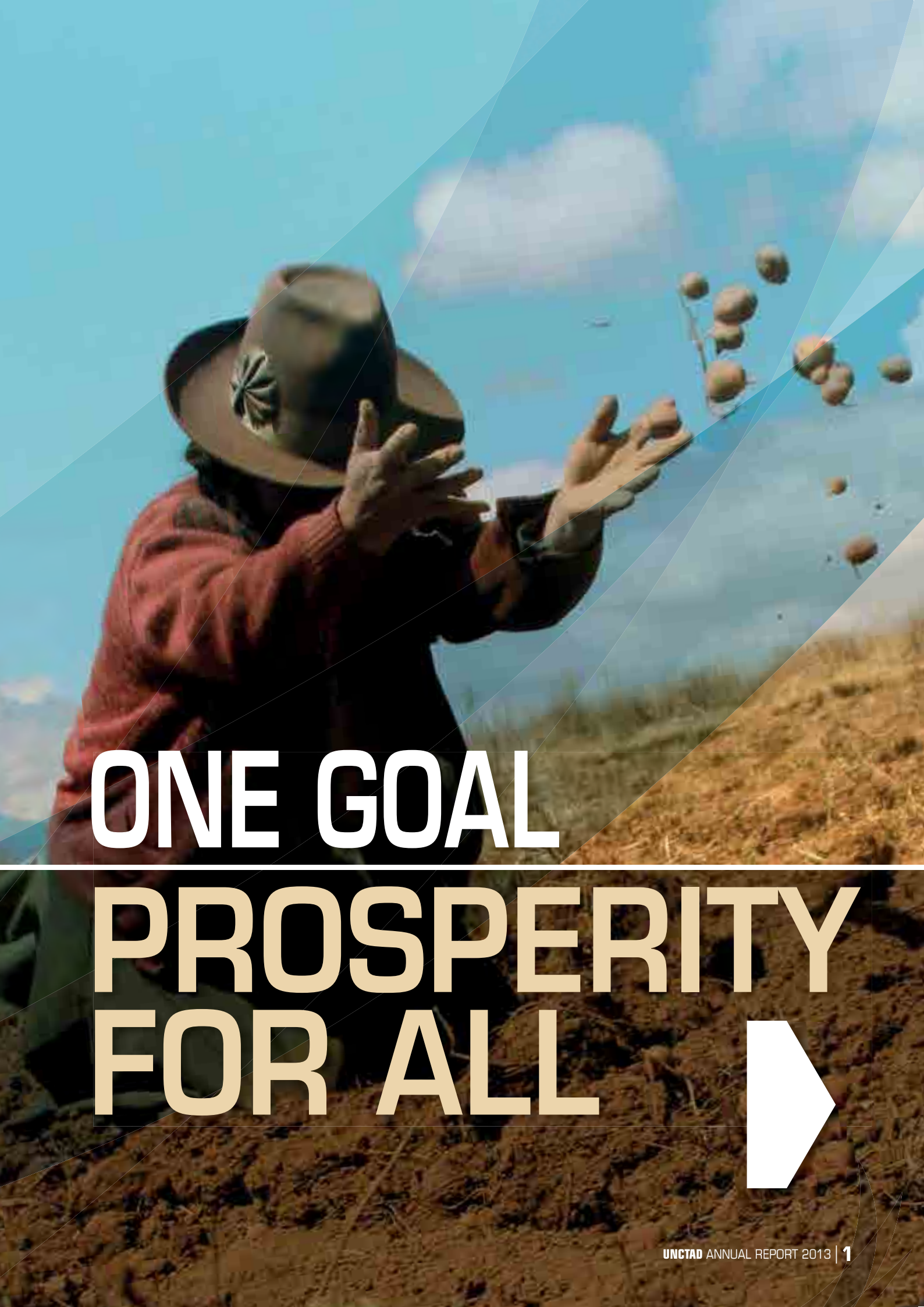




# UNCTAD ANNUAL REPORT 2013







**ONE GOAL**

**PROSPERITY  
FOR ALL**



# UNCTAD AT A GLANCE

**3**

pillars of work: Consensus building, research and analysis, technical cooperation

**5**

main programmes of work: Globalization and development strategies; investment and enterprise development; international trade in goods and services, and commodities; technology and logistics; Africa, the least developed countries (LDCs) and special programmes

**50**

years of promoting the development-friendly integration of developing countries into the world economy

**194**

member States

**476**

staff members from 106 countries  
Secretary-General: Mr. Mukhisa Kituyi (Kenya), since September 2013  
Deputy Secretary-General: Mr. Petko Draganov (Bulgaria), since May 2009  
Headquarters: Geneva, Switzerland

**\$70m**

total regular budget for 2013

**\$31m**

extrabudgetary funds for technical cooperation with contributions from developing countries accounting for almost 41 per cent of total contributions to trust funds (see annex C for further information)

*To find out more about UNCTAD, please visit <http://unctad.org>.*

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## FOREWORD BY MR. MUKHISA KITUYI, SECRETARY-GENERAL OF UNCTAD

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2013 was a mixed year for the international economic system. On the one hand, prospects for global recovery and international cooperation faltered as emerging markets – de facto engines of global growth since the financial crisis – experienced a downturn with the withdrawal of monetary stimulus by central banks in several advanced economies. On the other hand, 2013 ended on a high note as multilateralism received a strong boost of confidence with the revival in December of the Doha Development Agenda in Bali, Indonesia.

Given the uncertainties of the global economic environment, these circumstances only reinforce my belief in the important role UNCTAD plays in development and in the added value that we can bring to the social and economic development agenda. Especially in these difficult economic times, it is key that we give policymakers the knowledge and skills they need to make informed policy decisions that will allow countries to improve their economies and work towards the future we all want.

2013 also marked my appointment as Secretary-General, and it is with great pride that I took the helm of UNCTAD. I am a long-standing admirer of the Organization and its mission and am committed to strengthening our role as the focal point in the United Nations system for the integrated treatment of trade and development and interrelated issues in the areas of finance, technology, investment and sustainable development. Since I took office in September 2013, I have made it my mission to realize the full potential of our valuable human resources – highly qualified experts and a truly universal membership. To this end, I am working to ensure that the UNCTAD secretariat is efficient, cost-effective, accountable and focused, and delivers with impact, in particular at the national level. I am also strengthening our partnerships within the United Nations family and working to enhance the position of UNCTAD at the centre of dialogue on the trade and economic dimension of the sustainable development goals.

The year 2014 marks the fiftieth anniversary of the establishment of UNCTAD. It is auspicious that the anniversary is taking place at a time when the global community rallies towards achieving the Millennium Development Goals and seeks to respond to people's aspirations around the world by setting the development agenda beyond 2015. Upon reaching such a milestone, it is natural that we should reflect back to our beginnings in 1964, when member States gathered in Geneva at the first

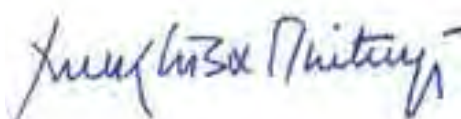
quadrennial meeting of UNCTAD (UNCTAD I), aspiring to “a better and more effective system of international economic cooperation, whereby the division of the world into areas of poverty and plenty may be banished and prosperity achieved by all”.<sup>1</sup>

Today, while the context for development has profoundly changed, yet the dream of “prosperity for all” is still out of reach for many. There has been growing inequality within and across countries, and the global financial crisis, with its long-lasting negative effects on the world economy, has made the situation worse. Looking ahead, we are confronted with enormous challenges in the areas of finance, food security, climate change, environment, inequality and poverty. We need new insights, new action and new partnerships.

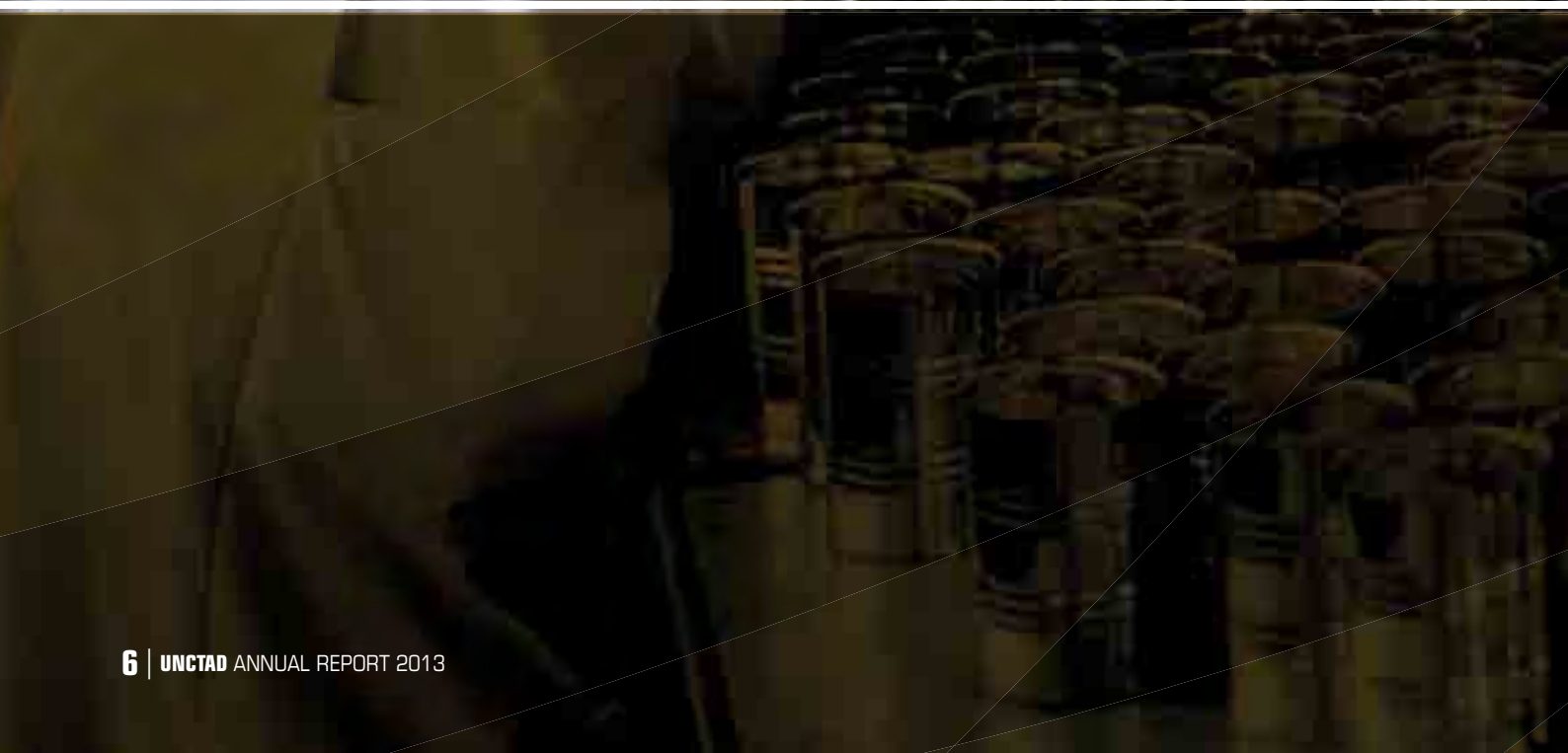
More than ever, we need UNCTAD and its global platform for dialogue, a forum where rich and poor countries can come together to engage on how to address the imbalances of the global economy, level the playing field and make sure that developing countries do not forever remain on the margins of the global economy, but also partake in the benefits of global trade.

Hence the *raison d'être* for the informal Geneva Dialogue on the Post-2015 Sustainable Development Agenda, which I launched on 29 November 2013, its first meeting. The Geneva Dialogue offers a unique platform where a wide breadth of stakeholders can exchange views and opinions on the sustainable development agenda beyond 2015.

I look forward to forging closer partnerships with our member States, civil society and the private sector as we work towards our shared vision of one UNCTAD working for the prosperity of all member States. I am confident that UNCTAD at fifty is an organization that is going forward with renewed energy, a collective sense of direction and purposeful innovation.



<sup>1</sup> UNCTAD, 1964, *Proceedings of the United Nations Conference on Trade and Development: Final Act and Report* (New York, United Nations publication), p. 3.





# 1. ABOUT UNCTAD

**One goal: Prosperity for all**

**Working with our member States**

**Meetings of the policymaking bodies of UNCTAD in 2013**

**Working as one United Nations with the development community**

**Promoting gender equality and empowering women**

**Highlights of the year**







## ONE GOAL: PROSPERITY FOR ALL

UNCTAD is the United Nations body responsible for development issues, particularly international trade – a key driver of development. UNCTAD is governed by 194 member States.

The work of the Organization can be summed up in three words: reflection, dialogue and action.

Reflecting on development is at the heart of the work of UNCTAD. It produces often-innovative analyses that help economic policymakers make informed decisions and promote the macroeconomic policies best suited to ending global economic inequalities and generating people-centred sustainable development.

UNCTAD is a forum for member States to freely engage in open dialogue and discuss ways to establish a better balance in the global economy. A ministerial-level meeting is held every four years to discuss major global economic issues and decide on the Organization's programme of work; ongoing discussions are also held with civil society.

Through direct technical assistance, UNCTAD helps developing countries and countries with economies in transition build the capacities they need to become equitably integrated in the global economy and improve the well-being of their population.



### MR. MUKHISA KITUYI, SEVENTH SECRETARY- GENERAL OF UNCTAD

UNCTAD welcomed its seventh Secretary-General on 1 September 2013. Mr. Mukhisa Kituyi succeeds Mr. Supachai Panitchpakdi of Thailand, who served two consecutive four-year terms beginning in 2005.

Mr. Kituyi has an extensive background as an elected official, academic and holder of high government office. He was elected to the Parliament of Kenya in 1992 and was twice re-elected. He was the Minister for Trade and Industry of Kenya from 2002 to 2007. During this period, Mr. Kituyi chaired and participated in a variety of ministerial-level initiatives, including for the African, Caribbean and Pacific States and the sixth Ministerial Conference of the World Trade Organization (WTO) in 2005.

Immediately prior to becoming Secretary-General, Mr. Kituyi was Chief Executive of the Kenya Institute of Governance and a Fellow of the Brookings Institution. From 2008 to 2012, he was a member of a team of experts advising the presidents of the nations of the East African Community (EAC) on how to establish more effective regional economic links. From 2011 to 2012, he served as a consultant for the African Union Commission, where he helped develop the structure for a pan-African free trade area.

Mr. Kituyi studied political science and international relations at the University of Nairobi and at Makerere University in Kampala, Uganda, receiving a BA in 1982. He went on to earn a Master of Philosophy and a PhD from the University of Bergen.

Mr. Kituyi's vision for UNCTAD is for it to produce an impact at the country level by being visible, relevant and timely. He plans to have closer dialogues and collaborations with member States, civil society and the private sector to ensure that it effectively responds to the needs of developing countries. He believes this will help set the post-2015 development agenda.

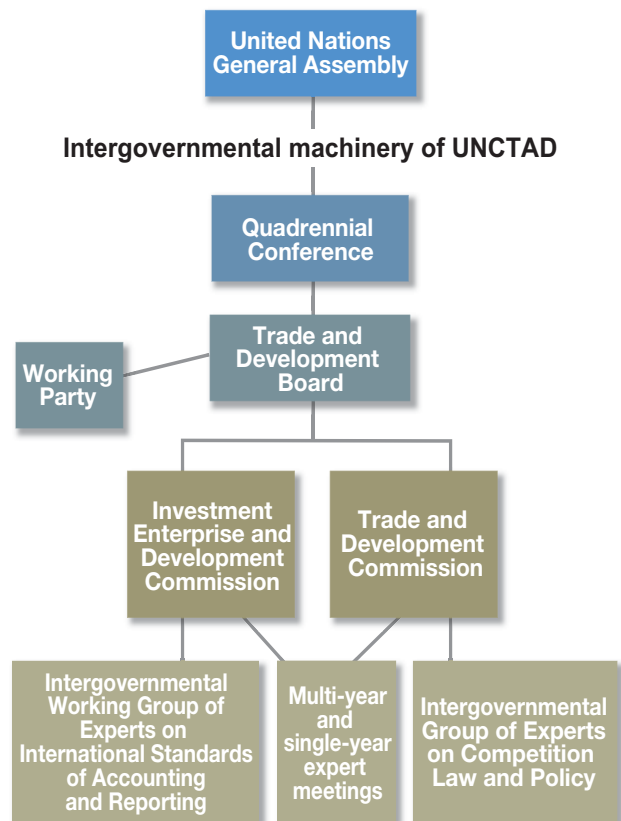


Secretary-General Ban Ki-moon (left) swears in Mr. Mukhisa Kituyi, new Secretary-General of UNCTAD, on 19 September 2013.

## WORKING WITH OUR MEMBER STATES

The governing body of UNCTAD, the Trade and Development Board, oversees the Organization’s activities and discusses emerging issues between quadrennial conferences. The Board meets once a year in regular session and is attended by delegates from member States. It also meets up to three times a year in executive sessions to deal with urgent policy issues, as well as management and institutional matters.

The Board is assisted by two commissions – the Trade and Development Commission, and the Investment, Enterprise and Development Commission – both established at UNCTAD XII in 2008. Both commissions convene meetings of leading experts to examine and offer technical advice on a range of key and emerging policy issues.





Participants attending the sixtieth session of the UNCTAD Trade and Development Board, held in Geneva, Switzerland, from 16–27 September 2013.



Mr. Mukhisa Kituyi, Secretary-General of UNCTAD, with Ms. Arancha González, Executive Director of the International Trade Centre (left), and Mr. Roberto Azevedo, Director General of WTO (right), attending "Trade Day" at the sixtieth session of the Trade and Development Board.

## MEETINGS OF THE POLICYMAKING BODIES OF UNCTAD IN 2013

### **Trade and Development Board, sixtieth annual session (16–27 September 2013)**

Items discussed during the session included interdependence and new patterns in global growth, the contribution of UNCTAD to the implementation of the Istanbul Programme of Action, the evolution of the international trading system and its trends from a development perspective, development strategies in a globalized world, the contribution of UNCTAD to the implementation of and follow-up to the outcomes of major United Nations conferences and summits, and a review of UNCTAD technical cooperation activities. During a high-level segment entitled "Beyond the curve: UNCTAD and new patterns of growth for trade and development", participants examined the new geography of global production, trade and finance that has emerged over the past two decades.

The Board welcomed the Organization's contribution towards the implementation of the Istanbul Programme

of Action, in particular its work in measuring and benchmarking capacities. UNCTAD was encouraged to enhance its analytical work and increase consultations with governments from LDCs to support them in using such analytical work to identify and address policy gaps. It was also asked to continue its research and analysis on Africa's development issues, strengthen the developmental impact of its activities through its three pillars and continue collaborating with partners, including the African Union Commission and the Economic Commission for Africa.

### **Trade and Development Commission, fifth session (17–21 June 2013)**

At the fifth session of the UNCTAD Trade and Development Commission, member States and other stakeholders met to discuss key trade and development issues related to building more resilient sustainable and inclusive development.

UNCTAD was asked to continue its support to developing countries in designing and implementing their trade strategies; to further collaborate with the International Labour Organization (ILO) and other organizations to clarify the relationship between trade, employment, social inclusiveness and poverty reduction; to examine strategies to make trade an engine for the creation of decent work and help commodity-dependent developing





Participants attending the fifth session of the Trade and Development Commission, Geneva, Switzerland.



Recipients of the UNCTAD Investment Promotion Awards 2013 for excellence in promoting export-oriented FDI at the fifth session of the Investment, Enterprise and Development Commission.

countries formulate sustainable and inclusive national development strategies.

In relation to the discussion on key trends in international transport and their implications for development, member States requested UNCTAD to continue providing support to developing countries in their efforts to build long-lasting capacities and establish and implement their national priorities, development strategies and specific policy actions in this area of work. They also encouraged continued cooperation for the implementation and follow-up of its work in this regard.

### **Investment, Enterprise and Development Commission, fifth session (29 April–3 May 2013)**

During the fifth session of the Commission on Investment, Enterprise and Development, participants discussed the need to promote entrepreneurship for productive capacity-building. The presentations highlighted the key role of small and medium-sized entrepreneurs to help attain the Millennium Development Goals and their successor framework of development objectives, the sustainable development goals. Although developing countries and economies in transition faced many challenges in implementing entrepreneurship policies, they could look to the Entrepreneurship Policy Framework of UNCTAD as

an effective means of fostering entrepreneurship. The Commission also considered the investment policy reviews of (IPRs) of Djibouti and Mozambique, which were presented at the ministerial level.

Presentations and a discussion on financing innovation for development provided insights into the challenges faced by policymakers in developing countries to overcome financing gaps and promote greater investment in innovation. In particular, the Commission considered the cases of the United Republic of Tanzania and Thailand, and the international experience in venture capital. A number of instruments to support higher investments in innovation were also presented.

### **Commission on Science and Technology for Development, sixteenth session (3–7 June 2013)**

The Commission on Science and Technology for Development is a subsidiary body of the Economic and Social Council. The Commission provides the General Assembly and the Council with high-level advice on relevant science and technology issues. UNCTAD is responsible for the substantive servicing of the Commission.

The sixteenth session of the Commission was held in Geneva, Switzerland, in June 2013. Participants discussed two key topics: science, technology and



innovation (STI) for sustainable cities and peri-urban communities, and Internet broadband for an inclusive digital society.

Progress made in the implementation of and follow-up to the outcomes of the World Summit on the Information Society at the regional and international levels was also reviewed.

As a result of the Commission's recommendation, in July 2013 the Economic and Social Council adopted two draft resolutions that called on governments, the international community and the Commission to take action on the assessment of the progress made in the implementation of and follow-up to the outcomes of the Summit and on STI. Resolution 2013/9 on the assessment of the progress made in the implementation of and follow-up to the outcomes of the World Summit on the Information Society, and resolution 2013/10 on STI for development were adopted by consensus by the Economic and Social Council.

# WORKING AS ONE UNITED NATIONS WITH THE DEVELOPMENT COMMUNITY

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## **United Nations Inter-Agency Cluster on Trade and Productive Capacity**

The Inter-Agency Cluster on Trade and Productive Capacity of the Chief Executives Board for Coordination is an inter-agency mechanism dedicated to the coordination of trade and development operations at national and regional levels within the United Nations system. The Cluster ensures that issues related to the trade and productive sectors and the United Nations Development Assistance Frameworks are taken into account in "Delivering as one" and United Nations system-wide coherence. The Cluster was launched by the Secretary-General of the United Nations in April 2008.

In 2013, the Cluster was involved in more than 30 country-level joint programmes, the development impact of which proved much wider and deeper than the impact achieved by the operations of single entities. It also participated in regional initiatives in Africa, the Arab States, Asia, Europe and the Commonwealth of Independent States. It facilitated coordination between United Nations entities with a view to avoiding duplication, ensuring efficiency and, more importantly, continuing to make substantive contributions to this particular area of work and expertise in the United Nations system.

These inter-agency-coordinated operations resulted in better alignment with national priorities, inclusive partnerships with national stakeholders and mutual accountability. Designed in compliance with the requirements of the Paris Declaration on Aid Effectiveness and the Accra Agenda for Action, UNCTAD has contributed to efforts to achieve the Millennium Development Goals, as reported in the first review of their implementation at the country level.





Ms. Stephanie McGovern, Business Presenter of "BBC Breakfast" opens the panel on the second day of the UNCTAD Public Symposium on 25 June 2013, Geneva, Switzerland.



Panellists at the First Geneva Dialogue on the Post-2015 Sustainable Development Agenda held on 29 November 2013 in Geneva, Switzerland.

### Working with civil society

UNCTAD recognizes the important role of civil society in all aspects of its work. Civil society organizations represent the views of diverse sectors of society and offer unique expertise and experience at the global and grassroots levels. They are also particularly effective in raising awareness and sharing information in their extensive networks. In this regard, UNCTAD reaches out to non-governmental stakeholders through the active dissemination of its work and forums for dialogue, such as the annual Public Symposium. In addition, regular formal and informal consultations are undertaken with the United Nations Non-Governmental Liaison Service to give further voice to civil society in the work of UNCTAD.

The 2013 Public Symposium held on 24 and 25 June welcomed over 300 participants, including officials from more than 65 member States, academics and representatives of civil society, the private sector and media, to discuss new economic approaches for a coherent post-2015 development agenda. The key themes were "global macroeconomic and financial governance on the road to 2015" and "trade and investment rules for inclusive and sustainable development".

### Working with the Group of 20

In 2013, UNCTAD continued to play an active role in providing advisory services to the Group of 20 (G20) on issues related to macroeconomic and

development policies, including employment, global economic governance, commodity price volatility and investment.

During the year, UNCTAD organized meetings of the G20 Working Group on the Framework for Strong, Sustainable and Balanced Growth, known as the G20 Framework Working Group. It also contributed to two technical papers on global financial markets, job creation and growth, and a scoping note to guide the Working Group discussions on growth strategies under Australia's G20 presidency in 2014. UNCTAD also took the lead in several inter-agency working groups on responsible investment, including on the design of indicators for measuring the development impact of investment.

Based on its specific trade and development perspective and emphasis on interdependence, several developing-country G20 members – especially Argentina, Brazil and China – have repeatedly called on UNCTAD to speak up on different issues and present its views to the G20. UNCTAD expertise and policy advice on financial and macroeconomic matters has led to substantive and strategically significant contributions to the G20 process, especially for developing countries. Many G20 member States acknowledge that the trade and development perspective of UNCTAD provides a useful second opinion alongside the mainstream views of other international organizations.





Mr. Moses Oduh (second from right), of the University of Nigeria, with (from left to right) UNCTAD staff members Mr. Cristian Ugarte, Mr. Patrick Osakwe, and Ms. Vlasta Macku; and Senior Counsellor at the Permanent Mission of Nigeria to the United Nations, Mr. Martin Eze. Mr. Oduh was granted a six-week Virtual Institute fellowship to further his research with UNCTAD economists on the welfare effects of oil price transmission to domestic agricultural commodities in Nigeria.

### **Working with the private sector**

As illustrated in the following chapters, UNCTAD engages with the private sector in all aspects of its work. Companies and business associations contribute to surveys for data collection and policy analysis, business representatives participate in UNCTAD meetings and advisory bodies and, in some cases, the private sector contributes expert advice and funding for technical assistance projects. UNCTAD believes that enhanced cooperation between the private and the public sector is essential to the effective integration of developing countries into the global economy. Examples of such cooperation in 2013 include its work on trade and gender in Angola, work on information and communications technologies (ICTs), the First Geneva Dialogue on the Post-2015 Sustainable Development Agenda and an expert meeting on assessing the impact of public-private partnerships on trade and development in developing countries.

### **Working with academia**

Prominent academic and research institutions take part in UNCTAD meetings and research to ensure the relevance and quality of its outputs. Furthermore, UNCTAD organizes lectures, seminars and study tours for students from developed and developing countries. The UNCTAD Virtual Institute, which boasts a network of 96 academic institutions in

50 countries, plays a key role by disseminating the work of UNCTAD.

In the first Virtual Institute network meeting since 2009, researchers from member universities gathered to discuss work in progress and opportunities for academic cooperation. The event showcased the wide variety of research represented in the network, ranging from economic and legal issues to international relations and business topics. Academics, who funded their own attendance, received feedback on their research from peers and experts from UNCTAD and other international organizations. In addition to generating ideas on how to enhance the papers in progress or how to orient future research, participants agreed to collaborate on specific projects in research, publications, and staff and student exchanges.

In 2013, the Virtual Institute continued to pay special attention to the capacity-building needs of LDCs and sub-Saharan Africa. To address the lack of teaching materials tailored to the needs of African countries, the Institute supported the development of modules on foreign direct investment (FDI) policies, competitiveness of the manufacturing sector and regional integration agreements. These projects were carried out in cooperation with UNCTAD divisions and programmes, with financial support from the Government of Finland and the One UN Fund for the United Republic of Tanzania.

## THE VIRTUAL INSTITUTE IN NUMBERS

**96** member universities and research centres from 50 countries, including 11 LDCs

**17** new members in 2013: 13 universities and 4 research institutions

**17** video conferences presenting UNCTAD research findings to 678 participants

**9** study tours and visits for 255 students, 72 per cent of whom were women

**8** national professional development workshops for 217 African and LDC academics

**3,650** registered online users from 165 countries

**6** fellowships enabling academics to work at UNCTAD on research and teaching projects

*I expected knowledge building and sharing, and the Virtual Institute surpassed my expectations. There is no doubt that this programme is helping reshape universities all over the world, particularly those in Africa. Most universities in Africa lack the financial capacity to train their lecturers, and the fellowship is a direct way of providing them with that opportunity to be integrated and contribute to the generation of global knowledge.*

Mr. Moses Oduh, Lecturer, University of Nigeria

Participants from the University of International Business and Economics (China) at the fourth annual study tour of the Virtual Institute held in Geneva, Switzerland, from 16–20 September. The programme featured 19 sessions on current trends in international economics, business and law delivered by experts from UNCTAD and partner organizations of the Institute: the World Intellectual Property Organization, the International Trade Centre and the World Trade Organization.





## PROMOTING GENDER EQUALITY AND EMPOWERING WOMEN

In 2013, UNCTAD increased the number of its initiatives to mainstream gender perspectives in its work, including through the Empretec programme, its work on ICTs and participation in the annual sessions of the Commission on the Status of Women and of the Task Force on Gender and Trade of the Inter-Agency Network on Women and Gender Equality.

### Providing support for gender-sensitive trade policymaking

UNCTAD helps developing countries enhance their capacity to mainstream gender into trade policy. Through a unique portfolio of country case studies and subsequent national workshops, UNCTAD is mapping the role of women in the economy and testing different methodologies that determine how best to gauge the impact of trade policy on women's well-being and economic empowerment.

The country case study *Who is Benefiting from Trade Liberalization in Angola? – A Gender Perspective* was published in November 2013 and looks at the role of women in the Angolan economy and society. A national

workshop was subsequently held to present findings and recommendations from the country case study and familiarize stakeholders with the methodologies used so that the study could be locally replicated. Trade and gender communities discussed how to use trade policies to improve the lives of women. Among the policy measures discussed were the advancement of women's capacities through better access to education and training; the upgrading of infrastructure; and improvements in the availability of rural credit, especially to women. With regard to Angola's preparations for graduation from LDC status, participants agreed that women's economic empowerment could help ensure that this process evolves smoothly.

*It is necessary to adopt policies conducive to women's empowerment to ensure their equal participation in the social and economic life of the country. The recently approved National Policy for Gender Equality and Equity represents an important step into the right direction.*

Ms. Maria Filomena Lobão Telo Delgado, Angolan Minister for Family and Women's Affairs, at the national Workshop on Trade and Gender

Ms. Rosa Pedro Pacavira de Matos, Minister for Trade, and Ms. Maria Filomena Lobão Telo Delgado, Angolan Minister for Family and Women's Affairs, at the official launching of the UNCTAD publication *Who is Benefiting from Trade Liberalization in Angola? A Gender Perspective*, Ministry of Trade, Luanda, Angola, 21 November 2013.





## Developing a framework for information and communications technology and women's entrepreneurship development

The joint UNCTAD-ILO project launched in 2012 to revise the ILO framework for assessing policies relating to women's entrepreneurship development and better reflect the ICT component was completed at the end of 2013. The revised framework was tested in Kenya, the United Republic of Tanzania and Uganda; in Morocco an assessment is under way. The Asian Development Bank also made use of the framework in four countries in Central Asia.

The UNCTAD-ILO seminar "Empowering Women Entrepreneurs through ICTs" was held in Stockholm on 8 October 2013 and was hosted by the Swedish International Development Cooperation Agency, also known as Sida. The seminar highlighted the role of ICTs in empowering women entrepreneurs and provided an opportunity for women entrepreneurs from Africa to share their experiences. The seminar's findings are included in the UNCTAD-ILO publication *Empowering Women Entrepreneurs through Information and Communication Technologies: A Practical Guide* (2014). The guide is expected to help assessors and policymakers integrate ICTs into future national assessments, policies and programmes. The project was included as a best-practice case in a new report from the Broadband Commission for Digital Development.

Panellists of the UNCTAD-ILO seminar "Empowering Women Entrepreneurs through ICTs", in Stockholm, Sweden, on 8 October 2013.



## EMPOWERING INDIGENOUS WOMEN ENTREPRENEURS IN ECUADOR



With support from the UNCTAD BioTrade Initiative, the Organization of American States and the Sustainable BioTrade Programme of Ecuador, the communitarian business, Jambi Kiwa, has become a success story in the production and marketing of traditional medicinal and aromatic plants. What started as a community pilot business project run by 20 women in Chimborazo province in the late 1990s is today a major export business dealing in medicinal plants and teas from Ecuador.

In 2003, Jambi Kiwa began applying BioTrade principles and criteria and subsequently acquired fair trade and organic certifications enabling it to expand its market reach. Through the Sustainable BioTrade Programme of Ecuador, the BioTrade initiative has strengthened Jambi Kiwa's organizational structure, enabling it to acquire the capacity necessary to implement the *Guidelines on Good Agricultural and Collection Practices (GACP) for Medicinal Plants* of the World Health Organization and to introduce internal quality control and testing systems. The Initiative has also provided support for obtaining market access and allowing product differentiation in major supermarket chains and national, regional and international trade fairs.

In 2008, Jambi Kiwa reached sales of about \$43.7 million. Of the 632 producers, 80 per cent are women and 75 per cent are *Puruhá* indigenous people.



## HIGHLIGHTS OF THE YEAR

### First Geneva Dialogue on the Post-2015 Sustainable Development Agenda

UNCTAD is the United Nations focal point on the integrated treatment of trade and development and interrelated issues in the areas of finance, technology, investment and sustainable development. Consequently, it has been actively engaged in the implementation of the Millennium Development Goals and has contributed towards the Rio+20 Summit outcome.

Since Mr. Kituyi took office, UNCTAD has been active in defining the role of international trade in the post-2015 development agenda.

In this context, the first Geneva Dialogue on the Post-2015 Sustainable Development Agenda was held on 29 November with welcoming remarks by Secretary-General Kituyi, followed by an address by Ms. Amina Mohammed, Special Adviser of the United Nations

Secretary-General on Post-2015 Development Planning. Speakers and participants in this informal dialogue represented Geneva-based international organizations, the private sector and civil society. The event was well received by stakeholders, who urged UNCTAD to continue its endeavours to further understanding of the role of trade in the post-2015 development agenda.

### Second Global Services Forum: Beijing Summit

The UNCTAD Global Services Forum was launched at UNCTAD XIII in 2012 as a unique high-level global platform dedicated to services. The second Global Services Forum – Beijing Summit was held in Beijing on 28 and 29 May 2013 in association with the Second China Beijing International Fair for Trade in Services. The theme of the Forum was “Services: A new frontier for sustainable development”. Government leaders, including Chinese Premier Li Keqiang, other Heads of State, ministers, coalitions of services industries and associations discussed how to boost developing-country services capacities. United Nations Secretary-General Ban Ki-moon sent a written message in which

From left to right: Mr. Petko Draganov (Deputy Secretary-General of UNCTAD), Mr. Stephen Hale (Head of the Geneva office of Oxfam), Ms. Carina Larssfältén (Chief International Relations Officer of the World Business Council for Sustainable Development), Ms. Amina J. Mohammed (Special Adviser of the United Nations Secretary-General on Post-2015 Development Planning), Mr. Mukhisa Kituyi (Secretary-General of UNCTAD), Ms. Arancha González (Executive Director of the International Trade Centre), Mr. Yonov Frederick Agah (Deputy Director General of WTO), Ms. Melissa de León (Chief Executive, Tropical Panamá Gourmet Inc.), Mr. Guy Ryder (Director General of ILO), Mr. Dumindra R. Ranayaka (Chief Executive Officer of Etisalat Lanka (Pvt) Limited).





Former UNCTAD Secretary-General Supachai Panitchpakdi delivers an address at the Global Services Forum, held in Beijing, China, on 28 and 29 May 2013.

he highlighted the importance of the services sector as a component of the global economy and its contributions to increasing gross domestic product (GDP), trade and employment. He also emphasized its importance in achieving the Millennium Development Goals and invited policymakers to work together to maximize the potential of services as an instrument for inclusive and sustainable development.

The outcome of the Forum was the Beijing Communiqué of 29 May 2013, which underlined the important role of services in income generation and job creation. The Global Services Forum Vision Council, an advisory body to provide guidance on future Forum sessions, was also launched as an informal and flexible framework for discussing topical issues relating to services.

### Peru to host UNCTAD XIV

At the twenty-seventh special session of the Trade and Development Board held on 22 March 2013, Peru was endorsed by members as the venue for UNCTAD XIV, which will take place in 2016.

Participants in the quadrennial conferences include Heads of State and other high-level government officials and representatives of non-governmental organizations (NGOs), academic institutions and the private sector. During a series of high-level debates, trends in the global economy and related issues affecting developing countries are discussed in depth. At the end of the Conference, member States agree on a new set of mandates for UNCTAD for the following four-year period.

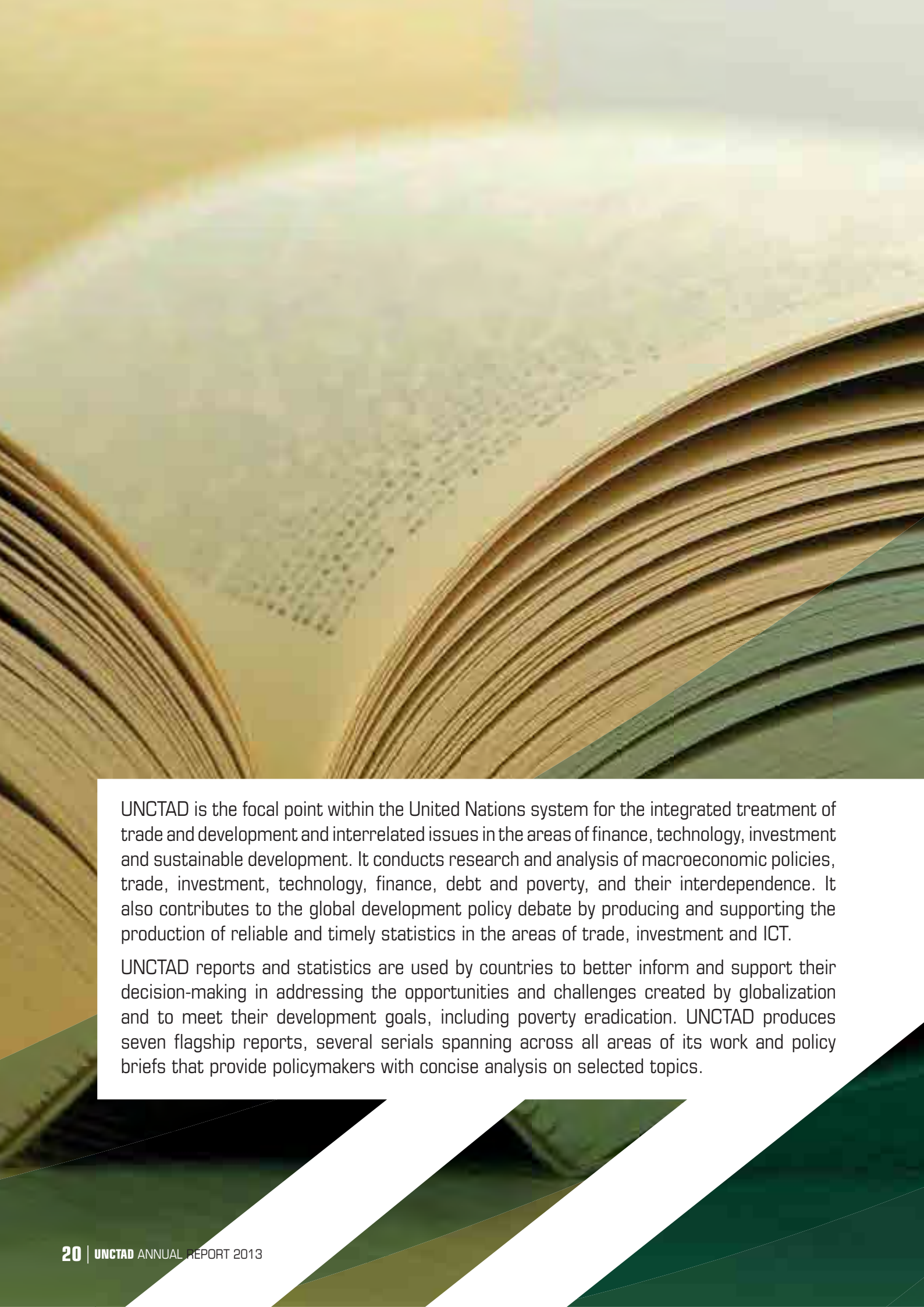
*As a founding member of UNCTAD, Peru has always said how important it is to mainstream development into international trade and economic affairs. Peru is firmly committed to UNCTAD as a highly important body.*

Ambassador Luis Enrique Chávez Basagoitia, Permanent Representative of Peru to the United Nations Office and other international organizations in Geneva

Mr. Hamad bin Abdulaziz Al Kuwari, Minister of Culture, Arts and Heritage, Qatar, and President of UNCTAD XIII (second from left), with Ms. Masoumeh Sahami, Chief, Intergovernmental Support Service, UNCTAD (far right), and representatives of Peru in traditional dress at the special session of the Trade and Development Board.





The background of the page is a close-up, slightly blurred image of an open book. The pages are a warm, yellowish-tan color, and the binding is visible in the center. A large, dark green geometric shape, consisting of several overlapping triangles and polygons, is overlaid on the bottom right and bottom center of the page. The text is contained within a white rectangular box on the left side of the page.

UNCTAD is the focal point within the United Nations system for the integrated treatment of trade and development and interrelated issues in the areas of finance, technology, investment and sustainable development. It conducts research and analysis of macroeconomic policies, trade, investment, technology, finance, debt and poverty, and their interdependence. It also contributes to the global development policy debate by producing and supporting the production of reliable and timely statistics in the areas of trade, investment and ICT.

UNCTAD reports and statistics are used by countries to better inform and support their decision-making in addressing the opportunities and challenges created by globalization and to meet their development goals, including poverty eradication. UNCTAD produces seven flagship reports, several serials spanning across all areas of its work and policy briefs that provide policymakers with concise analysis on selected topics.

# 2. INFORMING DECISION-MAKING ON ECONOMIC POLICIES AND DEVELOPMENT STRATEGIES

**Highlights from UNCTAD flagship reports**

**A selection of other UNCTAD publications in 2013**

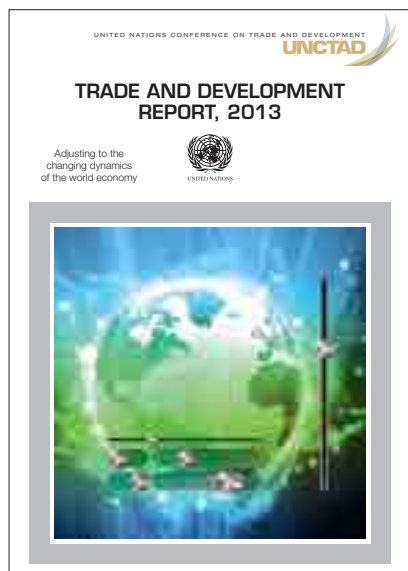
**Statistics for economic development**

**Measuring the information economy**

**Statistics on foreign direct investment**



## HIGHLIGHTS FROM UNCTAD FLAGSHIP REPORTS



### *Trade and Development Report, 2013: Adjusting to the Changing Dynamics of the World Economy*

Five years after the onset of the global financial crisis, the world economy remains in a state of disarray. Global output is growing at about 2 per cent, and global trade growth is virtually grinding to a halt. Growth remains subdued in developed countries, where labour market conditions, fiscal tightening and ongoing deleveraging hinder domestic demand. With an external economic environment showing little signs of improvement, growth deceleration in developing and transition economies was unavoidable.

To adjust to this seemingly structural shift of the world economy, the *Trade and Development Report, 2013* indicates that fundamental changes in prevailing growth strategies are needed. Furthermore, it stresses how developed countries

*The Report's set of recommendations is too important to be ignored particularly by emerging economies.*

*The Statesman, Rescue the economy, 4 October 2013.*

must address the fundamental causes of the crisis, such as rising income inequality, the diminishing economic role of the State, the predominant role of a poorly regulated financial sector and an international system prone to global imbalances. Developing and transition economies that have been overly dependent on exports now need to adopt a more balanced growth strategy that gives a greater role to domestic and regional demand.

The Report emphasizes the need for countries to achieve an appropriate balance between increases in household consumption, private investment and public expenditure. Fostering the purchasing power of the population is a key element in this regard and can be achieved through an incomes policy, targeted social transfers and public sector employment schemes. The Report illustrates how increased aggregate demand provides entrepreneurs with an incentive to invest in expanding productive capacities and adapting them to new

demand patterns, requiring both investment and access to reliable and affordable long-term finance. With that aim, foreign capital may be useful in financing imports of essential intermediate and capital goods.

Finally, the *Trade and Development Report, 2013* underlines that these countries should rely increasingly on domestic sources for investment finance. Central banks should enlarge their mandates beyond inflation control and, through a credit policy, play a much more engaged role in financing the real economy. Implementation of such a policy can be facilitated through specialized institutions, including national and regional development banks, which may be more effective in channelling credit for development-enhancing purposes than big universal banks, which tend to become not only "too big to fail" but also "too big to regulate".

The complete *Trade and Development Report* series is available at [www.unctad.org/tdr](http://www.unctad.org/tdr).

*[T]he government valued UNCTAD's contribution to debate about how to boost the global economy, and the body's opinion, as set out in the report, resonates with where we are trying to move South Africa.*

Mr. Rob Davies, Minister of Trade and Industry, South Africa





***World Investment Report 2013: Global Value Chains – Investment and Trade for Development***

The *World Investment Report 2013* explores the fast-growing phenomenon of cross-border production networks. The players in these value chains are transnational corporations, which command a great deal of power as they apportion activities to obtain the most cost-effective and efficient inputs for the production of goods and services. The Report investigates

how these commercial giants operate and maps the risks faced by developing countries participating in global value chains and the opportunities offered. In keeping with the Organization’s objective to highlight the developmental aspect of private sector enterprise, the *World Investment Report 2013* provides policy guidance and recommendations to facilitate policy choices to optimize the development gains drawn from participation in global value chains.

The Report is a primary reference tool for policymaking and capacity-building and continues to feed into policymaking at the highest level. The G20 discussed the Report’s key findings on global value chains at the 2013 Summit and requested UNCTAD to conduct further analysis on them. The Group of Eight (G8) Summit used information on FDI flows and financial centres for a discussion on tax issues. The Report also informed FDI and investment policy-related Cabinet discussions in India, Mexico, South Africa and the United Kingdom of Great Britain and Northern Ireland.

The Report was launched in more than 60 countries on 26 June 2013 and its content elicited press coverage in over 90 countries. Of the 1,100 press articles generated, 70 per cent were published in developing countries. As of 13 December 2013, it had been downloaded more than 75,000 times in 204 countries and territories, including 42 LDCs and 29 land-locked developing countries.

***The World Investment Report is one of the best United Nations products.***

Mr. Guy Pfeffermann, founder and chief executive officer, Global Business School Network

***The analytical approach taken in the World Investment Report 2013 represents a methodological breakthrough.***

Mr. John Humphrey, Institute of Development Studies, Brighton, United Kingdom

Panellists discussing the *World Investment Report 2013, Global value chains: Investment and trade for development* at the sixtieth session of the Trade and Development Board, 18 September 2013, Geneva, Switzerland.





***The Least Developed Countries Report 2013: Growth with Employment for Inclusive and Sustainable Development***

*The Least Developed Countries Report 2013*, launched on 20 November 2013, examines the link between investment, growth and employment. More specifically, it considers how LDCs can promote growth that generates an adequate number of quality jobs and enables them to reach what UNCTAD believes are their central and most urgent goals, both now and beyond 2015. The Report also looks at poverty reduction, inclusive growth and sustainable development. Its findings suggest that LDCs face a stark demographic challenge, as their collective population – about 60 per cent of which is currently under 25 years of age – is projected to double to 1.7 billion by 2050. Creating employment opportunities

***Job creation is topical the world over. The Report will no doubt add onto existing knowledge for decent job creation. Following the directions provided in the Report will certainly go a long way in creating employment not only for LDCs but for countries like Ghana.***

Mr. Antwi Boasiako-Sekyere, Ghana's Deputy Minister of Employment and Labour Relations at the fifty-eighth executive session of the Trade and Development Board



***Economic Development in Africa Report 2013: Intra-African Trade – Unlocking Private Sector Dynamism***

Since the 1960s, African governments have made several efforts to exploit the potential of intra-African trade for development, the most recent being the renewed political commitment by African leaders at the African Union Summit (January 2012) to boosting intra-African trade and fast tracking the establishment of a continental free-trade area. The *Economic Development in Africa Report 2013*, launched in July 2013, argues that for African countries to reap developmental gains from intra-African trade and regional integration, productive capacities and domestic entrepreneurship need to be at the heart of the policy agenda for boosting intraregional trade. The Report recommends that African governments promote intra-African trade

*The African Group commends the UNCTAD secretariat for the high-quality Economic Development in Africa Report 2013. ...The Report is timely and an important contribution for policymakers and an additional tool in supporting them to implement the decision of the African Union.*

Delegation of Ethiopia on behalf of the African Group, Trade and Development Board, sixtieth session, Geneva



### **Review of Maritime Transport 2013**

in the context of developmental regionalism. In particular, it stresses the need for a shift from a linear approach to integration focusing on the elimination of trade barriers to a more development-based approach to integration, which pays as much attention to the building of productive capacities and private sector development as to the removal of trade barriers. Private sector dynamism must be unlocked if African countries are to benefit from the opportunities offered by regional integration and intra-African trade.

The Report was disseminated in several cities in Africa and stimulated debates on Africa's development challenges. Over 100 press articles and interviews highlighted the findings of the publication. It was also well received by member States during the 2013 session of the Trade and Development Board.

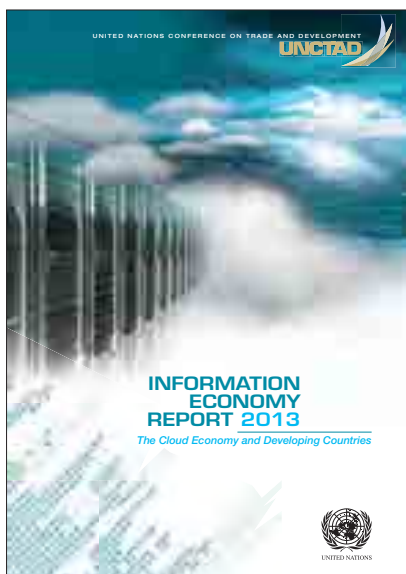
The *Review of Maritime Transport 2013* estimates that global seaborne trade grew 4.3 per cent, with the total reaching over nine billion tons for the first time ever in 2012. Driven in particular by growing domestic demand in China and increased intra-Asian and South-South trade, seaborne trade nevertheless remains subject to persistent downside risks facing the world economy and trade. Freight rates have remained low and volatile in the various market segments, including container, liquid and dry bulk.

The Review discusses how maritime transport is facing a new and complex environment of challenges and opportunities. Of all the prevailing challenges, however, it highlights the interconnected issues of energy security and costs, climate change

and environmental sustainability as being the most unsettling. Climate change continues to rank high on the international policy agenda, including that of shipping and port businesses. Opportunities include deeper regional integration and South-South cooperation; growing diversification of sources of supply; and access to new markets, facilitated by cooperation agreements and improved transport networks such as the Panama Canal expansion.

A special chapter on landlocked countries and maritime transport provides an overview of recent progress to better understand impediments to accessing sea-shipping services for the trade of goods between landlocked territories and overseas markets. A proposal for a new paradigm for transit is based on a conveyor-belt concept based on achieving a continuous supply of transit transport services, supported by institutional frameworks and infrastructure. Its premise is that a regular, reliable and secure transit system is a simple, straightforward goal that can be pursued to guarantee access for landlocked developing countries to global shipping networks on the basis of non-penalizing conditions. Given that a ten-year review conference on the implementation of the Almaty Programme of Action will be held in 2014, this proposal could be featured in a new agenda for landlocked and transit developing countries.





### **Information Economy Report 2013: The Cloud Economy and Developing Countries**

The *Information Economy Report 2013* emphasizes that cloud computing offers the potential for enhanced efficiency and innovation. However, it also notes that options for cloud adoption in low- and middle-income countries differ from those in more advanced economies since the scope for cloud adoption in these countries is much smaller. In fact, the gap in the availability of cloud-related infrastructure between developed and developing countries keeps widening. Access to affordable broadband Internet is still far from

satisfactory in developing countries, especially in LDCs. In addition, most low-income countries rely on mobile broadband networks, characterized by low speed and high latency, which is not ideal for cloud service provision.

The Report states that developing countries should waste no time in raising their awareness and understanding of the cloud's opportunities and risks to make informed policy decisions. It also suggests they consider addressing legal and regulatory concerns related to cloud use. Although there is no imperative to develop specific laws or regulations on cloud computing, key reform areas include privacy, data protection, information security and cybercrime. About 100 countries have data privacy laws in place but there is no harmonized international privacy framework regulating data transfers across borders. Development partners can contribute to the financing of cloud-related infrastructure, the establishing of appropriate legal and regulatory frameworks and the building of capacity in relevant areas.

The Report was launched in December 2013 at press conferences in six countries and presented at research seminars in other locations.

## **A SELECTION OF OTHER UNCTAD PUBLICATIONS IN 2013**

### ***The Palestinian Economy in East Jerusalem: Enduring Annexation, Isolation and Disintegration***

This study was part of the continuing assessment by UNCTAD of the economic development prospects of the region and obstacles to trade and development, in line with the Doha Mandate. The conclusions of the study suggest areas for possible policy interventions to revive East Jerusalem's status as the centre of Palestinian economic and cultural life. Launched at press conferences in Jerusalem and Geneva, the publication received wide coverage as a pioneer study on the economy of occupied East Jerusalem and was welcomed by both the United Nations country team in the State of Palestine and the task force on East Jerusalem.

### ***Global Investment Trends Monitor and Investment Policy Monitor***

The two publications continued to be essential sources of information for policymakers, business leaders and international organizations, as volatility and uncertainty continued to cloud the global economic landscape. The



*Global Investment Trends Monitor* is released quarterly and provides FDI trends for the latest quarter for which definite data are available, as well as an early indication of trends for the quarter ending just prior to the publication of the *Investment Policy Monitor*. Salient findings of the four editions of the *Global Investment Trends Monitor* over the course of the year included the prognosis that the FDI recovery that had started in 2010 and 2011 would take longer than expected; and the observation that Brazil, the Russian Federation, India, China and South Africa (BRICS countries) had emerged as major recipients of FDI and major outward investors. More than 35,000 downloads were registered for the first two editions (January and March) of the *Global Investment Trends Monitor* between January and October 2013.

The *Investment Policy Monitor* provides policymakers and the international investment community with up-to-date information on the latest developments in foreign investment policies at the national and international levels. The publication aims to assist policymakers and other interested stakeholders in their discussions of foreign investment policy issues and helps prepare the ground for future policymaking in the interest of making foreign investment work for growth and development. The Monitors observed a continuing trend in the introduction of new investment restrictions and regulations, bringing the number of such measures to a record level. At the same time, investment liberalization measures

and promotion prevailed as countries tried to attract FDI.

### ***The Way to the Ocean: Trade Corridors Servicing the Trade of Landlocked Developing Countries***

Released during the ten-year review of the Almaty Programme of Action, this publication deals with issues related to transit corridors servicing the trade of landlocked developing countries. It examines the similarities and differences between different types of those

countries and how their relationship with their transit neighbours affects their trade. *The Way to the Ocean* calls for greater cooperation between landlocked developing countries and transit neighbours on a number of levels to ensure a win-win scenario. In particular, it calls for the development of corridor management arrangements, greater emphasis on the reliability and predictability of transit operations and the development of consolidation centres to create critical mass.





### **Review of E-commerce Legislation Harmonization in the Association of South-east Asian Nations**

This publication was issued jointly by UNCTAD and the ASEAN Secretariat as part of the work of UNCTAD on strengthening the capacity of countries to adopt harmonized legislation for e-commerce. It provides an up-to-date assessment of the current state of legislation in the region. It also maps prevailing gaps, identifies emerging challenges and makes specific recommendations towards furthering harmonization in different areas. It was welcomed by ASEAN members, some of which, such as the Philippines, indicated their intention to present the main findings of the Review at national events.

### **Key Trends in International Merchandise Trade and Key Statistics and Trends in Trade Policy**

UNCTAD contributes to the analysis of trade policy and statistics through two annual publications, *Key Trends in International Merchandise Trade* and *Key Statistics and Trends in Trade Policy*. These publications provide policymakers and trade practitioners with essential facts about scales of trade flows and the use of trade policy instruments. They provide simple but informative statistics on trends of a wide array of trade flows, including intraregional, South–South and sectoral trade. They also provide information on the use of policies affecting international trade such as tariffs, preferential margins,

policy space, non-tariff measures, regional trade agreements and exchange rates. Statistics from these publications have been used both in UNCTAD documents and in reports and publications produced by other United Nations entities.

## STATISTICS FOR ECONOMIC DEVELOPMENT

To improve decision-making on economic policies and development strategies at the national and international levels, UNCTAD is mandated to produce and disseminate reliable and timely statistics and indicators highlighting the interlinkages between globalization, trade and development. To this end UNCTAD delivers over 150 indicators and statistical time series covering long periods for almost every country. Data are available through UNCTAD's public platform *UNCTADStat* (<http://unctadstat.unctad.org>).

UNCTAD, WTO and the International Trade Centre continue to compile and publish joint annual and quarterly series on trade in services. In the same cooperative spirit, UNCTAD and WTO finalized a methodological project on international merchandise trade volume indices. They released new quarterly trade volume indices in December 2013. The joint UNCTAD-WTO project is being further extended in the harmonization of the annual total merchandise trade series. Furthermore, plans are under way for developing more detailed services classifications related to creative services, in which UNCTAD has a particular interest. Such inter-agency cooperation is appreciated both by the member States and the organizations.

In 2013, UNCTAD received 10 requests for technical cooperation to help developing countries collect and compile statistics. For example, UNCTAD and the West African Economic and Monetary Union (WAEMU) signed an agreement for a three-year cooperation project to improve the statistical capacity of WAEMU member countries in the area of trade in services.

## UNCTADStat in 2013

**15%** increase in visits to *UNCTADStat* since 2012

**7,000,000** page views from more than 200 countries

**16,000** downloads of the *Handbook of Statistics*

**30,000** visits and more than 50,000 page views of *Development and Globalization: Facts and Figures (2012)*



## MEASURING THE INFORMATION ECONOMY

UNCTAD support to member States in providing ICT statistics aims to improve the availability of indicators and data related to the information economy. Without access to reliable information, policy-makers are at a disadvantage when formulating, implementing, evaluating and monitoring their policies. There is still a lack of reliable data in most low-income countries.

As a member of the Partnership on Measuring ICT for Development, UNCTAD surveyed 183 national statistics offices to collect data related to the information economy. The collection of the relevant core indicators was supplemented with data from Eurostat; these results are available on *UNCTADStat*.

Together with the International Telecommunication Union (ITU), UNCTAD led the Partnership's work in 2013 to enhance the availability

of gender-disaggregated ICT indicators and data. Work also began on enhancing the measurement of international trade in ICT services and ICT-enabled services. The Partnership Task Group, led by UNCTAD, includes the Economic and Social Commission for Western Asia, ITU, the Organization for Economic Cooperation and Development and WTO. UNCTAD commissioned a first study, which will take stock of the current landscape of the measurement of trade in relevant areas. The work involves close interaction with the Inter-agency Task Force on Statistics of International Trade in Services.

A training workshop for countries in the Latin America and the Caribbean region was organized in Panama City from 20 to 22 March 2013. Twenty statisticians from 18 countries were introduced to a module to collect data on ICT used by businesses that could be included in business surveys in the region. Drawing on the UNCTAD *Manual for the Production of Statistics on the Information Economy*, the module was developed by UNCTAD and the Working Group on ICT Indicators

of the Statistical Conference of the Americas of the Economic Commission for Latin America and the Caribbean. The goal is to increase the availability and quality of comparable data and indicators on the information economy so as to support regional and national ICT policies.

## STATISTICS ON FOREIGN DIRECT INVESTMENT

Developing countries often face challenges formulating development-oriented FDI policies because existing data-reporting systems are often unreliable or underdeveloped. UNCTAD helps address the information shortfall through its comprehensive collection and analysis of global FDI statistics. This is complemented by demand-driven technical assistance to government agencies to help them build the capacity to compile, disseminate and report on FDI data, as well as data on the operation of transnational corporations. UNCTAD maintains its body of FDI statistics by means of an online investment information system, which consists of detailed investment profiles for 142 countries and factsheets for 188. The global databases on FDI and the activity of transnational corporations contain information spanning a period of 40 years on more than 200 economies, making this the most comprehensive such database in the world.

Participants in the training workshop for countries in the Latin America and the Caribbean region held in Panama City, Panama, from 20–22 March 2013.





UNCTAD provides developing countries with effective guidance and support on emerging and long-standing problems in the area of trade and development, including issues related to debt and development finance, commodity dependence and the challenges faced by LDCs, small island developing States, landlocked developing countries and other countries with special needs. It also takes the lead in supporting governments to address emerging economic issues such as investment for development and graduation from LDC status. On all these fronts, UNCTAD provides practical solutions and policy options to governments on these development challenges.





# 3. TACKLING EMERGING AND PERSISTENT DEVELOPMENT CHALLENGES

**Providing solutions to sovereign debt challenges**

**Providing a multi-stakeholder approach to solve commodity problems**

**Strengthening capacities to develop and implement trade strategies conducive to poverty reduction**

**Helping least developed countries tackle rules of origin**

**Meeting the needs of small island developing States**

**Enabling the graduation of least developed countries**

**Enhancing the productive capacities of landlocked developing countries**

**Supporting least developed countries through the Enhanced Integrated Framework**





## PROVIDING SOLUTIONS TO SOVEREIGN DEBT CHALLENGES

In 2013, developing countries continued to face formidable challenges in maintaining sustainable debt, due in large part to the weak global economic environment and looming uncertainties. As the focal point within the United Nations system on debt issues, UNCTAD actively works with member States and the international community to identify and formulate measures to mitigate the impact of the current crisis on developing countries and discuss the design of mechanisms to address future debt difficulties or crises when they arise. UNCTAD serves as an important forum for member States to discuss a diversity of development strategies that take country-specific considerations into the design of effective debt and development finance strategies.

In addition to responding to emerging developments, UNCTAD each year prepares the report of the United Nations Secretary-General to the General Assembly on external debt sustainability and development, analysing the latest trends and emerging policy issues relating to debt. The UNCTAD secretariat also provides support to the deliberations at the General Assembly and its negotiation on a resolution on this item.

Working with the Office of the President of the General

Assembly, UNCTAD provided substantive support for the preparation of a thematic debate of the General Assembly on the role of credit rating agencies in the international financial system. The meeting, held in 2013, examined the issues and current challenges surrounding the functioning of credit rating agencies and the complications of dealing with sovereign ratings, compared with private sector participants, which are expected to comply with regular reporting requirements. The importance of risk management for sovereigns interested in issuing sovereign bonds was also underlined.

The ninth UNCTAD International Debt Management Conference was held in 2013 and was attended by more than 300 participants from 87 countries. It was opened by the Secretary-General of UNCTAD, Mr. Mukhisa Kituyi, and the Governor of the National Bank of Cambodia, Mr. Chea Chanto, who acknowledged that “the missing link in the global financial architecture is the absence of a debt workout mechanism”. Speakers reiterated their support to UNCTAD and commended the Organization for its work on *Principles on Responsible Sovereign Lending and Borrowing*. The important contribution of UNCTAD to the project through the design of a debt-workout mechanism process was also highlighted. As part of this project, in 2013 UNCTAD set up a working group of some 20 representatives of the public and private sectors, civil society and academia, with the World Bank, the International Monetary Fund, the Paris Club and some regional development banks serving as observers. The working group met twice during 2013 and focused on the building blocks of the debt workout mechanism, which will be proposed in 2014.

Participants attending the ninth UNCTAD International Debt Management Conference, held in Geneva, Switzerland from 11–13 November 2013.






## DEBT MANAGEMENT AND FINANCIAL ANALYSIS SYSTEM

The UNCTAD Debt Management and Financial Analysis System (DMFAS) programme is a leading provider of technical cooperation and advisory services in the area of debt management. In 2013, it continued to assist governments in improving their sustainable capacity to manage debt. Working directly at the country level in almost 60 countries to deliver practical assistance in this critical area, the programme helped countries build and retain the strong national capacity essential for the effective management of public liabilities and sound public finance management.

In 2013, the programme focused on providing solutions to the problems faced by debt management offices in operational, statistical and analytical debt management, which are considered the foundations for effective debt management. This included enhancing the state-of-the-art specialized debt management software to handle a number of new types of debt instruments, as well as advisory services and training activities. The software improved the capacity of debt management offices to report effectively on debt and conduct debt analysis, as demonstrated by the increased production of data validation calendars, statistical bulletins and debt portfolio reviews. As a measure of progress, by the end of 2013 almost all DMFAS countries were reporting to the World Bank External Debtor Reporting System and almost two thirds, to the *Quarterly External Debt Statistics* database, developed jointly by the World Bank and the International Monetary Fund. This demonstrated the increased capacity of assisted countries to meet external reporting requirements.



## PROVIDING A MULTI-STAKEHOLDER APPROACH TO SOLVE COMMODITY PROBLEMS

In 2013, commodity-dependent countries addressed challenges and ensured gains from commodities production and trade with UNCTAD assistance.

In March, under its consensus-building pillar of work, UNCTAD hosted the fourth annual Global Commodities Forum in Geneva, Switzerland. The Forum brought together about 300 participants from the public and private sectors, academia and civil society organizations to debate sustainable solutions to the perennial problems of the commodity economy under the theme “Globalization and commodity trade: Harnessing development gains from commodity production”. Key issues for discussion included energy markets, risk management and resilience, investment and transparency in commodity markets, commodity-based development and poverty, and support mechanisms. Development experiences and experiences concerning good practices from Africa, Asia and Latin America in increasing local content in the extractive industries (e.g. oil and gas), and community-based development under the rubric of corporate social responsibility in soft commodities (e.g. agriculture and food) were shared.

The fifth session of the Multi-year Expert Meeting on Commodities and Development was held back to back with the Forum on 20 and 21 March, providing a high degree of synergy between the two events. Participants discussed recent developments in commodity markets and policy options to ensure broad-based inclusive growth and sustainable development amid high and volatile prices in commodity markets. The expert meeting continues to provide delegates with valuable information on commodity price movements and policies to address commodity dependency.



Participants in the Global Commodities Forum, 18–19 March 2013, Geneva, Switzerland.

UNCTAD co-organized the sixteenth Africa OilGasMine Trade and Finance Conference in Niger from 19–23 November, which attracted more than 500 delegates from the oil and gas industries. Thirty-four African countries attended the event and discussed issues relating to production, good governance, transparency and trade in these industries. Participants shared experiences and success stories on transparency and accountability in the management of windfall revenues from the oil and gas sectors. A special session on improving the participation of women in the extractive industries recommended policies and strategies to improve governance and empower women in the extractive industries. It proved so successful that follow-up meetings are being planned to discuss how to implement its outcome.

## STRENGTHENING CAPACITIES TO DEVELOP AND IMPLEMENT TRADE STRATEGIES CONDUCTIVE TO POVERTY REDUCTION

The UNCTAD research and technical assistance project, “Strengthening of capacities of trade and

planning ministries of selected LDCs to develop and implement trade strategies that are conducive to poverty reduction”, is designed to assist six LDCs in promoting the role of trade as an engine of poverty reduction by enhancing coherence between trade policies and development strategies. In October 2013, in partnership with the Government of Ethiopia, UNCTAD organized a national workshop on mainstreaming trade into national development strategies in that country. Over 60 participants, including senior officials from government ministries and civil society, the private sector, and representatives from other national institutions, attended. Participants recognized the substantive quality and contribution of the presentations and discussions, and their positive evaluation of the workshop reflected its timeliness and relevance for Ethiopia’s trade and development policies. By addressing critical issues concerning the national and multilateral trade agenda, the workshop proved valuable in developing the next growth and transformation plan of Ethiopia.

The event was widely covered by the national press, through which Mr. Hailemariam Desalegn, Prime Minister of Ethiopia, reiterated his country’s commitment to working closely with development partners, including UNCTAD, to boost the development of his country. He also said that the Government of Ethiopia was keen to strengthen cooperation with UNCTAD in a bid to maintain economic progress achieved over the last two decades and that the Government had been striving to boost trade relations with neighbouring countries by developing infrastructure and strengthening bilateral cooperation.





Participants attending the expert group meeting for LDCs in anticipation of the ninth WTO Ministerial Conference.

## HELPING LEAST DEVELOPED COUNTRIES TACKLE RULES OF ORIGIN

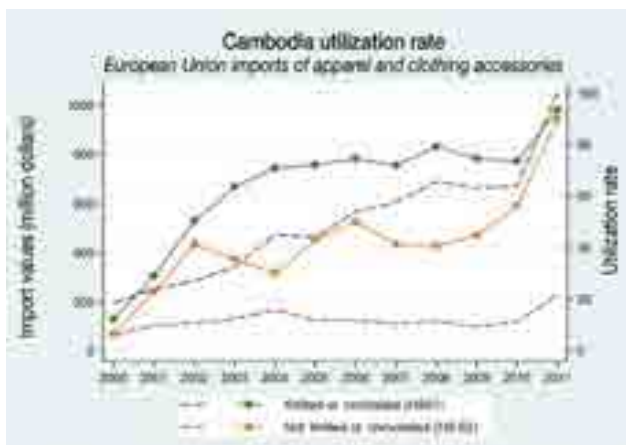
Since 2006, UNCTAD has assisted LDCs in implementing quota-free negotiations and related rules of origin through briefings and technical meetings. In November 2013, it organized an expert group meeting for LDCs in anticipation of the ninth WTO Ministerial Conference, held in Bali from 3 to 6 December 2013. The objective was to offer a platform for LDCs, experts and other participants to share views and concerns, and reflect on the “LDC package” in the run-up to the Conference. The LDC package essentially involves four areas:

- Implementation of the duty-free and quota-free market access decision taken by Members at the Hong Kong Ministerial Conference in 2005
- Preferential rules of origin
- Cotton
- Operationalization of the LDC services waiver

A WTO ministerial decision on preferential rules of origin was included in the decisions concerning

LDCs. The decision relates to a set of multilateral guidelines for the rules of origin that WTO members apply to their non-reciprocal preference schemes for LDCs. For the first time, governments will have a set of multilaterally agreed guidelines, which should help make it easier for LDC exports to qualify for preferential market access.

UNCTAD also provided policy advice to the Government of Cambodia on how to adjust to the European Union’s policy changes on rules of origin. The policy advice was discussed during a meeting on the opportunities and challenges for Cambodia relating to global value chains and rules of origin held in Geneva, Switzerland, on 8 July 2013. The pending changes regarding rules of origin for exports to Canada and the European Union were the main topic of the meeting. Existing preferential trade rules have enabled Cambodia to enter new value chains and diversify its export strategy from garments to higher-skill export products, especially bicycles. The panel, which consisted of government and private sector representatives, explored the impact that Cambodia’s graduation from the Generalized System of Preferences would have on its trade benefits as an LDC. Cambodia’s subsequent request for a derogation to the current rules of origin is currently under consideration by the European Union.



Note: Dashed lines represent import values (x axis).

## MEETING THE NEEDS OF SMALL ISLAND DEVELOPING STATES

Since the early 1990s, UNCTAD has striven to put the issue of vulnerability high on the agenda of the United Nations in dealing with the problems of small island developing States. In 1992, UNCTAD pioneered the concept of the vulnerability index, which subsequently evolved into a criterion for identifying LDCs. The graduation to LDC status of Cape Verde, Kiribati, the Maldives, Samoa, Tuvalu and Vanuatu inspired UNCTAD to defend the idea of making vulnerability not only a subject of special attention to the particular challenges facing small island developing States, but also a reason for granting special international support to countries with such status.

In two resolutions, the General Assembly (A/RES/65/2, 2010) and the Economic and Social Council (2011/44), called for “improved and additional measures ... to more effectively address the unique and particular vulnerabilities and development needs of small island developing States”. UNCTAD has pursued two streams of action in an effort to enrich the international debate on the treatment of these States – namely by identifying a number of potential international support measures of key interest to them – and by paving the way for the existence of their status as an avenue to the eligibility of relevant countries for the same

special measures. In 2013, UNCTAD supported the work of regional groups of small island developing States with inputs to their preparations for the Third International Conference on Small Island Developing States to be held in Samoa in September 2014, the theme of which is the “sustainable development of small island developing States through genuine and durable partnerships”.

## ENABLING THE GRADUATION OF LEAST DEVELOPED COUNTRIES

In 2013, UNCTAD activities aimed at raising awareness of the implications of graduating from LDC status were stepped up, focusing on Angola, Tuvalu and Vanuatu, which meet graduation thresholds, and Cambodia and the Lao People’s Democratic Republic, for which the question of graduation has been much debated.

In a capacity-building workshop in Luanda, Angola, in July 2013, UNCTAD examined the question of that country’s graduation in terms of structural progress. Some 30 senior government officials were among the participants in the event, which was highly rated by policymakers seeking to make structural transformation a development goal commensurate with the financial comfort the country enjoys as a result of oil exports. Economic diversification and eventual re-specialization were also extensively discussed at the workshop. UNCTAD examined the implications of a foreseeable graduation of Angola in 2018 and encouraged national efforts to make genuine structural progress a central part of the national development strategy.

UNCTAD also continued to assist Tuvalu in its request for special consideration of highly vulnerable small island developing States in the triennial review of the list of LDCs. UNCTAD echoed and cast light on this long-standing plea during the fifteenth session of the



Participants in the course “Productive Capacities, Economic Growth and Poverty Reduction – The Example of Angola”, 29 April–3 May 2013, Luanda, Angola.

Committee for Development Policy, whose report to the Economic and Social Council in July 2013 incorporated a chapter recognizing the special needs of highly vulnerable small island developing States.

On 4 December 2013, the General Assembly approved Vanuatu’s graduation from LDC status, with a four-year grace period instead of the standard three years. UNCTAD has been advising Vanuatu on its graduation since 1997 and has already organized the modalities of its support as the country prepares a smooth transition to post-LDC status.

Although they do not yet meet graduation thresholds, Cambodia and the Lao People’s Democratic Republic have made significant progress under LDC criteria, and the prospects for their graduation within the next decade are favourable. In October 2013, a national workshop was organized in Cambodia for senior officials on such prospects and policy implications. The workshop was opportune, given Cambodia’s efforts to retain highly concessionary forms of preferential market access, notably to resist the hardening of rules of origin.

## ENHANCING THE PRODUCTIVE CAPACITIES OF LANDLOCKED DEVELOPING COUNTRIES

UNCTAD contributes to the implementation of the Almaty Programme of Action through its analytical work and technical assistance activities, particularly in facilitating transit traffic and trade, strengthening local capacities for attracting FDI and supporting the accession process of landlocked developing countries to WTO. UNCTAD also contributes substantively to the preparatory process of the Ten-Year Review Conference on the Implementation of the Almaty Programme of Action, scheduled for 2014, by, inter alia, organizing thematic events on issues of





### 3. TACKLING EMERGING AND PERSISTENT DEVELOPMENT CHALLENGES

particular interest to landlocked developing countries. These include trade facilitation, trade in services, commodities and the development of productive capacities.

The project “Enhancing the capacities of landlocked developing countries to attract FDI for the development and modernization of productive capacities” is being implemented by UNCTAD to enhance the capacities of governments of landlocked developing countries to

attract larger and more diversified FDI inflows for the development and modernization of national productive capacities through practical, neutral and user-friendly investment guides. Project implementation made steady progress in 2013. Stakeholder workshops held in Bhutan, Burkina Faso and Rwanda proved to be highly effective in terms of disseminating best practices, upgrading local capacity and receiving feedback on draft investment guides.



#### UNCTAD INVESTMENT GUIDES

In 2013, up-to-date investment guides were finalized for Bhutan, Burkina Faso, Burundi, Kenya, the Oriental Region of Morocco, Nepal and Rwanda. Several additional guides for landlocked developing countries in East and West Africa, and Asia are at different stages of preparation.



Map showing countries that have an iGuide (source: <http://www.theiguides.org/index.html>).

To replace the paper investment guides on different countries, UNCTAD launched the *iGuides*. This new online investment guide provides investors with up-to-date information on costs, wages and taxes, as well as laws, procedures and contacts in target countries and territories. The experiences of current investors in the country are also included. The *iGuides* give greater ownership to local investment authorities during all phases of the project. Local counterparts are closely involved from the start and trained to input information autonomously, thus making the *iGuides* living documents more relevant to the target audience. The first *iGuide* was released in Rwanda in February 2013, followed by the *iGuide Burundi* in June 2013.

## SUPPORTING LEAST DEVELOPED COUNTRIES THROUGH THE ENHANCED INTEGRATED FRAMEWORK

The Enhanced Integrated Framework helps LDCs tackle supply-side constraints to trade to enable them

to be more active players in the global trading system. The Doha Mandate recognizes that the Framework is a key mechanism for the provision of trade-related technical assistance to LDCs and calls on UNCTAD to intensify and strengthen its contribution to it. Accordingly, UNCTAD continued to participate actively in the work of the Enhanced Integrated Framework Board and pursued several country-specific activities of the programme throughout the year.

UNCTAD provided advisory services to LDCs and built institutional capacities, notably by updating diagnostic trade integration studies. Such studies identify constraints on competitiveness, supply chain weaknesses and sectors with the greatest growth and/or export potential. The diagnostic trade integration

studies and subsequent technical assistance projects under the Framework are an important basis for formulating or reformulating national trade policies and action plans.

In 2013, the diagnostic trade integration studies of the Gambia and Senegal, the first versions of which have existed for several years, were entirely revised and updated. Similar exercises were launched in Djibouti, Mali, Mozambique and Niger. UNCTAD has helped with the formulation of Tier 2 projects, which are designed to enable beneficiaries to implement priority projects as identified in the action matrix of the diagnostic trade integration studies for Benin and the Central African Republic. Such projects are strategically selected to complement ongoing projects or fill gaps. UNCTAD plays an important role in their implementation.

*UNCTAD presented the outcome of its work on our diagnostic trade integration study in a national validation workshop in July 2013. In this regard, I am very pleased about the valuable partnership between UNCTAD and the Government of Senegal, and I wish to take this opportunity to tell you my Government's gratitude for the good quality of all the results of this work [...]*

Letter from Mr. Alioune Sarr, Minister for Commerce, Entrepreneurship and the Informal Sector of Senegal to the Secretary-General of UNCTAD



## UNCTAD AND THE TRADE DEVELOPMENT STRATEGY OF COMOROS

UNCTAD provides country-specific activities and advisory services in its various areas of expertise.

Following a request by the Government of Comoros, and in full partnership with the local authorities, UNCTAD prepared and delivered the trade development strategy of Comoros. The strategy responded to specific challenges faced by the country and focused on achieving food self-sufficiency, improving access to international markets and finding the country's place in regional markets. A road map containing a summary of important strategies agreed during a validation workshop held in the presence of government representatives was approved by the Council of Ministers in the summer of 2013 and became part of the country's national trade strategy. UNCTAD also held two training workshops to ensure the future sustainability of the strategy.



Validation workshop on the trade development strategy of Comoros, Moroni, 19–21 March 2013.

*No effort will be spared to ensure that the road map will soon be implemented.*

Mr. Nassur Madi, Minister for Production, Environment, Energy, Industry and Handicrafts, Comoros

*We believe, as partners of the United Nations system, that the trade policy developed, if it is properly applied, is likely to play a catalytic role in the implementation of the PRSP's<sup>2</sup> goals by encouraging the expansion of the productive base by enhancing the exports of goods and services of Comoros.*

Excerpt from the speech of Mr. D. Coult, United Nations Resident Coordinator, Comoros, during the validation workshop, March 2013.

<sup>2</sup> Poverty reduction strategy paper.





As the international community prepares to define the post-2015 development agenda, UNCTAD is of the view that trade is a major source of growth and development and that the international trading system is expected to provide an enabling environment for the realization of inclusive and sustainable development and poverty eradication. Although the package adopted at the ninth WTO Ministerial Conference in December 2013 was a positive development, tensions between globalization and national development interests remain, underlining the need to seek new ways of fostering more open and fairer international trade and multilateral consensus to tackle trade barriers. In 2013, UNCTAD consistently monitored and assessed these trends from a development perspective. The Organization's actions have had a positive impact on strengthening human, institutional and regulatory capacities to assess, design and implement national trade policies and strategies, and to participate effectively in multilateral and regional processes.





# 4. PROMOTING INCLUSIVE AND SUSTAINABLE DEVELOPMENT THROUGH TRADE

**Supporting countries in their accession to the World Trade Organization**

**The contribution of trade facilitation to development**

**Innovation in transport and logistics**

**Improving customs management**

**Enabling poverty reduction and sustainable development through BioTrade**

**Harnessing the contributions of the services economy to development**

**Supporting capacities to gain from market access**



## SUPPORTING COUNTRIES IN THEIR ACCESSION TO THE WORLD TRADE ORGANIZATION

Accession to WTO is an important component of the trade and development strategies of countries, especially as it facilitates their integration into the international trading system. The process, however, carries challenges for acceding countries in terms of reforming and devising trade and related policy frameworks that are supportive of long-term inclusive and sustainable development objectives while ensuring consistency with WTO rules and disciplines. There is also a need to build institutional and human capacities to effectively analyse, formulate and implement trade and development strategies, and negotiate terms of accession with trading partners commensurate with their level of development and development needs.

UNCTAD pioneered technical assistance support on WTO accession and has been a major provider of such assistance since the inception of WTO in 1995, contributing to its progression towards universality. In 2013, it assisted 22 countries that are negotiating or preparing the accession process, including all LDCs

Mr. Saadaldeen Talib, Industry and Trade Minister, Yemen (left) with Mr. Roberto Azevedo, Director General of WTO (right) and Mr. Gita Wirjawan, Trade Minister, Indonesia (centre), during Yemen's accession ceremony at the ninth WTO Ministerial Conference in Bali, Indonesia.



in the process of accession. Its assistance extends to the three stages of accession, namely before, during and after accession. Over the years, UNCTAD has worked closely with the Government of Yemen and has systemically supported its accession efforts. Yemen's accession was formally approved at the ninth WTO Ministerial Conference. Technical support was also provided in reviewing draft commitments, addressing discussions of the Working Party on the Accession of Yemen on issues such as pricing policies and agricultural export subsidies and offering advice on national draft legislation under preparation.

UNCTAD provides substantive support through training activities, advisory missions and consultative multi-stakeholder meetings and awareness campaigns with a view to helping acceding countries adjust their trade policy regimes in line with WTO agreements, while taking into account their own development objectives and strategies.

## THE CONTRIBUTION OF TRADE FACILITATION TO DEVELOPMENT

UNCTAD reached out effectively in 2013 to many developing countries by implementing customs reforms, training stakeholders or establishing national trade facilitation platforms as part of its technical assistance and capacity-building programmes. Traders and public sector officials benefited from efficiency gains, processes became more transparent, transactions were made in the formal, rather than informal sector, and government revenue increased.

In 2013, UNCTAD successfully concluded several trade facilitation projects linked to multilateral negotiations on trade facilitation. These projects ran throughout the year, during which UNCTAD conducted seven regional and interregional events on trade facilitation implementation and regional cooperation in Benin, India, Nepal, Rwanda,





Participants gathered in Geneva to attend the Trade Facilitation Forum, 25–29 November, 2013, Geneva, Switzerland.

Saint Lucia and the United Republic of Tanzania. Developing countries subsequently improved their understanding of the different trade facilitation measures negotiated at WTO, allowing them to participate actively in the negotiations and contribute to the important Agreement on Trade Facilitation concluded at the ninth WTO Ministerial Conference. UNCTAD also produced nine national trade facilitation implementation plans and a forthcoming study, “The new frontier of competitiveness in developing countries: Implementing trade facilitation”, is expected in 2014.

A key step in many trade facilitation reforms is a sound mechanism for stakeholder consultations. UNCTAD has successfully supported the establishment of national trade facilitation committees in several countries and, in autumn 2013, launched an online repository with information on more than 80 trade facilitation bodies around the world. In addition, the Global Facilitation Partnership for Transportation and

Trade has been used as a platform for a forum and information centre by working groups involved in UNCTAD trade facilitation projects.

## INNOVATION IN TRANSPORT AND LOGISTICS

The theme of the first session of the Multi-year Expert Meeting on Transport, Trade Logistics and Trade Facilitation was “Transport and logistics innovation towards the review of the Almaty Programme of Action in 2014”. It was an opportunity to take stock of progress made and outstanding issues for the 2014 review process during which experts examined, for instance, transport transit development policies,

Customs officials at a dry port in Khartoum.







transport corridors and possibilities for improvement offered by technology and innovation.

Experts highlighted the role UNCTAD should play in researching and analysing, disseminating and allowing the exchange of successful experiences, as well as in providing technical assistance as appropriate to requesting countries. In particular, the meeting made the following recommendations: that technology-based and innovative solutions be applied to transit transport systems, regulatory transit corridors should be recognized as appropriate institutional frameworks to manage transit trade, regional integration and cooperation initiatives should be actively pursued to foster further trade and strengthened multilateral rules would help facilitate transit and international trade further.

## IMPROVING CUSTOMS MANAGEMENT

UNCTAD designs and develops advanced software applications for customs administrations and the

trading community to comply with international standards when implementing import, export and transit-related procedures, from (and prior to) the arrival of goods, up to their ultimate release for home use after payment of duties and taxes. The Automated System for Customs Data (ASYCUDA) is a customs management system for international trade and transport operations designed for use in a modern, automated and networked environment. The system includes advanced capabilities relating to risk management, selectivity and valuation, and robust anti-corruption features.

Through ASYCUDA, and in line with the mandate stemming from UNCTAD XIII, UNCTAD aims to modernize customs operations and help improve revenue collection; facilitate trade efficiency and competitiveness by substantially reducing transaction time and costs; improve security by streamlining procedures of cargo control, transit of goods and clearance of goods; and help fight corruption by enhancing the transparency of transactions. In 2013, beneficiary countries provided 66 per cent of direct funding for ASYCUDA.

In January 2013, the ASYCUDA Programme launched ASYCUDAWorld, an online forum to share technical





ASYCUDA training session participants at the Aqaba Centre of Excellence, Jordan.

issues, including questions, documentation and problem solving. After a successful trial period, the forum is gradually developing into a tool used widely by international experts, consultants and national staff.

Also in early 2013, the Programme signed two memorandums of understanding: one with the World Customs Organization on performance management and one with the Eurasian Economic Commission, on new opportunities for cooperation in trade facilitation.

*The European Union and its member States welcome UNCTAD's active participation in the trade facilitation needs assessment process, in promoting implementation of trade facilitation reforms and in streamlining customs procedures through the ASYCUDA programme.*

Excerpt from the opening statement of the European Union at the sixtieth session of the Trade and Development Board, Geneva, Switzerland

## ASYCUDA

*UNCTAD's largest technical assistance programme*

**94**

countries and territories use ASYCUDA, including **38** LDCs

**334**

support, training and advisory missions undertaken by staff or consultants during 2013 to backstop system implementation

**29**

training events and/or study tours abroad with **143** participants

**2**

online ASYCUDA newsletters published annually with an overview available in English, French and Spanish

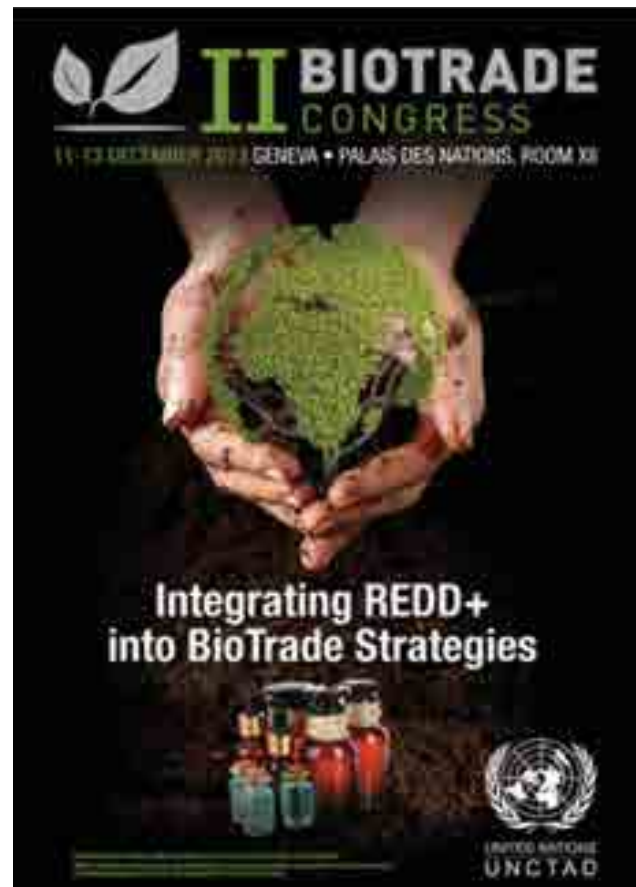
ASYCUDA



## ENABLING POVERTY REDUCTION AND SUSTAINABLE DEVELOPMENT THROUGH BIOTRADE

The UNCTAD BioTrade Initiative aims to effectively harness the benefits of well-preserved ecosystems and species in a sustainable and inclusive manner through trade and investment in biodiversity. BioTrade creates and disseminates knowledge related to regulatory frameworks, market access, resource management and value chain methodologies, and provides a forum to share experiences and know-how that feeds into policy formulation and private sector practices. Owing to its strong convening capacity and multilateral environmental agreements such as the Convention on Biological Diversity and the Convention on International Trade in Endangered Species of Wild Fauna and Flora (CITES), the BioTrade Initiative enhances cooperation between the government, the private sector, academia and civil society.

Through close work with national, regional and international partners, the Initiative has generated



economic, environmental and social benefits in 21 countries in Asia, Africa and Latin America and has created opportunities for potential employment, incomes, export diversification and rural development for populations, small and medium-sized enterprises (SMEs) and multinational corporations engaged with BioTrade.

Participants attend the Second BioTrade Congress in Geneva, Switzerland, 11–13 December 2013.





The BioTrade 2013 Congress, whose theme was “Integrating REDD+ into BioTrade strategies”, addressed the contribution of BioTrade to climate change mitigation. Over 90 per cent of those who responded to a post-Congress survey indicated that it had been a useful opportunity to learn and share experiences relevant to their work and had inspired them to seek further opportunities to enhance partnerships, in particular by coordinating their activities with other organizations and collaborating further with BioTrade or its partners.

According to the BioTrade Impact Assessment System of UNCTAD, BioTrade activities directly benefited some 30,000 collectors, breeders, hunters, farmers and producers, creating jobs and generating additional income and livelihood opportunities for rural and marginal communities, as well as other players in the value chain. Over 19 million hectares of land are sustainably managed by beneficiary organizations working in BioTrade, promoting the conservation and sustainable use of biodiversity.



UNCTAD and the CITES Secretariat organized a joint round table on exploring reliable traceability systems for managing international trade in Python skins in Bangkok, Thailand, on 12 March 2013.

## STRENGTHENING THE REGULATORY FRAMEWORK FOR TRADE IN SNAKE SKINS

UNCTAD and the CITES Secretariat have been working together to ensure the sustainable and regulated trade of endangered species listed in Appendix II of the Convention. They jointly commissioned a scoping study to identify options for the development of a traceability system for the international supply chain of snake skins, focusing on pythons from South-East Asia. Because of the strong international trade in snakes skins, the traceability of reptiles skins has been an area of particular concern to CITES parties. The study aims to give decision-makers a comprehensive review of the options available for strengthening the regulatory framework for trade in snake skins. It would serve as a key input into the CITES process expected to culminate in 2016 at the seventeenth meeting of the Conference of the Parties to CITES when they will decide how and when to implement the most suitable traceability system(s) for the international trade in python skins.



## HARNESSING THE CONTRIBUTIONS OF THE SERVICES ECONOMY TO DEVELOPMENT

The services sector has emerged as the largest segment of the global economy, contributing a growing share to GDP, trade and employment. Developing countries have increased their participation in services trade, a vibrant component of world trade offering vast opportunities for growth. Services contribute significantly to economy-wide growth, as they are essential inputs to other products and services. Moreover, some services – health, education and energy, for example – have important social functions that are indispensable for the achievement of the Millennium Development Goals and the post-2015 development framework.

While the services sector has matured in developed countries, it is a new frontier for developing countries, where weak regulatory, institutional and supply capacities have hampered their ability to use the sector's potential as an effective instrument for inclusive and sustainable development. Integrating developing countries positively into the global services economy and trade is thus of critical importance to development.

The services policy reviews prepared by UNCTAD help national governments systematically assess the economic, regulatory, institutional and trade policy environments of national services sectors and offer recommendations on how to expand services and harness them to create jobs and raise living standards. Since 2012, services policy reviews have been completed for Lesotho, Nicaragua, Peru, Rwanda and Uganda, and are in progress for Bangladesh and Paraguay.

Building on a series of national multi-stakeholder consultative processes, the Regional Meeting on



Promoting Services Sector Development and Trade-Led Growth in Africa (12–13 September 2013, Addis Ababa) and the Regional Dialogue on Promoting Services Development and Trade in Latin America and the Caribbean (12–13 November 2013, Santiago) were organized to promote cross-fertilization of experiences and lessons learned and in so doing, set up best-fit national regulatory frameworks.

## SUPPORTING CAPACITIES TO GAIN FROM MARKET ACCESS

Non-tariff measures are policy measures other than ordinary customs tariffs that can potentially have an economic effect on international trade in goods – changing quantities traded – on prices or both. Understanding the uses and implications of these trade policy instruments is essential for the formulation and implementation of effective

development strategies, and UNCTAD provides support to developing countries to strengthen their understanding of the development implications of such measures for export performance, integration in the global economy and policy responses.

Throughout 2013, the UNCTAD *Trade Analysis and Information System (TRAINS)* database, the most comprehensive of its kind, continued to collect and classify non-tariff measures. Further, the Group of Eminent Persons established by UNCTAD in 2006 to assist with substantial improvements continued to work with the multi-agency technical support team to reduce transparency gaps.

UNCTAD also continued to contribute to the Transparency in Trade initiative through its collection of data on non-tariff measures. This joint venture, launched in 2011 with the African Development Bank, the International Trade Centre and the World Bank, encourages trade data collection efforts and combines forces to provide users with free tools that can be used to access and analyse trade policy and market information. The initiative is designed to make trade more efficient by ensuring access to information and making members more aware of trade opportunities and governments more aware of trade barriers.

Participants in the ASEAN Non-tariff Measures Classification Workshop held in Bangkok, Thailand, on 14 and 15 March 2013.



## IMPACT OF NON-TARIFF MEASURES



In June 2012, a new classification of non-tariff measures and the methodology for their collection were presented at a workshop hosted by UNCTAD and the African Development Bank. In May 2013, as a direct outcome of this workshop, TradeMark Southern Africa – a project designed to improve trade performance and competitiveness within the Eastern and Southern Africa regions – adopted UNCTAD non-tariff measures to streamline policies related to non-tariff measures. With advanced tariff liberalization largely achieved in Southern and Eastern Africa, the principal challenge to streamlining trade is how to address non-tariff and other barriers to trade that contribute to the high cost of doing business across these regions.

In collaboration with TradeMark Southern Africa, UNCTAD developed a comprehensive series of negotiating modules to train negotiators of the Tripartite Free Trade Area in the following areas: drafting of negotiating text, free trade agreements, tariffs, rules of origin, anti-dumping, subsidies, safeguards and dispute settlement. They also jointly held national and training-of-trainers workshops. In 2013, six sessions were staged, in which 150 trade negotiators from 22 Tripartite countries received training in tariff liberalization, rules of origin and the drafting of free trade agreements.





A key focus of the work of UNCTAD is the enhancement of productive capacities to improve the abilities of LDCs to compete in the global economy. Productive capacities are the productive resources, entrepreneurial capabilities and production linkages, which together determine the capacity of a country to produce goods and services. UNCTAD programmes aimed at strengthening productive capacities include providing support to entrepreneurs and SMEs, capacity-building courses for policymakers and government officials, and mechanisms enabling investments for sustainable development.

As part of its contribution to the implementation of the Istanbul Programme of Action, UNCTAD aims to develop quantifiable indicators and related variables to measure economy-wide productive capacities with a view to providing an operational methodology and policy guidelines on how to mainstream productive capacities in national development policies and strategies in LDCs. The indicators will provide information on the outcomes of policies and inform future courses of action.

# 5. FOSTERING SUSTAINED ECONOMIC GROWTH BY ENHANCING PRODUCTIVE CAPACITIES

**Investment policies to support sustainable development**

**Optimizing the contribution of tourism  
to sustainable development**

**Building capacities for the integration of developing countries  
into the world economy**

**Promoting efficient and competitive port management**

**Courses for policymakers on key issues  
on the international economic agenda**

**Assisting in the development of e-commerce legislation**

**Fostering entrepreneurship and supporting  
small and medium-sized enterprises**





# INVESTMENT POLICIES TO SUPPORT SUSTAINABLE DEVELOPMENT

UNCTAD made incremental strides in 2013 in helping countries mainstream development imperatives in investment policy through the Investment Policy Framework for Sustainable Development. The Framework, which was the centrepiece of the *World Investment Report 2012*, now underpins all training and capacity-building activities covered by international investment agreements (IIAs). The policy guidebook has been lauded by prominent figures such as Jeffrey Sachs, United Nations Special Adviser to the Secretary-General on the Millennium Development Goals, for its vital role in helping establish a recommitment to the goals of sustainable development.

As in the past, the work of UNCTAD in international investment policy is based on cutting-edge research on the latest trends and issues in this evolving area. In 2013 a proposal for five reform paths was put forward:

- Promoting alternative dispute resolution
- Tailoring the existing system through individual IIAs
- Limiting investor access to investor-State dispute settlement

- Introducing an appeals facility
- Establishing a standing international investment court designed to eliminate some of the weaknesses of the IIA regime including difficulties in correcting erroneous arbitral decisions and concerns relating to the cost and length of arbitral procedures

Considerable work was also done to rebuild and modernize the expansive database of investment agreements maintained by UNCTAD. A number of workshops were held during the year to exchange views on the way forward for the IIA regime and best practice among IIA stakeholders. Consequently, over 1,000 international investment practitioners benefited from training activities on various key issues, including investor-State dispute settlement techniques. Feedback was excellent, with over 90 per cent of the participants acknowledging that the courses had helped improve their understanding of important issues and the implications of IIAs. In a recent survey of training course participants, over half indicated that their participation in the course had been followed by a senior-level recommendation to complement their country's approach to IIAs with elements contained in the Investment Policy Framework for Sustainable Development, or reported that such elements had actually been incorporated in the country's negotiating position, highlighting the long-term impact of the training course. Another 16 per cent reported that the Framework had served as an inspiration in planning regional integration activities.

Participants in the training course on a new generation of international investment policies for economies in transition, organized by UNCTAD in cooperation with the Ministry of Foreign Trade and Economic Relations in Sarajevo, Bosnia and Herzegovina, from 1–4 October 2013.









led to a highly interactive and stimulating discussion between country representatives from Cape Verde, Ethiopia and Madagascar, experts on tourism and representatives of the Steering Committee and the Enhanced Integrated Framework. According to country representatives, it also brought a humanistic approach to the importance of culture and community in tourism and the creative economy and contributed to further enhancing a collegial and constructive partnership among agencies that is crucial for efficient resource allocation and project implementation.

### BUILDING CAPACITIES FOR THE INTEGRATION OF DEVELOPING COUNTRIES INTO THE WORLD ECONOMY

The UNCTAD TrainForTrade programme has extensive experience in delivering tailor-made assistance to developing countries and economies in transition to build their capacity to integrate into the world economy. The programme emphasizes the importance of developing knowledge services for local people, by

local people. TrainForTrade consults extensively with beneficiaries from the conceptual stage and trains local experts to become trainers in trade-related issues, thereby creating local ownership and sustainability of the capacity development process.

In 2013, the TrainForTrade project in West Africa was launched to strengthen e-commerce capacities in some West African countries (Benin, Burkina Faso, the Gambia, Ghana, Guinea, Mali, Senegal and Togo). In collaboration with the Commission of the Economic Community of West African States (ECOWAS), this was extended to Côte d'Ivoire, Niger and Nigeria. The project follows the strategy of TrainForTrade with a particular emphasis on Millennium Development Goal 8 (global partnership for development) and will support the implementation of the existing legal frameworks on e-transactions at the national level through capacity-building workshops from 2013 to 2015.

*I think, thus far, this is my most liked topic. In the Gambia and like most jurisdictions in Africa, we do not have any legislation on data protection, and working for an institution with shared service centres around the globe, I find this topic most relevant to my daily activities.*

Mr. Omar F. M'Bai, Head of Legal (Department) and Company Secretary, Standard Chartered Bank Gambia Limited

Annual coordination meeting for the French-speaking network of the UNCTAD TrainForTrade Port Training Programme, Geneva, 26 and 27 March 2013.





The Spanish-speaking network successfully launched its first cycle of the Modern Port Management course in the Dominican Republic for 34 participants, in Santo Domingo, 26–29 August 2013.



## SUSTAINABLE TOURISM FOR DEVELOPMENT IN ANGOLA: BUILDING LINKS BETWEEN STAKEHOLDERS IN THE TOURISM SECTOR

In 2013, TrainForTrade completed a cycle of activities of its sustainable tourism for development component in Angola that had started in 2007. The cycle included five awareness workshops on sustainable tourism for local development at the national and local levels; a national study on mapping tourism in Angola; a study tour of Angolan officials to Mozambique, followed by a restitution and dissemination workshop; and a national workshop on managing sustainable tourism projects gathering the public and private sectors as well as representatives of civil society.

In terms of impact, project beneficiaries and national decision-makers are advocates of more responsible tourism in Angola; in this respect, the links forged between the private sector and local communities during the activities contributed to supply chain development, connecting local producers to coastal hotels.

*Meetings with authorities and those responsible for different areas of the port were fundamental. The exchange of experiences, problems and solutions enabled us to further understand the challenges and dynamics in different port sectors, seen from the perspective of the private and public sectors.*

Ms. Carmen Benítez Hernández, General Manager, Concesionaria Puerto Amazonas S.A. Peru and study tour participant

## PROMOTING EFFICIENT AND COMPETITIVE PORT MANAGEMENT

The Port Training Programme brings together public, private and international entities for the sharing of expertise and best practices and supports port communities in developing countries in their quest for efficient and competitive port management. Talent management and leadership development is a crucial part of the programme, which operates through English-, French- and Spanish-speaking networks in Africa, Asia, Europe and Latin America.





The modern port management course, part of the overall Port Training Programme, targets middle and top managers. The course consists of 240 hours of training activities divided into eight modules delivered over two years. To obtain a certificate in modern port management, participants must complete each module and defend a dissertation. These dissertations (about 150 each year) have provided useful insights for port communities in their efforts to enhance services.

In 2013, 59 courses were held for 443 participants and 82 trainers from 14 countries, including five LDCs.

### COURSES FOR POLICYMAKERS ON KEY ISSUES ON THE INTERNATIONAL ECONOMIC AGENDA

Regional courses on key issues on the international economic agenda, commonly known as the Paragraph 166 courses (Bangkok Plan of Action, 2000), target policymakers and academics in government ministries

and agencies, as well as permanent missions to the United Nations in Geneva, Switzerland. There are two formats: three-week regional courses for economic policymakers and academics working in the government and short, bi-semester courses for Geneva-based diplomats.

In 2013, three regional courses were held in Colombia, Mauritius and Singapore. Six short courses for policymakers were organized in Geneva, Switzerland. They explored the interrelationship among economic factors, such as international trade, finance, investment and technology; their potential impact on the economic and social development of their countries; and how appropriate and relevant economic policies can derive benefits from the globalized economy.

The curriculum focuses on regional specificities, taking into account global economic developments policymakers should consider when determining national development objectives and how gains from trade and investment can meet these objectives. Participants can reflect on lessons learned and deliberate on a national consultation process on trade in financial services and, at the end of the course, have a better understanding of the links between their work and national economic development objectives, enabling them to better contribute to the formulation of national trade-related policies and international negotiating positions coherent with their countries' development interests.

Participants in the twenty-seventh UNCTAD regional course on key issues on the international economic agenda for African officials entitled "Trade, Financial Flows, Macroeconomic Policies and Development in a Globalizing Economy", 15 July–2 August 2013, Evolène, Mauritius.



## REGIONAL COURSES FOR POLICYMAKERS AND ACADEMICS



**For Latin America and the Caribbean – hosted by EAFIT University, Medellín, Colombia:**

**18** participants from Belize, the Plurinational State of Bolivia, Brazil, Colombia, Costa Rica, Cuba, the Dominican Republic, Dominica, Ecuador, El Salvador, Jamaica, Paraguay, Trinidad and Tobago, and Uruguay

**For Africa – hosted by the University of Mauritius, Mauritius:**

**24** participants from Algeria, Benin, Burkina Faso, Cameroon, the Democratic Republic of the Congo, the Gambia, Kenya, Lesotho, Madagascar, Mali, Mauritius, Morocco, Nigeria, Seychelles, South Sudan, the United Republic of Tanzania, Togo and Zimbabwe

**For the Asia-Pacific Region – hosted by the Singapore Cooperation Programme, Singapore Ministry of Foreign Affairs:**

**18** participants from Bhutan, Cambodia, Fiji, Indonesia, the Lao People's Democratic Republic, Malaysia, Myanmar, Nepal, Samoa, Sri Lanka, Tuvalu and Viet Nam

*The course is like a gift that keeps on giving – I was able to apply some of the knowledge at a recent treaty negotiation session. Many thanks to UNCTAD for this useful programme.*

Mr. Marc Ramsay, participant from Belize in the Latin America and the Caribbean regional course on key issues on the international economic agenda.

## ASSISTING IN THE DEVELOPMENT OF E-COMMERCE LEGISLATION

In 2013, UNCTAD continued to provide assistance to developing countries in Africa, Asia and Latin America on issues relating to ICT applications such as e-commerce, mobile commerce and cloud computing, and the importance of creating an enabling legal and regulatory environment. Technical

cooperation activities, such as workshops on drafting regional and national cyberlaws and comparative reviews, were held in cooperation with the regional commissions, the United Nations Commission on International Trade Law and regional institutions.

In August 2013, the East African Community Cyberlaws Phase II Framework was approved for implementation at the tenth meeting of the Sectoral Council on Transport, Communications and Meteorology. EAC partner States are advancing in the implementation of phase I and phase II frameworks. The enactment of cyberlaws is becoming even more relevant as the Community moves towards greater use of e-government applications and services.



UNCTAD, the Commonwealth Telecommunications Organization and the Commonwealth Parliamentary Association hosted the Commonwealth Cybersecurity Forum from 22 to 26 April, 2013 in Yaoundé, Cameroon.

*The development of cyberlaws in the region is critical to underpin the realization of full potentials in regional e-commerce, electronic financial transactions and business processes outsourcing.*

Mr. Musa Sirma, Chair of the EAC Council of Ministers and EAC Minister, Kenya

## FOSTERING ENTREPRENEURSHIP AND SUPPORTING SMALL AND MEDIUM-SIZED ENTERPRISES

The UNCTAD Business Facilitation Programme is aimed at achieving practical and tangible results through the modernization and simplification of

administrative procedures. The e-regulation system has been rolled out in 22 countries and has helped beneficiaries reduce the costs and time it takes to set up a business by as much as 70 per cent. For example, after receiving UNCTAD assistance in early 2013, Cameroon streamlined administrative processes to start a business in a one-stop shop, which cut the time required to set up a business to only one day. Business registration simplifications in Côte d'Ivoire led to a 162 per cent surge in the number of new formal enterprises. In Togo start-up procedures were reduced from 21 steps to 13, and the time requirement was trimmed down from 69 days to 9. Such rationalization has cut costs by 54 per cent, and the number of new formal enterprises was boosted by 52 per cent following the simplifications. In Costa Rica, company start-up procedures were cut from 32 steps to 3, and from 60 days to 3, thanks to the newly introduced on-line system, resulting in cost savings of 61 per cent. In Guatemala enterprise creation procedures were reduced by an average 40 per cent.

The Entrepreneurship Policy Framework helps developing countries foster and support entrepreneurship. A main component focuses on the empowerment of women entrepreneurs. In 2013, the Framework provided support and implementation guidance to Brazil, the Gambia, Nigeria, Panama,



the Solomon Islands and Zimbabwe, and their experiences were discussed at the meeting of the Investment, Enterprise and Development Commission held in May. The development of an entrepreneurship policy was also incorporated into the diagnostic trade integration study of the Gambia.

In 2013, the Organization's flagship enterprise development programme, Empretec, established in 34 countries, again contributed to poverty reduction and other development objectives through the capacity development of entrepreneurs. As a result of UNCTAD assistance in the United Republic of Tanzania, employment in 10 small and microenterprises rose 14 per cent, while the enterprises of six Empretec participants showed a median doubling of turnover. In Zambia, employment in 11 small and microenterprises grew 38 per cent, while a 27.5 per cent turnover increase was witnessed for seven firms that had benefited from the Empretec Business Linkages Programme. Uganda also experienced strong improvements through the programme, with permanent employment rising 125 per cent and revenues climbing 144 per cent for firms benefiting from the programme.

Mr. Raul Cuero, President and Research Director of the International Park of Creativity, Colombia, giving a keynote speech at the town hall meeting on youth entrepreneurship for development organized during the Global Entrepreneurship Week on 20 November 2013 by UNCTAD, in collaboration with the World Intellectual Property Organization, the University of Geneva (UNITEC) and the Geneva Economic Development Office, with the support of the Embassies of Italy, Portugal, Colombia and Mexico.



## BUILDING INNOVATIVE, SUSTAINABLE AND INTERNATIONALLY COMPETITIVE SMALL AND MEDIUM-SIZED ENTERPRISES

Empretec is a United Nations programme established by UNCTAD to support entrepreneurs in building innovative, sustainable and internationally competitive SMEs. It inspires entrepreneurs in developing countries and countries with economies in transition to start, grow and develop their businesses under the premise that entrepreneurship and the development of the private sector are essential to achieve the Millennium Development Goal on eradicating extreme poverty and hunger.

Participants in the programme are identified through a process of self-evaluation and can then participate in training workshops to develop clear ideas about their short- and long-term business objectives.





UNCTAD assists developing countries, in particular LDCs, landlocked developing countries, small island developing States and countries with special needs, to design and implement active policies to boost their international competitiveness. Such work involves identifying and supporting measures to enable compliance with international standards, enhancement of technological and innovation capacities, and improved participation in global value chains. This work ensures that partner countries enjoy the benefits of increased competition, open and contestable markets and private sector investment in key sectors, and that ultimately, consumer welfare is enhanced.

# 6. STRENGTHENING ECONOMIC DEVELOPMENT AND COMPETITIVENESS IN DEVELOPING COUNTRIES

**Assistance to the Palestinian people**

**Adapting competition and consumer policies  
to meet development and consumer welfare objectives**

**Promoting economic cooperation and integration  
among developing countries**

**Furthering sound science, technology and innovation policies  
for development**

**Helping improve the investment climate**

**Fostering better corporate governance and transparency**





## ASSISTANCE TO THE PALESTINIAN PEOPLE

The UNCTAD programme of assistance to the Palestinian people continued to respond to the complex, evolving needs of the Palestinian economy and to sustain efforts to build public and private sector capacity with a special focus on trade policy and facilitation, financial management, development strategies and investment.

In 2013, major strides were made in implementing the project “Developing Palestinian Trade Facilitation Capacity”. The project aims to build the knowledge base of the Palestinian Shippers Council by consolidating its institutional capacity, increasing awareness among Palestinian shippers (importers and exporters) of trade facilitation best practices and building local capacities for the provision of advisory services and training. Achievements include a more robust Council; the development of a comprehensive three-year strategy; and the formalization of an organizational structure, job profiles and business portfolios for the services that it will provide its members. Project goals achieved in 2013 include a legal needs assessment, including those of women shippers, and the

UNCTAD organized a Project Review Committee meeting on trade facilitation on 6 November 2013 in Ramallah, Occupied Palestinian Territory. Representatives of UNCTAD, the Palestinian Shippers Council, the Canadian Ministry of Foreign Affairs and the Palestinian Ministry of National Economy are featured here.



establishment of a professional training programme to enhance the capacity of Palestinian shippers in line with international best practices.

Six workshops, staged in different locations in the State of Palestine, dealt with contracts in international trade, the legal and commercial aspects of contracts, import supply chains and logistical aspects of the importation process. Participants found the workshops to be well organized and rich in content, and requested additional training workshops in other trade-related areas.

In cooperation with the United Nations Division for Palestinian Rights, UNCTAD in 2013 hosted and trained Palestinian staff from the Ministry of National Economy to broaden their knowledge of the United Nations system and invited them to attend the 2013 meetings of the UNCTAD Trade and Development Board. The training exposed them to the work of the United Nations and other Geneva-based international organizations. Participants said the training session was helpful, providing them with new insights into international trade, development strategies and investment, as well as the United Nations system in general.

## ADAPTING COMPETITION AND CONSUMER POLICIES TO MEET DEVELOPMENT AND CONSUMER WELFARE OBJECTIVES

Competition and consumer protection play an important role in promoting economic growth and reducing poverty by stimulating innovation, productivity and competitiveness, thereby contributing to an effective business environment.



This generates economic growth and employment, creates opportunities for SMEs, removes barriers that protect entrenched elites and reduces corruption. Competition also delivers benefits for consumers through lower prices, higher-quality products and services, and greater choice.

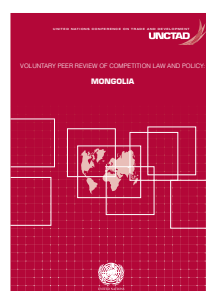
The UNCTAD Competition and Consumer Policies Programme aims to contribute to poverty reduction and the achievement of the Millennium Development Goals by strengthening markets through improved competition and consumer protection. The Programme fulfils this mandate through the following three key functions:

- Providing a forum for intergovernmental deliberations through the annual meetings of the Intergovernmental Group of Experts on Competition Law and Policy
- Conducting research and policy analysis
- Providing technical assistance to developing countries

UNCTAD carries out voluntary peer reviews of national competition law and policy upon request. The peer review process provides a unique opportunity to draw lessons from the experiences of countries and challenges they face when implementing competition law and policy. Sixteen such reviews have been conducted since 2005,<sup>3</sup> three of which (Nicaragua, Pakistan and Ukraine) were performed in 2013. The peer reviews have had an impact in each peer-reviewed country, particularly through the incorporation of the recommendations of the peer review into government policies. For example, in 2010, Kenya adopted a new competition law and the establishment of an autonomous competition authority (Competition Authority of Kenya), which replaced the Monopolies and Prices Commission.

The peer reviews also facilitate international cooperation between national competition agencies and development partners. Increased interest by development partners to co-fund or otherwise support peer review processes, including by facilitating the involvement of competition experts in the follow-up phase, constitute a further dimension of the impact achieved by voluntary peer reviews.

<sup>3</sup> Jamaica and Kenya (2005); Tunisia (2006); Benin and Senegal (2007); Costa Rica (2008); Indonesia (2009); Armenia (2010); Serbia (2011); and Mongolia, the United Republic of Tanzania, Zambia and Zimbabwe (2012).



## PEER REVIEW OF MONGOLIA

The Peer Review of Mongolia was launched at the twelfth session of the Intergovernmental Group of Experts on Competition Law and Policy in July 2012. Panellists

included representatives of competition authorities from Taiwan Province of China (Chinese Taipei), Japan, the Russian Federation and Turkey.

As a result of the peer review process:

- The Mongolian Government appointed new members of the Board of the Agency for Fair Competition and Consumer Protection.
- The Agency stepped up its enforcement efforts against anticompetitive practices in the country.
- Awareness was raised of the benefits of enforcing competition law, in particular following fines being levied against petroleum companies accused of price collusion.
- A new national autonomous public procurement agency was established.

Further, the recommendations drew the attention of development partners to new areas of cooperation with the Agency. Partners include the German Agency for International Cooperation, the Turkish International Cooperation Agency, the United Nations Development Programme in Mongolia and the World Bank. Since then, these entities have been working together in a network in which they regularly discuss progress made in the implementation of the peer review recommendations and exchange ideas and information on common areas of cooperation. Also, in 2013, international partners, including the European Union, the European Bank for Reconstruction and Development, and the United Nations Commission on International Trade Law, announced their intention to work with Mongolia to enhance its new e-procurement system, one of the peer review recommendations.

As a follow-up to the peer review, UNCTAD completed a manual on cartel investigations taking into account Mongolia's specific needs. A dissemination workshop was organized in December for staff and attorneys of the Agency for Fair Competition and Consumer Protection in Mongolia.

## PROMOTING ECONOMIC COOPERATION AND INTEGRATION AMONG DEVELOPING COUNTRIES

In May 2013, UNCTAD, the Commonwealth Secretariat and the African Export-Import Bank initiated a project on promoting regional value chains in leather in sub-Saharan Africa. The project identified the potential regional value chains at the disaggregated product level that can be formed among countries belonging to the Common Market for Eastern and Southern Africa (COMESA), ECOWAS and the Southern African Development Community. Strategies and policies that are needed to link into and/or initiate regional value chains were suggested. Regional and national action plans were discussed to increase value addition in exports. Two regional industry workshops, involving participants from the private sector, policymakers and other stakeholders, were hosted by the COMESA Leather and Leather Product Institute (LLPI) and the East African Economic Chambers of Commerce. The

outcomes of workshops benchmark the success of the initiative:

- Delegates who participated in the workshop (for example, from Burundi, Ethiopia, Kenya, Sudan and Uganda) formally requested COMESA LLPI to help them develop their leather sector in accordance with the suggestions made by the project.
- A memorandum of understanding, facilitated by UNCTAD, was signed between the Federation of Indian Micro and Small and Medium Enterprises and COMESA LLPI to share technologies and upgrade technology of SMEs in Africa.
- The COMESA Secretariat, the African Export-Import Bank and the Commonwealth Secretariat made requests for similar projects for other sectors in Africa, such as textiles and clothing, agroprocessing, mining and pharmaceuticals. The Commonwealth Secretariat requested a similar initiative for Pacific island countries.

## FURTHERING SOUND SCIENCE, TECHNOLOGY AND INNOVATION POLICIES FOR DEVELOPMENT

UNCTAD STI policy (STIP) reviews aim to help developing countries identify and adjust their policies and institutions so as to support the technological transformation, capacity-building and innovation of their enterprises. The STIP review process enables participating countries to undertake country reviews and analysis of national STI policies with a view to identifying policies and practices favouring technological capacity-building and strengthening technological capabilities, innovation and competitiveness and incorporating them into a country's overall development policy.

Eight STIP Reviews have been delivered to date, and interest and demand by member States







Mr. Angel González Sanz, Chief, Policy Review Section, Division on Technology and Logistics, in a meeting with Mr. Phiraphan Phalusuk, Minister of Science and Technology, during the STIP review mission to Thailand.

for them continues to grow. In 2013, Oman and Thailand benefited from UNCTAD expertise in reviewing national STI policies. The STIP review of Oman was conducted and discussed with over 80 national stakeholders from government agencies, academic institutions and industrial sectors, and broadly endorsed the findings of the STIP review and expressed support for its recommendations. The final outcome document will be officially presented in the first half of 2014.

Thailand has been successful in a number of areas but still faces the risk of falling into the middle-income trap. The Government asked UNCTAD to review its national innovation system to support long-term development goals. The first fact-finding mission for the STIP review took place in October 2013, and the draft will be discussed with national stakeholders in 2014. Also in 2013, discussions and exchanges were held with the Government of Viet Nam in preparation for its STIP review, to be launched in 2014.



## IMPACT OF STIP REVIEWS: OUTCOMES FROM PERU AND GHANA

The results of policy action, particularly with regard to STI, are often visible only in the medium to long term. Nevertheless, three to four years after the finalization of the STIP reviews, a number of results can be observed.

### Since the STIP Review of Peru was completed in 2010:

- There has been an increase in awareness of STI issues among national policymakers and other stakeholders.
- The institutional framework for STI governance has been strengthened.
- The first national survey of innovation in the manufacturing industry was conducted in 2012 as a further step to support evidence-based policymaking.
- There has been an increase in the allocation of financial resources for innovation. For instance, a second loan from the Inter-American Development Bank was approved at the beginning of 2012.

### Since the STIP review of Ghana in 2011:

- There has been a renewed interest in STI policy as part of national development policy.
- The Science and Technology Policy Research Institute has continued to provide support on STI development in the country since the review process.
- A new national STIP has been drafted and enacted.
- A national programme of action was designed after the review process.
- Cooperation with the World Bank has provided additional resources and possible funding for follow-up.
- The Ministry of Environment, Science and Technology was established while the process was being completed, thus enhancing high-level coordination.

## HELPING IMPROVE THE INVESTMENT CLIMATE

UNCTAD continued to conduct demand-driven IPRs of countries in 2013. These reviews provide an assessment of the investment framework and recommendations on how it can be strengthened and improved. Since the introduction of the Investment Policy Framework for Sustainable Development in 2012, all IPRs refer to the sustainable development-oriented policy proposals of the framework. The publication of the IPR is followed by technical assistance activities to support the implementation of the recommendations.

In 2013, IPRs were completed for Bangladesh, Djibouti, Mongolia and the Republic of Moldova. The IPRs of Mozambique and Djibouti were also presented during the fifth session of the Investment and Enterprise and Development Commission held from 29 April to 3 May in Geneva. In the meantime, the groundwork for the IPRs of the Republic of the Congo, Kyrgyzstan and the Republic of Sudan also got under way, while implementation reports for Kenya, Lesotho and Zambia were completed.

Since their inception, IPRs for 36 countries have been completed. Examples of their impact on policymaking and macroeconomic factors abound. Mauritius and Rwanda, for instance, have undertaken important reforms based on the IPR, leading to

investment growth. Rwanda's inflows averaged \$75 million between 2006 and 2010, nearly an 800 per cent increase over the pre-IPR period. In Asia, the IPR of Mongolia, published at the end of 2013, has already resulted in tangible measures in line with the recommendations, including a revamp of the country's entire investment law and the establishment of a national investment promotion agency. In Latin America, the IPR process helped strengthen the institutional setting for investment in the Dominican Republic, improved the policy environment and built capacity in the areas of SME development and data collection. The country also experienced a fourfold increase in FDI inflows, making it the top recipient of FDI in the Caribbean in 2012. Impact on employment has also been noticeable, with jobs in the ICT sector, for instance, rising 350 per cent in 2013.

Another benchmark of the impact of IPRs is the extent to which governments themselves find the recommendations useful and have implemented them. Research indicates that more than 220 IPR recommendations have been implemented by beneficiary countries, 40 per cent of which were carried out with UNCTAD assistance. These activities have led to the creation of an investment promotion agency in Burundi and a presidential investment council in Burkina Faso, the modernization of the Investment Promotion Act in Kenya, the adoption of a skills attraction and dissemination programme in Rwanda and the introduction of a model bilateral investment treaty in Sierra Leone.

As a sign of the recognized value of IPRs, another 40 countries are awaiting the start of a newly requested IPR or follow-up activities.

Presentation of the *Investment Policy Review of Djibouti* at the Investment, Enterprise and Development Commission, 30 April 2013, Geneva, Switzerland.



# FOSTERING BETTER CORPORATE GOVERNANCE AND TRANSPARENCY

The UNCTAD Accounting Development Tool was developed in 2012 to help build capacity and advance best practices in corporate reporting. Piloted in Brazil, China, Côte d'Ivoire, Croatia, Mexico, the Russian Federation, the Netherlands, South Africa and Viet Nam, the tool has received a resounding positive response from countries. At the thirtieth session of the Intergovernmental Working Group of Experts on International Standards of Accounting and Reporting (ISAR 30), held in Geneva from 6–8 May, seven countries, including developed countries, indicated that they had used the Tool during 2013 and provided testimony about its valuable assessment features.

ISAR 30 confirmed the relevance of the expert meeting in shaping the international agenda on accounting and reporting issues, including by bringing the views and experiences of developing countries to standard-setters.

During the three-day session, 330 participants from 90 countries discussed the following issues:

- The key foundations for high-quality corporate reporting in relation to the Accounting Development Tool, in particular, the challenges of human resource development

UNCTAD Secretary-General Mukhisa Kituyi greets experts at the meeting of the Intergovernmental Working Group of Experts on International Standards of Accounting and Reporting, thirtieth anniversary session, on 6 November 2013, Geneva, Switzerland.



Intergovernmental Working Group of Experts on International Standards of Accounting and Reporting, thirtieth anniversary session, 6–8 November 2013.

- A review of good practices in sustainability reporting, regulatory and stock exchange initiatives

Participants also addressed the contribution of the accounting profession to meeting the global challenge of sustainable development. During the meeting, several countries, including Ecuador, Madagascar and the Democratic Republic of the Congo, requested UNCTAD to assist them in designing action plans based on the Accounting Development Tool.

The thirtieth anniversary session also featured a number of studies relating to the Accounting Development Tool now available for member States wishing to conduct assessments of their accounting infrastructures so they can identify gaps and determine priorities.

Additionally, a new multilingual web-based version of the tool known as “eADT”, for “electronic Accounting Development Tool”, was made available.

***One of the main benefits of the Accounting Development Tool is the process itself. The tool promotes dialogue and awareness of weaknesses and priorities among all stakeholders involved in corporate reporting at the national level.***

Mr. Mukhisa Kituyi, Secretary-General, UNCTAD







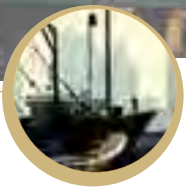
# ANNEXES

**Annex A. Organizational chart**

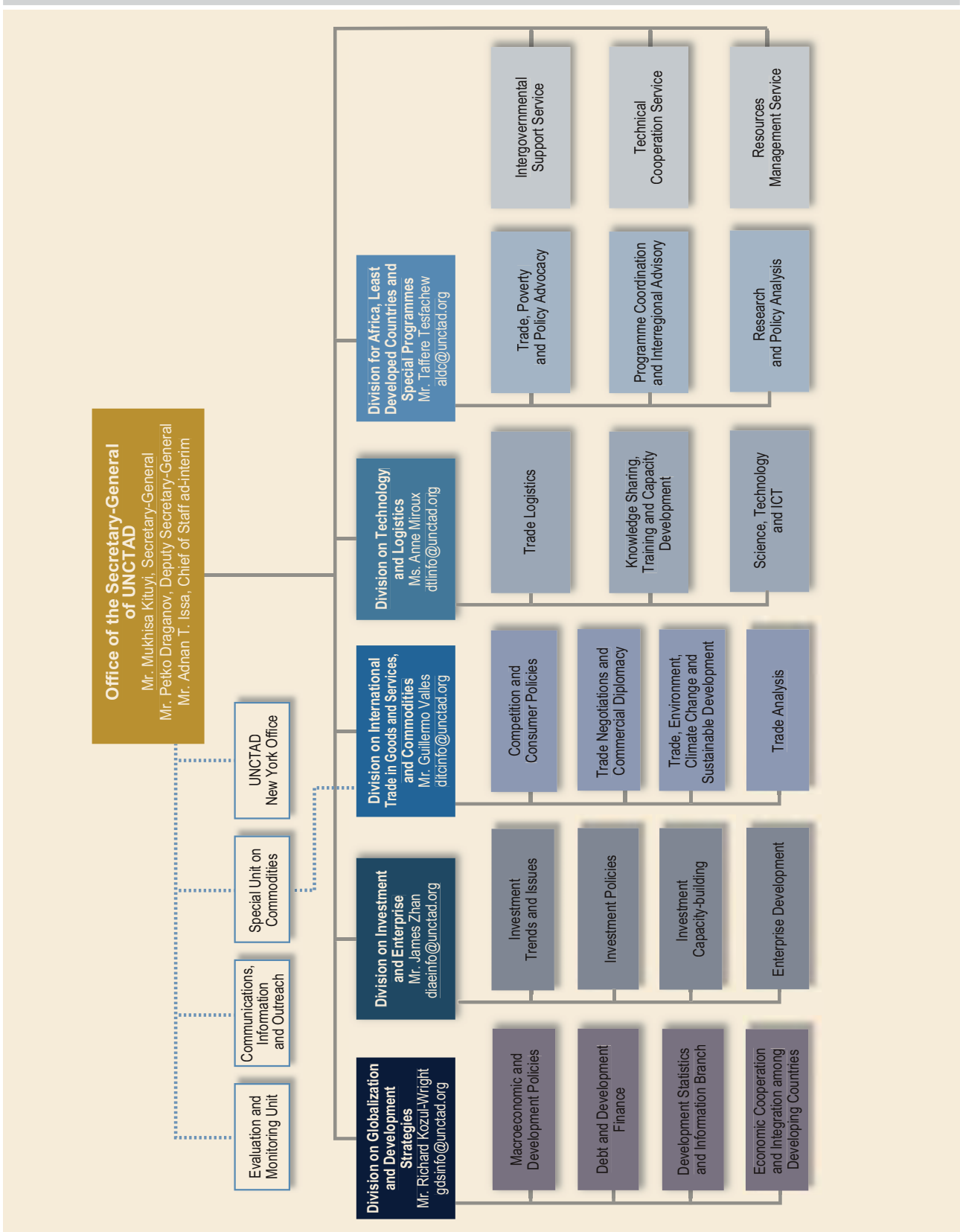
**Annex B. Objectives, expected accomplishments  
and indicators of achievement  
for the 2012–2013 biennium**

**Annex C. Supporting capacity-building in 2013**





# ANNEX A. ORGANIZATIONAL CHART





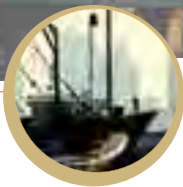
# ANNEX B. OBJECTIVES, EXPECTED ACCOMPLISHMENTS AND INDICATORS OF ACHIEVEMENT FOR THE 2012–2013 BIENNIUM

## Executive direction and management

Objective: To enable UNCTAD to be of further service to its member States and ensure full implementation of the legislative mandates and compliance with United Nations policies and procedures with respect to the management of the programme of work and of staff and financial resources.

## Expected accomplishments (EA)

Indicators of achievement	Performance targets for 2012–2013	Actual performance as of 31 December 2013	Description of results
<b>EA (a)</b> Programme of work is effectively managed			
Timely delivery of outputs and services (percentage of outputs and services delivered on time)	92 per cent	93 per cent	UNCTAD delivered 93 per cent of its planned outputs for the 2012–2013 biennium. This exceeds the average implementation rate for the United Nations Secretariat of 91 per cent for the biennium. Limited capacities to process reports for publication and shortage of extrabudgetary resources are two reasons for non-implementation of the remaining 7 per cent of outputs within the biennium.
<b>EA (b)</b> Enhanced policy coherence in the management of the economic and social activities of the United Nations			
Increase in the number of activities carried out in collaboration with other entities	52 activities	54 activities	During the biennium, UNCTAD collaborated with United Nations system organizations, NGOs and governments on at least 54 activities, in the areas of research and policy analysis, consensus building, technical cooperation, and seminars and workshops.
<b>EA (c)</b> Improved dissemination and increased visibility of the work of UNCTAD			
Increase in the number of citations in the media of the work of UNCTAD	14,500 media citations	12,300 media citations	Around 12,300 UNCTAD-related press clippings were collected for 2012–2013 that cover various aspects of UNCTAD work. The search engines currently available to and used by UNCTAD capture only a limited number of actual references to UNCTAD in the world media – estimated to be as little as 20 per cent. In particular, media coverage generated in less widely used languages is currently not monitored.
<b>EA (d)</b> Improvement in the mainstreaming of a gender perspective in the work of UNCTAD			
(i) Increased number of initiatives mainstreaming a gender perspective in the work of UNCTAD	12 initiatives	31 initiatives	During 2012–2013, UNCTAD carried out 31 gender initiatives. They included the following: (a) advocacy initiatives, such as the UNCTAD XIII high-level event on women in development; (b) initiatives aimed at contributing to a United Nations-wide action plan on gender, such as: participation in the annual sessions of the Commission on the Status of Women and of the Task Force on Gender and Trade of the Inter-Agency Network on Women and Gender Equality; (c) capacity-building initiatives, such as work to reinforce women's entrepreneurship through Empretec and the work programme on women and ICTs; (d) initiatives aimed at raising awareness of policymakers about trade and gender-related issues, such as producing the country case studies of Lesotho and Angola.



	(ii) Increased percentage of women benefiting from UNCTAD activities (percentage of participants in UNCTAD training sessions, courses, seminars and workshops are female)	39 per cent	38 per cent	38 per cent of participants in UNCTAD training sessions, courses, seminars and workshops were female. While UNCTAD promotes the increased inclusion of women in its activities, the nomination of participants for activities is not directly controlled by the secretariat and is also dependent on the female representation of beneficiary countries.
<b>EA (e)</b>	Increased timeliness of submission of documentation			
	Increased percentage of pre-session documents submitted in accordance with the required deadline	92 per cent submitted on time	97 per cent submitted on time	The 2012–2013 pre-session parliamentary documents submitted by UNCTAD to the Conference Services of the United Nations at Geneva achieved a 97 per cent submission compliance rate, which marks the fifth consecutive year that its compliance rate is above the 90 per cent benchmark, as stipulated in A/RES/66/233. It should be noted that in 2013, the compliance rate is 100 per cent for all the 64 documents submitted. Of the 164 documents submitted by UNCTAD during the biennium, 162 of them were submitted on time.

### Subprogramme 1 – Globalization and development strategies

Objective: To promote economic policies and strategies at the national, regional and international levels that are supportive of sustained growth, inclusive and sustainable development, full employment and decent work for all, and hunger and poverty eradication in developing countries, especially LDCs

#### Expected accomplishments (EA) and performance for indicators of achievement

	Indicators of achievement	Performance targets for 2012–2013	Actual performance as of 31 December 2013	Description of results
<b>EA (a)</b>	Increased understanding of the global economic environment and of policy choices at the national, regional and international levels			
	(i) Increased number of policymakers and beneficiaries indicating the usefulness of UNCTAD recommendations for the national policymaking process	45 policymakers and beneficiaries	141 policymakers and beneficiaries	141 of the 186 respondents to the UNCTAD publication survey gave the highest ratings on the question regarding the usefulness of the <i>Trade and Development Report</i> in enhancing understanding of the issues.
	(ii) Increased number of statements at intergovernmental meetings and in the media on policy choices based on UNCTAD research	45 member States which made statements	47 member States which made statements	47 statements were made by member States or group representatives at the fifty-ninth and sixtieth sessions of the Trade and Development Board.
	(iii) Increased number of developing countries realizing positive per capita growth rates and pursuing growth-oriented macroeconomic and financial policies advocated and monitored by UNCTAD	30 developing countries	90 developing countries	90 countries recorded increases in per capita GDP over 2011–2013, all of which pursued at least three macroeconomic and financial policy recommendations advocated by UNCTAD.
	(iv) Increased number of UNCTAD activities to promote South–South cooperation	30 activities	30 activities	30 activities, including studies, meetings, presentations and training workshops, were implemented to promote South–South cooperation and integration.

**EA (b)** Progress towards a durable solution to the debt problems of developing countries by fostering better understanding at all levels of the interplay between successful development finance strategies, debt sustainability and effective debt management

(i) Increased number of institutions/countries using the capacity-building services of the DMFAS programme	104 institutions and 67 countries	106 institutions and 69 countries	Debt management offices of 69 countries and 106 institutions have benefited from the services of the DMFAS Programme since its inception in 1980, strengthening their capacities in debt management and financial analysis.
(ii) Increased number of international and national policy positions and initiatives in the area of debt and development finance incorporating contributions from UNCTAD (number of international and national policy positions and initiatives)	26 international and national policy positions and initiatives in the area of debt and development finance incorporating contributions from UNCTAD	26 International and national policy positions and initiatives in the area of debt and development finance incorporating contributions from UNCTAD	At the fifty-ninth and sixtieth sessions of the Trade and Development Board and at the Second Committee of the General Assembly, member States made 26 endorsements of UNCTAD policy analysis and recommendations relating to debt and development finance.
(iii) Increased number of developing countries, assisted by UNCTAD through DMFAS, that have improved external debt positions	7 developing countries	29 developing countries	According to World Bank external debt statistics for 2013, 29 developing countries using DMFAS saw their ratio of external debt stock to gross national income decrease between 2012 and 2008.

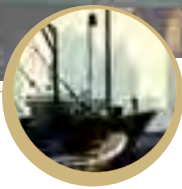
**EA (c)** Improvement of decision-making at the national and international levels on economic policies and development strategies, on the basis of empirical, reliable and timely statistics and indicators highlighting the interlinkages between globalization, trade and development

(i) Increased number of countries using statistical variables and derived indicators developed and maintained by UNCTAD Central Statistical Service	160 countries	204 countries	A total of 204 countries use the statistical variables and derived indicators developed and maintained by the Central Statistical Service of UNCTAD.
(ii) Increased number of institutions and member States using UNCTAD statistical data regarding trade, financial and economic policies	1,800 institutions and member States	2,540 institutions and member States	A total of 2,540 institutions and member States use UNCTAD statistical data on trade, and financial and economic policies. The target has been surpassed thanks to an increasingly rich statistical offering via the <i>UNCTADStat</i> portal that better meets user needs.

**EA (d)** Improved policy and institutional capacities, and enhanced international cooperation for the recovery and sustained development of the Palestinian economy

Increased number of Palestinian development initiatives and institutions benefiting from UNCTAD research findings, recommendations and technical cooperation activities	11 initiatives/institutions	11 initiatives/institutions	11 initiatives in the form of draft laws, policy papers, technical cooperation project documents, bylaws, and business plans were directly linked to UNCTAD research findings, recommendations and technical cooperation activities. For example, as a result of the Organization's implementation of the project on facilitating Palestinian trade and its advisory service to the Palestinian Shippers Council, the latter has upgraded its managerial and organizational set-up and adopted a new strategic organizational framework.
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**Subprogramme 2 – Investment and enterprise development**

Objective: To ensure developmental gains from increased investment flows, designing policies, enhancing international competitiveness and boosting productive capacities of all developing countries, in particular those in Africa and LDCs, as well as landlocked developing countries, small island developing States and other structurally weak, vulnerable and small economies

**Expected accomplishments (EA) and performance for indicators of achievement**

Indicators of achievement	Performance targets for 2012–2013	Actual performance as of 31 December 2013	Description of results
<b>EA (a)</b> Increased understanding of various key public and private investment issues and of the impact of FDI on development, as well as of related policies that could promote development gains from such investment			
(i) Increased number of countries and other stakeholders responding to evaluation surveys and reporting a better understanding of public and private investment issues	170 countries and other stakeholders	226 investment stakeholders	During the biennium, a total of 226 investment stakeholders reported a better understanding of public and private investment issues when responding to surveys related to UNCTAD activities in this area. In particular, 76 respondents to the survey on the <i>World Investment Report</i> indicated that the publication helped increase their understanding of investment issues, and 36 (92 per cent) respondents to the 2012 World Investment Forum survey stated that their participation to the Forum had helped increase their understanding of investment issues.
(ii) Increased number of statements by member States indicating that they have implemented policy recommendations and utilized methodology provided by UNCTAD in the area of international investment	30 statements by member States	30 statements by member States	According to UNCTAD desk research, 30 member States indicated that they had implemented policy recommendations and used methodology provided by UNCTAD in the area of international investment, such as the recommendations stemming from the IPRs of their countries.
<b>EA (b)</b> Increased ability of developing countries to create an environment conducive to attracting and benefiting from investment for development			
(i) Increased number of countries benefiting from UNCTAD assistance, including IPRs and e-tools, and implementation of national policies towards incentivizing FDI	30 countries	41 countries	UNCTAD provided support to 41 countries during the biennium to create an environment conducive to attracting and benefiting from investments for development, including through IPRs and e-tools, and implementation of national policies towards incentivizing FDI.
(ii) Increased number of developing countries benefiting from UNCTAD assistance, demonstrating improved performance on the basis of various benchmark indicators, monitored by UNCTAD	25 developing countries	25 developing countries	25 countries out of a total of 36, for which a review of investment policies was undertaken, experienced significant increases in FDI inflows, despite the effect of the global financial crisis. Seven IPR-beneficiary countries were among the top 10 reformers in the World Bank Doing Business Ranking 2005–2012.
<b>EA (c)</b> Increased understanding of key and emerging issues related to IIAs and their development dimension and enhanced capacity in negotiating and implementing investment treaties and managing investor–State disputes			
(i) Increased number of statements by policymakers/negotiators reporting on the effects of IIAs	120 statements	150 statements	During the biennium, 150 policymakers and negotiators indicated their increased understanding of IIA issues following a specialized training course organized by UNCTAD.

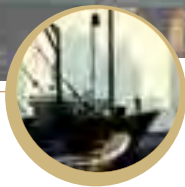
	(ii) Increased number of member States participating in negotiating and implementing investment treaties, and managing investor-State disputes, as reflected in various types of feedback from policymakers and negotiators	7 member States	13 member States	During the biennium, 13 member States participated effectively in the negotiation and implementation of investment treaties as a result of UNCTAD advisory services dealing with IIAs.
<b>EA (d)</b>	Enhanced understanding and capacity to develop international competitiveness through the development of policies aimed at stimulating enterprise development and business facilitation, promoting best practices in corporate social responsibility and accounting, and establishing competitive and well-regulated insurance markets			
	(i) Increased number of countries using UNCTAD policy measures and tools in the design of policies aimed at strengthening entrepreneurship and the competitiveness of their firms	27 countries	30 countries	During the biennium, 30 countries used UNCTAD policy measures and tools in the design of policies aimed at strengthening entrepreneurship and the competitiveness of their firms. More specifically, 7 countries referred to the use of the newly launched Entrepreneurship Policy Framework, 14 countries benefited from new assistance through the Empretec programme, and another 9 countries benefited from the Business Linkages Programme.
	(ii) Increased number of countries using guidance and tools developed by UNCTAD in the areas of accounting, entrepreneurship, insurance, business facilitation, e-tourism and corporate reporting	20 countries	27 countries	19 countries participated in the pilot project for implementation of the Accounting Development Tool. National stock exchanges from 8 countries subscribed to the Sustainable Stock Exchanges Initiative.

### Subprogramme 3 – International trade in goods and services, and commodities

Objective: To ensure the effective, qualitative and beneficial participation of all countries, in particular developing countries, with enhanced work on the special problems of Africa, LDCs, landlocked developing countries, small island developing States and other structurally weak, vulnerable and small economies, in international trade and the trading system to make trade a positive force for all; to harness development gains from the commodity economy for commodity-dependent developing countries, as well as to deal with trade and development problems related to commodity dependence

#### Expected accomplishments (EA) and performance for indicators of achievement

	Indicators of achievement	Performance targets for 2012–2013	Actual performance as of 31 December 2013	Description of results
<b>EA (a)</b>	Strengthened capacity of developing countries and countries with economies in transition to integrate beneficially into the global economy and the international trading system, including services development and trade, by designing and implementing trade policies and participating effectively and coherently in bilateral, regional (including South–South) and multilateral trade negotiations as well as to address the situations arising from the increasing cost of trade finance			
	(i) Increased number of countries increasing their participation in trade negotiations through the submission of trade-negotiating proposals in bilateral, regional and multilateral trade negotiations, including South–South trade negotiations and WTO accession processes	41 countries	41 countries	41 countries increased their participation in trade negotiations through the submission of trade-negotiating proposals in bilateral, regional and multilateral trade negotiations, including South–South trade negotiations, WTO accession processes and trade policy frameworks.



	(ii) Increased number of developing countries benefiting from UNCTAD assistance in integrating trade and development concerns into their national development plans and poverty reduction strategies	16 developing countries	16 developing countries	16 developing countries benefited from UNCTAD assistance in incorporating trade and development concerns into their national development plans and poverty reduction strategies. The results are based on demands for analytical/policy work and technical assistance by developing countries.
<b>EA (b)</b>	Further improvement in trade and trade-related decision-making and addressing the trade and development impact of non-tariff barriers through the use of analytical tools, databases and software, such as <i>TRAINS</i> or the World Integrated Trade Solution			
	(i) Increased number of active users of <i>TRAINS</i> , through either the Internet or the World Integrated Trade Solution, and of the Agricultural Trade Policy Simulation Model	43,000 users	43,000 users	Results are recorded from the number of users registered and/or subscribed online, by mail, e-mail, and training sessions and seminars conducted in the following countries: South Africa, Nepal, Nigeria, Costa Rica, Thailand, Ghana, Canada, Bosnia and Herzegovina, Colombia and Indonesia, as well as in workshops organized at UNCTAD Geneva and the special event at UNCTAD XIII in Doha.
	(ii) Increased number of specific actions taken by member States to reduce or eliminate arbitrary or unjustified non-tariff barriers in international trade	6 actions	6 actions	At least 6 actions aimed at reducing or eliminating non-tariff barriers were achieved in bilateral or regional negotiations on preferential trade agreements. For example, in a number of bilateral preferential agreements involving developing countries as a party and entering into force in 2012–2013, a number of non-tariff barriers were relaxed or eliminated, including anti-dumping and sanitary or phytosanitary measures against exports from developing countries.
<b>EA (c)</b>	Enhanced capacities of developing countries and countries with economies in transition to prepare and implement national and regional competition laws, address the challenges arising from global economic crises in implementing competition and consumer protection legislation			
	(i) Increased number of developing countries establishing or revising and implementing national and/or regional (including South–South) competition and consumer protection legislation and institutional frameworks	15 developing countries	33 developing countries	During the biennium, 33 developing countries adopted, revised and/or implemented national or regional competition and consumer protection laws under the Africa Competition Programme known as Africomp and the Competition and Consumer Protection Policies for Latin America Programme known as COMPAL. UNCTAD support included the training of case handlers and government officials in the areas of competition and consumer protection laws.
	(ii) Increased number of voluntary consultations, as envisaged in section F of the Set of Multilaterally Agreed Equitable Principles and Rules for the Control of Restrictive Business Practices	4 voluntary consultations	16 voluntary consultations	A total of 16 voluntary consultations have been undertaken, in accordance with section F of the Set at the regional level with FOPREL (Forum of Presidents and Speakers of the Legislative Bodies of Central America and the Caribbean Basin), the Andean Community, the Latin American and Caribbean Economic System, COMESA and WAEMU-ECOWAS.
<b>EA (d)</b>	Strengthened capacity of developing countries to design and implement mutually supportive trade, environment, climate change and sustainable development objectives in development strategies at all levels			
	(i) Increased number of developing countries designing and implementing policies, plans, programmes, normative initiatives and institutional arrangements with a view to taking advantage of trade and investment opportunities and promoting their sustainable development objectives	34 developing countries	34 developing countries	34 developing countries designed and implemented policies, plans, programmes, normative initiatives and institutional arrangements to promote sustainable development objectives, such as mainstreaming organic agriculture in the development of Uganda and the Lao People's Democratic Republic.



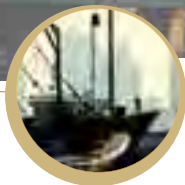
	(ii) Increased number of developing countries participating in the Biotrade and Biofuels initiatives	17 developing countries	17 developing countries	A total of 17 developing countries participated in the Biotrade and Biofuels initiatives through various seminars, training sessions and workshops, for example, "The Trade Dimension of Rio+20: Unpacking the Issues", the BioTrade Congress, the second Lao Organic Agriculture Forum and a workshop on the development of BioTrade activities in the natural ingredients sectors in Hanoi.
<b>EA (e)</b>	Improved capacity of commodity-dependent developing countries to address trade and development problems associated with the commodity economy and to seize opportunities emerging from commodity trade and enhanced international and regional cooperation			
	(i) Increased amount of research for alternative agriculture production in economies dependent on commodities with the aim of diversifying their production and manufacture by increasing the added value of their commodities.	12 research outputs	12 research outputs	12 research papers were completed during the biennium in research and analysis on commodities and trade-related issues of importance to the commodity-dependent developing countries, such as the <i>Commodities and Development Report</i> , and <i>Mexico's Agriculture Development: Perspectives and Outlook</i> , a commodity policy review.
	(ii) Increased number of commodity-dependent developing countries adopting policy measures and tools recommended by UNCTAD in designing policies aimed at the diversification of export earnings	17 commodity-dependent developing countries	18 commodity-dependent developing countries and inter-governmental organizations	During the biennium, 16 commodity-dependent developing countries and 2 intergovernmental organizations adopted policy measures and tools recommended by UNCTAD. The African Union Commission adopted two policy measures relating to the UNCTAD Pan African Cotton Road Map and the Natural Resources Information Exchange. The African, Caribbean and Pacific States also adopted the Exchange.

#### Subprogramme 4 – Technology and logistics

Objective: To strengthen STI, including ICTs; efficient trade logistics services and transit transport systems; and training and capacity-building programmes for local institutions with a view to enhancing the economic development and competitiveness of developing countries

#### Expected accomplishments (EA) and performance for indicators of achievement

Indicators of achievement	Performance targets for 2012–2013	Actual performance as of 31 December 2013	Description of results
<b>EA (a)</b>	Improved efficiency of trade logistics of developing countries		
(i) Increased number of specific, identifiable actions taken by developing countries to improve trade logistics, such as actions to cut transport and transaction costs; improve effective transit systems, transport efficiency and connectivity; and establish a supportive legal framework, with the assistance of UNCTAD	22 actions	28 actions	With technical assistance from UNCTAD, 28 countries in Africa, Asia and Latin America and the Caribbean have drafted and adopted national trade facilitation implementation plans to comply with the recently adopted WTO Agreement on Trade Facilitation. For example, several countries, including Bhutan and Burundi, have formed national trade facilitation committees thanks to UNCTAD initiatives and support; the Organization of Eastern Caribbean States has developed and obtained financing for a regional trade facilitation project based on UNCTAD support and a project document developed with UNCTAD.



	(ii) Increased number of measures adopted by developing countries using ASYCUDA to further improve the efficient management of their customs administration, with the assistance of UNCTAD	22 measures	22 measures	During the biennium, 15 countries migrated to the latest version of the ASYCUDA system. Three countries in Central Africa developed a common transit system. Four administrations in Africa and the Middle East are developing single-window systems based on ASYCUDA. All these measures are developed and implemented in the framework of UNCTAD projects.
	(iii) Increased number of developing countries demonstrating improved performance on the basis of benchmark indicators related to customs processes, with the assistance of UNCTAD	22 developing countries	22 developing countries	During the biennium, 22 developing countries using the ASYCUDA system demonstrated improved performance against benchmark indicators such as the World Bank Logistics Performance Index and other relevant indicators.
<b>EA (b)</b>	Improved awareness and adoption of national and international policies in the area of STI, as well as ICTs			
	(i) Increased number of specific actions or policy measures taken by developing countries to implement programmes aimed at enhancing the contributions of STI and ICT to development, with the assistance of UNCTAD	30 actions or measures	30 actions or measures	A total of 30 actions or measures were taken by developing countries to implement programmes aimed at enhancing the contributions of STI and ICT to development. For example, Uganda adopted four new regulations following UNCTAD assistance; Egypt implemented UNCTAD ICT policy review recommendations in their preparation of a new national ICT strategy.
	(ii) Increased number of cooperation initiatives at the subregional, regional and international levels in the areas of science and technology and ICT, with the assistance of UNCTAD	22 initiatives	22 initiatives	22 cooperation initiatives were carried out during the biennium. For example, UNCTAD, in conjunction with other international agencies, provided support to the Turkish Government in its endeavour to establish an international STI centre for LDCs aimed at building their technological capabilities, and a technology bank to help them access and utilize critical technologies, which are commitments made in connection with the Istanbul Programme of Action.
<b>EA (c)</b>	Better understanding, at the national level, of policy options and best practices on science and technology for development and ICTs for development, including the follow-up to the outcomes of the World Summit on the Information Society			
	Increased number of countries adopting national and international measures on science and technology arising from resolutions of the Commission on Science and Technology for Development and the Economic and Social Council	12 countries	12 countries	12 countries adopted measures on science and technology arising from STIP reviews or resolutions of the Commission on Science and Technology for Development and the Economic and Social Council. For example, a new STI policy has been drafted and enacted in Ghana, and a national programme of action was designed as a follow-up to the STIP review process. In accordance with resolution E/RES/2012/5 of the Economic and Social Council, UNCTAD has helped four countries collect data on ICTs and enterprises.

**EA (d)** Enhanced capacities in developing countries in the areas of trade and investment and interrelated issues, through cross-divisional capacity-building programmes providing research, teaching and training to local institutions in developing countries

Increased number of specific actions taken by developing countries to strengthen the capacities of human resources and local institutions in the areas of trade and investment and related issues, as a result of UNCTAD assistance	16 actions	16 actions	16 actions were taken by developing countries to strengthen the capacities of human resources and local institutions in trade and investment and related areas. For example, West African countries received assistance in setting up a national framework for training and capacity-building to support sustainable trade-related capacities through the use of e-learning tools on the legal aspects of e-commerce. Some 200 policymakers from 11 countries received training in English or French.
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### Subprogramme 5 – Africa, least developed countries and special programmes

Objective: To promote the development of national policies and international support measures which build productive capacities for economic development and poverty reduction in Africa, LDCs and other groups of countries in special situations (landlocked developing countries, small island developing States, and other structurally weak, vulnerable and small economies), and their progressive and beneficial integration into the global economy

#### Expected accomplishments (EA) and performance for indicators of achievement

Indicators of achievement	Performance targets for 2012–2013	Actual performance as of 31 December 2013	Description of results
<b>EA (a)</b>	Increased adoption of UNCTAD's practical policy recommendations to promote African development in the areas of trade and development		
Increased number of member States reporting that they have adopted policy recommendations, research findings and conclusions provided by UNCTAD in the area of African development	9 member States	17 member States	17 member States or groups of member States endorsed policy recommendations, research findings and conclusions provided by UNCTAD. During the biennium, the subprogramme made positive contributions to the economic development of Africa through various channels, such as the contribution to the second workshop on strengthening national planning capacities in Africa held in Abijan by the Economic Commission for Africa, and the contribution to policy dialogue, formulation and implementation in Africa through the annual UNCTAD publication <i>Economic Development in Africa</i> .
<b>EA (b)</b>	Increased consensus on and adoption of policies to address development problems of LDCs in the global economy		
Increased number of member States reporting that they have adopted policy recommendations, research findings and conclusions provided by UNCTAD in the area of the development of LDCs	9 member States	9 member States	9 member States or groups of member States endorsed policy recommendations made by UNCTAD in the area of the development of LDCs, such as those in <i>The Least Developed Countries Report 2012</i> .





<b>EA (c)</b>	Enhanced integration of trade policies and priorities in the national development plans through the Enhanced Integrated Framework for Trade-related Technical Assistance to Least Developed Countries			
Increased number of LDCs that have made progress in mainstreaming trade policies and priorities into their national development plans and have implemented the action matrices of the Enhanced Integrated Framework	13 countries	11 countries	In the context of the Enhanced Integrated Framework, UNCTAD provided support in 2012–2013 to the following countries: The Gambia, Mozambique, Senegal, the Democratic Republic of the Congo, the Central African Republic, Guinea Bissau, Niger, Djibouti, Mali, Comoros and Cambodia.	
<b>EA (d)</b>	Increased awareness of issues and policy options to alleviate the challenges faced by landlocked developing countries			
Increased number of landlocked developing countries benefiting from UNCTAD services in various areas of economic policy, with a particular focus on investment, productive capacities and competitiveness	5 countries	5 countries	Rwanda, Burundi, Burkina Faso and Bhutan benefited from UNCTAD services in the area of investment through capacity-building workshops on upgrading local capacity and receiving feedback on draft investment guides. Paraguay benefited from UNCTAD services during the launch of the preparation of the ten-year review programme of the Almaty Programme of Action, specifically with regard to the Almaty Ministerial Declaration adopted at the Fourth Meeting of Trade Ministers of Landlocked Developing Countries in September 2012.	
<b>EA (e)</b>	Increased awareness of small island developing State policymakers of issues and policy options to build development partnerships conducive to the adoption of relevant international support measures			
Increased number of small island developing States directly benefiting from UNCTAD services in various areas of economic policymaking with implications for resilience building and structural transformation	5 small island developing States	5 small island developing States	5 small island developing States directly benefited from UNCTAD services. For example, UNCTAD assisted Cape Verde in making socioeconomic progress, notably through diversification into international services. UNCTAD has been active in advocacy work on behalf of small island developing States such as the Maldives, particularly in discussions of the Economic and Social Council and the General Assembly, toward international acceptance of the status as small island developing States and their treatment.	
<b>EA (f)</b>	Increased awareness of the problems faced by other structurally weak, vulnerable and small economies on the way of their integration into multilateral trading systems			
Increased number of other structurally weak, vulnerable and small economies using UNCTAD recommendations and services to address their exposure to internal and external economic shocks	6 other structurally weak, vulnerable and small economies	5 other structurally weak, vulnerable and small economies	UNCTAD provided assistance to five other structurally weak, vulnerable and small economies such as El Salvador, Cameroon, Guatemala, Côte d'Ivoire and Nicaragua during 2012–2013. Activities included training and capacity-building activities in the areas of competition law and policy, business facilitation and activities aimed at improving trade facilitation and customs modernization.	

## ANNEX C. SUPPORTING CAPACITY-BUILDING IN 2013

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In 2013, UNCTAD implemented 210 projects, 108 of which were national projects, with annual expenditures of just over \$40.4 million, an increase of 11 per cent over 2012. These included interregional, regional and country-specific projects. LDCs accounted for 40 per cent of these expenditures. Total bilateral voluntary contributions amounted to \$31.2 million, a decrease of 4.8 per cent over 2012. Developing countries accounted for 40.9 per cent of total contributions to trust funds, while those of developed countries represented 25.2 per cent. Other contributions came from multilateral donors, NGOs and the private sector.

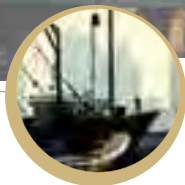
ASYCUDA continued to be UNCTAD's largest technical assistance activity, followed by DMFAS. These two programmes accounted for 60.8 per cent of the Organization's total technical cooperation delivery in 2013.

Actions in support of implementation of the Doha Mandate and the decisions of the Trade and Development Board continued with a view to enhancing the impact of UNCTAD operational activities. This included the process of consolidation and rationalization of its project-based trust funds, in consultations with major donors, within the 17 established thematic clusters, corresponding to the main areas of UNCTAD work.

Activities in support of system-wide coherence continued to increase in 2013. UNCTAD received \$744,110 from allocations to support its participation in joint programmes of the United Nations Inter-Agency Cluster on Trade and Productive Capacity, through specific partner contributions and multi-partner trust funds (see "Working as one United Nations with the development community", page 12).

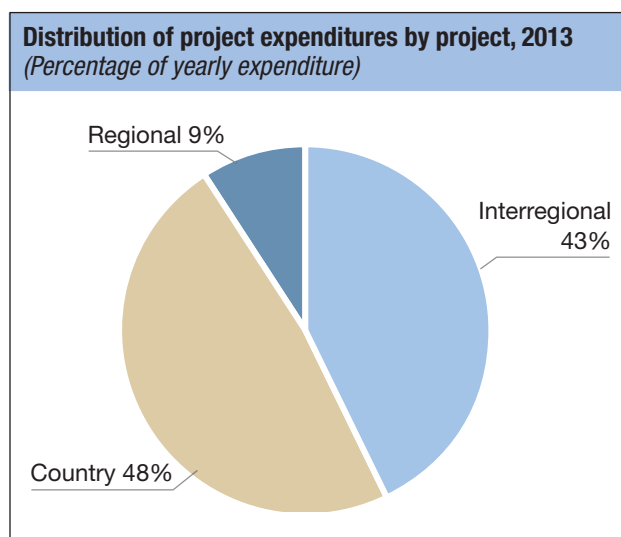
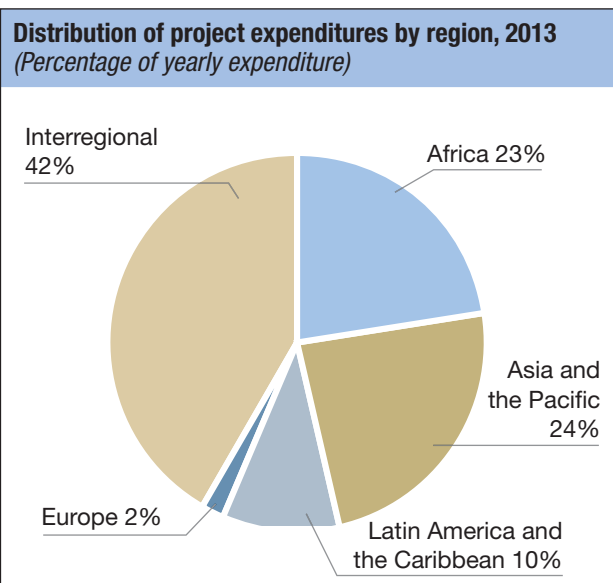
Discussions of the Trade and Development Board on the UNCTAD fundraising strategy started in September 2013 and will continue in 2014.





<b>Voluntary contributions to UNCTAD technical cooperation trust funds, 2013</b> <i>(Member States, public donations and financing from United Nations entities)</i>	
<b>DEVELOPED COUNTRIES</b>	
Norway	1 826 000
Sweden	1 497 000
Switzerland	1 241 000
Germany	807 000
Finland	796 000
Netherlands	600 000
Other developed countries	1 098 000
<b>DEVELOPING COUNTRIES AND ECONOMIES IN TRANSITION</b>	
Zambia	1 237 000
Uganda	868 000
Côte d'Ivoire	703 000
Solomon Islands	671 000
Burkina Faso	660 000
Barbados	604 000
Other developing countries and countries with economies in transition <sup>a</sup>	8 040 000
European Commission	2 783 000
International organizations	7 020 000
Contributions from other sources	782 000
<b>TOTAL</b>	<b>31 233 000</b>

Note: The bulk of contributions from developing countries are self-financed projects for ASYCUDA and DMFAS programmes financed from the proceeds of loans, credits or grants from international financial institutions.





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# UNCTAD

PROSPERITY FOR ALL

