

INVESTMENT POLICY REVIEWS

LEVERAGING INVESTMENT POLICIES FOR DEVELOPMENT



GLOBAL CONTEXT

Foreign direct investment (FDI) is a major catalyst for development, as higher levels of FDI can trigger growth in overall levels of trade in goods and services. FDI is also an integral part of an open and effective economy. With its many potential linkages with the domestic economy – such as technology transfer, human capital formation and creation of new industries – for developing countries, it can also stimulate greater integration into the global economy.

To fully reap the benefits of FDI for development, FDI inflows should be directed towards national actions that lead to transforming a country's economy. Yet the benefits of FDI do not automatically follow nor are they spread evenly across countries. Developing countries need diversified production capacities, supporting national policies and the international investment architecture to attract greater shares of FDI.

To support developing countries in attracting FDI, UNCTAD conducts diagnostic studies – Investment Policy Reviews – of the legal, regulatory and institutional framework for investment specific to each country. These studies are aimed not only at attracting more FDI for beneficiary countries but also at obtaining increased benefits for them. The Reviews, published as reports, provide concrete policy advice. As follow-up, UNCTAD provides technical assistance activities to support countries in addressing the Reviews' concrete policy recommendations and improve the prospects for sustainable development.

WHAT MAKES REVIEWING INVESTMENT POLICIES WORK?

Investment Policy Reviews are carried out in different phases. The approach promotes national ownership and encourages countries to learn from others. Best practices are exchanged – as well as stories of failures.

A Review begins at the request of a Government. The counterpart ministry or agency is involved throughout the process and takes ownership of the policy recommendations.

Each Review focuses on a country-specific strategy to attract and benefit from FDI. The publication of the Investment Policy Review report is followed by technical assistance activities to support implementation of the recommendations.

RESULTS AND IMPACT AT A GLANCE

- Review countries across different regions experienced increases in FDI inflows and displayed less volatile FDI inflows, e.g. least developed countries in Africa.
- Country commitment to the Reviews is evident, with endorsement of policy recommendations and their implementation as demonstrated by implementation reports, such as those for Colombia, Egypt, Ethiopia, Ghana, Kenya, Lesotho, Rwanda, Uganda, the United Republic of Tanzania and Zambia. The reports showed a good to strong implementation record, increased interest by existing investors and increased capacity to market investment opportunities.

PROGRAMME FACTS AND FIGURES

**Investment Policy Review
programme scope:** all regions

Programme start date: 1999

Reviews per year: 3 to 4 (average)

Number of Reviews to date:
42, including 17 least developed countries
and 24 African countries

Upcoming Review: first regional Investment
Policy Review (2015), covering 8 economies
in South-East Europe

Programme website:
unctad.org/ipr



- Interest in the programme is illustrated by the 30 countries – of 42 with Reviews – requesting follow-up technical assistance and the 28 new countries that have requested to benefit from the Reviews.
- Over 300 policy recommendations have been implemented to date.

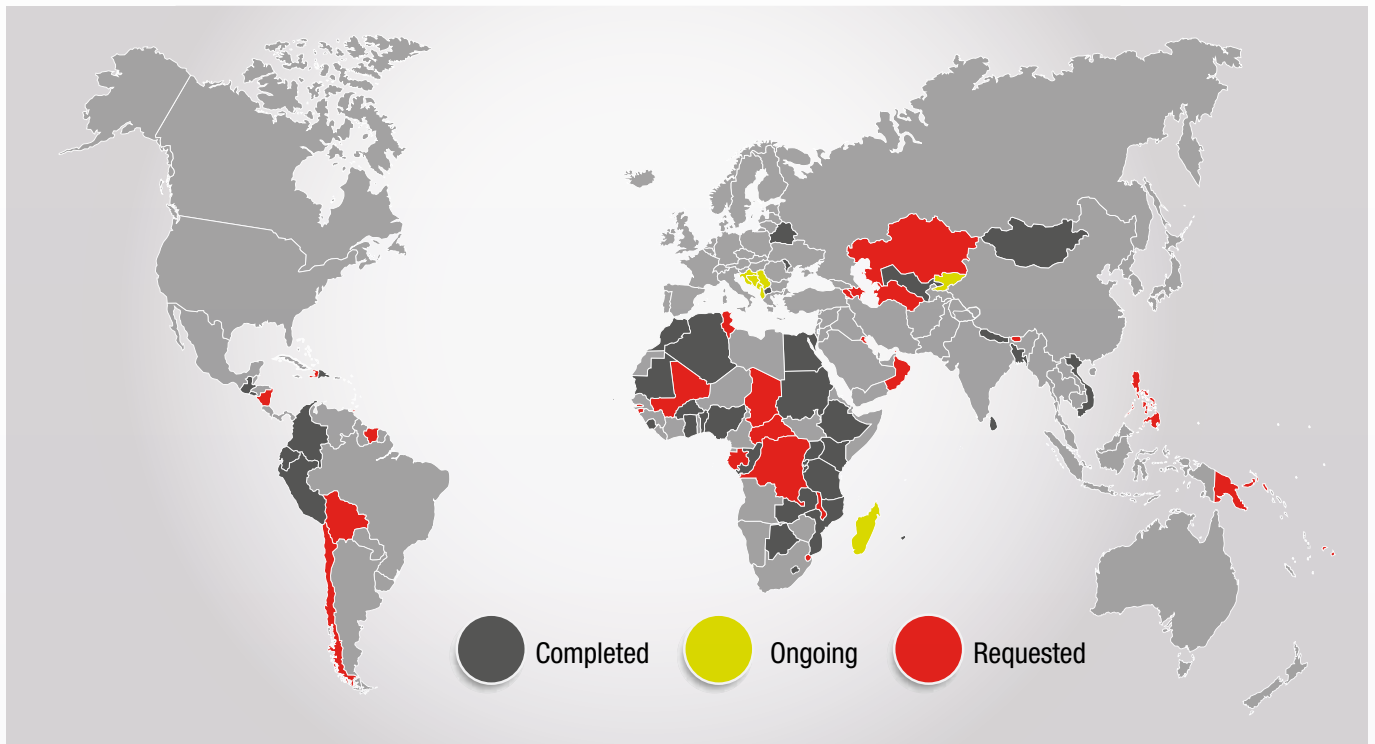
Brief highlight: *The Investment Policy Review of Mongolia resulted in concrete actions, such as a revamping of the country's entire investment law and the establishment of a national investment promotion agency.*

**DONORS/
FUNDING SOURCE**

Current: China, Finland, Germany, Norway, Sweden, Switzerland

Past: Dominican Republic, France, Ireland, Norway, Spain, Sweden, Switzerland, United Nations Development Programme, Inter-American Development Bank

Investment Policy Reviews



SERVICES POLICY REVIEWS

REALIZING THE POTENTIAL OF SERVICES

GLOBAL CONTEXT

International trade in services expanded rapidly between 1980 and 2013 – faster than both global GDP and merchandise trade – with total exports increasing from about \$400 billion to \$4.7 trillion. Developing economies have achieved strong growth in their services exports since 1990, boosting their share of world exports from 18.1 per cent in 1990 to 30.1 per cent in 2013. Developing Africa and Asia recorded the sharpest growth.

Services are also essential to the efficient functioning of economies. Services, and in particular infrastructural services, improve value addition, promote employment and facilitate trade in manufacturing and agriculture. Services can transform economies. Yet many Governments face challenges in identifying and addressing the services-related needs of the domestic economy and then translating them into policy and negotiating positions, with a view to enhancing the quantity and quality of services output. UNCTAD assists developing countries to seize the opportunities offered by a services-driven development strategy. UNCTAD developed Services Policy Reviews to systematically analyse the economic, regulatory and institutional frameworks that impact on the services sector of a given country. Services Policy Reviews provide recommendations to policymakers to improve policies as well as regulatory and institutional frameworks and to identify trade policy options that advance national and sectoral development objectives.

HOW ARE SERVICES POLICIES REVIEWED?

UNCTAD carries out Services Policy Reviews at the request of Governments. Each Review includes policy analysis and research, as well as multi-stakeholder meetings at the national level for fact-finding, awareness-raising and consensus-building. Once completed, the Reviews offer policy recommendations for the overall services sector of a developing country and for the specific sectors chosen by the Government.

The recommendations focus on how a country can more effectively expand its services sector, creating jobs and helping to raise living standards. UNCTAD can further assist Governments in the implementation of the policy recommendations presented in the Reviews.

RESULTS AND IMPACT AT A GLANCE

- In May 2015, UNCTAD concluded the first Services Policy Review for Bangladesh – the fifth least developed country to benefit from such assistance. The Review is expected to help the country in formulating pragmatic policies for its emerging services sectors and to participate in the negotiations in the World Trade Organization on services waiver.
- Following the Review for Uganda (second phase) in 2015, the country committed to implementing its policy Recommendations.

- The Services Policy Review for Paraguay, presented in 2014, included the telecommunications sector. The telecommunications regulatory agency of Paraguay then confirmed that one of the Review's policy recommendations had been incorporated into the National Plan for Telecommunications.

PROGRAMME FACTS AND FIGURES

Services Policy Review
programme scope: all regions

Programme start date: 2009

Reviews per year: 2–3

Number of Reviews to date: 12,
Kyrgyzstan, Nepal, Uganda (2 phases),
Rwanda, Lesotho, Bangladesh, Angola,
Jamaica, Paraguay, Peru, Nicaragua

Programme website:
[unctad.org/
services/sprs](http://unctad.org/services/sprs)

DONORS/ FUNDING SOURCE

Current: United Nations Development
Account, UNCTAD General Trust Fund
on Services, Development and Trade

Past: China, France, Spain,
the United Kingdom, the United
Nations Development
Account

TRADE POLICY FRAMEWORK REVIEWS

HARNESSING THE POTENTIAL OF TRADE FOR INCLUSIVE GROWTH AND SUSTAINABLE DEVELOPMENT

GLOBAL CONTEXT

International trade is an engine for economic growth that can contribute to promoting sustainable development. It can be a powerful force for creating jobs, fostering efficient use of resources, stimulating entrepreneurship and ultimately lifting people out of poverty. Many developing countries, though, have limited capacity to analyse the relationship between trade, productive capacity and employment, assess policy options and formulate and implement adequate national trade policy frameworks. This hampers their ability to make full use of the transformative power of trade for development.

UNCTAD's Trade Policy Framework Reviews help countries in a systematic, comprehensive and strategic manner. The Reviews focus on identifying key sectors for diversification with the potential to bring higher economic value, setting the right trade policies to back up those development priorities and establishing a trade policy framework to ensure effective implementation of such strategies. The aim is for Trade Policy Framework Reviews to contribute to the (re)formulation and implementation of national trade policy regimes according to a country's own needs. The Reviews, via activities and workshops, provide the tools to policymakers in developing countries and transition economies that enable them to set their own priorities, make impact assessments of different policy options and devise the best actions, including at the sectoral level.

HOW ARE THE LINKS BETWEEN TRADE AND SUSTAINABLE DEVELOPMENT MADE?

A Review is initiated at the request of Governments. The counterpart ministry or agency is involved throughout the process and takes ownership of the policy recommendations.

The first level of intervention consists of analytical and advisory support to raise awareness and enhance understanding on the link between trade and development and poverty. The next step consists of training activities to enhance the expertise of government officials involved in the formulation of national trade-related policies. Lastly, the third level of intervention focuses on concrete and hands-on support to the formulation of national trade policy – to best reflect the country's priorities and needs – and facilitating multi-stakeholder consultation towards its adoption and implementation.

RESULTS AND IMPACT AT A GLANCE

- Based on UNCTAD's work, in 2010 Rwanda adopted a new comprehensive trade policy framework.
- Following on the Trade Policy Framework Review prepared by UNCTAD, Jamaica is in the process of adopting a new trade policy framework.
- In Angola, after a workshop organized in 2014 to validate the Review, the Government is now expected to submit its trade policy framework to the Council of Ministers for approval and for implementation to begin.

PROGRAMME FACTS AND FIGURES

**Trade Policy Framework Review
programme scope:** all regions

Programme start date: 2013 (updated methodology); late 1990s (original approach)

Reviews per year: 2 (average)

Number of Reviews to date: over 40 country/
regional assessments of overall (or sectoral)
trade policies

Upcoming Reviews: Algeria, Botswana, the
Dominican Republic, Namibia, Panama

Programme website:
unctad.org/TPF-Reviews

DONORS/ FUNDING SOURCE

Current and past:
United Nations
Development Account

SCIENCE, TECHNOLOGY AND INNOVATION POLICY REVIEWS

FACTORING IN SCIENCE, TECHNOLOGY AND INNOVATION



GLOBAL CONTEXT

Building national capacities in science, technology and innovation is essential for local industries in developing countries to compete in today's global, knowledge-based economy. This can generate better paying jobs, increase living standards, reduce poverty and promote a Government's growth and export diversification strategy. Making effective use of innovation requires factoring scientific and technological knowledge into national development strategies and plans.

Assimilating, disseminating and applying scientific and technological knowledge and building capacities in these areas, though, require investment in human capital and infrastructure. National systems to retrieve, use and apply relevant knowledge should be in place. Systematic efforts are also needed to encourage the productive sectors of developing countries to thrive in a knowledge-based society – and economy.

UNCTAD developed the Science, Technology and Innovation Policy Reviews to assist developing countries in building those capacities at the national level. The starting point for the Reviews is that science, technology and innovation are essential to the policies that sustain the national innovation systems which can promote development. The long-term aim of the Reviews is for national science, technology and innovation plans and programmes to support a country's broader national sustainable development agenda.

HOW CAN SCIENCE, TECHNOLOGY AND INNOVATION BE FACTORED IN?

The Science, Technology and Innovation Policy Reviews are undertaken at the request of Governments. The Reviews include an analysis of the national innovation system and an assessment of the science, technology and innovation policies in place. They are usually complemented by in-depth studies of specific sectors, institutions or problems related to science, technology and innovation that are particularly relevant to the country that requested the Review. Recommendations are designed to increase national capacity to take in and make use of the value of science, technology and innovation, including at the policymaking level, to better respond to the challenges of a knowledge-based economy.

RESULTS AND IMPACT AT A GLANCE

- After the 2010 Science, Technology and Innovation Policy Review in Peru, the national budget dedicated to science, technology and innovation increased 20 times in one year.
- The Review in Oman in 2014 led to the establishment two consultative bodies in the country. One such body at a strategic level consists of five ministers and several senior advisers. The other, at an operational level, includes the executive directors of over 20 stakeholder institutions focused on science, technology and innovation.

- The Review in Thailand was completed in early 2015. A first draft of the review identified nine sets of recommendations. The diagnosis and recommendations of the report have begun feeding into public policy design processes. This is seen already, for example, in the current proposal on science, technology and innovation policy reform being discussed as a part of the national reform process.

PROGRAMME FACTS AND FIGURES

Science, Technology and Innovation
Policy Review programme scope: all regions
Programme start date:
2008, current series (1998–2005, first series)
Reviews per year: 1 or 2
Number of Reviews to date: 9 (current series)
Upcoming Review:
Islamic Republic of Iran
Programme website:
unctad.org/STIPreviews

DONORS/ FUNDING SOURCE

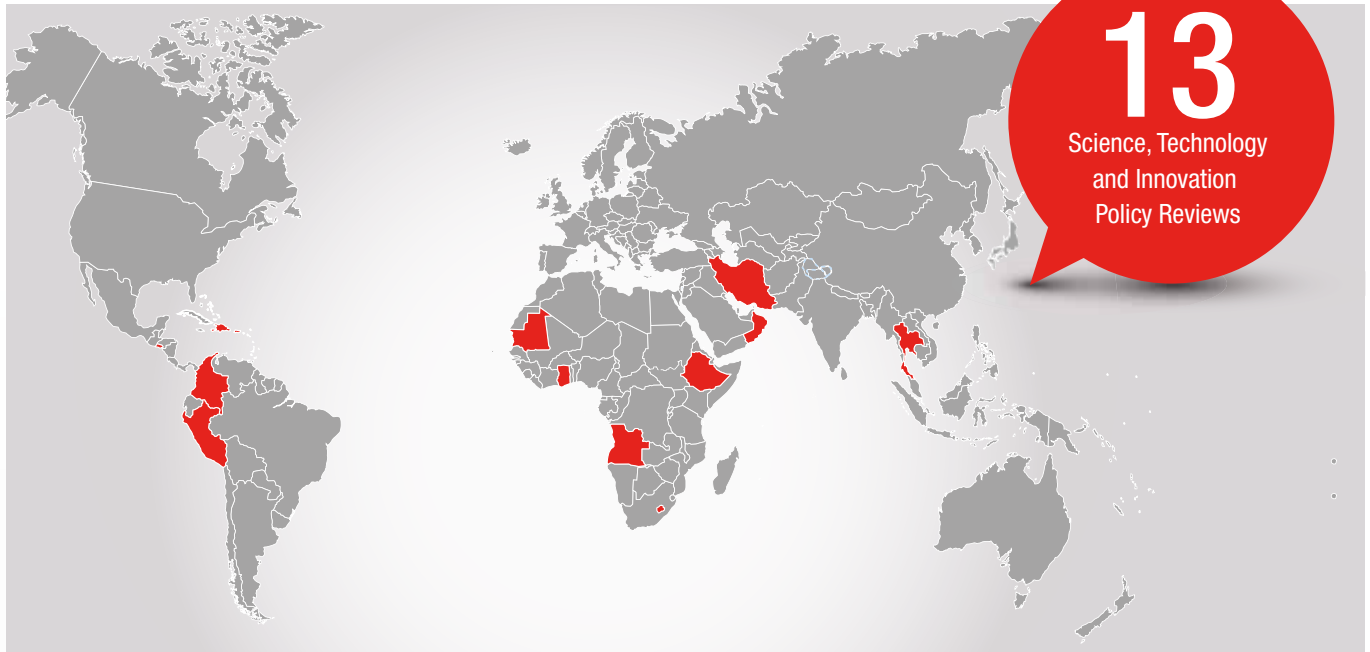
Current: United Nations
Development Account

Past: Finland,
Switzerland





Science, Technology and Innovation Policy Reviews completed to date



E-COMMERCE AND LAW REFORM PROGRAMME

FACILITATING E-COMMERCE THROUGH INFORMATION AND COMMUNICATIONS TECHNOLOGIES



GLOBAL CONTEXT

Electronic commerce – and more generally the rise of the information society – is rapidly transforming the way in which enterprises are interacting among each other as well as with consumers and Governments. The result is that e-commerce is creating new opportunities for technological leaps, productivity gains across the economy, the rise of new sectors and boosting trade. It is also growing rapidly in developing economies, thereby offering a catalyst for growth and development. Some of the greatest dynamism in e-commerce and information and communications technologies (ICTs) can be found in developing countries, but that potential is far from realized.

Making ICTs work for development means adapting to the benefits and the legal challenges that go along with their use. One facet of e-commerce raises the same issues for developed and developing countries – the need to ensure that consumers can trust online transactions. Conducting domestic and international trade online has to be simplified, and there must be legal protection for users and providers to carry out online activities and offer e-government services. Developing countries should have the legal, institutional and policy frameworks in place to open the door to the dynamism of e-commerce, whether via the Internet, mobile phones or the cloud.

UNCTAD assists Governments of developing and transition economies by helping to build the capacity of policymakers and lawmakers in these areas. This is essential as developing countries start to take on a more prominent role as both buyers and sellers of goods and services online. Working at the national and regional levels, UNCTAD helps government representatives to assess their readiness for e-commerce. Policymakers and lawmakers also gain understanding on the issues behind e-commerce and in particular the legal implications of ICTs, such as cyberlaws and enforcement of new legislation.

HOW CAN E-COMMERCE LEGISLATION BE IMPROVED?

At the request of Governments, UNCTAD carries out two main activities. Regional and national capacity-building workshops are designed to build sustainable local capacities in the complex legal, institutional and policy frameworks necessary to foster development through e-commerce. Legislative support focuses on revising laws and preparing regional cyberlaw frameworks, with a view to achieving international interoperability. Work begins with an inventory of existing laws and a critical analysis of the jurisprudence to assess compatibility.

In conducting activities, UNCTAD collaborates with a range of partners, among them regional institutions, academia, international, intergovernmental and multilateral organizations, as well as countries.

UNCTAD also developed a cyberlaw tracker which is regularly updated and maintained. Launched in March 2015, the Global Cyberlaw Tracker (unctad.org/cyberlawtracker) is the first online tool that maps cyberlaws globally, focusing on e-transaction, cybercrime, data protection and the protection of consumers online.

PROGRAMME FACTS AND FIGURES

E-commerce and law reform programme scope: Africa, Asia, and Latin America and the Caribbean

Programme start date: 2002

Number of training workshops: 31

Number of policymakers and lawmakers trained: 2,300

Number of developing countries benefiting from UNCTAD assistance: over 60

Programme website:
unctad.org/ict4d



RESULTS AND IMPACT AT A GLANCE

- UNCTAD recently supported the revision of laws in developing countries in Africa. In Ethiopia, the laws revised in May 2014 included the Draft E-signature Law, Computer Misuse Act, Data Protection Act and E-transactions Act. In Nigeria, the law on content development was modified in August 2014, while in Uganda, the Data Protection and Privacy Bill was revised in June 2014.
- The UNCTAD E-commerce and Law Reform programme pioneered the introduction of the legal dimension of ICTs in some 20 least developed countries (16 in Africa, 3 in Asia and Haiti); 21 developing countries in Africa (Ethiopia, all countries in the Economic Community of West African States and the East African Community), 10 in Asia (Association of Southeast Asian Nations) and 32 in Latin America and the Caribbean – where work continues. The East African Community became the first African region to adopt a harmonized framework for cyberlaws.
- As of November 2015, four regional reviews of e-commerce legislation harmonization have been published (for the Association of Southeast Asian Nations, the Caribbean, East African Community and Latin America).



DONORS/ FUNDING SOURCE

Current: Finland,
the Republic of Korea

Past: France, Spain



INVESTMENT GUIDES

STRENGTHENING LOCAL INSTITUTIONS BY PROMOTING INVESTMENT



GLOBAL CONTEXT

Foreign direct investment (FDI) has the potential to contribute to economic growth and social development. It can bring capital, technology, management know-how and access to new markets. Compared with other forms of capital flows, FDI is also more stable, with a longer-term commitment to the host economy.

Attracting FDI and facilitating decision-making on investments, though, is not a given. Host countries need to be able to provide potential investors with up-to-date information, ranging from business costs and investment opportunities to investment-related legal and regulatory frameworks on areas such as company registration, land acquisition, labour laws and tax regimes.

UNCTAD investment guides are a joint product of UNCTAD and the International Chamber of Commerce. They aim to raise awareness among the global investment community of the opportunities and conditions for investment in beneficiary countries. Since 2013, all investment guides – “iGuides” – are web-based. This means that investment guides can be easily updated to reflect changes in legislation, infrastructure, costs or taxes. It also means investment guides can include full texts of laws, legal instruments and hard, time-sensitive data that would be difficult for investors to find without visiting a country. Developing an investment guide helps to build the capacity of local institutions in investment promotion, as Governments of beneficiary countries are responsible for researching, inputting and updating data with the training support of UNCTAD and the International Chamber of Commerce.

WHAT ADVANTAGES DO INVESTMENT GUIDES OFFER?

Investment guides are developed jointly with the Governments of beneficiary countries, at their request. Once an investment guide is ready, it typically allows potential investors to get three types of investment information: (a) locally-available data, costs and prices – including wages, taxes, rent values, utility prices and transport costs; (b) relevant rules and licensing requirements, timelines and useful contacts; and (c) experiences of established investors and investment case studies.

Usually, developing an investment guide requires the steps outlined below:

- Following a request from a Government, a team from UNCTAD visits the country together with an onsite team of staff nominated by implementing partners. The UNCTAD team conducts preliminary research on the laws and institutions regulating investors.
- During the UNCTAD visit, the onsite team can ask questions and begins to input information directly into the investment guide website, based on information standards and training provided by UNCTAD and the International Chamber of Commerce. The training provided can include anything from identifying investment-specific issues and information gathering, to how to present information on the web and maintenance techniques.

- After the country visit, UNCTAD staff guide and monitor the work of the implementing partner staff, as they conduct research, input information into and update the investment guide website, and provide feedback on the type and quality of information entered to further enhance capacity.
- The investment guide is launched at a stakeholder workshop where comments and recommendations of participants are taken into account to further improve the product.

PROGRAMME FACTS AND FIGURES

Programme start date: 2000

Number of investment guides
to date: 26

Investment guides produced
per year: 3 (average)

Programme website:
www.theiguides.org



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RESULTS AND IMPACT AT A GLANCE

- Among 17 selected beneficiary countries or regions for which investment guides have been produced, 13 countries or regions have seen their average FDI inflows in the four years following the publication of their guides increase by at least twofold, compared to average FDI inflows in the four years preceding the publication. Such a contribution of investment guides to increased FDI inflows can be seen in Rwanda, for example, which registered a tenfold increase in FDI inflows.
- Following the launch of the Bhutan investment guide, Druk PNB Bank, one of the country's largest, circulated the guide to its clients, investors and partners for their use, calling it innovative and user friendly.



**DONORS/
FUNDING SOURCE**

Current: Multi-donor/Cross-Cluster Trust Fund on Capacity-building in Investment for Development, China, Finland, Germany, Norway, Sweden and Switzerland

Past: France, Luxembourg, the Netherlands, United Nations Development Account

"The iGuide is a one-stop place for investment information about Rwanda... It is because of the iGuide that Rwanda is pushing ahead of other countries in Africa in attracting investments."

United Nations Resident Coordinator, Rwanda
2013

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NON-TARIFF MEASURES

STRENGTHENING TRANSPARENCY AND CONVERGENCE OF REGULATIONS FOR SUSTAINABLE DEVELOPMENT

GLOBAL CONTEXT

International trade today has seen a decline in tariff rates as a result of multilateral and regional trade negotiations and growing importance in non-tariff measures. Non-tariff measures – defined as policy measures other than ordinary customs tariffs that can have an economic effect on international trade in goods, changing the quantities traded or prices or both – are used as both protection and regulatory trade instruments. They include sanitary and phytosanitary measures, technical barriers to trade, quantitative restrictions (e.g. quotas), contingent trade-protective measures (e.g. anti-dumping duty) and other measures.

For exporters, importers and policymakers, non-tariff measures represent a challenge. Non-tariff measures affect trade through compliance and procedural costs, often disproportionately affecting small exporters and poorer countries. Yet non-tariff measures can also fulfil important public policy objectives, such as the protection of public health or the environment. Striking a balance between those costs and benefits requires transparency, policy coherence and international-level regulatory convergence. For developing countries, understanding the uses and implications of such measures is thus essential for the formulation and implementation of effective development strategies.

UNCTAD has been working on research and capacity-building programme activities related to non-tariff measures since the early 1980s. It has developed a comprehensive programme covering the entire “value chain” of non-tariff measures, ranging from conception (e.g. how information about such measures can be structured), data collection and dissemination to research and policy advice. More specifically, UNCTAD assists developing countries, including least developed countries, in increasing transparency and building analytical capacities on non-tariff measures through three important tools: a regional review of non-tariff measure integration, online training for data collection on non-tariff measures and a set of resources on trade policy analysis.

HOW CAN ANALYTICAL CAPACITIES IN NON-TARIFF MEASURES BE BUILT?

Reviews of non-tariff measures, with a view to regional integration, aim at providing analytical support for the regional integration process by systematically addressing such measures in a free trade area. A review consists of four components: data collection on non-tariff measures; an impact assessment of non-tariff measures; institutional analysis to identify strengths and weaknesses in regional integration of non-tariff measures; and a validation workshop to foster political will and discuss the way forward.

The available online training for data collection on non-tariff measures consists of five modules: an introduction to non-tariff measures, classification of non-tariff measures, classification of products in the Harmonized Commodity Description and Coding Systems, guidelines on collecting data on non-tariff measures and hands-on exercises. Successful participants are awarded certification by UNCTAD as a non-tariff measure data collector. Those with the top marks become part of an UNCTAD roster for consultancies in data collection or other work related to non-tariff measures.

PROGRAMME FACTS AND FIGURES

Programme start date: 2008

Number of activities to date: 19 courses (trade policy analysis); 2 regional non-tariff measure integration reviews

Activities per year: 2–3 trade policy analysis courses (average); 1 regional non-tariff measure integration review; 100 participants in online non-tariff measures training

Programme website:
unctad.org/ntm

The set of resources on trade policy analysis aims at enhancing capacity in developing countries on analysing and implementing trade policy, including non-tariff measures, through training activities. *A Practical Guide to Trade Policy Analysis* – a co-publication of UNCTAD and the World Trade Organization – serves as a main reference for training, with the World Bank's World Integrated Trade Solution (WITS) software (developed in collaboration with UNCTAD) another core component. Training is also tailored to the needs of each audience, with a more technical focus used for practitioners and a more discursive and descriptive approach for policy-oriented audiences.

RESULTS AND IMPACT AT A GLANCE

- UNCTAD began collecting and classifying non-tariff measures in 1994. The UNCTAD Trade Analysis and Information System (TRAINS) is the most comprehensive database on non-tariff measures. In recent years, the significant improvement in data quality and coverage achieved means that by 2016, 90 per cent of world trade will be covered in the database. TRAINS has also been accessible through the WITS software application since 2002.
- A 2014 UNCTAD pilot project, with funding from the German Agency for International Cooperation, conducted on reviewing regional integration of non-tariff measures in the Southern African Development Community (SADC) was highly appreciated by stakeholders and workshop participants, particularly the analytical methodologies to determine status, potential and benefits for non-tariff measure harmonization. SADC officials used the resulting study, which provided insights into the region's ongoing initiatives and helped to identify synergies, in their response to a request from the SADC Committee of Ministers Responsible for Trade for a strategic plan to eliminate non-tariff barriers in the region.
- The online training for data collection on non-tariff measures has received positive feedback from participants. Results of a 2015 questionnaire indicate that 98 per cent found the knowledge acquired during the training extremely or very useful in deepening participants' understanding of non-tariff measures; 86 per cent found the information on non-tariff measures extremely or very helpful to understanding the policy issues that her or his country faced in international trade.

- Following a 2015 training course on trade policy analysis, Ecuador, for example, requested further assistance in estimating the impact of trade agreements currently being negotiated with the Republic of Korea and the European Union.
- More than 300 participants have been trained through the online course on non-tariff measures. Participants have expressed appreciation of the course. For example:
 - The course helped one participant in shaping the methodology used for a proposal on assessing the impact of non-tariff measures on Tanzanian exports in the East African Community.
 - Another participant noted that the course would help in regular reporting to the World Trade Organization on trade policy measures in the areas of collection, correct classification and tabulation of non-tariff measures.

DONORS/ FUNDING SOURCE

Current: United Nations Development Account, Canada, Germany, Japan, European Commission, World Bank

Past: Germany, Switzerland, the United Kingdom

NATIONAL GREEN EXPORT REVIEWS

TOWARDS GREEN ECONOMIES



GLOBAL CONTEXT

Across countries, transitions to a green economy have the potential to make increasing contributions to economic diversification. Such transitions can contribute to creating employment and export earnings and to environmental protection and social equity. A green economy is driven by both domestic and foreign demand for green goods and services, including more efficient and low-carbon energy and transportation, organic food, ecotourism, solid waste and water recycling, environmental consulting, and emerging categories that include green construction, sustainable harvested timber products and natural fibres. Whether in high-tech goods, commodities, basic manufactures or services, the export opportunities offered in a “greening” global economy are significant and expanding faster than overall world trade – a trend that is expected to continue.

What makes a product green? Green products are those with less of a negative impact on the environment than their traditional equivalents. A green product can be manufactured from recycled components or using renewable energy, or it can be supplied to a market with less wasteful packaging, or all three of these options. A large untapped potential exists for developing countries to advance their green sectors. Opportunities offered by greening economies may stimulate economic diversification, create jobs, raise income levels, foster environmental protection and thereby improve living standards. Achieving a green economy calls for making economic growth compatible with sustainable development, which in turn requires adequate policies and other mechanisms to achieve such goals.

UNCTAD National Green Export Reviews respond to an emerging demand from developing countries to assess national potential to advance the development of national green sectors and generate new employment, increased export opportunities and advance sustainable development. Conducting National Green Export Reviews enables UNCTAD to work in close partnership with countries seeking to strengthen their green economies. The Reviews assist developing countries and countries with economies in transition to implement green economy policies and establish regulatory and institutional frameworks and cooperative mechanisms to strengthen the capacity, efficiency and competitiveness of their green sectors.

WHAT CAN BE DONE TO MAKE AN ECONOMY GREENER?

A National Green Export Review is initiated at the request of a Government. Depending on the request, UNCTAD can either provide assistance in a particular green sector for which a country has a demonstrated comparative advantage or support the requesting Government in better identifying the green sectors that have high potential in the country. UNCTAD supports sector-specific National Green Export Reviews in a wide variety of green sectors.

The National Green Export Review process covers the formulation, adoption and implementation of economic policies, plans, regulatory and institutional frameworks and cooperative mechanisms. The Reviews are conducted through an interactive national stakeholder process with the aim of designing and

PROGRAMME FACTS AND FIGURES

Programme start date: 2014

Number of ongoing Reviews:
5 (Ecuador, Ethiopia,
Morocco, Oman, Vanuatu)

Number of Reviews possible
per year: 2 to 4

Programme website:
unctad.org/GreenEconomy



implementing green economy policies and establishing regulatory and institutional frameworks, as well as Government-to-business and business-to-business mechanisms that are cooperative. The objective is to strengthen the capacity, efficiency and competitiveness of a country to produce and trade in green sectors, while promoting sustainable development.

RESULTS AND IMPACT AT A GLANCE

As of November 2015, the National Green Export Review programme has been in place for less than 2 years. While still new, the Review process is already starting to show some initial results. For example, in Ecuador:

- An action plan was recently adopted by the Government.
- The national green export strategy and action plan adopted by the Ministry of Commerce seeks to maintain and expand Ecuador's competitive base for sustainable fish production.
- In line with the action plan, Ecuador has requested support from the Food and Agriculture Organization of the United Nations on regulatory assessments and review of national fisheries.
- The tuna industry sector is developing a voluntary code of conduct for the sustainability of the tuna value chain in Ecuador.

DONORS/ FUNDING SOURCE

Current: United Nations
Development Account

ACCESSION TO THE WORLD TRADE ORGANIZATION

SUPPORTING INTEGRATION INTO THE MULTILATERAL TRADING SYSTEM



GLOBAL CONTEXT

Countries wishing to accede to the World Trade Organization (WTO) consider membership as one important means of integrating beneficially into the international trading system and the global economy. Yet accession to the WTO is a long and complex negotiation process that requires extensive human resources and institutional capacities, including sectoral expertise. Many countries that request to accede, particularly least developed countries (LDCs) and small economies, face particular constraints and challenges, such as limited analytical capacity to support trade and impact analysis and lack of resources to respond to information requests during the accession process, as well as other limitations.

UNCTAD assistance serves as an important reinforcement of capacity in trade-related negotiations for countries engaged in the WTO accession process. Support includes training of government officials and other relevant stakeholders on particular WTO agreements and assisting countries in the preparation of memorandums of foreign trade regime and other key accession documents, as well as exchange of experiences and lessons learned. UNCTAD has assisted both large economies that have acceded to the WTO, such as China and the Russian Federation, as well as African countries, LDCs and countries in with economies in transition, including Kazakhstan, the Lao People's Democratic Republic, Samoa, Seychelles, Tajikistan, Vanuatu and Yemen. As a part of its support, UNCTAD has developed a series of training modules to raise awareness and understanding of economic and technical aspects of the multilateral trading system, trade agreements and related issues, such as agriculture, non-agricultural sectors, services, intellectual property rights and regional trade agreements. Beyond the accession process, UNCTAD supports countries that have recently acceded in the implementation of their WTO commitments.

HOW DOES UNCTAD DELIVER SUPPORT TOWARDS ACCESSION?

UNCTAD undertakes technical assistance activities to benefit countries acceding to the WTO, pursuant to its intergovernmental mandate, as agreed at the ninth session of the United Nations Conference on Trade and Development (1996) and reaffirmed successively at each quadrennial ministerial conference since then. Most recently, the 2012 Doha Mandate (paragraph 56 (a)) states: "UNCTAD should provide developing countries, in particular LDCs, and countries with economies in transition that are acceding to WTO with technical assistance and capacity-building prior to, during and in the follow-up to the accession process, depending on their level of development and needs."

Assistance is demand-led, tailored to and focused on the requirements and needs of beneficiary countries, while ensuring full national ownership of the accession process. Priorities are established at the national level through a multi-stakeholder approach involving all relevant actors including civil society, taking into account the different levels of development of countries. UNCTAD support draws on its research, intergovernmental and expert meetings and technical assistance work. Assistance aims at enabling national trade officials

**PROGRAMME
FACTS AND FIGURES**

Scope of the programme
on accession to the WTO:
All countries not originally WTO members

Programme start date: 1996

Number of countries assisted to date: 35

Programme website:
unctad.org/WTO-accession



to meet accession requirements at the technical and policy levels, increasing their knowledge of the international trading system and multilateral trade negotiations techniques and strategies, and facilitating the formulation and implementation of trade policies. Through training and capacity-building, the human, institutional and regulatory capacities of national trade institutions and frameworks can be enhanced and awareness among civil society, increased.

Activities can include needs assessment; training and capacity-building in trade policy; formulation of trade policies and definition of national policy objectives; sectoral and impact assessment studies; technical advisory missions on substantive issues of the accession process; reviewing and/or assisting in drafting of trade-related domestic legislation; building national research capacity; internships for trade policymakers, as well as workshops and training sessions for the negotiating team, policymakers, private sector, academia and civil society; facilitating exchanges of experience between acceding and recently acceded WTO members; and dissemination of trade policy information and multimedia training material.

RESULTS AND IMPACT AT A GLANCE

- Since WTO was established in 1995, most countries that were not original members have applied for accession, or at least indicated their interest in doing so, and have counted on UNCTAD assistance.
- UNCTAD has provided and continues providing technical assistance to Afghanistan, Azerbaijan, Algeria, Bosnia and Herzegovina, Belarus, Bhutan, Cambodia, Cabo Verde, the Comoros, China, Ethiopia, Equatorial Guinea, Jordan, the Islamic Republic of Iran, Iraq, Kazakhstan, the Lao People's Democratic Republic, Lebanon, Liberia, Nepal, Tajikistan,

Timor-Leste, the Russian Federation, Turkmenistan, Serbia, Sao Tome and Principe, Samoa, Saudi Arabia, Seychelles, the Sudan, Syrian Arab Republic, Uzbekistan, Vanuatu, Viet Nam and Yemen. Of the countries assisted:

- 12 are LDCs
- Kazakhstan, Seychelles and Yemen became full members of WTO in 2014–2015.
- A 2015 external evaluation, in assessing subprogramme 3 (international trade), pointed to recognition of UNCTAD's comparative advantages: "Stakeholders note that UNCTAD provides valuable support to LDCs and developing countries in pre-accession and accession stages in ways that others cannot... Unlike WTO, which can only address technical aspects related to rules and must refrain from any policy advice, UNCTAD's mandate tasks it with providing advice on policy options and alternatives for acceding States and backstopping the accession process. UNCTAD has flexibility to advise on bilateral and regional trade agreements, which are beyond the mandate of WTO."

DONORS/ FUNDING SOURCE

Current: Norway, Finland, Sweden (through the United Nations Industrial Development Organization)

Past: Germany, Norway, the United Kingdom

"My colleagues were very impressed with [UNCTAD] knowledge and experience in trade matters. The [draft] Trade Development Act has come out very well..."

Joint Secretary, Ministry of Economic Affairs, Bhutan, following an UNCTAD consultative mission to the country, 2015

"I am also very happy to have had the opportunity to see UNCTAD deliver and perform so well at the country level... UNCTAD does make a difference, a message I have conveyed to my capital in capital letters."

Ambassador (Norway) and member of team of independent evaluators, at the UNCTAD Working Party on the Strategic Framework and Budget, 2006