Activities undertaken by UNCTAD in support of Africa

Report by the Secretary-General of UNCTAD

Executive summary

The Trade and Development Board considers the report on UNCTAD’s activities in support of Africa in one of its annual executive sessions. This year’s report provides an overview of the activities carried out over the period May 2011 to April 2012, organized around UNCTAD’s three main pillars: research and analysis, consensus-building and technical cooperation. The report also describes the partnerships that UNCTAD developed in the course of implementing its activities and provides a general assessment of the impact of UNCTAD’s activities in Africa.
Introduction

1. UNCTAD supports African countries in their efforts to promote sustainable development through its research, consensus building, technical assistance and capacity building activities. During the review period, UNCTAD provided support to African countries in several areas ranging from trade, finance and investment to commodities, and science and technology. Furthermore, UNCTAD strengthened partnerships with African national and regional organisations and institutions. It also intensified the dissemination of its research and policy analysis work in Africa.

2. UNCTAD has also strengthened partnerships with other United Nations departments and agencies. It is an active member of the Regional Consultation Mechanism (RCM) of the United Nations agencies working in support of the African Union and its New Partnership for Africa’s Development (NEPAD) programme. Furthermore, it has increased collaboration with the United Nations Economic Commission for Africa (ECA) on NEPAD matters. In this context, a meeting was held in February 2012 between the UNCTAD NEPAD Steering Group and the Director of the Economic Development and NEPAD Division of ECA to discuss new areas of collaboration and how to enhance UNCTAD’s role in the RCM clusters.

3. The present report provides an overview of UNCTAD’s activities across its three main pillars of work, namely: research and policy analysis; building consensus on regional and global issues; and technical cooperation.

I. Research and policy analysis

4. UNCTAD’s research and policy analysis contributes to more effective design, formulation and implementation of policies in Africa through: tracking economic performance and progress; stimulating and shaping debates on policy issues affecting Africa’s development; providing advisory services to African governments on policy matters through national policy reviews; and improving data collection and analysis.

A. Tracking economic performance and progress

5. The *World Investment Report 2011* provided a comprehensive analysis of foreign direct investment (FDI) trends in Africa. It showed that inflows of FDI to Africa in 2010 declined to $55 billion, thus marking the second successive year of decline. Africa’s share of FDI among developing countries continued to decline and FDI flows to Africa are still largely concentrated in resource-related industries, primarily in oil and gas. The Report predicts that, over the long term, investment flows with greater development impacts are likely to come from neighbouring countries. Although there is some evidence that intraregional FDI is beginning to emerge in non-natural-resource-related industries, intraregional FDI flows in Africa are still small, when compared to other regions, standing at only $46 billion. UNCTAD’s research suggests that harmonization of Africa’s regional trade agreements and accelerated and closely coordinated planning with respect to FDI would help Africa reach its intraregional FDI potential.

B. Stimulating and shaping debates on policy issues affecting Africa’s development

6. UNCTAD’s *Information Economy Report 2011* focused on how effective and systematic use of ICTs can help enable private sector development (PSD). The Report’s...
review of donor and national strategies in this area found that the potential for leveraging the ICT-PSD interface is far from fully exploited. For example, out of the PSD strategies of bilateral development agencies reviewed, more than 40 per cent made no reference to the ICT dimension. The analysis of the report presents several concrete cases from Africa. The report was presented at official launches and press seminars in 6 African cities.

7. In 2011, as part of its mandated work programme in the field of trade logistics, UNCTAD continued to carry out substantive research on a wide range of policy, legal and regulatory issues and related developments affecting the transport and trade of developing countries, many of which are highly relevant for African countries and subregions. The research and analysis work was disseminated through the 2011 issue of the Annual Review of Maritime Transport and in the quarterly editions of the Transport Newsletter. Also, in November 2011 UNCTAD published a study entitled Trade Facilitation in Regional Trade Agreements, which analyses customs and other trade facilitation measures contained in 118 regional trade agreements currently in force in Africa, Asia, the Americas and Europe. During 2011, UNCTAD also continued to explore the effects of climate change and their implications for transport infrastructure, services and operations which need to be properly understood to ensure that appropriate adaptation measures are taken.

8. The Economic Development in Africa Report 2011: Fostering Industrial Development in the New Global Environment, produced and published jointly by UNCTAD and the United Nations Industrial Development Organization (UNIDO), examines the status of industrial development in Africa with a focus on African manufacturing. It also provides an analysis of past attempts at promoting industrial development in the region and the lessons learned from these experiences. Furthermore, it offers policy recommendations on how to foster industrial development in Africa in the new global environment. The Report was launched in several locations — including Addis Ababa, Dakar, Maseru and Johannesburg — and was featured in several leading newspapers. At least 178 press clippings were registered by UNCTAD in relation to the launch of the Economic Development in Africa Report 2011. Policy briefs detailing key findings and messages of the report were also prepared and disseminated through the UNCTAD website. Reference to the Report was made in the issues paper prepared for the Fifth Joint Annual Meetings of the AU and UNECA Conference of Ministers of Economy and Finance. Insights from the report were featured and discussed at a four-day capacity-building workshop on Industrial Development and Globalization in Africa at the University of Dar-es-Salaam through UNCTAD Virtual Institute.

9. The Least Developed Countries Report 2011: The Potential Role of South-South Cooperation for Inclusive and Sustainable Development argues that South-South cooperation can support a transformational agenda leading least developed countries (LDCs) towards inclusive and sustainable development. The Report suggests that the benefits of South–South cooperation will be greatest in LDCs when a dynamic two-way relationship is established in which policies carried out by catalytic developmental States in the LDCs and South–South cooperation reinforce each other in a continual process of change and development. The Report makes several policy recommendations that can be of potential relevance to African LDCs. The Report was launched in several cities including Addis Ababa, Kigali, Lusaka, Maseru, and Johannesburg.

10. In 2011, UNCTAD implemented a project titled: Economic Crises and Commodity Dependent LDCs: Mapping the exposure to market volatility and building resilience to future crises, in Benin, Burundi, the United Republic of Tanzania and Zambia. The case studies undertaken through the project assisted in sectoral review and assessment of successful and less successful experiences of LDCs in addressing the impact of global economic crises on commodity-dependent LDCs. This helped to forge consensus on ways and means of mapping the exposure of the LDCs to market volatility and building
resilience to future crises. As part of the project, a special event was organized on commodity issues during the Fourth United Nations Conference on Least Developed Countries (LDC–IV). The event deliberated on the findings of the various case studies and adopted summary recommendations for action at the national, regional and global levels. The lessons and policy conclusions from the study were also shared at the event, which attracted more than 90 participants from LDCs and their development partners, United Nations system agencies, civil society and the private sector. Furthermore, in the context of the outcome of LDC–IV — the Istanbul Programme of Action — commodities and issues related to food security, including commodity diversification and value addition, were among the areas that were identified as reflecting long standing challenges for African countries. In this context, the Special Event provided a clear direction and amplitude to the negotiation process at LDC–IV.

11. UNCTAD’s work on migration and remittances is relevant to African efforts to promote free movement of persons and labour market integration, as many African countries are dependent on remittances. UNCTAD conducted research and analysis, and promoted improved understanding and consensus building on trade and development implications of migration, including through holding an expert group meeting on maximizing the development impact of remittances (14–15 February 2011), and its participation in Global Migration Group (GMG) and the Global Forum on Migration and Development (GFMD). These works have highlighted the positive poverty effect of increased remittance flows and the importance of financial inclusion for African countries in better harnessing the benefits of increased remittance flows.

C. National policy reviews

12. National Services Policy Reviews. UNCTAD conducts national Services Policy Reviews to help countries assess the impact of trade liberalization in specific services sectors, and to identify regulatory frameworks needed to advance national sectoral development objectives. One such review was completed for Uganda, and two others are ongoing for Lesotho and Rwanda. The reviews assist beneficiary countries in identifying sectors in which African and regional trade can be prioritized in national trade and development strategies. They also allow countries to take informed decisions about optimal liberalization of specific services sectors.

13. Investment Policy Reviews. Africa has been the main beneficiary of the investment policy review (IPR) programme thus far. During the reporting period, UNCTAD finalized the IPR of Mozambique and initiated the IPR of Djibouti. UNCTAD also presented in the context of its annual Commission on Investment, Enterprise and Development the Implementation Reports for Ethiopia and the United Republic of Tanzania, which showed a strong record of implementation of IPR recommendations and increased interest in investment opportunities and investment flows, while an assessment of Kenya and Rwanda were also undertaken. Out of a total number of 32 completed IPRs, 20 were prepared for African countries. UNCTAD has continued dialogue with a number of African countries, including seven LDCs, that have requested for an IPR, and it was agreed for such requests to be addressed in 2012 and beyond. In addition, UNCTAD assisted beneficiary countries in implementing the recommendations of their IPRs. In the context of the series on best practices in investment for development, which provide countries with an “off-the-shelf-guide” to investment policy making UNCTAD analyzed the experience of Mozambique in “How Post-Conflict Countries can Attract and Benefit from FDI”.

14. ICT Policy Review. The first ICT Policy Review prepared by UNCTAD was successfully presented to the Government of Egypt and other member States in October 2011. The Review was prepared in cooperation and with the support of the Ministry of
Communications and Information Technology of Egypt and the UNDP Office in Cairo. It evaluates the main achievements and remaining challenges in the areas of ICT infrastructure, skills development for the ICT sector, ICT use in the educational system, e-content development in Arabic and the promotion of an export-oriented ICT sector. It proposes valuable inputs as the Ministry prepares the next national ICT strategy, including best practices from other countries to help the Government in formulating its strategic ICT objectives and policy measures.

D. Data collection and analysis

15. **Capacity-building on data collection in investment.** UNCTAD continued to assist the COMESA countries on data collection and reporting of FDI statistics. UNCTAD’s work effectively contributed to enhance their capacities to collect data. COMESA started not only collecting or improving the data but also producing their own investment report for the first time under UNCTAD’s supervision. UNCTAD is also planning to provide technical assistance to improve data collection on FDI statistics and activities of Transnational Corporations (TNCs) in Nigeria.

II. Consensus-building

16. **African Carbon Forum.** Through its Climate Change Programme, UNCTAD supported the organization of the Third Africa Carbon Forum in July 2011 in Marrakech, Morocco. The forum strengthened links between Clean Development Mechanism (CDM) project developers and the region’s investment community. It also facilitated knowledge sharing among CDM project sponsors and buyers. This activity was under the auspices of the Nairobi Framework, established to improve the level of participation of developing countries, especially those in sub-Saharan Africa in the Clean Development Mechanism (CDM) under the Kyoto Protocol. The event was organized with other partners such as UNDP, UNEP, UNEP-Risoe, UNFCCC, UNITAR, World Bank Group, African Development Bank (AfDB) and the International Emissions Trading Association (IETA). A side event for the Portuguese speaking countries in Africa was also organized by UNCTAD. The event provided a platform to present an e-learning course on climate change and the carbon market to assist African countries in seizing trade and investment opportunities arising from climate change policies, particularly through the CDM. It addressed specific needs of Designated National Authorities and project developers in these countries.

17. Against a background of growing concerns over the potentially important impacts of climate change on international transport and trade, UNCTAD, in September 2011, convened an Ad Hoc Expert Meeting with a focus on “Climate Change Impacts and Adaptation: A Challenge for Global Ports”. The objective of the meeting was to provide a platform for expert discussions on how best to improve the understanding of climate-change impacts on ports and develop effective and appropriate adaptation response measures. The meeting was attended by African delegations of Ethiopia, Ghana, Mauritius and Nigeria and speakers from South Africa and Mauritius were among the panellists.

18. The fourth and last session of the Multi-year Expert Meeting on Transport and Trade Facilitation Challenges and Policy Options was convened in Geneva in December 2011 and attended by more than 20 African countries. UNCTAD produced an issues note for the session which discussed selected fundamental challenges that could undermine transport and trade, which call for attention and consideration. This note also builds on lessons learned from the previous three sessions and reviews in separate chapters: recent developments and persistent challenges affecting international transport, with special
emphasis on problems faced by land-locked developing countries; foreseen challenges in implementing trade facilitation reforms and customs automation; including the share of the private sector in these endeavours. In its concluding part, the note signals out policy options to be adopted by relevant governments in selected areas and the role that UNCTAD and development partners can play in their adoption and implementation.

19. **Trade and Development Board sessions.** The Trade and Development Board’s fifty-third executive session on Africa, held in June 2011, involved a panel discussion on “Enhancing Aid Effectiveness: From Paris to Busan”. The panel led to some key recommendations that assisted African policy-makers in articulating their priorities and needs at the Fourth High-Level Conference on Aid Effectiveness held in Busan, South Korea in November 2011. The fifty-eighth annual session of the Trade and Development Board, held in September 2011 included a panel discussion on the *Economic Development in Africa Report 2011*. The session closed with the endorsement of a set of Agreed Conclusions that acknowledged the findings and policy recommendations of the report. There was a request on the part of member states for UNCTAD to continue its research on economic development issues and challenges facing Africa.

III. Technical cooperation

20. During the reporting period, UNCTAD’s technical cooperation activities, encompassing advisory services and capacity development, contributed to strengthening human and institutional capacities in African countries in the following areas: trade and regional integration, competition, agriculture and commodities, environmental sustainability, investment, finance, enterprise development, and science and technology.

21. **Enhanced Integrated Framework (EIF).** In 2011, UNCTAD continued participating actively in the operationalization and implementation of the Enhanced Integrated Framework. Since the majority of LDCs have now completed the DTIS, particular attention was given to how the DTIS updating should be carried out and several aspects of the DTIS template were discussed to better tailor it to the needs of LDCs. In this context, UNCTAD elaborated with the Government of the Gambia the terms of references for the DTIS updating that was approved and funded after submission by the Gambian Government to the EIF secretariat. Following the approval UNCTAD and the Gambian Government initiated implementation. The terms of reference of the DTIS updating were also drafted with the Government of Mozambique for their submission and approval to the EIF Secretariat. UNCTAD attended the EIF regional Southern Africa workshop in Maseru, Lesotho in February organized by the EIF secretariats to raise awareness on the EIF process and contribute to strengthening its ownership. UNCTAD made a presentation and initiated contacts with a number of LDCs delegations to assist them in the implementation of the EIF. UNCTAD also organized a regional workshop on trade mainstreaming to assist the Government representatives of Cameroon, the Democratic Republic of the Congo, Djibouti, Guinea-Bissau, Mali and Togo to better integrate trade into their national development plans and relations with the UNDAF process. A number of consultations have also taken place with different countries on formulations of tier 2 projects, namely Congo, the Democratic republic of the Congo, Sao Tome and Principe and on DTIS updating, namely Benin, Chad, Malawi and Senegal. Two draft tier 2 projects have been prepared on trade policy assistance for Congo, Democratic Republic of the Congo and Guinea-Bissau.

22. **Trade Mainstreaming Project.** Under the joint work plan with TradeMark Southern Africa, the Mainstreaming project continued to assist LDCs, including African countries, in their implementation of the quota-free negotiations and related rules of origin in the context of non-agricultural market access negotiations and agricultural trade negotiations. In this context several briefings and technical meetings were prepared and consultations meetings
were held. A revised proposal on rules of origin under the Duty-Free Quota-Free initiatives has been drafted in consultation with the LDCs group. This was submitted to the World Trade Organization (WTO) secretariat for circulation among WTO member States.

23. **Market Access and trade laws for LDCs.** The objective of the project entitled “Market Access and trade laws for LDCs” is to increase utilization of the market access initiatives in support of LDCs. This is done by supporting rural communities’ exports and strengthening supply capacities of LDCs in traditional products through the trading opportunities provided by the Multilateral trading system such as Geographical Indications (GIs), designation of origin and better compliance with Sanitary and Phyto-Sanitary (SPS) requirements. Initial contacts have been established with the FAO to coordinate field activities and other contacts have been established with non-governmental organizations (NGOs). A work programme has been agreed with the Intellectual Property Institute of Mozambique to develop the necessary requirements and documents for the submission of three products for Geographical Indications registration.

24. **Support to trade negotiations and regional integration processes.** Consistent with NEPAD priorities and the development objectives of African countries, especially in the context of enhancing development in a period of fragile economic conditions due to the global crises, UNCTAD continued to support African countries and their regional and subregional organizations in enhancing their beneficial integration into the global trading system and the trading system. The AU Summit in 2012 held in Addis Ababa, Ethiopia in January endorsed recommendations of AU Ministers of Trade on an action plan to accelerate the formation of a continental African Free Trade Area with a view to stimulating and enhancing intra-African trade, strengthening intra-African trade integration and building economic resilience to global economic crises. UNCTAD participated in the summit and aims to support the AU Commission and UN-ECA in implementing the action plan in the future.

25. In October 2011, UNCTAD contributed to an AU retreat on intra-African trade, in Addis Ababa in preparation for the AU Ministerial Meeting in Accra, Ghana (29 November–3 December 2011). The recommendation for accelerating the formation of the pan-African FTA was reiterated at that Ministerial meeting and conveyed to the AU Summit in January 2012. UNCTAD also supports African regional economic communities in strengthening their trade integration programmes and enhancing intraregional trade. For example, it is assessing the utilization of current preferential schemes in COMESA, SADC and EAC. It also provided, upon request, WIT/TRAINS training workshops to African countries. Furthermore, it has conducted research and analysis on the effects of preferences and preference erosion due to proliferation of regional trade agreements and on the trade diverting effects of North-South bilateral free trade agreements.

26. UNCTAD supported regional trade negotiations among African countries, including the AU Commission, selected African regional economic communities (RECs) and individual African countries in their engagement in ACP-EU EPA negotiations, as well as WTO Doha Round negotiations. As regards EPA negotiations, UNCTAD contributed to the AU technical events aimed at coordinating African positions on EPA negotiations, so that EPAs will contribute to, rather than hinder, expansion of intra-African trade and integration processes. For instance, UNCTAD supported African trade negotiators in Geneva in preparing the draft Accra Declaration on WTO Doha Negotiations for the seventh session of the African Trade Ministers’ Conference (29 November–3 December 2011). The immediate impact was that this was adopted by Ministers and officially submitted to the WTO as their negotiating input for the WTO 8th Ministerial Conference. It emphasized the need for early completion of a development-oriented Doha Round that could contribute to Africa’s economic development. Further support was provided to African LDCs in preparing draft Ministerial Decisions which were adopted by African Trade Ministers. At
the eighth WTO Ministerial Conference, these draft Decisions were also endorsed and this, too demonstrated immediate impact. UNCTAD also provided advisory and capacity-building support to African countries that are in the process of WTO accession, including Algeria, Cape Verde, Seychelles and Sudan.

27. Intensive technical assistance and training has been provided to the Tripartite Secretariat composed of officials of the EAC, COMESA and SADC for the drafting and finalization of the Free trade area agreement and relevant legal texts. These texts will form the basis for starting of the negotiations on the establishment of the Tripartite Free trade agreement among the 26 countries members of EAC, COMESA, SADC as agreed by the 2nd Tripartite Heads of State and Government Summit held in June, 2011 in Johannesburg, South Africa. During 2011 UNCTAD in collaboration with TradeMark Southern Africa has started to prepare the necessary templates for tariff negotiation expected to start in 2012. The aim of these activities, as in the past year, was to support the Tripartite Task Force in its efforts to coordinate and develop common strategies and policies to achieve better integration and coordination among the three regional economic committees.

28. **Strengthening services policy framework and services productive capacities.** UNCTAD supported SADC and COMESA through specialized training and advice on services trade-related issues, support in the development of the services liberalization frameworks and in the preparations for the liberalization negotiations. Work in these areas contributed to mainstreaming of intra-African services trade in national trade and development strategies and to countries undertaking commitments to liberalize trade-related service sectors. Similar support on services was also provided to African countries’ engagement in the EPA negotiations focused on ensuring the enhanced awareness and understanding of the developmental implications of EPAs and on the importance of ensuring that regional integration is strengthened rather than weakened by the EPA negotiations.

29. UNCTAD also promotes better understanding and sharing of experiences on regulatory and institutional frameworks needed to ensure beneficial outcome of services liberalization including in the regional context. UNCTAD’s Multi-Year Expert Meeting on Services, Development and Trade: The Regulatory and Institutional Dimension, as well as related analytical work, has focused on infrastructure services, including financial, energy, water, telecommunications and transportation services. At its 2011 session, African countries shared their best practices and lessons learnt with other countries. Uganda’s infrastructure policy, regulatory and institutional framework was also presented at the meeting based on its services policy review. African regulatory association (AFUR) also participated in the meeting. The 2012 session of the meeting (23–24 February) has examined the latest developments in infrastructure services, including new regulatory development therein, and sought to further clarify key issues related to establishing best-fit regulatory and institutional frameworks in the infrastructure services sectors in developing countries.

30. **Support to trade policy formulation and trade promotion.** UNCTAD assisted two African countries (including Rwanda) and is continuing to assist several more (including Angola) in developing their trade policy frameworks. These frameworks, developed with the Ministry in charge of trade issues, are a first step in assisting countries in developing or reviewing their trade policy to ensure they are development-enhancing. Development-driven trade policy frameworks are essential for creating the enabling framework for facilitating trade growth while also promoting inclusive development.

31. In a major effort to assist developing countries, including African countries, in addressing trade barriers to promote trade, UNCTAD with several partner agencies elaborated the Transparency in Trade (TNT) partnership multi-year programme on collecting data on non-tariff measures (NTMs) of African countries as well as their main
export markets. Partners include the African Development Bank (as well as the World Bank and ITC) in collecting NTM data of African countries as well as their main export markets. Capacity building workshops for NTM data collection and analysis under the TNT initiative is planned for COMESA, SADC and EAC.

32. **Support to creative industries.** UNCTAD assisted the Governments of Zambia and Mozambique in considering developing policies on creative industries to facilitate the development of such industries. Assistance was provided to the two countries in setting up a Creative Economy Inter-Ministerial Committee with a view to facilitate policymaking and concrete actions on creative industries. In addition, UNCTAD published in 2011 studies: (a) Strengthening the Creative Industries for Development in Zambia and (b) Strengthening the Creative Industries for Development in Mozambique. An analysis of the trade balance of creative products including the potential for intra-African trade was made. Products with greater export potential were identified.

33. **Building capacities in trade logistics and trade facilitation:** *TrainForTrade.* So far, a total of 400 participants from 17 African countries have benefited from 10 TrainForTrade activities. Core actions were related to port management, international investment, international trade and sustainable tourism for development. In December, TrainForTrade celebrated the successful completion of the direct implementation phase of its project in Angola, which began in 2007. Through its project in Angola, TrainForTrade was able to implement 21 workshops in 6 different trade-related fields: Port Management, Sustainable Tourism, Climate Change and the Carbon Market, Consumer Protection, International Investment, and Productive Capacities. The year 2011 was also an active year for TrainForTrade’s Port Training Programme, which operates through two language-based networks (English, French) in Africa. The course spans two years and participants must successfully complete each of the 8 modules and defend a final thesis. The month of December saw the graduation of the first class of TrainForTrade’s Port Training Programme in Djibouti: 24 middle-level managers from the port community, of whom 6 were women. Each successful participant was awarded UNCTAD’s Certificate in Modern Port Management.

34. **Building capacities in trade logistics and trade facilitation:** *ASYCUDA.* A total of 40 African countries benefited from the Automated System for Customs Data (ASYCUDA) programme support in 2011. Multiple training sessions were organized allowing for the full transfer of ASYCUDA know-how and skills to national teams, thus ensuring the long-term sustainability of the system by national Customs administrations. A technical assistance project funded by the European Union continued to support activities with the CEMAC Secretariat (*Communauté Économique et Monétaire de l’Afrique Centrale, Central Africa*) to improve the current national customs systems and to develop and implement a regional transit system, based on the latest version of ASYCUDA. This project, in its transit component, will first focus on two corridors (Douala-Bangui and Douala-N’djamena) and, in a second stage, will extend to others countries of the region. A technical assistance project funded by the Government of the Netherlands aims to automate the processing of the Phytosanitary certificates and to validate them against the export Customs declarations in order to speed up the clearance formalities. The system will first be implemented in Ethiopia. In 2011, the Rwanda Revenue Authority embarked on a large modernization and reform project including the migration to the latest version of ASYCUDA. The project will extend the use of the system to other governmental agencies in order to develop and implement a Single Window System centered on the Customs system and using the ASYCUDA technology solutions. The ASYCUDA system implementation activities also started or continued in Djibouti, Liberia, Libyan Arab Jamahiriya, Mali, Sao Tome and Principe, Tunisia and Zimbabwe. A large number of ASYCUDA training sessions were carried out on transfer of “know-how” and capacity-building for the beneficiary African user countries at both national and regional levels on customs and IT matters. The Customs
courses covered mainly selectivity and risk-management and valuation and implementation of transit. The ICT courses focused on database structure and administration, information exchange and telecommunications, Web technology and system maintenance and development.

35. For many countries in Africa, especially the least developed and geographically-disadvantaged landlocked countries, transport and trade facilitation is critical. UNCTAD facilitated national assessment workshops and transport advisory services in Botswana, Burkina Faso, Ghana, Mali, Morocco, Namibia, Rwanda and the United Republic of Tanzania. In August 2011, UNCTAD established a new project “Strengthening capacities of developing countries in Africa and Asia to support their effective participation in negotiating bilateral, regional and multilateral trade facilitation arrangements”. This project which is part of the Seventh Tranche of the United Nations Development Account, will run over 32 months and benefit countries in East Africa such as the United Republic of Tanzania, Uganda and Rwanda. In addition, Burundi and Kenya will be included in regional and interregional activities. In addition to this, over the last few years, these countries have committed themselves to an increasing number of bilateral, regional and multilateral trade facilitation initiatives. The effective management of these commitments and ensuring their alignment with national development objectives are critical to the success of trade facilitation.

36. Support to competition policy-making. UNCTAD’s AFRICOMP (African competition programme), launched in 2009, is specifically designed to help African countries develop appropriate administrative, institutional and legal structures for effective enforcement of competition and consumer law and policies. At national level, UNCTAD, with the support of donor countries and programmes, assisted African countries in (a) drafting their competition legislation, including through analysis of specific sectors; (b) organizing training for officials responsible for the operation of national competition authorities; and (c) contributing to the creation of a “competition culture”. In addition, UNCTAD provided African countries technical assistance related to the preparation, adoption, revision or implementation of their national competition and legislations and building their national institutional capacity to enforce effective competition legislation. It has also assisted African countries in improving their consumer protection policy and legislations. African countries that benefited from UNCTAD’s assistance included Angola, Benin, Botswana, Cameroon, Cape Verde, Central African Republic, Comoros, the Gambia, Ghana, Kenya, Lesotho, Madagascar, Malawi, Mauritius, Mozambique, Namibia, Rwanda, Sao Tome and Principe, Seychelles, Sierra Leone, South Africa, Swaziland, the United Republic of Tanzania, Zambia and Zimbabwe. At a regional level, UNCTAD has assisted regional organizations in Africa in drafting and implementing their regional legislation on competition. Beneficiaries of UNCTAD’s assistance have included the Common Markets for Eastern and Southern Africa (COMESA), the Countries of Eastern and Southern Africa (ESA), the Economic Community of West African States (ECOWAS), The Southern Africa Development Community (SADC), the Economic and Monetary Union of Central Africa (CEMAC) and the West African Economic and Monetary Union (WAEMU).

37. Agriculture and commodities. In the area of agricultural commodities, UNCTAD has continued implementing activities under the EU-funded “All ACP agricultural commodities programme” (AAACP). A series of capacity-building events were held that included: (a) A Pan-African Stakeholder’s conference on Cotton in Benin; (b) two regional workshops on the development of agrifood standards and launching of the Sustainability Claims portal (SCP), respectively for francophone West and Central Africa in Senegal and for English-speaking countries in the United Republic of Tanzania; and (c) a workshop, held in the United Republic of Tanzania, on a Road Map for Commodity Exchanges as instruments for agrifood production and trade in East and Southern Africa. In addition,
UNCTAD contributed to a regional stakeholder workshop organized by the International Trade Centre on a “Cotton to Clothing Strategy” in Kenya. In collaboration with AAACP implementing agencies and the ACP secretariat and the programme coordination unit, UNCTAD co-organized a dissemination meeting about results achieved by the programme, with a view to help stakeholders in identifying follow-up activities. In addition, UNCTAD has provided support to the creation of a regional trade platform by web-linking five existing national commodity exchanges (Ethiopia, Kenya, Zambia, Malawi and Uganda).

38. **BioTrade initiatives.** UNCTAD’s BioTrade Initiative continued to provide technical assistance and advisory services to BioTrade programmes and partners in Uganda. Assistance was also provided in implementing the BioTrade concept and methodologies, including value chain development and impact assessment. Support was provided in project formulation, market access and fundraising efforts. In the area of trade in food, studies and regional consultation meetings on selected Non-Tariff Measures (e.g. the Novel Food regulation of the EU) have been undertaken. With respect to promotion of African products, selected biodiversity-based products and services have been highlighted through Business to Business (B2B) programmes and trade fair participation in 9 African countries.

39. **Capacity-building on investment.** During the reporting period, an *Investment Promotion Handbook for Diplomats* was produced, which is a practical guide for diplomats who are involved in promoting FDI to their country. The Handbook was widely distributed and sent to investment promotion agencies in Africa as well as diplomatic missions to the United Nations. Furthermore, investment guides, which provide potential investors with accurate, objective and up-to-date information on key emerging investment opportunities in a country, continued to be prepared. During the reporting period, guides for Benin, Comoros, Morocco and Zambia were showcased during major conferences and international events, including the United Nations LDC–IV Conference, the Annual Investment Meeting in Dubai and other national and regional events. As a result beneficiary countries such as Zambia reported a rise in firm commitments from new investors.

40. UNCTAD’s eRegulation system, a turn-key, configurable, e-government system, is already operational in 11 African countries. During the reporting period, ad-hoc assistance also continued to be provided to Benin, Burkina Faso, Cameroon, Ethiopia, Côte d’Ivoire, Mali, Morocco, Niger, Rwanda and Togo in simplifying procedures and implementing e-government solutions.

41. With a view to improving the technical capacity of African countries to participate effectively in international negotiations on investment treaties and to implement them accordingly, the Secretariat continued to provide ad hoc assistance to a number of requesting countries. The regional and national workshops and the ad-hoc advice conducted by UNCTAD have proven to be essential in raising the technical capacities of IIA negotiators. During the reporting period, the IIA programme also completed and delivered the distance learning session on Dispute Prevention Policies (DPP) for Angola and Portuguese speaking countries developed in cooperation with UNCTAD’s TrainForTrade programme. In addition, as ad hoc advice, the IIA programme reviewed and provided comments to the Model Bilateral Investment Treaties (BIT) of Egypt and South Africa, helping to enhance their capacities to adapt to emerging development challenges.

42. **Intellectual property.** UNCTAD, in the first half of 2011, published its *Reference Guide to Using IP Rights to Stimulate Pharmaceutical Production in Developing Countries*. Copies of the Reference Guide were made available to judges during a Training Course on Intellectual Property Rights and Local Pharmaceutical Production for Western and Southern African countries on 17–21 January 2012 in Elmina, Ghana. The training course was addressed to members of the judiciary from Cameroon, Ghana, Mozambique, Nigeria, and South Africa. UNCTAD and German International Cooperation (GIZ) held a comparable training course for national judges from Egypt, Ethiopia, Rwanda, the United
Republic of Tanzania, and Uganda in March 2012 in Addis Ababa, Ethiopia. In December 2011, UNCTAD finalized its Series of Case Studies on Local Pharmaceutical Production in Developing Countries, which was part of a larger project with the World Health Organization (WHO). The series includes African countries such as Ethiopia and Uganda. The objective of the UNCTAD case studies is to identify factors that are key to successful transfers of pharmaceutical technology to enable viable production of and access to medicines in developing countries, and is part of a wider collaborative project with WHO and the International Centre for Trade and Sustainable Development (ICTSD) to ensure greater access by the poor to pharmaceutical products. Responding to a request from the National Intellectual Property Committee of Egypt in early 2011, UNCTAD is currently assisting the Government in elaborating an Intellectual Property Policy for Egypt, based on interviews with domestic stakeholders in May 2011. The draft advisory report contains recommendations on the promotion of domestic industries, including the pharmaceutical and the software sectors, and examines issues regarding the public domain and the interface between IP and competition. Finally, in December 2011, UNCTAD completed a study for UNDP assessing the impact of implementing TRIPS in Ethiopia. Ethiopia is negotiating for accession to the WTO and implementing TRIPS is one key demand from WTO members.

43. **Support to enterprise development.** UNCTAD provided assistance to African Empretec centres through advisory services, organization of Business Linkages policy workshops and seminars, provision of training to entrepreneurs and SMEs (that is, suppliers participating in the linkages programme), and support to regional networks and initiatives. In this respect, a number of activities, funded by a four-month financial contribution from the European Union, involved some 500 entrepreneurs in 15 African countries with the goal to develop entrepreneurial networks, and to promote entrepreneurship and enterprise development in the beneficiary countries. Activities took place in Benin, Ethiopia, Ghana, Mozambique, South Africa, the United Republic of Tanzania, Uganda, and Zambia. South Africa joined the Empretec network in 2011, thanks to a new collaboration with the Small Enterprise Development Agency (SEDA). As a follow-up to its Project, Empretec Networks to Promote Entrepreneurship and Enterprise Development, UNCTAD co-organized policy workshops with the objective to present and discuss the objective of providing practical guidance to decision-makers and other stakeholders on the implementation of the identified main elements of entrepreneurship policies. At workshops held in Ethiopia, Ghana and Morocco, UNCTAD presented the Entrepreneurship Policy Framework and asked participants to work with the self-assessment tools provided to identify critical gaps in the national entrepreneurial system. The Empretec programme which aims at promoting entrepreneurship in developing countries is now operational in 12 African countries. To facilitate consensus and exchange of best practices among African countries in the area of entrepreneurship, support was provided to African Empretec Centres for their participation in global events such as the annual Empretec Directors’ meeting, which took place in South Africa, and the Global Entrepreneurship Week, which engaged many African centres as official hosts including Mauritius, Nigeria, Uganda and Zimbabwe.

44. **Insurance.** UNCTAD continued to provide advisory services and technical assistance to the African insurance sector, including through collaboration with the African Insurance Organization and the African Centre for Catastrophe Risks. Work continued in the context of a capacity-building project for strengthening SMEs’ development and access to financing and insurance in Morocco and Tunisia. In this context, UNCTAD’s research on the ground has identified that (a) there is insufficient understanding and awareness about the role of insurance in business on the part of SMEs, (b) insurance products need to be better adapted to SMEs and (c) insurance intermediaries are not sufficiently knowledgeable and sensitive to the specific needs for insurance by SMEs. To address these issues, 10 guides and training manuals have been prepared and 22 capacity-building training
workshops were carried out. Most of the training materials and products developed in that context could be customized and adapted for use in other African countries.

45. **Accounting and reporting.** During the reporting period, a number of African member States benefited from activities that UNCTAD conducted in the areas of accounting and reporting as well as environmental, social and governance related issues. Twenty-two African countries took part in the twenty-eighth session of UNCTAD’s Intergovernmental Working Group of Experts on International Standards of Accounting and Reporting (ISAR) which took place at the Palais des Nations in Geneva in October 2011. Furthermore, at the end of May 2011, UNCTAD held a round table discussion in South Africa with a view to developing an assessment tool for a country’s existing capacity for high-quality corporate reporting. The round table brought together key stakeholders in the country that deal with corporate reporting. It provided impetus for national dialogue on timely and highly important corporate reporting matters. In 2012, UNCTAD plans to carry out pilot tests of the corporate reporting capacity assessment tool developed by ISAR in two countries in Africa. An awareness-raising regional event on the UNCTAD–ISAR capacity-building framework and assessment tool also took place in the Arabic speaking region of Africa.

46. **Support to debt management.** During the reporting period, UNCTAD’s Debt Management and Financial Analysis System (DMFAS) Programme has continued to support Africa at the international, regional and country levels in strengthening human and institutional capacity to manage debt in an effective and sustainable way, in support of poverty-reduction, development and good governance. On the regional and international levels, the DMFAS Programme continues to strengthen its partnership with other organizations involved in providing debt management technical assistance in Africa, such as the World Bank, IMF (AFRITAC), the Macroeconomic and Financial Management Institute of Eastern and Southern Africa (MEFMI), the International Organization of Supreme Audit Institutions (INTOSAI) and the OECD. The aim of these partnerships is to provide a more comprehensive approach to meeting the challenges that African countries face in building their debt management capacity, in accordance with the comparative advantage of each provider of technical cooperation.

47. The DMFAS Programme has been very active in participating in several components of the World Bank’s Debt Management Facility (DMF) initiative to the benefit of African countries. The DMF is a multi-donor grant facility which aims at strengthening debt management capacity and institutions to the benefit of mostly LIC countries. It has three main components: (a) the implementation of debt management performance assessment missions (DeMPA) in requesting countries; (b) the organization of country-led application of a toolkit for formulating and implementing a Medium-Term Debt Management Strategy (MTDS); and (c) the design of debt management reform plans. During the reporting period, the DMFAS Programme participated, or is scheduled to participate in, DeMPA missions to Zimbabwe, the Central African Republic and Sudan, in a preparatory MTDS mission to Rwanda and in a DMF Reform Plan mission to the Democratic Republic of Congo. The Programme’s participation in these DMF activities has received positive feedback from the DMF stakeholders as well as the country beneficiaries. Additionally, in order to further strengthen its regional support to francophone Africa, and coordinate even more efficiently with other technical providers of public finance assistance in the region, the DMFAS Programme has renewed the posting of one of its staff members in Bamako, Mali, for an additional year commencing November 2011. In parallel, the Programme again benefited from financial backing from France during 2011 in order to support its activities in the region targeting the countries of Burkina Faso, Côte d’Ivoire, Guinea-Bissau, Mali, Mauritania, Senegal and Togo. At the country level, the Programme is providing or will provide direct technical assistance from Geneva to 22 African countries during the period May 2011 to April 2012. The support to countries from Geneva has
included helpdesk assistance and the provision of DMFAS system updates and enhancements to keep pace with rapid development in international financial practices and information technology. It should also be noted that delegations of 29 African countries attended the Eighth Debt Management Conference organized by UNCTAD in November 2011 in Geneva. Many of these delegations also participated in parallel events, including the DMFAS Advisory Group meeting during which the future priorities of the Programme were discussed.

48. **ICT development.** In 2011, as part of the assistance provided to the EAC since 2007 for the harmonization of cyber legislation in the five Partner States, three events were organized in cooperation with the EAC secretariat. Two regional meetings of the EAC Task Force on cyberlaws (Kenya and the United Republic of Tanzania) took stock of progress made by the EAC Partner States in the implementation of the Framework Phase I and discussed and endorsed the EAC Legal Framework for Cyberlaws (Phase II). The Framework II deals with issues of competition, IPR, taxation and information security. A cyberlaw briefing for Members of Parliament of Kenya was also organized jointly by the Commission on Communications of Kenya and UNCTAD. UNCTAD also prepared a study on mobile money developments in the EAC, a draft of which was presented at the occasion of the EAC Regional Meeting in Zanzibar.

### IV. General impact assessment

49. As mentioned in last year’s report, an evaluation of the impact and effectiveness of UNCTAD’s activities on Africa is limited by the fact that UNCTAD is one of the many agencies providing policy analysis and capacity-building support to the region, thereby making it challenging to isolate the impact of UNCTAD’s activities on development outcomes from those of other organisations. Furthermore, such impact and effectiveness is likely to depend on multiple factors, some of which are beyond UNCTAD’s control. In addition given the medium to long-term nature of UNCTAD’s interventions in the region, it is challenging to assess the impact of such interventions through annual reports. Notwithstanding the above, there are areas where UNCTAD’s activities have had an impact on development outcomes in the region. A few of these examples are listed below.

#### A. Contribution to policy design, formulation and implementation

50. This includes the following:

   (a) The *Economic Development in Africa Report 2011* provided several policy recommendations that are relevant to African countries, as part of implementing their objectives to accelerate structural transformation through industrialization. The report was well received by member States at the fifty-eighth annual session of the Trade and Development Board. Findings and recommendations from the report were well disseminated in the region, thereby contributing to stimulating debate on the issue of industrial policy in Africa and to influencing policymaking in the region. Furthermore, reference to the report was made in the issues paper prepared for the Fifth Joint Annual Meetings of the African Union and the ECA Conference of Ministers of Economy and Finance;

   (b) UNCTAD’s research and policy analysis on LDCs, had an important impact on the substantive proceedings of LDC–IV, which took place in Istanbul, Turkey in May 2011. The Conference strongly argued for instance for the strengthening of productive capacities which emanates directly from UNCTAD’s *Least Developed Countries Report 2011*. The need to place the development of productive capacities at the heart of the
national and international policies to promote development and poverty reduction in the LDCs is the key strategic orientation of the new Istanbul Programme of Action (PoA) and there is strong consensus on its importance. Furthermore, the proposals on science and technology in the PoA were also based on LDCR 2011;

(c) UNCTAD has contributed to the promotion of FDI into Africa. Investment Policy Reviews were conducted in several African countries. These reviews have helped African countries to develop investment policy frameworks that are conducive to attracting much-needed FDI. Furthermore, investment guides, which provide potential investors with accurate, objective and up-to-date information on key emerging investment opportunities in a country, were also prepared for Benin, Comoros, Morocco and Zambia, and showcased at major conferences and international events. As a result beneficiary countries such as Zambia reported a rise in firm commitments from new investors;

(d) In the area of trade, the support provided by UNCTAD has enhanced the ability of African countries to participate more effectively in international trade negotiations. For instance, UNCTAD supported African trade negotiators in Geneva in preparing the draft Accra Declaration on WTO Doha Negotiations for the seventh session of the African Trade Ministers’ Conference (29 November–3 December 2011). The immediate impact was that the draft declaration was adopted by Ministers and officially submitted to WTO as Africa’s negotiating input for the WTO Eighth Ministerial Conference. Furthermore, UNCTAD assisted two African countries and is continuing to assist several more (including Angola) in developing their trade policy frameworks. These frameworks are a crucial step towards developing or reviewing national trade policies to ensure they are development-enhancing. Development-driven trade policy frameworks are essential for creating the enabling framework for facilitating trade growth while also promoting inclusive development.

B. Building capacities of government officials, institutions, private sector and civil society

51. This includes the following:

(a) The ASYCUDA programme has contributed to increases in revenue collection by Customs in African LDCs. It has also helped to reduce clearing times and costs. Forty African countries benefited from ASYCUDA programme support in 2011;

(b) The EMPRETEC programme on enterprise development is now operational in 12 African countries, and is contributing to promoting entrepreneurship in Africa;

(c) UNCTAD’s eRegulation system, a turn-key, configurable, e-government system is now operational in eleven African countries. During the reporting period, ad-hoc assistance continued to be provided to Benin, Burkina Faso, Cameroon, Ethiopia, Côte d’Ivoire, Mali, Morocco, Niger, Rwanda and Togo in simplifying procedures and implementing e-government solutions;

(d) A total of 400 participants from 17 African countries benefited from activities carried out by UNCTAD under the TrainForTrade programme. In December, TrainForTrade celebrated the successful completion of the direct implementation phase of its project in Angola, which began in 2007. Through its project in Angola, TrainForTrade was able to implement 21 workshops in 6 different trade-related fields: Port Management, Sustainable Tourism, Climate Change and the Carbon Market, Consumer Protection, International Investment, and Productive Capacities;

(e) UNCTAD’s Debt Management and Financial Analysis System (DMFAS) Programme has continued to support Africa at the international, regional and country levels
in strengthening human and institutional capacity to manage debt in an effective and sustainable way, in support of poverty reduction, development and good governance. At the country level, the programme is providing or will provide direct technical assistance to 22 African countries during the period May 2011 to April 2012.

C. Facilitating consensus on issues of interest to Africa

52. This includes the following:

(a) The fifty-third executive session of the Trade and Development Board, held in June 2011, included a panel discussion on Enhancing Aid Effectiveness: From Paris to Busan. The recommendations of the panel session assisted African policymakers in articulating their priorities and needs at the Fourth High-Level Conference on Aid Effectiveness held in Busan, Republic of Korea in November 2011;

(b) The fifty-eighth annual session of the Trade and Development Board, held in September 2011 included a panel discussion on the Economic Development in Africa Report 2011. The session closed with the endorsement of a set of Agreed Conclusions that acknowledged the findings and policy recommendations of the report. There was a request on the part of member States for UNCTAD to continue its research on economic development issues and challenges facing Africa.
Activities undertaken by UNCTAD in support of Africa

Report by the Secretary-General of UNCTAD

Corrigendum

Paragraph 19

Lines 5 and 6

*For South Korea read Republic of Korea*