of the *Africa Growth Report 2016* (published by Innovatio). A policy handbook on making trade work for LDCs was also published. The handbook provides an innovative and operational definition of trade mainstreaming which allows for measuring progress. Drawing on the handbook, UNCTAD delivered a training course to Geneva-based diplomats in December 2016, focused on the trade strategies needed to reduce vulnerabilities to external shocks and promote poverty reduction and national economic development. The course familiarized participants with the process of sectoral policy articulation and covered how to design poverty reduction strategies that are socially inclusive, taking into account broader gender, cultural, social and institutional factors.

The number of commodity-dependent developing countries is essentially unchanged from 30 years ago, despite the recent decade-long commodity price boom. As recently as 2014, 88 of 134 developing countries relied on one or two unprocessed commodities for 60 per cent or more of their total merchandise export earnings. For 66 of these countries, the rate of dependency was above 80 per cent. The economic consequences of this dependence are severe, wreaking havoc with countries' macroeconomic management and jeopardizing the achievement of national development objectives and the Sustainable Development Goals. Reducing dependence on commodity exports is key for developing countries to transform their economies and deliver sustainable development and poverty reduction to their citizens. UNCTAD provides research, outreach and advisory services to developing countries to support their efforts to use commodities for sustainable development effectively.

The scale of trade misinvoicing

The seven commodities:

Copper
Oil
Cocoa
Silver
Platinum
Iron ore
Gold

Misinvoicing on the order of ...
... tens of billions of dollars

10,000,000,000+

Ground-breaking study on trade misinvoicing

Trade misinvoicing is the practice of misreporting export or import transactions. When trade misinvoicing is used to evade taxes, circumvent currency controls or smuggle goods across a border, it represents one mechanism within the larger complex of capital flight and illicit financial flows from developing countries – and impacts on revenues and capital in developing countries that could be used to finance development priorities, including the Sustainable Development Goals. The preliminary version of an UNCTAD study presented at the Global Commodities Forum 2016 focused on trade misinvoicing in primary commodities in developing countries. The study considered Chile, Côte d'Ivoire, Nigeria, South Africa and Zambia, using disaggregated, commodity-level data from the United Nations International Trade Statistics Database that tracks individual primary commodities from selected developing countries. The study was able to identify persistent gaps between exporters' and importers' records, amounting to tens of billions of dollars in the trade of the seven primary commodities covered, over periods of 14 to 20 years.

Actionable commodity research and analysis

Member States and other stakeholders

look at UNCTAD for actionable analysis on contemporary themes related to commodities and development. In 2016, an UNCTAD report to the Trade and Development Board entitled "Cocoa industry: Integrating small farmers into the global value chain" continued a recent research focus on smallholder farmers, examining their role in the cocoa industry. Among other policy recommendations, the report encouraged Governments to use competition law to combat excessive consolidation in the cocoa sector, strengthen farmers' organizations and improve market transparency. The objective is enhancing the position of smallholders and small and medium-sized enterprises in the global cocoa value chain, and ensuring they earn an equitable return.

The UNCTAD *Commodities at a Glance: Special Issue on Gold* was timely, given recent changes in the gold market. Among the changes are the development of new gold mines in several countries, many of them developing countries that face a considerable lack of information in developing and commercializing their gold resources. The 2016 edition report series recommends how Governments could improve their governance of the gold sector and combat the use of hazardous chemicals in gold extraction, which remains widespread in artisanal and small-scale mining operations.

A vital ingredient of the 2030 Agenda for Sustainable Development is protecting the planet – by avoiding environmental degradation and limiting the impacts of climate change – so that consumption and production can be managed sustainably. From the sustainable use of natural resources to the impacts of a changing climate on infrastructure, UNCTAD is focused on delivering actions.

Promoting biotrade

With the financial support of the State Secretariat for Economic Affairs of Switzerland, the UNCTAD BioTrade Initiative continued to assist developing countries in strengthening their institutional capacity and in the formulation of policy frameworks in support of biotrade. The BioTrade Initiative provided technical assistance to map and identify non-tariff measures that affect biotrade exports from China, Colombia, Japan, Peru, Switzerland, the United States of America, Viet Nam and the European Union. The Initiative also conducted technical workshops in Peru and Viet Nam and published studies related to the biotrade-friendly implementation of the Nagoya Protocol to the Convention on Biological Diversity. Collaboration with the Convention on International Trade in Endangered Species of Wild Fauna and Flora continued in 2016 on traceability systems for non-timber forest plant species,

with studies validated and reported to the seventeenth Conference of the Parties to the Convention on Trade in Endangered Species. The IV BioTrade Congress, hosted by the BioTrade Initiative at the thirteenth Conference of the Parties to the Convention on Biological Diversity in Mexico, also saw the launch of the publication, *20 years of BioTrade*.

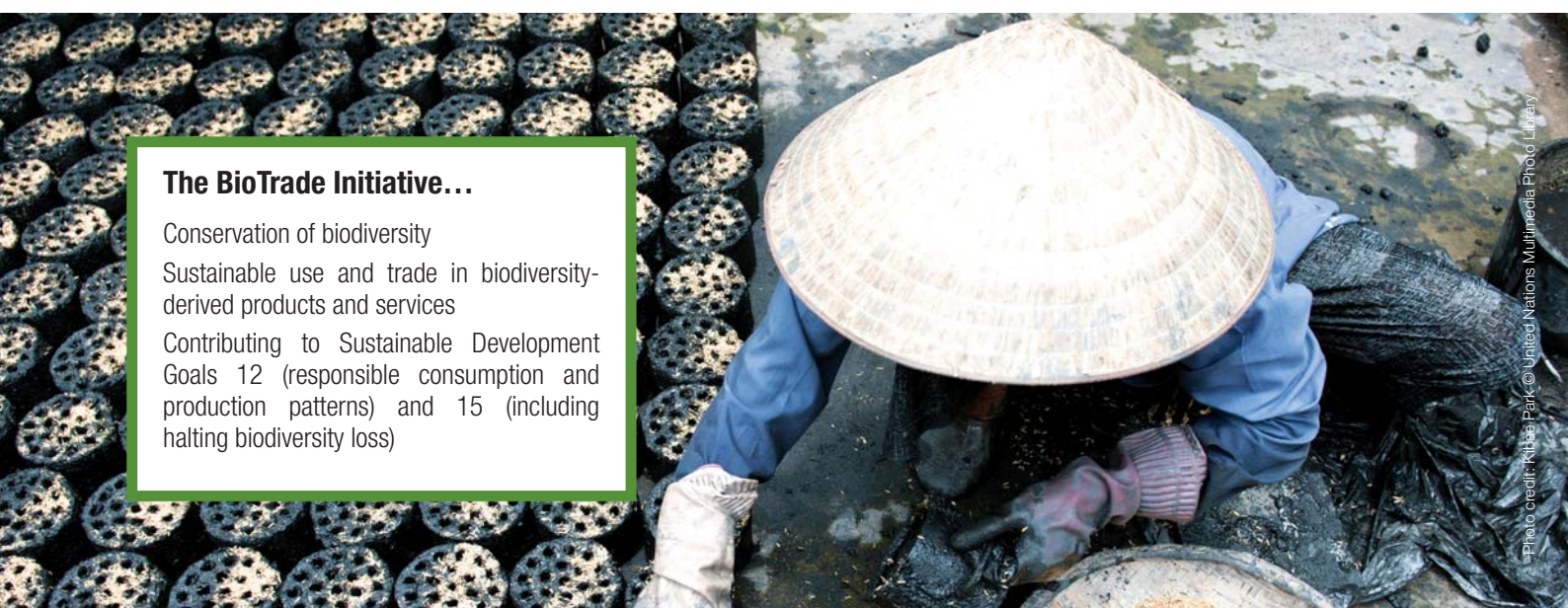
Supporting creative industries

UNCTAD work on the creative economy fosters, encourages and provides guidance to the creative and cultural industries of developing countries. In 2016, efforts focused on assisting country stakeholders in identifying goods and services with significant export potential and strong comparative advantage; increasing production, export and value added in creative sectors; developing partnerships needed to generate business opportunities; and attracting investment

partners. Related activities took place in Cabo Verde, China, Kenya, Namibia and Turkey. UNCTAD also produced statistical resources that track trends in the international trade of creative products at the global and regional levels, and profiles of countries on creative industry trade highlighting product, partner and year.

National green export reviews

The UNCTAD national green export review programme continued to assist developing countries to elaborate and implement innovative approaches to building sustainable production and export capacity with a focus on adding value in green sectors. In 2016, official requests from Kazakhstan, Lebanon, Madagascar and Senegal were formally accepted by UNCTAD, bringing the total number of supported countries to nine. National green export reviews were launched in Lebanon, Madagascar and Oman, and experts completed national green export review reports of in Ethiopia and Morocco, including draft recommendations and action plans. In early 2017, national green export reviews will be launched in Kazakhstan and Senegal through new partnerships between UNCTAD, the United Nations Development Programme and the Islamic Development Bank. National green export review reports for Ecuador and Vanuatu were also published in 2016.



The BioTrade Initiative...

Conservation of biodiversity
Sustainable use and trade in biodiversity-derived products and services
Contributing to Sustainable Development Goals 12 (responsible consumption and production patterns) and 15 (including halting biodiversity loss)

Photo credit: Kibee Park © United Nations Multimedia Photo Library

Climate change

Examining the economic and policy interfaces between climate change and trade remains a priority for UNCTAD. In cooperation with the United Nations Framework Convention on Climate Change, World Trade Organization, International Trade Centre and International Fund for Agricultural Development, UNCTAD convened a dialogue on the impacts of mitigation measures and linkages with trade at the twenty-second Conference of the Parties, highlighting the important role of trade in addressing climate change and emphasizing the importance of deeper economic diversification in developing countries and helping countries to achieve their nationally determined contributions under the Paris Agreement.

UNCTAD contributed actively to various transport-related activities carried out under the framework of the twenty-second Conference of the Parties, held from 7 to 18 November 2016 in Marrakesh, Morocco. Among its activities, UNCTAD organized a side event on the theme of strengthening the focus on freight transport in the climate agenda and a breakout session on making freight transport fit for a low carbon future, organized in collaboration with the United Nations Environment Programme and the Climate and Clean Air Coalition in the context of the Partnership on Sustainable Low Carbon Transport's Transport Day. UNCTAD also co-organized and contributed to several side events of the United Nations system.

Building on its existing work in the field, in 2016 UNCTAD implemented a technical assistance project entitled "Climate change impacts on coastal transport infrastructure in the Caribbean: enhancing the adaptive capacity of small island developing States", a three-year project. Work under the project was selected for inclusion in the report of the United Nations Secretary-General's High-level Advisory Group on Sustainable Transport, *Mobilizing Sustainable Transport for Development*, published in October 2016.

Maritime transport and country profiles

Forty-eight years after it was first published, the 2016 edition of the annual *Review of Maritime Transport* focused on opportunities for developing countries, including their productive capacities, in the area of shipping and related businesses. The report looks at the long-term growth prospects for seaborne trade and maritime businesses, taking into account the nexus between maritime transport and sustainable development.

To help policymakers establish their country's market shares and identify relevant trends in the maritime transport sector, in March 2016, UNCTAD launched a set of maritime country profiles on a dedicated website. A total of 230 maritime country profiles are available online, each reflecting five dimensions, including macroeconomic data, country shares in selected maritime sectors, trade by cargo





type and by partners, and country position within the global liner shipping network.

The *Review of Maritime Transport* and the maritime country profiles are complemented by online statistical tables on seaborne trade, world fleet ownership and registration, shipbuilding and scrapping, port traffic, and liner shipping connectivity, as well as the quarterly *UNCTAD Transport and Trade Facilitation Newsletter*.

Organic and sustainable agriculture

UNCTAD launched the first in a series of reports on organic agriculture financing in Africa, which was presented in global forums, including the BioFach trade fair for organic food held in Germany. As part of the United Nations Inter-Agency Cluster on Trade and Productive Capacity, UNCTAD organized the fifth Lao Organic Agriculture Forum in June 2016 in Vientiane, in partnership with the Japan International Cooperation Agency and the Government of the Lao People's Democratic Republic. UNCTAD also organized a visit of Thai businesses working on organic agriculture to develop commercial contacts and export channels for Lao organic producers.

Biofuels and the bioeconomy

The UNCTAD Biofuels Initiative launched its latest report on the state of second-generation biofuel markets. The report served as an input to a 20-country

international platform for advanced biofuels and biomaterials. The BioFuture Platform was formally launched on the side lines of the twenty-second Conference of the Parties to the United Nations Framework Convention on Climate Change by Argentina, Brazil, Canada, China, Denmark, Egypt, Finland, France, India, Indonesia, Italy, Morocco, Mozambique, the Netherlands, Paraguay, the Philippines, Sweden, the United Kingdom of Great Britain and Northern Ireland, the United States of America and Uruguay.

Oceans and fisheries programme

A mandate to support the implementation of trade-related aspects of Sustainable Development Goal 14 – on oceans, seas and marine resources – was given through the adoption of the Nairobi Maafikiano at the fourteenth session of the United Nations Conference on Trade and Development. The 2016 edition of UNCTAD *Trade and Environment Review* was exclusively devoted to trade in fish and the implications for developing countries. An international seminar entitled “Oceans economy and trade: Fisheries, transport and tourism” was jointly organized by UNCTAD, the Commonwealth Secretariat and the International Oceans Institute in May 2016, in Geneva, Switzerland. The event gathered some 70 renowned oceans experts and focused on trade related aspects of Sustainable Development Goal 14.

Sustainable freight transport and finance: Building capacity

In cooperation with the Northern Corridor Transit and Transport Coordination Authority and the Central Corridor Transit Transport Facilitation Agency, UNCTAD organized a training and capacity-building workshop in March 2016, in Nairobi. The training benefited over 80 participants from member countries of the two corridors’ – Burundi, the Democratic Republic of the Congo, Kenya, Rwanda, South Sudan, Uganda and the United Republic of Tanzania). Substantive contributions from the United Nations Environment Programme, Economic Commission for Africa, Common Market for Eastern and Southern Africa and East African Community enriched the workshop.

The workshop was carried out under the framework of a project entitled “Building capacities of developing countries to shift towards sustainable freight transport,” aimed at strengthening the capacity of policymakers, transport operators and key financial institutions in sub-Saharan Africa, in particular East Africa, and in the small island developing States of the Caribbean to promote and finance sustainable freight transport systems through sound transport policy measures and adequate financing actions and mechanisms.



ASSISTANCE TO THE PALESTINIAN PEOPLE

The UNCTAD mandate on assistance to the Palestinian people was further expanded by United Nations General Assembly resolutions that requested UNCTAD to report on the economic cost of the Israeli occupation for the Palestinian people. In response, UNCTAD prepared a report not only to highlight the substantial economic cost of the Israeli occupation for the Palestinian people, but also to facilitate the achievement of the Sustainable Development Goals in the Occupied Palestinian Territory.

An UNCTAD study in 2016, *The Occupied Palestinian Territory: Twin Deficits or an Imposed Resource Gap?*, analyses the sources of macroeconomic disequilibrium in the Occupied Palestinian Territory and suggests that the budget and trade deficits are symptoms of a deeper problem linked to the economic structure created by the occupation.

UNCTAD reports and research findings were widely covered by public media, cited by researchers and authors and echoed by reports of international organizations, parliaments and Governments. UNCTAD work also led to negotiations between Israel and the State of Palestine on the fiscal leakage of Palestinian resources to Israel. An agreement was reached whereby Israel will transfer US\$128 million to cover some of the losses accumulated over the years. Furthermore, the Palestinian fiscal leakage was the topic of an April 2016 meeting of the Ad Hoc Liaison Committee.

UNCTAD also provided advisory services to the newly established Palestinian International Cooperation Agency of the Ministry of Foreign Affairs and to the United Nations country team in the Occupied Palestinian Territory, and contributed to numerous reports by the United Nations and other agencies.

ECONOMIC EMPOWERMENT, TRADE AND GENDER

UNCTAD continued deepening the scope of its analysis and broadening the range of its activities to increase understanding on trade and gender. A new project was launched in three sub-Saharan countries – Malawi, the United Republic of Tanzania and Zambia – to strengthen capacities to leverage informal cross-border trade for women's empowerment, economic development and regional integration. In partnership with Trade Mark East Africa, analytical work addressed the issue of women's participation in trade in East Africa and the factors that facilitate or impede it. A trade and gender toolbox will provide a framework to assess the impact of trade reforms on women and gender inequalities prior to their implementation

and will contribute to designing policies and accompanying measures that favour women's social and economic empowerment. In addition, the toolbox will include elements for computing a trade and gender index to track progress.

The second iteration of UNCTAD online course on trade and gender was delivered in early 2016, providing participants with the knowledge to analyse the two-way relationship between trade and gender and, ultimately, produce gender-aware policy recommendations. A tailored version of the online course and teaching material were developed for the countries of the Common Market for Eastern and Southern Africa.

In May 2016, experts gathered in Geneva at the Expert Meeting on Trade as a Tool for the Economic Empowerment of Women to promote better understanding of the links between trade and gender. Discussions addressed ensuring coherence between trade and the economic empowerment of women, and outlined designing and implementing transformative actions for gender equality and women's economic empowerment expected under the 2030 Agenda for Sustainable Development and the Addis Ababa Action Agenda.

UNCTAD research has also focused on the macroeconomic aspects of gender equality, in particular how accounting for the care economy improves policies for gender-inclusive growth.



Photo credit: Peter Kapuscinski © World Bank





IMPROVING COMPETITIVENESS

- **Advancing effective States and more efficient markets**
- **Building bridges to the private sector**
- **Investing in leaders**

Competitiveness in global markets is an essential element of getting higher wages and raising living standards. But a good product is not enough to compete in today's world. The right policies and sound institutions are fundamental to the pursuit of higher value. UNCTAD helps developing countries to improve their competitiveness, while ensuring that consumers also benefit.



ADVANCING EFFECTIVE STATES AND MORE EFFICIENT MARKETS

Markets in developing countries can contribute to reducing poverty if the right economic and social policies are in place. UNCTAD provides support to ensure that States are effective and markets are efficient – two necessary conditions for growth that enables sustainable development.

Competition and consumer protection policies

Consumers are increasingly credited as actors of change in achieving the Sustainable Development Goals. Competition and consumer protection policies are central not only to enhance market efficiency but also to ensure that markets work for the benefit of all.

The first session of the UNCTAD Intergovernmental Group of Experts on Consumer Protection Law and Policy took place in 2016, with the participation of more than 300 delegates from developing and developed countries. Two central concerns were how to best protect consumers in the collaborative economy and how to engage stakeholders in achieving the Sustainable Development Goals through the protection of consumer rights. Following on its heels, the fifteenth session of the Intergovernmental Group of Experts on Competition Law and Policy discussed competition concerns in the food retail sector, such as buyer power, as well as legal certainty in the judicial enforcement of competition law and the strengthening of private capacities for compliance in competition law.

UNCTAD continued its efforts in upscaling capacities on competition and consumer protection nationally in Cambodia, Ethiopia, Indonesia, the Philippines, Thailand, Viet Nam and Zimbabwe. Regionally, activities were channelled through the Competition and Consumer Protection for Latin America (COMPAL) programme in 16 Latin American



countries, while the new UNCTAD competition and consumer protection programme for the Middle East and North Africa advocated the adoption of competition and consumer protection policies, and the use of best practices, including anticorruption, good governance and gender equality principles. With UNCTAD support, the Middle East and North Africa Regional Documentation Centre and the Regional Competition Training Centre were launched in Tunisia, followed by the latter's first regional training workshop. The third phase of the COMPAL programme has been recognized as "highly valuable to regional cooperation" by member agencies in its third year of implementation.

Automated System for Customs Data

More and more the role of the ASYCUDA is being recognized as a centrepiece, a catalyser for reform by international and regional organizations, trade associations and governmental agencies. Over the last 35 years, ASYCUDA has built extensive experience in the modernization of customs administrations and procedures in line with international standards and best practices. In 2016, the work with the World Customs Organization on performance measurement for customs administrations saw a second customs administration, the Zambia Revenue Authority, adopt the new module of ASYCUDA. In addition, ongoing collaboration with the International

Air Transport Association to integrate its Cargo-XML messaging standard into the ASYCUDA system reached maturity. The new data standard reduces message duplication and simplifies communication across the supply chain. The results facilitate trade growth, improve cargo security, modernize customs operations and foster participation in global commerce through advance electronic data submission for air cargo shipments.

Advisory services in maritime transport and trade logistics

In 2016, UNCTAD acted as an independent adviser for the Panama Canal Authority and participated in an international review and validation workshop led by the Panama Canal Authority, held in September in Panama City. The main objective was to review global economic scenarios and assist in developing maritime trade scenarios, adjusted for the Panama Canal, with a view to future demand for the Canal's services. UNCTAD provided substantive input and strategic guidance on relevant macroeconomic, trade and maritime transport issues. Positive feedback received from the Panama Canal Authority confirmed the role of UNCTAD as a strategic and expert partner that can support developing countries in the development of a proper framework for a competitive maritime transport sector.

"Having a standard air cargo digital messaging system between customs authorities, airlines and other air cargo stakeholders is fundamental to enhancing efficiency, driving trade growth and maximizing safety and security across the industry. [The] successful partnership with UNCTAD means that airlines, freight-forwarders, shippers and border agencies in over 90 countries can now talk the same digital language. It takes the industry one step closer to achieving the global adoption of a standard air cargo messaging system."

Glyn Hughes,
Global Head (Cargo),
International Air Transport Association



BUILDING BRIDGES TO THE PRIVATE SECTOR

The 2030 Agenda for Sustainable Development brings in stakeholders from all countries in both the public sector and the private sector, where the investment community has an important role to play. Corporate sustainability underlies the emphasis at UNCTAD to ensure the long-term vision needed to achieve the Sustainable Development Goals.

Sustainable stock exchanges

Stock exchanges are powerful platforms from which market signals can be transmitted to the businesses that are listed on them. The United Nations Sustainable Stock Exchanges Initiative, of which UNCTAD is a co-organizer, earmarks the catalysing potential of stock exchanges through listings requirements to improve the corporate reporting practices among listed firms in environmental, social and corporate governance issues, thereby improving their performance in the long-term. At the end of 2016, the Initiative counted 60 stock exchanges from every continent among its members, representing US\$58 trillion in market capitalization and almost three quarters of all listed companies worldwide. One third of the Initiative's members have committed to introduce standards on sustainability reporting over the next two years. The Sustainable Stock Exchanges Initiative is assisting in this process and has compiled model guidelines for use by the stock exchanges themselves and their listed members. In 2016, the Sustainable

Stock Exchanges Initiative held two regional meetings and launched a new work stream on green finance.

International Standards of Accounting and Reporting

As countries move on implementing the 2030 Agenda for Sustainable Development, the role of high-quality financial and non-financial reporting has been recognized. Monitoring and review mechanisms to measure the implementation of the Sustainable Development Goals will be a central part of efforts. Reliable reporting can provide a means of assessing the impact of private sector activity, as well as its contribution to delivering the Sustainable Development Goals. The thirty-third session of the UNCTAD Intergovernmental Group of Experts on Standards of Accounting and Reporting, held in November 2016, continued its work to advance high-quality and harmonized reporting and accounting standards, as well as to develop a set of sustainability standards that will help advance a reporting system to measure progress on all aspects of the Sustainable Development Goals.

“Stock exchanges today have a crucial role to play as trustful partners, committed to transparency, offering innovative disclosure and comparability solutions for both issuers and investors as a contribution to the global fight against climate change. The Sustainable Stock Exchanges [Initiative] has proven a very enabling partner in this endeavour.”

Maurice Bauer,
Secretary-General of the Luxembourg
Stock Exchange



Photo credit: Stephan Gladieu © World Bank

“The [Sustainable Development Goals] indicate an urgent need for both public and private sector entities to change their mindsets and behaviour, and [the work done by the Intergovernmental Group of Experts on Standards of Accounting and Reporting] is very important in this regard.”

Mervyn King,
Chair, International Integrated
Reporting Council

UNCTAD also continued to roll out its Accounting Development Tool, a quantitative measurement tool that enables countries to evaluate their accounting infrastructure and adapt it, in line with accepted international corporate reporting practice. In 2016, several countries – including Cameroon, Colombia, Ecuador, Kazakhstan and Ukraine – solicited UNCTAD assistance. Work also focused on capacity-building on accounting for the financial inclusion of microenterprises and small and medium-sized enterprises through the development of accounting training materials to increase their financial literacy and by organizing a regional workshop for policymakers on best practices in the implementation of accounting standards and insurance regulation for the financial inclusion of microenterprises and small and medium-

sized enterprises, held in November 2016 in Medellin, Colombia.

Business Schools for Impact

The poorest countries and communities have specific investment and enterprise development needs. The Business Schools for Impact project was launched to encourage the creation of more for-profit business activity intended to tackle poverty. To achieve this, the project provides educational materials and internships to motivate and equip more business students to deploy their skills in low-income regions. The initiative, which was evaluated in 2016, was lauded for its high relevance, its vision of linking teaching materials and internships with the Sustainable Development Goals and its 97.5 per cent implementation rate.

From policymakers to academics, from managers to civil society – all benefit from training to develop the professional skills they need to take effective decisions and provide leadership in their areas. Ultimately, competitiveness and innovation depend on the people who create sound policies and put ideas into practice for a sustainable future.

The Virtual Institute: Building skills for academics

In 2016, the UNCTAD Virtual Institute continued to work with universities and research institutes in developing and transition countries to strengthen their teaching and research capacities on trade and development and increase the policy relevance of their work.

The online courses and professional development workshops delivered by the Virtual Institute throughout the year equipped

nearly 250 academics, government officials and members of civil society with the knowledge and skills to analyse and provide policy advice on the impact of trade on gender, non-tariff measures, commodities, remittances and industrial policy. New teaching materials and online courses on structural transformation and industrial policy, climate change and sustainable development, and on using Stata statistical software for trade analysis, will further enhance beneficiaries' capacities in 2017.

2016 RESULTS AT A GLANCE

- 11 academic institutions from nine countries joined the Virtual Institute, for a total network of 134 universities and research centres from 64 countries, including 15 LDCs
- 5,545 government officials, students and members of civil society from 175 countries are Virtual Institute associate members
- 3 fellowships at UNCTAD enabled academics to prepare two research papers and develop one new graduate programme
- 3 mentored research projects generated research papers analysing the links between trade and gender in Cameroon, Ghana and Nigeria
- 4 national professional development workshops trained 110 researchers in Chad, Senegal, Togo and the United Republic of Tanzania
- 2 online courses graduated 134 trade researchers and practitioners from more than 40 developing countries and countries with economies in transition
- 4 new online courses (to be launched in 2017), as well as eight multimedia teaching resources were developed
- 6 study tours and visits trained 144 students from five countries
- 4,100 UNCTAD research reports and Virtual Institute teaching resources
- 14 videoconferences held to present UNCTAD research findings to 593 university students and lecturers from seven countries

“The course is better designed and delivered than courses I have taken from other institutions.”

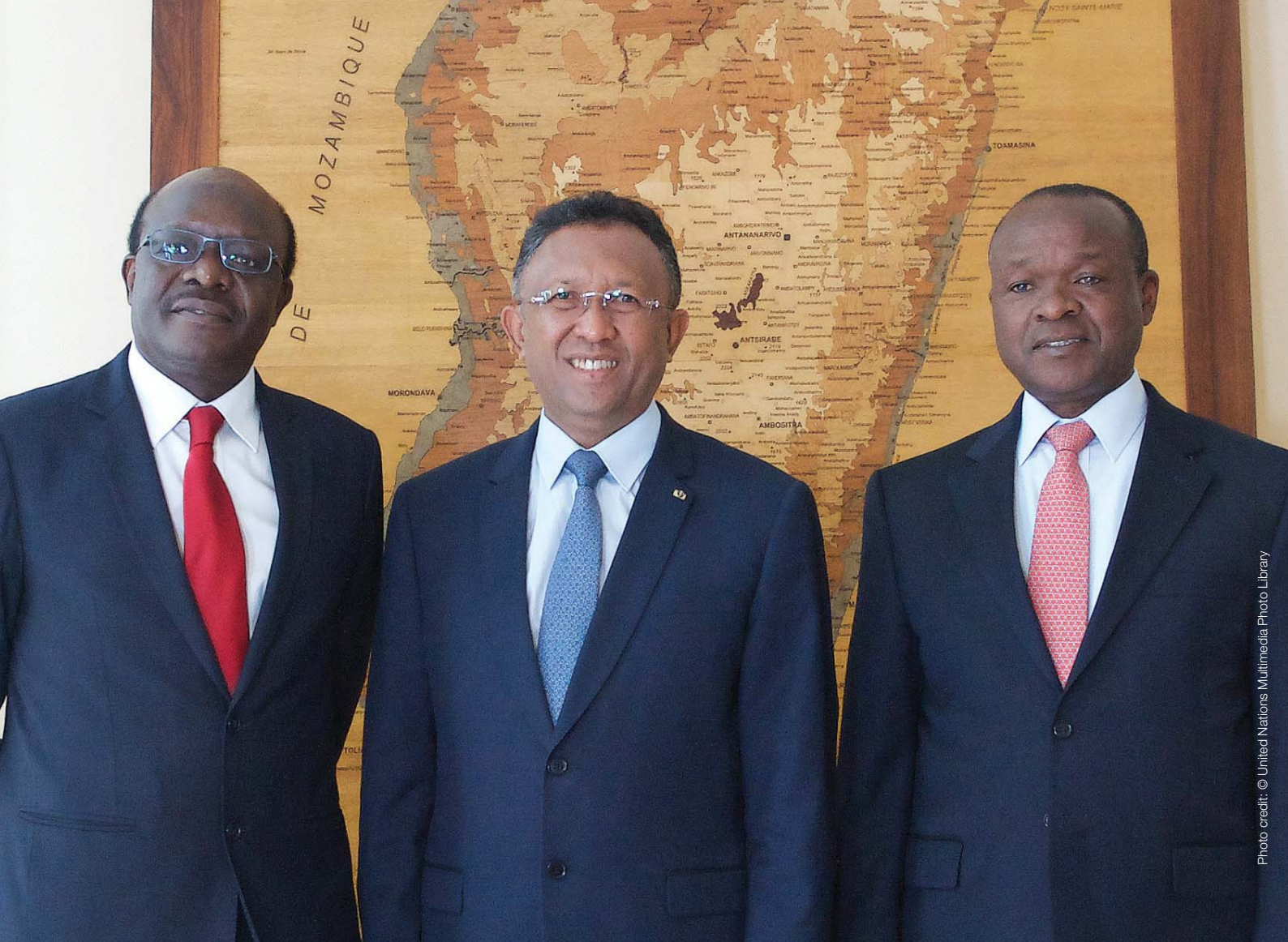
Ricardo Argüello,
graduate of the online course on economic analysis of non-tariff measures, University of Rosario in Colombia (Virtual Institute affiliate member)

“This workshop was a rare but great opportunity that brought together researchers, policymakers, academics and government officials from Tanzania to reflect on policies that could support the current Tanzanian administration’s political willingness to industrialize the economy.”

France Shayo,
participant at the national workshop on structural transformation and industrial policy, Open University of the United Republic of Tanzania (Virtual Institute affiliate member)

“The knowledge and information I have acquired during these past three days equal, in my view, one year of research. All the elements related to migration have been addressed, going even beyond what I was expecting.”

Participant at the workshop on remittances and diasporas for development, Dakar, organized jointly by the Virtual Institute and the Cheikh Anta Diop University



UNCTAD cabinet briefings

The UNCTAD cabinet briefings initiative, launched by the Secretary-General of UNCTAD in 2015, aims at supporting member States – in particular LDCs – in their efforts to design national development strategies oriented towards achieving the objectives of the 2030 Agenda for Sustainable Development. At the invitation of the Head of State or Government of a country, the Secretary-General of UNCTAD leads a delegation of high-level policy practitioners and eminent resource persons to deliver a series of briefings. Held at the ministerial-level, the briefings are made at a retreat that gathers members of a

Government's cabinet. Cabinet members are given an opportunity to engage in substantive discussions and tailor-made briefing sessions that focus on economic development and trade issues. Since the initiative's launch, UNCTAD has carried out two cabinet briefings, including one for Malawi in February 2016.

Course on Key Issues on the International Economic Agenda

The Course on Key Issues on the International Economic Agenda is the flagship UNCTAD programme for capital-based policymakers in Government at the midlevel and senior level and for academics

from public institutions.

The programme is delivered in two forms:

- Three-week regional courses for capital-based economic policymakers and academics working in Government and academic institutions
- Short courses for Geneva-based delegates who deal with development and trade matters.

The regional courses provide policymakers with a comprehensive overview on economic concepts and trends such as development, international trade, finance, investment and technology. In early 2016, a new curriculum was further developed, to take into account the Sustainable

Development Goals. In 2016, courses were delivered in Oman and Serbia.

HIGHLIGHTS IN 2016

Curricula development updated for regional courses, now including the Sustainable Development Goals

Gender balance reached, with women represented at over 50 per cent in regional courses

Train for Trade Programme

The UNCTAD Train for Trade programme provides tailor-made technical assistance to developing countries. It supports developing local capacities, empowering countries to reap the benefits of international trade.

In 2016, 796 trade operators were trained – of which 36 per cent were women – from 60 countries, including 23 LDCs. Among the trainees were 393 port managers, 255 trade operators and 148 certified Train for Trade trainers (from the private and public sectors), thus creating local ownership of the capacity development process and multiplier effects. In all, trade operators participated in 25 face-to-face and online courses, with the number of training hours delivered increasing by 12 per cent compared to 2015, to 65,000 hours.

THE PROGRAMME: KEY FACTS IN 2016

Active in 77 countries
30 donors, with 80 per cent also beneficiaries
7 face-to-face and 2 e-learning courses, 16 deliveries of courses in beneficiary countries
796 trade operators trained, 36 per cent women
4 language networks
148 certified trainers
2 publications
100 case studies
Contributions, from US\$25,000 to US\$600,000
US\$1 million in funds managed

Port management programme

Train for Trade's port management programme plays a vital role in supporting port communities in developing countries in quest for efficient and competitive port management. The programme hosts the high-end course on modern port management, aimed at generating value added solutions in port communities. The port management programme operates through four language-based networks (English, French, Portuguese and Spanish) in Africa, Asia, Europe and Latin America and the Caribbean. The active member ports of the port management programme are Argentina, Benin, Cameroon, Côte d'Ivoire, the Dominican Republic, Gabon, Ghana, Guinea, Haiti, Nigeria, Peru, the Philippines, Senegal and Togo.

In 2016, 64 courses were held globally for 420 participants and 148 trainers from 22 countries, including 8 LDCs. The fourth volume of the *Port Management Series*, published in June, contains an in-depth study on the demand for performance indicators in public services in general and in ports.

Innovation policy learning programme

UNCTAD innovation policy learning programme builds the competencies of policymakers in the design and implementation of science, technology and innovation policies and programmes that help them achieve their specific objectives.

Following the success of two pilot regional courses in Colombia and Cuba at the end of 2015, UNCTAD provided training in 2016 to policymakers of Oman, Rwanda and Thailand to support the implementation of the recommendations of their respective STIP reviews. Thailand also became a main sponsor of the programme and committed to hosting a regional training workshop for ASEAN countries in 2017.

“The module [of the Course on Key Issues on the International Economic Agenda] helped me get a wider perspective of the world's economic trends and viewpoints that drive them. I believe this information can help me detect the opportunities derived from the globalization phenomenon and adapt national policies accordingly.”

Participant, Serbia, May 2016

“The course was a great opportunity to reflect [...] and to share and exchange criteria. The training materials are of very good quality and very helpful as they are up to date. I will use your materials in a conference for directors of public firms of the Ministry and for research activities with postgraduate students.”

Miriam Alpizar Santana,
Vice-Minister of Higher Education of Cuba, participant in a pilot training course on key science, technology and innovation policy issues in Varadero, Cuba





ENRICHING MULTILATERALISM

- Supporting developing countries in their trade negotiations
- Sustaining momentum on trade facilitation
- Encouraging data-driven development
- Finding common solutions: Trade and Development Board
- Strengthening partnerships for sustainable development

UNCTAD activities are firmly rooted in the political relations between groups of countries that are the essence of multilateralism. The universal nature of the 2030 Agenda for Sustainable Development was adopted through multilateral efforts that also drew in all stakeholders – from the private sector, civil society and elsewhere – to rise to the common challenges of today's world. And the trade and sustainable development efforts at the heart of the Nairobi Maafikiano each have a niche in the UNCTAD activities designed to enrich multilateralism.



SUPPORTING DEVELOPING COUNTRIES IN THEIR TRADE NEGOTIATIONS

Developing countries participate in multilateral trade negotiations at the global and regional levels. Negotiating trade agreements can pull in many issues that cross national borders, such as cooperation on customs and rules of origin. UNCTAD prepares negotiators to take on complex issues to reach agreements that help their national priorities without losing sight of sustainable development.

Support to Africa's Continental Free Trade Agreement negotiations

In cooperation with the African Union Commission, UNCTAD intensified its support to African countries in strengthening trade negotiating capacities and enhancing understanding on technical issues arising from the ongoing Continental Free Trade Agreement negotiations. UNCTAD participated in all Continental Free Trade Agreement Negotiating Forum sessions conducted in Addis Ababa and all technical meetings led by the Economic Commission for Africa and the African Union Commission held in Nairobi to prepare draft Continental Free Trade Agreement legal texts, particularly on goods and services, and supported the African Union Commission, African Union member States and regional economic communities in their preparations

for the Continental Free Trade Agreement negotiations. UNCTAD also supported the African Union Commission and Economic Commission for Africa in the organization of the first Africa Trade Week in 2016.

Accession to the World Trade Organization

Support to countries in the process of accession to the World Trade Organization (WTO) at all stages is a clear example of activities that promote a coherent and integrated approach to national trade policymaking and participation in the international trading system, while directly contributing to target 17.11 – on increasing the exports of developing countries, particularly LDCs – under Sustainable Development Goal 17.

Over the years, UNCTAD has provided capacity-building and advisory support,

through training events and in-country advisory missions, to over 20 countries seeking accession, including Algeria, Azerbaijan, the Islamic Republic of Iran, Iraq, the Sudan and Turkmenistan, as well as those in a post-accession phase, such as Liberia and Seychelles. UNCTAD support increases awareness of the country negotiating teams and stakeholders of the multifaceted issues in the accession process, enhancing expertise on WTO rules and disciplines and building trade policy and negotiating capacities for accession negotiations. Systematic and consistent UNCTAD support was highly appreciated by countries seeking accession as well as those which have acceded to WTO.

Navigating rules of origin

In 2016, UNCTAD continued to provide advisory services on rules of origin to LDCs that are members of WTO. Specific services were the provision of draft advisory memorandums, terms of reference and background materials and the organization of an executive training session (in September 2016) on negotiating and drafting rules of origin for LDC members of WTO to enhance their participation in the WTO Technical Committee on Rules of Origin. UNCTAD also organized national workshops on market access and rules of origin in Cambodia and Myanmar. As a result, there has been an increase in the use of legislation that allows LDCs to take advantage of trade opportunities granted under the reforms of duty free, quota free market access and rules of origin in preference-giving countries.

Studies on regional integration

UNCTAD authored an empirical study on regional integration and development. The study shows that regional integration leads to positive development outcomes, including higher economic growth and lower inequality within a country.

Another UNCTAD study on regional integration examines the impact of regional trade agreements on development in the ASEAN economic community. The results show that ASEAN has provided a platform for dynamic intraregional trade and investment, which has led to economic diversification into manufacturing and services.



Photo credit: Arne Hoel © World Bank

Support to least developed countries on market access

UNCTAD organized a training workshop on market access and rules of origin in Cotonou in June 2016 and a targeted training for pineapple producers on geographical indication. UNCTAD also participated in several events related to geographical indications, as a means of disseminating its work on the topic, in China in June and the Lao People's Democratic Republic in July. The publication, *Why Geographical Indications in Least Developed Countries?*, was launched in December, thus further enhancing dissemination of work on geographical indications. As a result, Governments and rural communities recognized the importance of geographical

indications as a rural development tool. UNCTAD also collaborated with the Food and Agriculture Organization of the United Nations and the African Union on the launch of a continental strategy for geographical indications in Africa.

Enhanced Integrated Framework

As one of six core partners of the Enhanced Integrated Framework programme, UNCTAD contributions focus on strengthening the capacities of LDCs in trade policymaking. In November 2016, UNCTAD organized a bilateral workshop for Djibouti and Ethiopia on the joint implementation of an action matrix on transit, transport and trade

facilitation. The successful conclusion of the workshop led to the launch of a subregional initiative for the second phase of the Enhanced Integrated Framework. As part of the initiative, UNCTAD organized a subregional workshop for West African countries on enhanced coordination in the implementation of action matrices of Diagnostic Trade Integration Studies on trade facilitation, transit and transport.

UNCTAD also implemented national projects aimed at mainstreaming trade policies into their national development plans. In Burkina Faso, UNCTAD helped the Government prepare the national medium-term plan and, in the Gambia, provided assistance for the preparation of a trade and industrial strategy.

SUSTAINING MOMENTUM ON TRADE FACILITATION

Trade can contribute to economic growth and sustainable development under the right conditions. But administrative hurdles can defeat efforts to increase the share of developing countries in global imports. UNCTAD helps to smooth the flow of goods across borders and past unnecessary hurdles.

From the Sudan...

“Our impression is that it was one of the most successful workshops on trade facilitation held in the Sudan because it came out with concrete outcomes.”

Ali Adam, Chair of the national trade facilitation committee

“When I started this Programme in 2016, I was only concerned by the topics related to customs laboratories. Now, I am convinced that we can have better possibilities to improve trade facilitation if we join efforts with other border agencies.”

Mohamed El-Mustafa Fadul, beneficiary of the Empowerment Programme

Trade facilitation and development

Trade facilitation reforms improve a country's trade competitiveness and the effectiveness of border agencies. They can directly help advancing development objectives such as Sustainable Development Goal 16 – which includes building effective, accountable institutions – and Sustainable Development Goal 8, covering productive employment under decent work and economic growth.

A new UNCTAD study on trade facilitation and development identifies policies to help reap the full development-related benefits of trade facilitation reforms.

Empowerment Programme for National Trade Facilitation Committees

Under the WTO Agreement on Trade Facilitation, which enters into force in 2017, all members of WTO are obliged to implement a number of trade facilitation reforms. These reforms require investments and inter-agency collaboration and cooperation, including between the public and private sectors, users and providers of trade and transport services, and different ministries and agencies. To ensure this inter-agency cooperation, members of WTO committed to put in place functioning and sustainable national trade facilitation committees.

In 2016, UNCTAD launched its Empowerment Programme for National Trade Facilitation Committees to support member States in the Agreement on Trade

Facilitation implementation process. The programme is being developed in a series of tailor-made modules, with accompanying advisory services. The schedule for implementation of the programme in a single country ranges from between one to three years. The Empowerment Programme is delivered in cooperation with partner agencies, notably the International Trade Centre, United Nations Economic Commission for Europe and World Customs Organization. In 2016, UNCTAD concluded its first delivery of the Empowerment Programme in the Sudan and initiated planning or delivery in another 11 African countries.

Assistance on trade facilitation in the East African Community

UNCTAD has continued to provide assistance on the implementation of the WTO Agreement on Trade Facilitation in the East African Community in 2016. Since negotiations on the Agreement on Trade Facilitation concluded in December 2013 and as part of a cooperation agreement with the German Agency for International Cooperation, UNCTAD achieved its overall objective of institutionalizing the Agreement at the regional and national levels. As a result, the East African Community secretariat established a subcommittee on trade facilitation, and its partner States now have a national trade facilitation committee that is functional and efficient.



Photo credit: Dominic Sanson © World Bank

Global repository of national trade facilitation committees

UNCTAD maintains an online repository on national trade facilitation bodies. The underlying objective is to compile into a single standardized source and disseminate data and information to national trade facilitation committees around the globe. The interactive repository is maintained in collaboration with the International Trade Centre and the United Nations Economic Commission for Europe. In 2016, UNCTAD launched a new multilingual version of the repository, incorporating a total of over 130 country cases.

Collaboration with trade facilitation stakeholders

Small producers venturing into markets abroad often approach freight forwarders to ship their goods. The difference between a competitive good and a non-competitive one often hinges on the dexterity with which the freight forwarder combines shipments. In 2015, UNCTAD organized training courses with the International Federation of Freight Forwarders Associations in Santiago and Harare to keep a check on unit costs, training 47 trainers in the areas of trade facilitation, risk management and liability insurance.

In 2015, UNCTAD also teamed up with the Organization of Islamic Cooperation, the Port Management Association of West and Central Africa and the China–Europe Vocational Training Centre to spur development through greater port efficiency. Within the five members of the East African Community, the collaboration of UNCTAD not only helped to strengthen national capacities,

but also coordination and implementation of regional trade facilitation initiatives.

Supporting national trade facilitation bodies

Making trade facilitation work requires coordination. Conversations between public and private actors are essential to predictable and transparent border transactions. Throughout 2015, UNCTAD actively supported the creation of national trade facilitation committees required under the WTO Agreement on Trade Facilitation, forming coalitions for accelerated progress.

Involving all relevant stakeholders, from the public and the private sectors, in decision making and implementation of trade facilitation reforms is an important step towards transforming economies to deepen their participation in global value chains. UNCTAD led and created a global repository with information for and about national trade facilitation committees, covering at present more than 100 countries.

ENCOURAGING DATA-DRIVEN DEVELOPMENT

Taking the policy decisions that ensures progress towards achieving the Sustainable Development Goals calls for having a wealth of data and statistics – at all levels – on hand. Improvements and progress can only be measured against the evidence available to countries. UNCTAD helps developing countries to gather and analyse data and provides inputs through the United Nations system at international level to fulfil the ambitions of the 2030 Agenda for Sustainable Development.

Development statistics for economic development

UNCTAD continued to work closely with WTO and the International Trade Centre on disseminating reliable and consistent economic statistics. UNCTAD drew on international and national data sources to offer additional analytical indicators and the greatest geographical coverage possible, in particular on developing countries, in its statistics. These statistics facilitate the work of UNCTAD in formulating sound policy recommendations to developing

economies, enabling them to realize the advantages of globalization. Data are also made available to international and regional organizations, national policymakers, trade specialists, journalists, academics and the general public via UNCTADStat, the statistics portal. UNCTAD statistical country profiles provide a visually attractive summary of key statistics for every country in the world. A key feature of all data from UNCTADStat and electronic releases is their online accessibility.

Statistics on UNCTADStat

In 2016, the UNCTADStat portal recorded:

- Almost **430,000** sessions
- **7.3 million+** page views
- **192,000+** users from over 200 countries and territories
- **250,000+** views of statistical country profiles

“This is one of the areas where working together is a must. The world is changing very fast. Digitally enabled services are key. Improving measurement will be a significant plus to help us identify digital opportunities and bring those [opportunities] into business and into our societies.”

Alexander Mora,
Minister of Foreign Trade, Costa Rica

The statistical portal and electronic releases are designed to run on all web browsers and versions for easy downloading anywhere in the world.

In 2016, UNCTAD continued to display leadership in statistical measurement, actively engaging in the Inter-Agency and Expert Group on Sustainable Development Goal Indicators of the United Nations, as well as publishing a statistical baseline report on a selection of Sustainable Development Goal indicators. The report, *Development and Globalization: Facts and Figures 2016*, was formally launched on the first day of the fourteenth session of the Conference. The report generated over 14,000 page views and 500 downloads. In cooperation with WTO, UNCTAD also successfully developed and launched a comprehensive e-learning tool to assist compilers of statistics of international trade in services.

Regionally, UNCTAD jointly hosted two workshops in West Africa with the Statistical Commission of the West African Economic and Monetary Union to harmonize questionnaires used to collect trade-in-services statistics. This was part of a broader project to design and build a robust infrastructure for the collection and dissemination of statistics on international trade in services. UNCTAD also continued to provide informal technical support to the Eurasian Economic Commission on the compilation of regional input–output tables.

Monitoring financial stress to tackle vulnerabilities

UNCTAD developed a new database, currently available for 48 developing and transition countries from all continents, to compute monthly capital

inflows and outflows in real time. The database covers over 90 per cent of developing country financial flows and is being expanded to enlarge its coverage of Africa. Financial stress indicators have also been developed for the BRICS and six other countries, some, LDCs and small island developing States: Angola, Ecuador, Jamaica, Saint Vincent and Grenadines, Thailand and the United Republic of Tanzania. The indicators, available in real time on a monthly basis, have proven to be strong predictors of GDP performance in the near term. They have the potential to cover all developing countries despite data limitations.

Measuring the information economy

Since 2007, UNCTAD has trained some 200 producers of information and communications technology (ICT) statistics from more than 100 countries. At its forty-seventh session in March 2016, the United Nations Statistical Commission adopted a definition and methodology proposed by UNCTAD for measuring international trade in digital services or ICT-enabled services. This work was developed in collaboration with the Inter-Agency Task Force on International Trade Statistics of the United Nations and the Partnership on Measuring ICT for Development.

In 2016, UNCTAD developed a questionnaire for an enterprise survey to measure exports of digital services. The survey will be pilot tested in selected developing countries in 2017, with the aim of strengthening the capacity of national statistical offices in some target countries. UNCTAD also ran two training courses on information economy indicators in Bangkok and Addis Ababa.



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STRENGTHENING PARTNERSHIPS FOR SUSTAINABLE DEVELOPMENT

The 2030 Agenda for Sustainable Development sets out a clear vision for implementation and achievement of the Sustainable Development Goals: a strengthened commitment to partnership and cooperation at all levels and by all actors. Sustainable Development Goal 17 embodies this spirit of partnership in the call for a reinvigorated Global Partnership for Sustainable Development. UNCTAD continues to support the Partnership within the United Nations system, while working with a range of other actors on different aspects of trade and sustainable development.

The United Nations system: Delivering as one

The 2030 Agenda for Sustainable Development requires that each agency contributes to the work of the United Nations system as a whole. Through the United Nations Inter-Agency Cluster on Trade and Productive Capacity, UNCTAD has been a pioneer in coordinating its country-level activities with other members of the Inter-Agency Cluster. Over the years, the United Nations Inter-Agency Cluster on Trade and Productive Capacity has become an important mechanism to ensure that trade and development issues are effectively addressed through the United Nations system-wide coherence process, “Delivering as one”. Starting initially with projects in eight pilot countries,

the Inter-Agency Cluster has expanded to cover more than 30 joint operations in Africa, the Arab States, Asia, Europe and Central Asia, and Latin America and the Caribbean. In 2016, UNCTAD continued to participate in the formulation of new United Nations Development Assistance Frameworks and related joint programmes worldwide. The Inter-Agency Cluster received positive feedback from partners for its capacity to access the Delivering Results Together Fund – a multi-partner trust fund led by the United Nations Development Group – and for its capacity to deliver on the implementation of policy initiatives with that funding. Such initiatives are coordinated responses aimed at achieving sustainable

development via:

- Increased coherence in the context of United Nations Development Assistance Frameworks
- Strengthened partnerships between Governments, the United Nations system and donor partners
- The setting-up of stronger normative and operational linkages within joint programmes in selected “Delivering as one” countries.

In the United Republic of Tanzania, activities funded through the One United Nations fund were complemented by activities funded through bilateral sources, such as Switzerland, under the overall umbrella of the United Nations Development Assistance Framework, leading to long-term and sustainable assistance. Based on this experience,

United Nations Inter-Agency Cluster on Trade and Productive Capacity

Led by UNCTAD, the members of the Inter-Agency Cluster are:

United Nations
Industrial Development
Organization

Food and Agriculture
Organization of the
United Nations

International Trade Centre

World Trade Organization

United Nations
Development Programme

United Nations
Environment Programme

International Labour
Organization

United Nations
Commission on
International Trade Law

United Nations Office for
Project Services

Five regional
commissions of the
United Nations

“The [Government of Brazil] drafted an entirely new model of investment agreement... This model has been elaborated with contributions of international organizations – particularly UNCTAD – and analysis of international benchmarks.”

Fernando Furlan,
Deputy Minister of Development,
Industry and Foreign Trade, Brazil

“We are determined to revitalize international trade and investment as key engines of growth and build an open world economy. We have worked out the Group of 20 Guiding Principles for Global Investment Policymaking, which lays out the first global framework of multilateral rules governing international investment.”

Xi Jinping,
President of China, Group of 20 Hangzhou
Summit, 5 September 2016



UNCTAD is in a position to share best practices within the United Nations system with a view to achieving the ambitious 2030 Agenda for Sustainable Development.

International investment regime reform

The cross-cutting objectives of the 2030 Agenda for Sustainable Development emphasize the need for investment policy reform. Notably, the international investment agreements regime, a highly incoherent and fragmented body of law, consists of more than 3,320 treaties. This warrants efforts to streamline the regime into a more coherent, harmonized whole and align it with sustainable development.

UNCTAD has been backstopping the investment regime for 30 years, taking a principal role in steering efforts to reform the international investment agreement regime. The outcome document of the Third International Conference on Financing for Development reinforced a reliance on UNCTAD as the lead agency for facilitating the reform process. UNCTAD developed the Investment Policy Framework for Sustainable Development and a road map for international investment agreement reform to help propel the process forward. To date, some 100 countries have used these two policy instruments to review their international investment agreement networks, and about 60 have consulted them to design new treaty clauses. In 2016, the programme held one session of a multi-year expert meeting to take stock

of international investment agreement reform – providing timely reflection on UNCTAD guidance in this area to better align the regime with the 2030 Agenda. Subsequently, the International Investment Agreement Conference, held in the context of fourteenth session of the Conference, explored the elements that would be required to steer the second phase of international investment agreement reform. Participants considered investment facilitation to be one of the most pressing issues on the reform agenda, showing support for a new UNCTAD action menu for investment facilitation.

International investment policymaking

UNCTAD continues to support the international investment community in its efforts to work towards promoting investment for sustainable development. In September 2016, Group of 20 leaders adopted the Guiding Principles for Global Investment Policymaking. These guidelines aim at promoting a better, more coherent policy environment at the global level and at promoting foreign direct investment for inclusive economic growth and sustainable development. UNCTAD played two key roles during the year – as facilitator for discussions on the Guiding Principles, providing an initial draft based on the UNCTAD Investment Policy Framework for Sustainable Development, and as coordinator of the inter-agency working group to provide substantive support to the Group of 20 on other investment related issues.

UNCTAD contributions to the Group of 20

UNCTAD has continued to provide advisory services to policymakers through its participation in the Group of 20 Framework Working Group for Strong, Sustainable and Balanced Growth. The Framework Working Group convokes high-level experts from the ministries of finance and central banks of the members of the Group of 20 and senior staff from international organizations.

Topics of UNCTAD presentations delivered at the meetings held in 2016 covered principles for enhanced structural reforms, trade and global imbalances, and inclusive growth. UNCTAD has contributed to building consensus around the need to continue to support aggregate demand in the pursuit of structural reforms towards achieving sustained growth, and insisted on the role of inclusiveness, improved income distribution and gender equality as triggers of economic resilience.

Collaborating within the United Nations system

World Economic Situation and Prospects

The annual World Economic Situation and Prospects report, and its mid-year updates, is a joint product of the United Nations Department of Economic and Social Affairs, UNCTAD and the five United Nations regional commissions. Inputs to the report aim at providing an overview of recent global economic performance and short-term prospects for the world

economy and of some key global economic policy and development issues.

The 2017 edition of the report calls for a broader policy toolkit that moves beyond excessive reliance on monetary policy and adapts to individual country circumstances. Structural reforms could encompass a larger use of income policies to tackle inequalities and sustain demand, as well as active labour market policies to support vulnerable or marginalized sectors. Effective financial regulation and incentives should also mobilize resources and encourage investment in inclusive and resilient infrastructure, social services and green technology.

Reports of the United Nations Secretary-General

UNCTAD contributed to inputs the reports of the United Nations Secretary-General on causes of conflict and the promotion of durable peace and sustainable development in Africa and on United Nations system support for the New Partnership for Africa's Development.

The United Nations Secretary-General convened the first ever Global Sustainable Transport Conference, from 26 to 27 November 2016 in Turkmenistan. The Conference brought together key stakeholders from Governments, the United Nations system and other international organizations, the private sector and civil society to

engage in a dialogue that emphasized the integrated and cross-cutting nature of sustainable transport, with its multiple roles in supporting the achievement of the Sustainable Development Goals. As a key player in the field of sustainable freight transport and in addressing the multimodal and multidimensional aspects of transport in support of international trade, UNCTAD organized a thematic session of the Conference entitled "Multimodal sustainable transport and transit solutions: Connecting rail, maritime, road and air". In addition, UNCTAD co-led and participated in a high-level thematic panel on sustainable transport solutions to the climate crisis, highlighting key challenges in respect of climate change adaptation and resilience building for transport infrastructure. The Ashgabat Statement, issued at the end of the Conference, reflects the importance of effective climate change adaptation and disaster risk reduction for critical coastal transport infrastructure, particularly in small island developing States, as well as the related urgent need for capacity-building and financing.

UNCTAD also contributed substantive inputs to the first global sustainable transport outlook report, *Mobilizing Sustainable Transport for Development*, prepared under the framework of the independent High-Level Advisory Group on Sustainable Transport appointed by the United Nations Secretary-General.

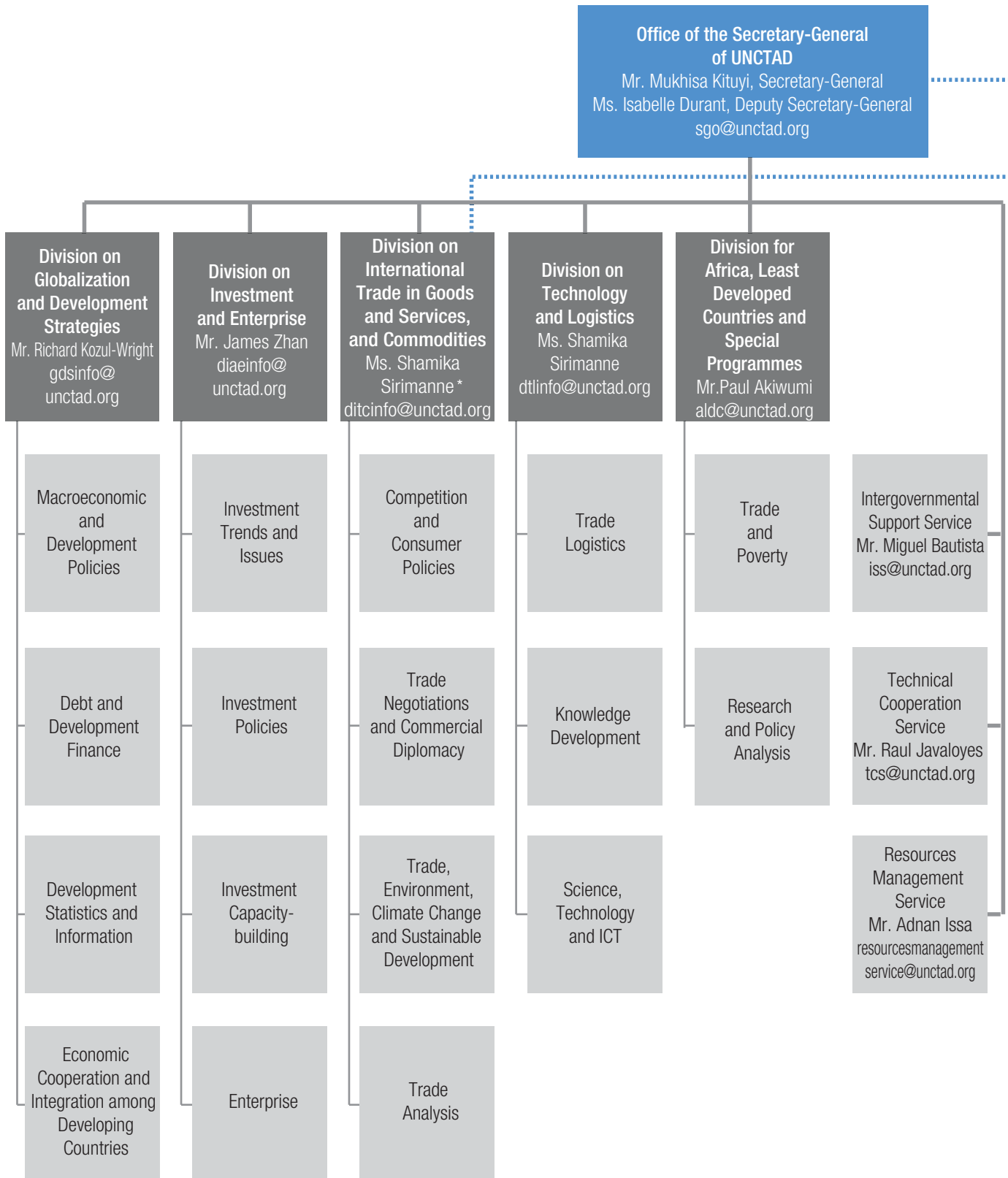
Working with civil society

Civil society organizations represent the views of diverse sectors of society, and offer unique expertise and experience at the global and local levels. They are particularly effective in raising awareness, advocating and sharing information among their extensive networks. Recognizing the important role civil society organizations can play, UNCTAD reaches out to and engages civil society in most areas of its work.


In 2016, UNCTAD constructively engaged with civil society in the process and preparations for the fourteenth session of the United Nations Conference on Trade and Development. The quality of the debates and the positive engagement at preparatory hearings and at the Civil Society Forum held in Nairobi evidence the growing level of interest and support of civil society in UNCTAD work. The UNCTAD database of civil society organizations grew by more than 30 per cent in 2016.

UNCTAD SECRETARIAT

ORGANIZATIONAL CHART



* Officer-in-Charge.



**Special Unit on
Commodities**
Mr. Samuel Gayi
commodities@unctad.org

**UNCTAD
New York Office**
Ms. Chantal Line Carpentier
unctadny2@un.org

**UNCTAD Regional
Office for Africa**
Ms. Joy Kategekwa
unctadaddis@unctad.org

**Communications,
Information and Outreach**
Mr. Jonathan Fowler
unctadpress@unctad.org

**Evaluation and
Monitoring Unit**
Ms. Madeeha Bajwa
evaluation@unctad.org

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