

SUPPORT TO GRADUATION FROM LEAST DEVELOPED COUNTRY STATUS

SUPPORTING STRUCTURAL PROGRESS TOWARDS GRADUATION



GLOBAL CONTEXT

No country wants to be a least developed country (LDC) forever. Making graduation from LDC status possible has been one of the paramount objectives of the United Nations system. The Istanbul Programme of Action – the Programme of Action for the Least Developed Countries for the Decade 2011–2020 – adopted in May 2011 sets the ambitious goal of seeing at least half of all LDCs meet graduation criteria by the end of 2020. In more than 40 years, though, only four countries have graduated from LDC status. Achieving structural progress towards graduation is a challenging objective for LDCs, given the geographical disadvantages many of them suffer from and their exposure to risks of external shocks beyond domestic control.

Structural economic transformation through productive capacity-building is a key development objective of LDCs. This is what the quest for graduation from LDC status ultimately entails. Sound economic diversification is generally aimed at as the most desirable form of structural change, conducive to economic resilience and poverty reduction, ideally with stable employment opportunities. UNCTAD supports LDCs in achieving structural progress towards and beyond graduation. This involves mapping and measuring structural change in all LDCs, strengthening the capacity of individual LDCs to accelerate structural transformation and approach graduation thresholds and guiding graduating countries in their pursuit of a smooth transition to post-LDC life.

WHAT TYPES OF ASSISTANCE ARE PROVIDED?

In addition to general support to LDCs on the road to structural transformation, UNCTAD provides advisory services to countries that face the challenge of graduation from LDC status. Such services are provided before an official decision by the United Nations to take a country off the list of LDCs and after such a decision has been taken (through a General Assembly resolution).

Before a United Nations decision on graduation, UNCTAD prepares a vulnerability profile of each country considered pre-eligible for graduation. The aim of vulnerability profiles is to enrich the understanding of all major constraints on a country's development, particularly its exposure to risks of external shocks and analyse all possible elements of its economic and social progress. UNCTAD also assists LDCs in harnessing their structural progress before they have reached the stage of pre-eligibility for graduation. After a United Nations decision to graduate a country has been taken, UNCTAD assists the graduating State in formulating its smooth transition strategy. The exercise involves making an inventory of the benefits from LDC status of particular importance to the economy and

supporting the country's negotiations with relevant development partners, to ensure that the eventual loss of LDC treatment will not disrupt the continuation of progress.

PROGRAMME FACTS AND FIGURES

Programme on support
towards LDC graduation: 48 LDCs

Programme start date: 1999

Number of countries
assisted to date: 12

Number of countries assisted
per year: 2 (average)

Programme website:
unctad.org/LDCs-graduation



RESULTS AND IMPACT AT A GLANCE

UNCTAD has assisted more than 10 LDCs – Angola, Cabo Verde, Cambodia, Equatorial Guinea, Kiribati, the Lao People’s Democratic Republic, Lesotho, Maldives, Myanmar, Samoa, Tuvalu and Vanuatu – in understanding the implications and consequences of graduation and in the pursuit of a smooth transition to post-LDC status:

- In Cabo Verde, UNCTAD was instrumental in assisting the Government and its transition support group in the preparation of a smooth transition strategy. During 2005–2007, this work focused on aid levels, preferential market access and preparing the country to implement World Trade Organization obligations at a time when Cabo Verde was approaching accession to the World Trade Organization (July 2008). The country graduated from LDC status in December 2007.
- For the Government of Maldives, UNCTAD prepared a smooth transition strategy document that enabled national authorities to negotiate continuation of duty-free, quota-free (LDC-like) treatment with trade preference-givers, notably the European Union and Japan.
- In 1997, Vanuatu became the first LDC to receive UNCTAD assistance on graduation. At the request of the Government in September of that year, a major reform of the LDC graduation criteria led the United Nations to adopt a vulnerability criterion as part of the methodology to identify graduation cases. That reform did justice to Vanuatu by highlighting its acute vulnerability to external shocks. Since then, UNCTAD has actively supported structural progress in Vanuatu, a country earmarked to graduate in December 2017.
- In Myanmar, at the request of the Government, UNCTAD prepared a road map to chart the pathway to the country’s graduation from LDC status – a key part of its support since 2014.

DONORS/ FUNDING SOURCE

Current: United Nations Development Account, self-financing countries

Past: Trust Fund for Least Developed Countries; Core Project (multi-donor: Austria, Belgium, Canada, Denmark, Finland, France, Greece, Ireland, Italy, Luxembourg, Norway, Portugal, the Republic of Korea, Sweden, Switzerland, Turkey, the United Kingdom, the Holy See and Common Fund For Commodities)

DMFAS – DEBT MANAGEMENT AND FINANCIAL ANALYSIS SYSTEM

IMPROVING CAPACITIES FOR EFFECTIVE DEBT MANAGEMENT

GLOBAL CONTEXT

Effective debt management is indispensable for ensuring the financing needs of Governments, minimizing borrowing costs and risks, and to support the development of domestic markets. Ultimately, it also helps to reduce the risk of debt crises, which is critical to ensure a stable growth trajectory for sustainable development. Debt crises tend to take long to recover from and trigger serious drops in economic output – they can also undermine a Government's capacity to meet the critical needs of its citizens and to mobilize necessary resources for development. In the current global environment of low interest rates, combined with new forms of borrowing, proper debt management is all the more essential to avoid repetition of past debt crises in developing countries.

Many Governments in developing countries continue to have a low capacity to build and maintain their own debt management systems and debt databases. In fact, even middle-income countries with higher capacities opt for a ready-made and customizable solution such as that provided by the UNCTAD Debt Management and Financial Analysis System (DMFAS) Programme.

The DMFAS Programme is one of the world's leading providers of technical cooperation and advisory services in the area of debt management. It offers countries a set of proven solutions for improving their capacity to handle the day-to-day management of public liabilities and the production of reliable debt data for policymaking purposes. This includes its specialized debt management software, DMFAS, which greatly facilitates the work of the debt office, as well as advisory services and training activities in debt management.

HOW IS MANAGING DEBT MADE MORE FEASIBLE?

DMFAS projects are initiated at the request of Governments. The counterpart ministry or central bank that is involved throughout the process takes ownership of the project. Each project is customized based on the specific needs of the beneficiary country. The project covers the software and the training activities related to the installation and use of the system. Technical assistance projects typically cover the following types of activities:

- Technical training on installing and maintaining the system;
- Basic and advanced functional training covering recording debt instruments, reporting, etc.;
- Specialized training on debt data validation, debt statistics and debt portfolio analysis.

PROGRAMME FACTS AND FIGURES

DMFAS programme scope: all regions

Programme start date: 1982

Projects implemented per year
on average: 25

Number of active DMFAS users:

The programme is active in
84 institutions in 57 countries

Programme website:
unctad.org/dmfas

RESULTS AND IMPACT AT A GLANCE

Testimonies from DMFAS user back its practical solutions and results:

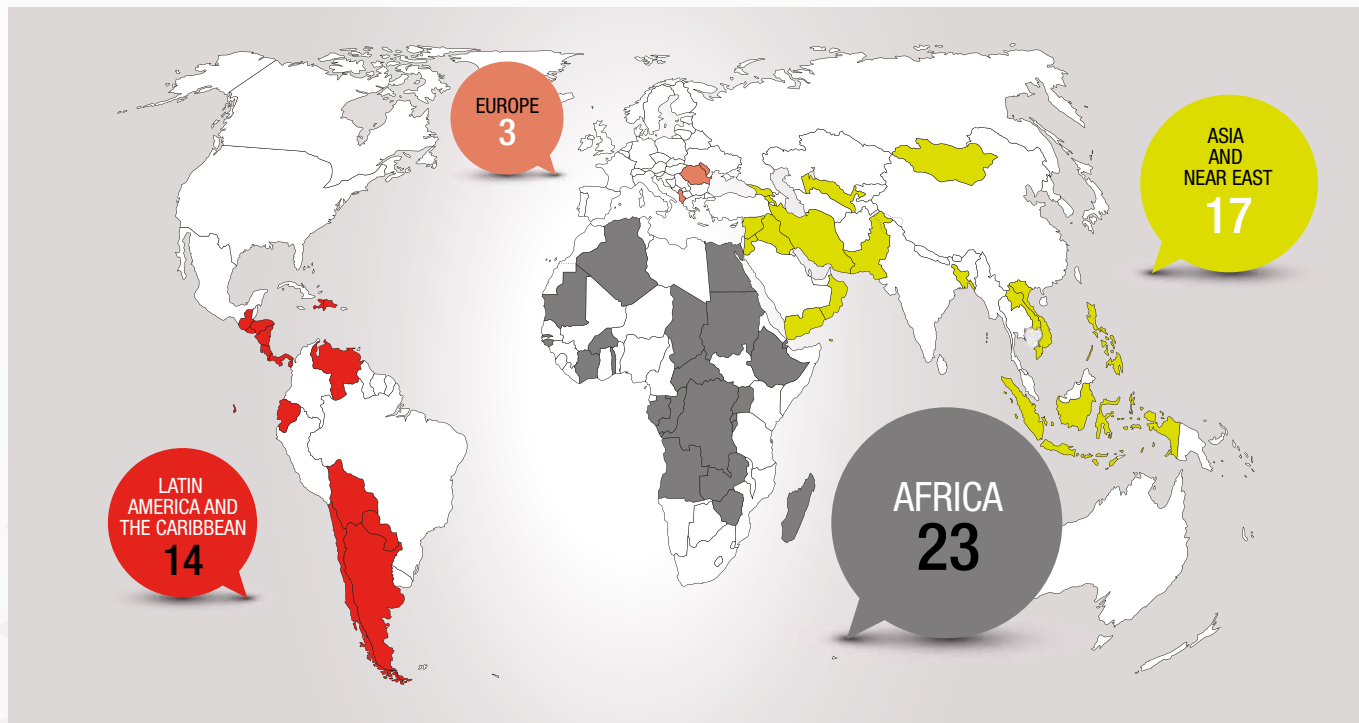
- “The Philippine Treasury expresses its unending gratitude and appreciation to UNCTAD for its valuable technical assistance to the Philippines without which our country would not have progressed immensely in the area of debt management.” *Treasurer of the Philippines*
- “Thanks to the joint efforts of UNCTAD and of the DMFAS user team in Albania, we have established an accurate information system on external debt. Its advantages are quite evident in debt management decision-making.” *Vice-Minister of Finance of Albania*
- “DMFAS helped us manage our public debt in a more efficient and transparent manner, and proved itself to be an indispensable tool in helping us during the last phases of the Heavily Indebted Poor Countries Initiative in reconciling our public debt data with our creditors.” *Director of Public Credit, Ministry of Finance of Honduras*

DONORS/ FUNDING SOURCE

Current: Self-financing by some user countries, other international organizations and institutions (e.g. United Nations Development Programme, World Bank, Asian Development Bank, African Development Bank, European Commission), Multi-donor Trust Fund (Germany, Ireland, the Netherlands, Switzerland, cost-sharing by user countries)

Past: Finland, France, Italy, Norway, Sweden

DMFAS users by number of countries per region, 2014



ASSISTANCE TO THE PALESTINIAN PEOPLE

ENHANCING CAPACITIES FOR DEVELOPING A BETTER FUNCTIONING ECONOMY



GLOBAL CONTEXT

Economic development of the Occupied Palestinian Territory (OPT) is considered to be an important issue at the regional and global levels. The unique challenges and volatile economic and political dynamics in the OPT have wider repercussions across the Middle East.

The complex conditions faced by the Palestinian people underscore the need for greater efforts on the part of the Palestinian National Authority for socioeconomic development, with the full support of the international community. The challenges in the OPT require careful strategies and initiatives to address the needs of the Palestinian people for building the institutional capacities and economic base required for a future sovereign Palestinian State, as called for in relevant United Nations resolutions.

Against this backdrop, and with more than 30 years of expertise on Palestinian trade and development issues, UNCTAD formulates and implements technical cooperation projects, and provides training and advisory services to facilitate economic development in the OPT.

HOW DOES UNCTAD HELP THE PALESTINIAN PEOPLE?

UNCTAD addresses the Palestinian economy's complex and evolving needs through four clusters of work: (a) trade policies and strategies; (b) trade facilitation and logistics; (c) finance and development; and (d) enterprise, investment and competition policy.

UNCTAD conducts research, carries out technical cooperation projects and provides training and advisory services, in close cooperation with the Palestinian National Authority, the Palestinian private sector, civil society organizations and United Nations and other international agencies. UNCTAD aims at strengthening the capacity of the Palestinian National Authority and the Palestinian private sector, and laying the foundations for the institutional capacities required for sustainable economic development and efficient functioning of the economy of a future independent Palestinian State.

RESULTS AND IMPACT AT A GLANCE

Between April 2011 and March 2015 UNCTAD implemented a project on capacity development for facilitating Palestinian trade, with the explicit goal of consolidating the institutional capacity of the Palestinian Shippers Council and enhancing awareness



PROGRAMME FACTS AND FIGURES

Programme start date:
1979 (first technical assistance project
in 1995)

Number of projects to date: 15

Projects implemented
per year since 1995:
1 (average)

Programme website:
unctad.org/Palestine

among professionals in the private and public sectors on best practices in trade facilitation. Several success stories came out during implementation of the project, particularly through the training programme under the project:

- The project generated new job opportunities for Palestinian youth who were trained on trade facilitation and logistics. Upon completion of a “training of trainers” programme, these young professionals were certified as trainers on the trade facilitation supply chain.
- The training aimed at achieving gender balance by ensuring that 30 per cent of the trainees were women, despite the fact that the field of trade facilitation has been historically dominated by men.
- Some of the professionals who benefited from the training reported considerable cost savings in the trade facilitation supply chain as a direct result of the knowledge they gained from the training programme.

Results in-depth

Strengthening capacity for economic analysis and policymaking

In 2011, UNCTAD and the Palestinian Central Bureau of Statistics signed a memorandum of understanding to strengthen the Central Bureau's economic modelling and forecasting capacity and to enhance the Palestinian National Authority's capacity for constructing, evaluating and interpreting socioeconomic indicators and assessing alternative policy scenarios. UNCTAD

has conducted training programmes for staff of the Central Bureau of Statistics and Palestinian National Authority in Geneva (Switzerland) and Ramallah (Palestine). UNCTAD efforts on building Palestinian capacity for econometric modelling and forecasting led to the establishment of a forecasting unit within the Palestinian Central Bureau of Statistics, headed and staffed by professionals trained by UNCTAD.

UNCTAD also handed over its econometric model of the Palestinian economy to the Central Bureau of Statistics; as a result, the forecasting unit has used the model to produce official economic forecasts, which are used by the Palestinian National Authority, Palestinian Ministry of Finance and other entities for planning and other purposes. UNCTAD continues to cooperate and provide advisory services to the Central Bureau. In April 2015, the Palestinian Central Bureau of Statistics held meetings with UNCTAD staff and solicited advice on developing regionally disaggregated econometric models for the State of Palestine.

DONORS/ FUNDING SOURCE

Current and past:
Canada, Italy, Norway,
European Commission,
World Bank

ENHANCED INTEGRATED FRAMEWORK

SUPPORTING LDCs IN TACKLING CONSTRAINTS TO TRADE

GLOBAL CONTEXT

The least developed countries (LDCs) represent the poorest and most vulnerable segment of the international community. They comprise more than 880 million people, about 12 per cent of world population. Yet they account for less than 2 per cent of world gross domestic product and about 1 per cent of global trade in goods. Against this backdrop, the Programme of Action for the Least Developed Countries for the Decade 2011–2020, known as the Istanbul Programme of Action, recognized the critical importance of implementing “effective trade-related technical assistance and capacity-building in least developed countries on a priority basis, including by enhancing the share of assistance to least developed countries for Aid for Trade and support for the Enhanced Integrated Framework” (paragraph 66, section 3 (e)).

The Enhanced Integrated Framework (EIF) is a multi-agency and multi-donor programme for the coordinated delivery of trade related technical assistance and institutional capacity-building for LDCs. It aims at enabling LDCs to mainstream trade into their national development plans, so that countries can mobilize the potential of trade to promote economic growth, sustainable development and poverty reduction at the domestic level and to become more active players in the multilateral trading system. In particular, the programme serves as a platform for LDCs to build productive capacities and start engaging in trade policymaking, among other activities, that can lead to creating employment and reducing poverty.

As one of the six core EIF partner agencies, UNCTAD’s focus and support is on contributing towards strengthening the capacities of LDCs in trade policymaking and thus improve ownership of the EIF process. Specifically, UNCTAD supports LDCs under the EIF programme through the formulation of Diagnostic Trade Integration Studies and their updates, and by drafting technical cooperation projects for implementation of the action matrix of Diagnostic Trade Integration Studies, particularly with regard to tier 2 projects funded by the EIF Trust Fund. The six core partner agencies that support the EIF programme are UNCTAD, the International Trade Centre, United Nations Development Programme, International Monetary Fund, World Bank and World Trade Organization, with the United Nations Industrial Development Organization and World Tourism Organization as observers.

WHAT KIND OF ASSISTANCE DOES UNCTAD PROVIDE?

UNCTAD provides tailored assistance in response to specific requests from EIF participating countries. Such requests can result in the updating of Diagnostic Trade Integration Studies. Assistance can also focus on mainstreaming trade policy issues that are identified in countries’ trade diagnostics and preparing tier 2 projects drawn from action matrices of Diagnostic Trade Integration Studies. In providing such assistance, UNCTAD uses a mix of national and international expertise to facilitate the exchange of knowledge and maximize results – the approach also contributes to national capacity-building.

PROGRAMME FACTS AND FIGURES

Programme start date: 2012

Number of countries assisted:
8 (Diagnostic Trade Integration
Study updates)

Number of countries
assisted per year: 5 (average)

Programme website:
unctad.org/EIF

RESULTS AND IMPACT AT A GLANCE

- A number of LDCs – for example, Benin, Djibouti, Ethiopia, the Gambia, Mali, Mozambique, the Niger and Senegal – have made progress, with support from UNCTAD, in mainstreaming trade policies into their national development plans, identifying trade-related priorities and implementing the action matrices of Diagnostic Trade Integration Studies.
- Senegal completed and validated its Diagnostic Trade Integration Studies update in July 2013. UNCTAD then assisted the Government in preparing a tier 2 project on transforming and commercializing fruits from the Casamance region and organized a workshop on the subject in January 2014. A follow-up workshop on trade mainstreaming, held in February 2014, led to the identification of multiple constraints to mainstreaming trade. Together with the Government, a mainstreaming proposal was elaborated and shared with the EIF secretariat in 2014.

Results in-depth

Strengthening productive and trade capacities

Benin. UNCTAD, together with the United Nations Industrial Development Organization and the International Trade Centre, is implementing a tier 2 project aimed at strengthening the productive and trade capacities of Benin. The project focuses on cotton, agro-industries and fisheries – three priorities identified in Benin's EIF-sponsored Diagnostic Trade Integration Study. As part of the project, UNCTAD is responsible for elaborating a national trade policy document and will provide technical assistance in building capacities of governmental entities, private sector and civil society and non-governmental organizations in the areas of trade integration, negotiations, rules of origin and market access. In response to a request from the Government of Benin, additional support will be provided on geographical indications.

DONORS/ FUNDING SOURCE

Current: EIF

Past: Trust Fund for Least Developed Countries; Core Project (multi-donor: Austria, Belgium, Canada, Denmark, Finland, France, Greece, Ireland, Italy, Luxembourg, Norway, Portugal, the Republic of Korea, Sweden, Switzerland, Turkey, the United Kingdom, the Holy See and Common Fund For Commodities)

“UNCTAD presented the report on its work [the Diagnostic Trade Integration Study of Senegal] to all the stakeholders during a validation workshop on the [Diagnostic Trade Integration Study] update [. . .]. I take this opportunity to commend the quality of collaboration between our two institutions and to express the gratitude of the Government of Senegal for the quality of the results achieved.”

Representative of the Ministry of Commerce, Informal Sector, Consumption,
Local Product Promotion and SMEs, Senegal

2013

RULES OF ORIGIN, GEOGRAPHICAL INDICATIONS AND MARKET ACCESS

SUPPORTING LEAST DEVELOPED COUNTRY PARTICIPATION IN INTERNATIONAL TRADE

GLOBAL CONTEXT

Least developed countries (LDCs) are granted preferential tariff treatment in the markets of developed and developing countries under several schemes and arrangements. Among them are initiatives such as the Generalized System of Preferences, the European Union's "Everything but Arms" initiative, the African Growth and Opportunity Act of the United States of America, trade preferences under African, Caribbean and Pacific States–European Union Partnership Agreements and other preferential trading arrangements that have rules of origin as key components.

LDCs nonetheless face significant obstacles to market access. Overcoming the limited diversification of LDC exports, the low value added of those exports and the continued challenge of bringing small local producers up front in the global commodity value chain remain concerns. At the same time, the rich biodiversity of several LDCs allows them to draw on their natural resources to create an array of traditional products and preparations with the potential to compete globally and secure higher returns from sales. Benefiting from that natural wealth can require taking steps to gain recognition of quality and generate a solid reputation for specific products in the eyes of consumers and buyers. One important approach can be using geographical indications in combination with a branding strategy for those products.

UNCTAD provides policy advice and technical assistance to help developing countries comply with requirements on rules of origin under preferential trading arrangements – focusing on product origin – with a view to improving the utilization rates of trade preferences granted to them. Since 2006, for instance, UNCTAD has assisted LDCs that are members of the World Trade Organization (WTO) on the implementation of the 2005 Ministerial Declaration adopted at the WTO Sixth Ministerial Conference (Hong Kong, China) on duty-free and quota-free market access. The declaration called on ensuring that preferential rules of origin applicable to imports from LDCs are simple and transparent, and contribute to facilitating market access. UNCTAD also provides support in relation to the WTO Ministerial Decision (Bali, Indonesia) on preferential rules of origin for LDCs. Furthermore, UNCTAD assists rural communities and LDC Governments in enhancing the value of traditional products by exploiting trading opportunities such as geographical indications and facilitating compliance with sanitary and phytosanitary requirements.

HOW CAN A PRODUCT'S ORIGIN OR GEOGRAPHICAL INDICATION HELP FACILITATE MARKET ACCESS?

The principle of country ownership drives UNCTAD technical assistance on rules of origin and geographical indications. For all schemes under the Generalized System of Preferences, products exported from a country receiving such preferences must fulfil the rules of origin of the countries granting those preferences. Documenting evidence of compliance with those rules is necessary for products to qualify for preferential tariff treatment. UNCTAD services in support of developing countries in this area include (a) providing advice to Governments and the private sector to comply with origin requirements; and (b) delivering tailor-made technical assistance, such as advisory memorandums on policy options in drafting and negotiating preferential rules of origin under different trading arrangements.

PROGRAMME FACTS AND FIGURES

Programme start date: 2006

Number of countries assisted to date:
All LDC member States of UNCTAD
(rules of origin); 9 (geographical indications)

Countries assisted per year: All LDC
members of WTO regularly assisted
year-round; 3 (average, on
geographical indications)

Programme website:
unctad.org/gsp/rules

Identifying and registering traditional products under a geographical indication requires different steps, such as drafting a “disciplinary of production”, the main text that defines a product’s unique identity. Being able to convey what makes products unique geographically adds value to those products. Such information is also useful for customers who can be attracted to those products when they learn more about them. UNCTAD provides countries support in identifying products that could be eligible to use geographical indications – signs used on products with a specific geographical origin and possessing qualities or a reputation based on that origin – and in drafting the legal specifications for those products and introducing a branding policy.

RESULTS AND IMPACT AT A GLANCE

- UNCTAD continues to regularly assist LDCs that are WTO members. Through active participation in WTO negotiations following the 2005 Ministerial Declaration on duty-free and quota-free market access, LDCs successfully negotiated on the Bali decision on preferential rules of origin, and are actively pursuing its implementation.
- UNCTAD’s timely assistance to LDCs has been critical in increasing utilization rates of preferences under the “Everything but Arms” initiative after the European Union introduced a reform on rules of origin in 2011. For instance, the utilization rate for bicycles exported to the European

Union by Cambodia increased in 2011 to around 80 per cent, up from the previous year’s rate of 33 per cent. Moreover, between 2010 and 2013, import values multiplied fivefold, increasing from US\$60 to US\$325 million.

- Realizing the importance and potential of branding products of rural communities through the use of geographical indications, with UNCTAD support, the Governments of Ethiopia and Myanmar have each produced draft legislation for the promotion and protection of geographical indications of their products.

DONORS/ FUNDING SOURCE

Current: Italy, the Netherlands,
World Bank

Past: United Nations Development
Account, Department for International
Development (United Kingdom)

PAN-AFRICAN COTTON ROAD MAP

COMING TOGETHER TO STRENGTHEN THE AFRICAN COTTON SECTOR

GLOBAL CONTEXT

Cotton production and processing is a fundamental source of income and employment in 28 African countries. Although the continent is a small player in terms of world production, raw cotton is among the top exports of many African countries. The sector provides income for food security, education, health, housing and transportation. The crop is therefore critical in the fight against rural poverty.

The introduction and adoption of new technologies and expansion of the area under cotton have resulted in significant production gains in the world. And yet, cotton production in Africa peaked in 2004/05 (at around 2 million tons) and then declined by almost 50 per cent over the next five years. The African cotton sector faces major challenges pertaining to productivity, competitiveness and sustainability. Addressing those challenges means improving value addition (and quality) and closing the gap in productivity between Africa and other world producers. This requires improved farm-level productivity and ginning efficiency, supporting capacities and institutions through the capacity-building of stakeholders and strengthening of governance structures.

The Pan-African Cotton Road Map was initiated by UNCTAD, the Common Fund for Commodities, the Secretariat of the African, Caribbean and Pacific States and the *Comité d'orientation et de suivi-coton* of the European Union-Africa Partnership on Cotton. The Road Map is intended as a practical tool to revive the African cotton sector. The Road Map includes a thorough analysis of the challenges facing the African cotton sector and lays out a continental strategy along three thematic areas: raising productivity; improving marketing and trade; and increasing value addition. It also aims at strengthening coordination mechanisms and coherence across all policies and actions at the national and regional levels, in particular between regional strategies on clothing produced from cotton textile.

HOW CAN THE ROAD MAP HELP AFRICAN COTTON-PRODUCING COUNTRIES?

The Road Map is the culmination of an extensive multi-stakeholder consultation process – involving African Governments of cotton-producing countries, cotton sector stakeholders and regional and international partners – with the ultimate goal of supporting African countries in taking advantage of the opportunities offered by producing cotton for trade. The Road Map outlines a path towards the integration of ongoing processes in the sector, describing specific short-, medium- and long-term actions and objectives for the continent's various cotton sector stakeholders, as well as a timeline for implementing those actions. UNCTAD offers advisory services and intends to conduct capacity-building workshops to facilitate the implementation of the Road Map.

PROGRAMME FACTS AND FIGURES

Programme scope:
African cotton-producing countries

Programme start date: 2008

Number of potential
beneficiary countries: 28

Programme website:
unctad.org/AfricanCotton

RESULTS AND IMPACT AT A GLANCE

- The Road Map has become a valuable resource in the design of concrete initiatives:
 - Zambia has been using the Road Map for its cotton development strategy.
 - The Economic Community of Central African States has also reported using the tool in the establishment of cotton funds at the national level.
- The *Comité d'orientation et de suivi-coton* is considering funding the implementation of part of the Pan-African Cotton Road Map through the next cycle of the European Union Development Fund.



DONORS/ FUNDING SOURCE

Current: n/a

Past: European Union,
Common Fund for
Commodities, Centre for the
Development of
Enterprise

THE BIOTRADE INITIATIVE

PROMOTING TRADE AND INVESTMENT IN BIODIVERSITY RESOURCES

GLOBAL CONTEXT

Biodiversity is the natural capital base for a sustainable economy. The conservation of biodiversity and the sustainable use and trade of biodiversity-derived products and services provide countries valuable opportunities for economic development and improvement of livelihoods. Furthermore, the market for sustainably sourced products (such as natural cosmetics and personal care products) has grown significantly over the last 20 years. Many developing countries rich in biological resources have the potential to capture the market and use such products as an engine of sustainable development – and, at the same time, counteract ongoing depletion of biodiversity due to overexploitation, land-use change and climate change. Their access to the market, however, is hindered by factors such as non-tariff measures, access to credit and lack of financial and management capacities. The consolidation and expansion of emerging biodiversity-based sectors also require financial and technical support from the international community.

UNCTAD launched the BioTrade Initiative in 1996 to help developing countries achieve the dual objectives of biodiversity conservation and improved economic and social welfare. The initiative promotes “biotrade”, which encompasses collecting, producing, transforming and commercializing goods and services derived from native biodiversity – species and ecosystems – in a way that meets the criteria of environmental, social and economic sustainability. It also supports the implementation of the objectives of the Convention on Biological Diversity and biodiversity-related multilateral environmental agreements such as the Convention on International Trade in Endangered Species of Wild Fauna and Flora. Within the framework of the 2030 Agenda for Sustainable Development of the United Nations, biotrade can contribute specifically to implementing Sustainable Development Goal 12 on responsible consumption and production patterns and Goal 15 which includes halting biodiversity loss.

HOW CAN A FOCUS ON BIOTRADE HELP COUNTRIES?

The UNCTAD BioTrade Initiative generally works at the national, regional and global levels with partners on three strategic lines: enabling policy framework for biotrade; value chain enhancement; and market creation and development for biodiversity products and services. National programmes on biotrade, initiated at the request of beneficiary countries, are developed and implemented jointly with national partners. Regional programmes on biotrade are developed to share experience and knowledge, overcome common limitations and promote an enabling regional environment.

At the international level, the BioTrade Facilitation Programme was launched under the initiative in 2003 to facilitate sustainable trade in biodiversity-based products and services. Currently in phase III, with financial support from Switzerland, the programme comprises mainstreaming biotrade into sustainable development strategies and processes, identifying and addressing non-tariff measures applicable to biodiversity-based products and providing guidance on biotrade-friendly implementation of the Nagoya Protocol to the Convention on Biological Diversity.

As one means of enhancing the value chain, UNCTAD has developed a biotrade value chain methodology to support the growth of biodiversity-based sectors. The aim is to enhance the production of value added products and services derived from biodiversity, for both domestic and international markets.

PROGRAMME FACTS AND FIGURES

Programme start date: 1996

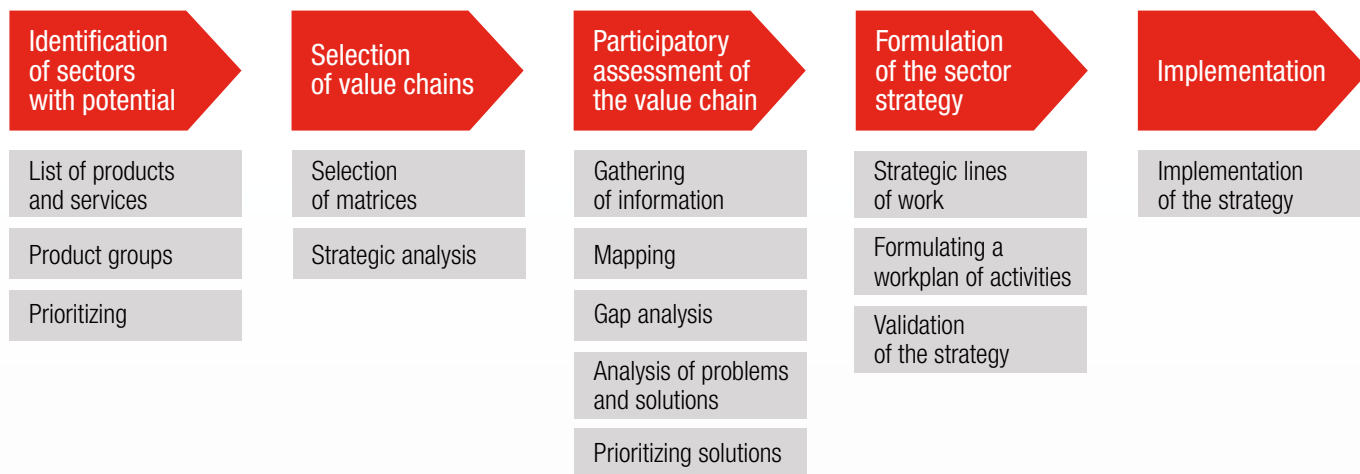
Number of activities to date:

70+ publications since 2000; 60+ events, including 3 BioTrade Initiative congresses, and 60+ advisory missions (since 2004)

Activities per year: Over 16

Programme website:
unctad.org/biotrade

Biotrade value chain methodology



RESULTS AND IMPACT AT A GLANCE

Since the launch of the BioTrade Initiative, progress has been achieved by private actors and partners in embracing biotrade concepts and principles. Over 20 developing countries in Africa, Asia and Latin America have been implementing the BioTrade Initiative. Currently, there are eight national programmes in Africa, Asia and Latin America under implementation. Two regional programmes in Latin America successfully concluded: the Amazon BioTrade Programme covered eight Amazon-basin countries, while the Andean BioTrade Programme benefited four of the region's countries.

The products and services traded by beneficiary countries cover sectors such as personal care, food, pharmaceuticals, fashion, ornamental flora and fauna, handicrafts, textiles and natural fibres, and sustainable tourism. For example, through the BioTrade Initiative:

- Activities in biotrade have benefited approximately 30,000 farmers, collectors, breeders, hunters and producers, creating jobs and generating additional income opportunities for rural and marginal communities as well as other actors in the value chain.
- More than 19 million hectares of land are sustainably managed by beneficiary organizations working in biotrade, promoting conservation and sustainable use of biodiversity.
- Sales revenues of biotrade beneficiary organizations, working with small and medium-sized enterprises and multinational companies, amounted to US\$5.2 billion in 2012 – compared with US\$2.3 billion in 2010.

Results in-depth

Biotrade and peace-building in Indonesia and Colombia

Biotrade is being used in post-conflict reintegration and recovery programmes as an approach to promote sustainable livelihoods. In Aceh Selatan, Indonesia, where nutmeg production is an important economic activity and a major source of livelihood, this native spice was successfully promoted as a biotrade commodity under the UNCTAD/United Nations Development Programme pilot project on a gender-responsive reintegration approach to reintegration and peace stabilization.

In Colombia, biotrade has been increasingly considered as a key tool that can support the reintegration of ex-combatants and displaced people. Initiatives have been funded by the Andean BioTrade Programme (Development Bank of Latin America, Global Environment Facility and United Nations Environment Programme), the Presidential Agency of International Cooperation, in coordination with the Ministry of Environment and Sustainable Development and other biotrade partners.

DONORS/ FUNDING SOURCE

Current: Switzerland
(State Secretariat for Economic Affairs (SECO))

Past: Denmark, the Netherlands,
Norway, Spain, United Nations
Foundation/United Nations
Fund for International
Partnerships