

**Division for Africa, Least Developed  
Countries and Special Programmes**  
**ACTIVITIES REPORT**

**2013-2014**





# UNCTAD

PROSPERITY FOR ALL

The United Nations Conference on Trade and Development (UNCTAD), which was established by the General Assembly in 1964, is the United Nations body responsible for dealing with development issues as they relate to international trade – the main driver of development.

The goals of UNCTAD are to maximize the trade, investment and development opportunities of developing countries, and to assist them in their efforts to integrate into the world economy on an equitable basis.

The UNCTAD Secretary-General is appointed by the United Nations Secretary-General in consultation with regional groups and with formal endorsement by the General Assembly. The position rotates between the groups representing Africa, Asia and Latin America.

The organization currently has 194 member States. It works through consensus. Its budget is determined by the General Assembly and its subsidiary Advisory Committee on Administrative and Budgetary Questions, and the Fifth Committee, which also has responsibility for administrative and budgetary matters.

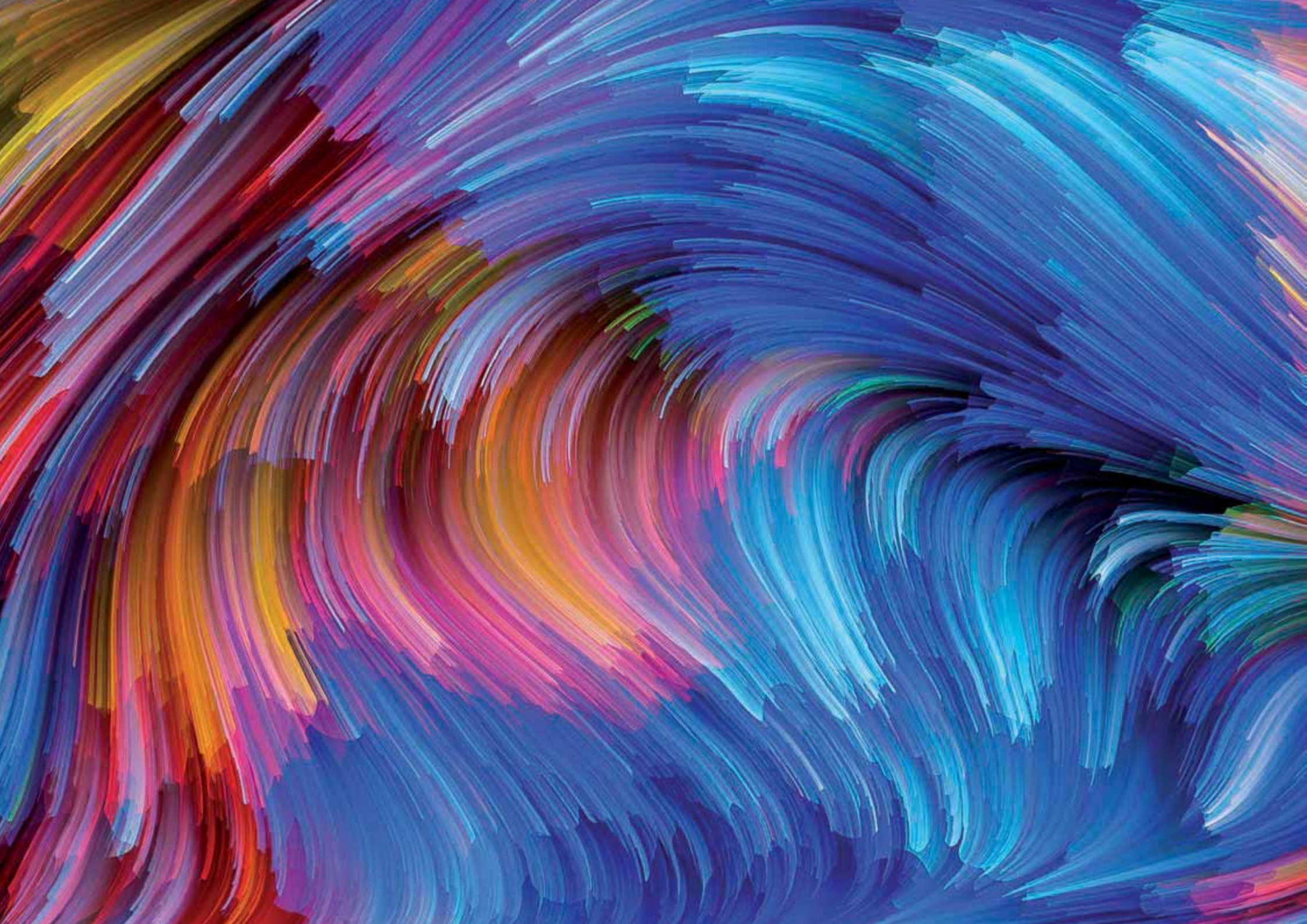
There are five substantive Divisions within UNCTAD: the Division on Globalization and Development Strategies (DGDS); the Division on Investment and Enterprise (DIAE); the Division of International Trade in Goods and Services and Commodities (DITC); the Division on Technology and Logistics (DTL); and the Division for Africa, Least Developed Countries and Special Programmes (ALDC).



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# FOREWORD FROM THE DIRECTOR

I am pleased to present this report, which provides a synopsis of the activities that the Division for Africa, Least Developed Countries and Special Programmes (ALDC) carried out in 2013 and 2014.

In the reporting period, we have used our resources for two main purposes: engaging in policy-focused research and analysis, and policy advocacy. In terms of policy advocacy, ALDC supports beneficiary countries in assessing policy options and fostering sustainable development paths through, for instance:

- Providing advisory services to least developed countries (LDCs) on graduation issues and productive capacity-building, both of which contribute to achieving the Istanbul Programme of Action;
- Conducting diagnostic trade integration studies in LDCs, which provide assessments of the trade policy regime and policy recommendations on how to improve trade performance through capacity-building, better mainstreaming of trade into national development strategies and the integrated approach to trade policy formulation;
- Assisting landlocked developing countries (LLDCs) and small island developing States (SIDS) in preparing and implementing their respective programmes of action and fostering international support for their particular challenges.

Our analysis and policy recommendations emanate from our long-standing research work. The Division produces two major annual reports, namely the *Economic Development in Africa Report* and the *Least Developed Countries Report*. Furthermore, we have a research unit on trade and poverty which conducts research and organizes seminars on topics of particular relevance to the understanding of the link between trade and poverty reduction.

I hope you will find this activities report informative and useful for future engagement.

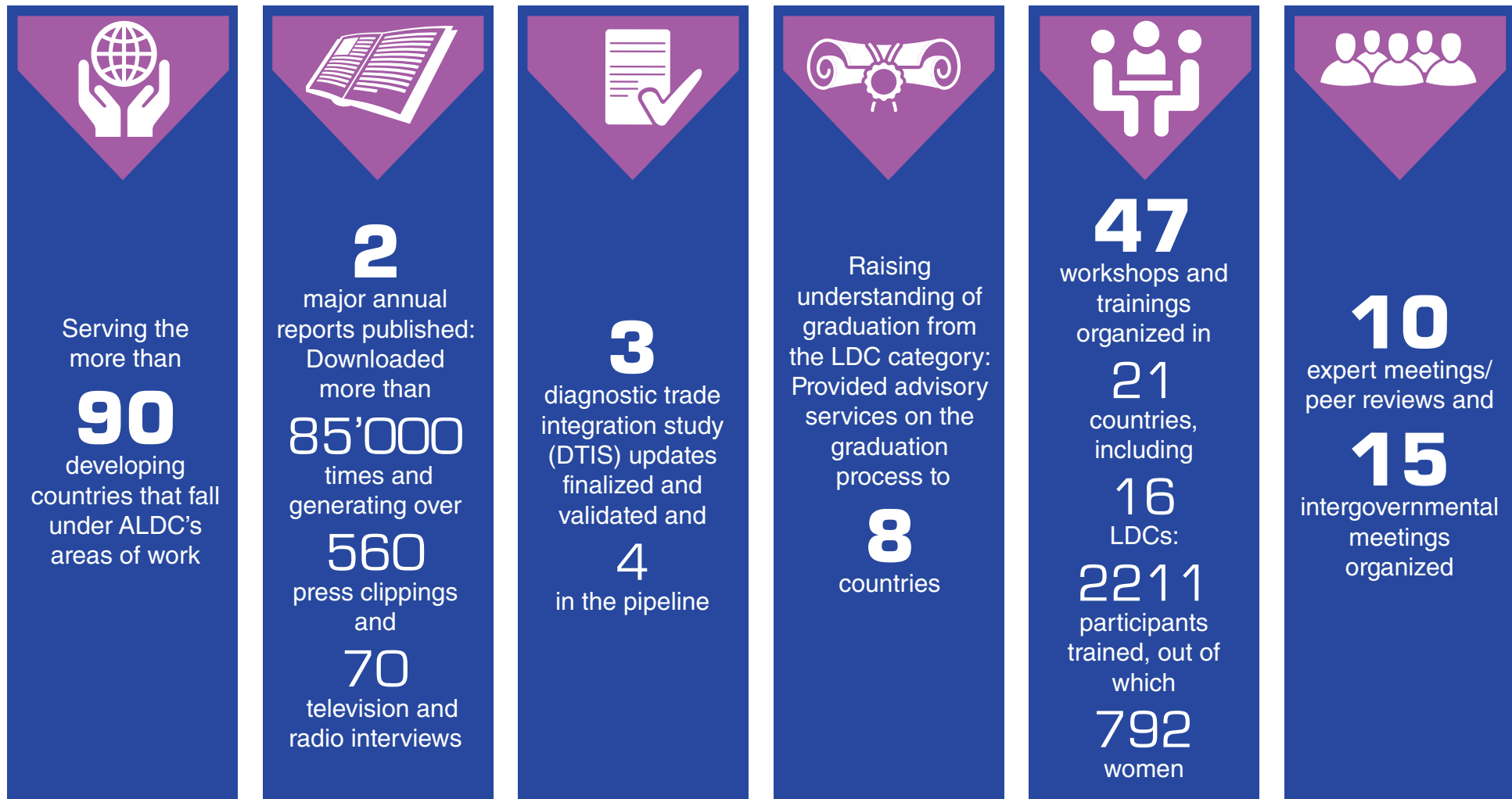


**Taffere Tesfachew**

Director of the Division for Africa,  
Least Developed Countries  
and Special Programmes



## FACTS AND FIGURES – **ALDC HIGHLIGHTS IN 2013–2014**





# MANAGEMENT STRATEGY

The Division contributes to UNCTAD's overall vision "Prosperity for all" by focusing on the poorest and most vulnerable developing countries in the world. Its aim is to increase the understanding of the development challenges of Africa and LDCs, as well as countries with specific geographical challenges, notably LLDCs and SIDS. Currently, more than 90 developing countries fall under the Division's areas of responsibility and it coordinates work carried out by UNCTAD in these groups of countries.

The ALDC work management strategy derives from the mandates set out by the UNCTAD member States. Specific goals are identified and plans for achieving these goals are carefully designed in line with available resources. Efforts are also made to mobilize resources to widen and deepen the scope of services that we can offer.

The **objective** of the Division's work is to promote inclusive and sustainable development of the countries under its purview through research, policy analysis, intergovernmental consensus-building and technical assistance. The Division helps to strengthen countries' capacities to (a) articulate their development needs at the national, regional and international level;

(b) participate more effectively in the global economy and (c) transform trade into an engine for inclusive growth and sustainable development.

A wide range of **services** are offered by ALDC:

- Undertaking policy-focused research and analysis and proposing innovative policy options;
- Publishing two major reports (the *Economic Development in Africa Report* and the *Least Developed Countries Report*);
- Tracking progress towards graduation from the LDC category and preparing smooth transition strategies;
- Providing tailor-made technical assistance, including through the Enhanced Integrated Framework (EIF);
- Supporting and facilitating intergovernmental consensus-building;
- Coordinating the work of UNCTAD on groups of countries covered by the Division.

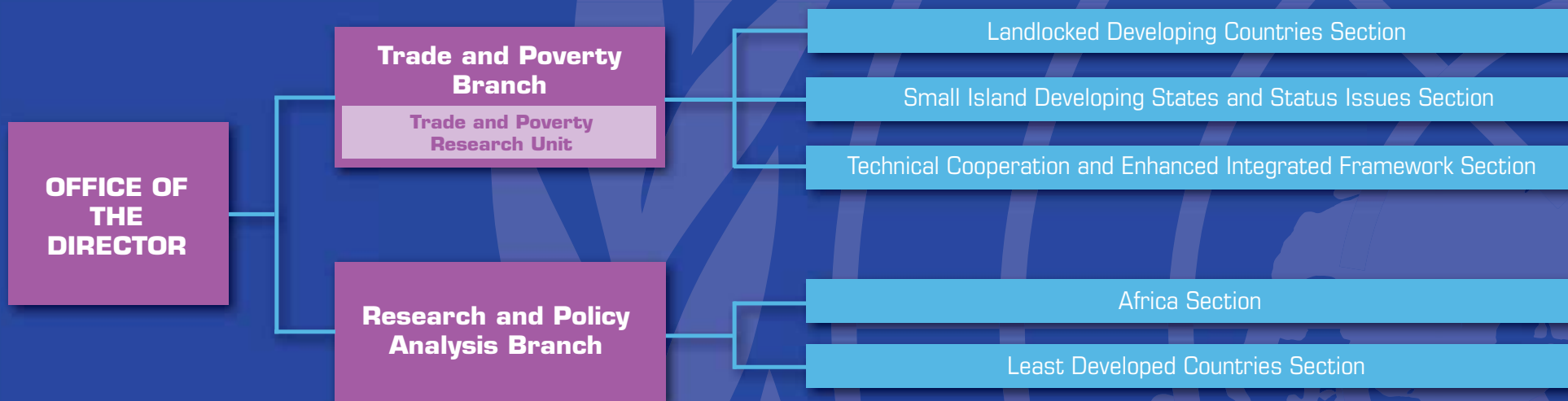
To monitor the provision of these services, the Division has established a **results-based management framework** consisting of workplans that clarify roles, responsibilities and timelines, and a set of performance indicators. The mechanism serves both planning and monitoring. It enables the Division to

plan its activities in accordance with resources, to obtain feedback on its implementation, to provide opportunities to take corrective action and to inform the subsequent planning process. The performance indicators (or indicators of achievement) are quantitative or qualitative in nature and summarize performance in three areas: efficiency, outreach, and impact/relevance.

The Division **coordinates** the work relating to LDCs, LLDCs, SIDS and Africa within UNCTAD. This not only requires in-depth understanding of the development challenges of these countries but also the ability to coordinate work with specialists from all divisions. The objective is to ensure that activities can draw on the most relevant competencies and expertise in the UNCTAD secretariat.

The importance of coordination stretches beyond the work within UNCTAD; ALDC coordinates a broad range of activities with **partners** (donors, other United Nations agencies, intergovernmental organizations, and notably beneficiary countries). Given the importance of partnerships, a separate section of the report is dedicated to this topic.

# WHO WE ARE - STRUCTURE OF THE DIVISION



- Temporary senior staff
- ★ On a temporary assignment with ALDC from 1 August 2014 to 30 April 2015
- ★★ Assignment with ALDC from 24 June 2014 to 18 May 2015
- ★★★ Temporary associate economic affairs officer
- ▲ Individual contractor / Intern
- Retired on 31 October 2014
- ◆ Retired on 30 April 2014

# OFFICE OF THE DIRECTOR



**Lisa Borgatti**  
Economic affairs officer



**Claudia Roethlisberger**  
Economic affairs officer



**Sylvie Guy**  
Administrative assistant



**Judith Leclercq**  
Staff assistant



**Agnes Collardeau-Angleys**  
Statistical assistant



**Madasamyraja Rajalingam**  
Research assistant



# AREAS OF WORK

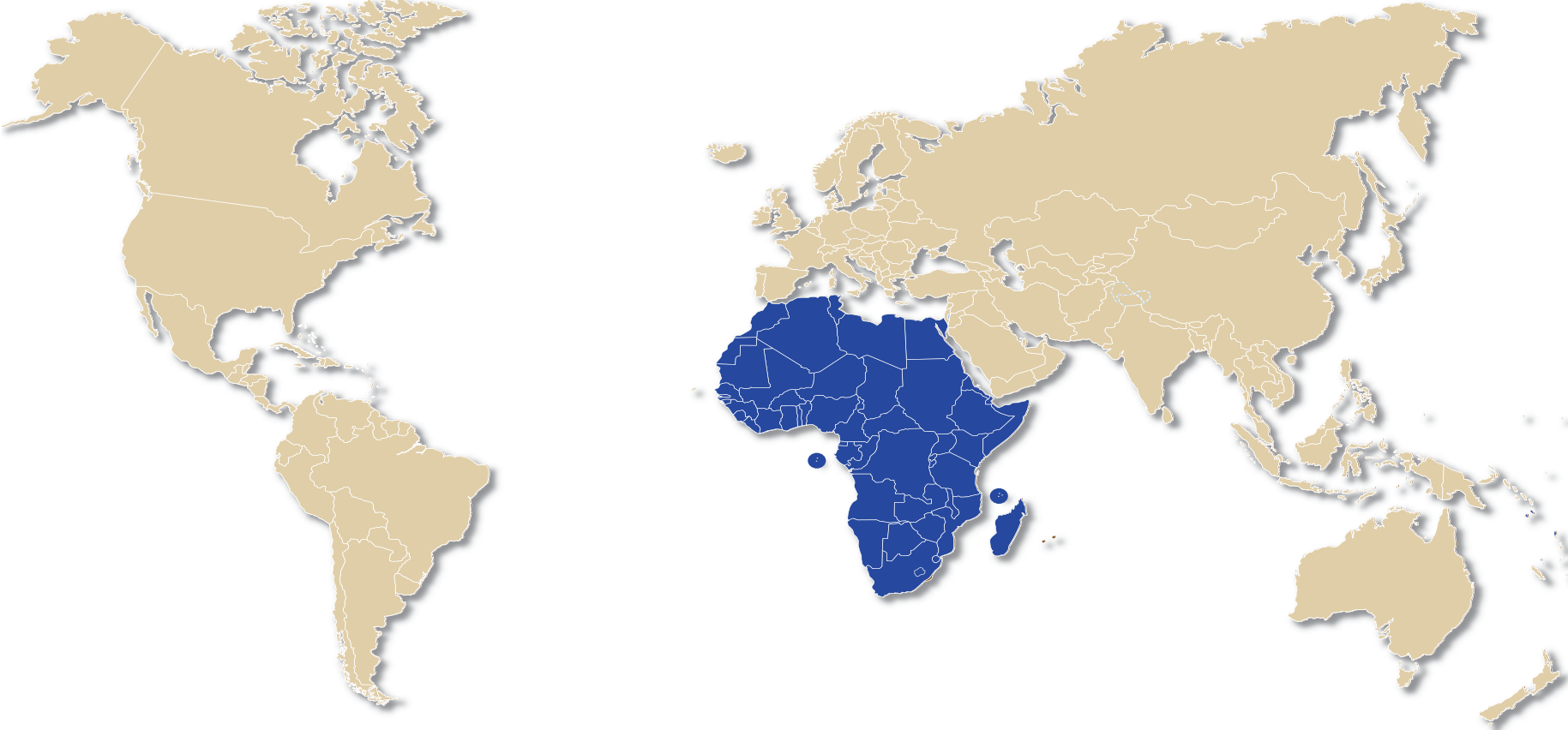
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The boundaries and names shown and the designations used on this map do not imply official endorsement or acceptance by the United Nations.



**Junior Davis**  
Officer-in-charge



**Laura Paez**  
Economic affairs officer



**Bineswaree Bolaky**  
Economic affairs officer



**Maria Bovey**  
Research assistant

## Objective and mandate

The work on Africa examines African economic development from a regional and global context. It aims to build consensus at the regional and international level on the challenges facing African countries, and to assist in the mobilization of regional and international support measures to promote economic development in Africa.

The Africa Section contributes towards paragraph 18(h) of the Doha Mandate to “Continue to address the special concerns and needs of Africa, including as articulated in the New Partnership for Africa’s Development”.

The Division collaborates with leading African institutions such as the Economic Commission for Africa (ECA), the African Union, the New Partnership for Africa’s Development (NEPAD) Planning and Coordinating Agency, the African Development Bank and various African think tanks. These partnerships have enabled ALDC to build synergies, avoid duplication of efforts and increase global understanding of the development challenges of the continent.

## Research and policy analysis

The *Economic Development in Africa Report* analyses policy research questions relating to Africa’s economic development and formulates concrete policy recommendations for policymakers and stakeholders. It addresses developmental

issues of direct concern and relevance to African member States as expressed in the NEPAD Programme of Action and various African Union declarations. Recent issues of the report have focused on fostering industrial development in Africa through the formulation of industrial policies; boosting intra-African trade through private sector development; and promoting a structural transformation process that is compatible with environmental sustainability.

The ***Economic Development in Africa Report 2013*** (see annex, list of documents and publications) provided new insights on how to strengthen the private sector to boost intra-African trade. The report, subtitled *Intra-African Trade: Unlocking*

*Private Sector Dynamism*, also examined the challenges for intra-African trade posed by non-implementation of regional trade agreements and discussed how to enhance implementation of existing regional agreements in Africa.

The report was launched in July 2013 in 12 countries and disseminated at several high-level conferences on Africa’s development challenges. It generated 138 press clippings and newspaper articles and 10 television and radio interviews. By the end of 2013 the *Economic Development in Africa 2013 Report* was downloaded 10,200 times, and 40,500 times by the end of 2014. Downloads were made by developing and developed countries alike and also in similar numbers in English and French.



**Feedback received on the *Economic Development in Africa Report 2013* includes:**

- “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.” Ethiopia on behalf of the African Group;
- “The Group of 77 and China believes that these recommendations are quite relevant and call this organization and its member countries to support their effective implementations.” Ecuador on behalf of the Group of 77 and China;
- “South Africa continues to appreciate very much the ongoing focus which UNCTAD places on Africa, including technical support through its research and analysis of economic challenges confronting the African continent. The focus of the current report on developmental regionalism has provided a useful contribution in this regard.” South African delegate;
- “... the key messages of the report ... are relevant to the priorities enunciated in our Agenda for Prosperity.” Mr. Usman Boie Kamara, Minister of Trade and Industry, Sierra Leone.

**Feedback received on the *Economic Development in Africa Report 2014* includes:**

- “I recommend the report as one of the best for policy analysts.” The United Republic of Tanzania on behalf of the Africa Group;
- “The report provides an excellent analysis of ... investment challenges and puts forward some possible policy responses and options.” Statement by South Africa;
- “The G77 and China endorses the messages and policy recommendations of the report.” Chad on behalf of the Group of 77 and China;
- “The idea presented about the leveraging of official development assistance as a guarantee mechanism to reduce risks faced by lenders and investors is a good example of innovative thinking on the part of UNCTAD.” Brazil on behalf of the Group of Latin American and Caribbean Countries in the United Nations.



The ***Economic Development in Africa Report 2014***, subtitled *Catalysing Investment for Transformative Growth in Africa*, (see annex, list of documents and publications) underscores the need to enhance the contribution of investment to growth through boosting investment rates, improving the productivity of existing and new investments, and ensuring that investment goes to strategic and priority sectors deemed crucial for economic transformation. It also stresses the importance of strengthening linkages between local and foreign enterprises, stemming capital flight to release more resources for investment, using aid to stimulate investment and fostering international trade to boost investment. In each of these areas, the report emphasizes the need for policy coherence at the national and international level.

The *Economic Development in Africa Report 2014* was launched in July 2014. Press conferences and seminars were held in 12 countries. Interest in the report led to 120 press articles and various interviews. Until the year end the report was downloaded 9,700 times.

## Capacity-building

The Africa Section conducts on an ad-hoc basis advisory missions to African countries at the request of African member States and African regional institutions. Capacity-building activities take place through the holding of training courses, seminars and participation in panel discussions.

In March 2013, UNCTAD, for example, participated in the third Congress of African Economists in Senegal, organized by the African Union Commission and ECA. The theme was “Industrialization and economic emergence in Africa”. The *Economic Development in Africa Report 2011*, subtitled *Fostering Industrial Development in Africa in the New Global Environment* was presented and contributed towards policy deliberations.

Contributions were also made to the second ECA “Workshop for strengthening national planning capacities in Africa” held in Abidjan, March 2013. Capacity-building support was further provided to the NEPAD Planning and Coordinating Agency. A meeting was organized by UNCTAD in April 2013 to review the “Report of a study on domestic resource mobilization” that the NEPAD Heads of State and Government Orientation Committee had mandated the Planning and Coordination Agency and ECA to conduct.

Advisory activities were carried out in support of Africa’s structural transformation agenda. For example, ALDC contributed to a capacity-building “Course on industrial policy in Africa”, organized

for African policymakers by the African Institute for Economic Development and Planning in Dakar in June 2013.

In November 2013, UNCTAD presented the *Economic Development in Africa Report 2013* to an audience of academic researchers and policymakers at the inaugural session of the “*Premier colloque sciences, sociétés et développement*”, University of Parakou, Benin.

The Division also regularly participates in UNCTAD’s regional course for African officials. For instance, ALDC participated in the twenty-seventh course entitled “Trade, financial flows, macroeconomic policies and development in a globalizing economy”, held in Mauritius in July 2013. The feedback received from Mr. Prisca Mbagu, Senior Trade Officer, Ministry of Industry and Trade, United Republic of Tanzania, exemplifies the relevance of such courses:

Currently, I am in Uganda participating in very tough and strong trade negotiations among 26 African countries, what we call, COMESA-EAC-SADC TRIPARTITE FTA Trade Negotiations. What I found is the missing link, relationship, lack of coordination (market access, industrial and infrastructure pillars) on what we negotiate and the development issues as we learned in module 1 in Mauritius. I am seeing the relevance of the Mauritius course as I am working (negotiating) now. My task is to make sure that development is incorporated in industrial, market access and infrastructure pillar texts.

## Two examples of impact of the Economic Development in Africa series

**1** The 2013 report recommended the use of an internal market scorecard, measuring the extent to which member States have transposed regional trade rules into national laws by agreed deadlines. Since the publication of the report, the East African Community has established a scorecard mechanism for the implementation of the regional trade agreements. This demonstrates that the recommendations are actionable and useful in enhancing implementation of policies in Africa.

**2** At the end of the third Congress of African Economists in March 2013, a formal declaration was adopted outlining, inter alia, the major policy implications of industrialization and economic emergence in Africa. Policy recommendations made by UNCTAD in its joint *Economic Development in Africa Report 2011* with United Nations Industrial Development Organization (UNIDO) were presented during the conference and contributed toward the declaration.





## Intergovernmental consensus-building

Every year in June, the UNCTAD Trade and Development Board (TDB) holds its special executive session on Africa to discuss UNCTAD's activities in support of the continent. The executive sessions also provide an opportunity to discuss key developmental issues of interest to Africa with the participation of experts from within and outside the region. Past themes for discussion have included, for instance, the role of South-South cooperation in Africa's development; contributions of the United Nations system towards the implementation of the NEPAD Programme of Action; and the promotion of aid effectiveness. In addition, the annual TDB holds a sessional committee wherein member States adopt agreed conclusions on Africa.



# AREAS OF WORK

## Least developed countries

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Research and policy analysis **19**

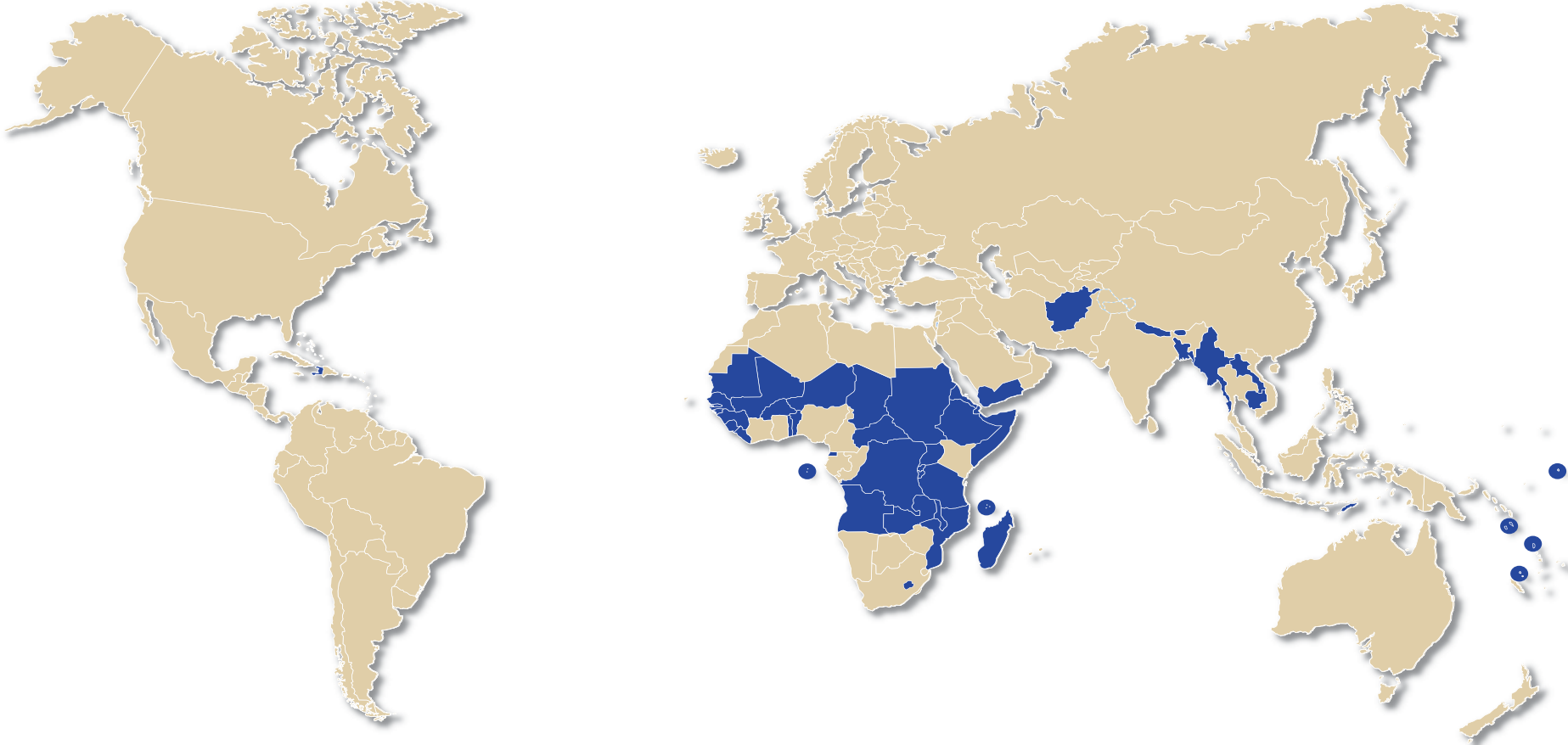
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Capacity-building **21**

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Intergovernmental consensus-building **25**

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**Rolf Traeger**  
Chief of Section



**David Woodward**  
Temporary senior adviser



**Piergiuseppe Fortunato\***  
Economic affairs officer

\*On a temporary assignment with ALDC from 1 August 2014 to 30 April 2015



**Daniel Poon\***  
Temporary economic affairs officer

\*Assignment with ALDC from 24 June 2014 to 18 May 2015



**Maria Bovey**  
Research assistant

## Objective and mandate

The objective of the work on LDCs is to undertake in-depth analytical studies on the development process and outlook of the LDCs with a view to recommending policy choices for them and their development partners. This work contributes to fostering LDC development and to strengthening their capacity to reach their development goals, especially those included in the Istanbul Programme of Action for LDCs, the Millennium Development Goals (MDGs) and the forthcoming sustainable development goals (SDGs).

The work on LDCs contributes towards paragraphs 18(f) and (g); 41(m), (n) and (p); and 65(e) and (g) of the Doha Mandate.

## Research and policy analysis



The main output of the Least Developed Countries Section is the annual production of *The Least Developed Countries Report*. **The Least Developed Countries Report 2013**, subtitled *Growth with Employment for Inclusive and Sustainable Development*,

examines the link between investment, growth and employment. It considers how LDCs can promote growth that generates an adequate number of quality jobs and enables them to achieve their most urgent and pivotal goals: poverty reduction, inclusive growth and sustainable development. The findings of the

report suggest that LDCs face a stark demographic challenge, as their collective population is projected to double to 1.7 billion by 2050. Creating employment opportunities is critical because it is the best and most dignified pathway out of poverty. The report develops a policy framework with employment creation as a central objective of economic policy, linking investment, growth and employment creation with the development of productive capacities. It also recommends specific policy proposals for generating employment-rich growth and development in the LDCs. Finally, the report notes that the population in LDCs is not only growing rapidly, but is quickly urbanizing. This combination of factors makes the current decade critical for rectifying the employment situation in LDCs.

*The Least Developed Countries Report 2013* was launched in November 2013 and press conferences and presentations to publicize and disseminate the report were held in 25 countries, including 17 LDCs. Interest in the report led to 195 press articles, radio and television interviews and blog posts. From the launch in November 2013 to the end of 2014 the report was downloaded more than 32,700 times.



## UNCTAD, the least developed country category and *The Least Developed Countries Report*

The establishment of the LDC category in 1971 by the United Nations General Assembly was based on the conceptual and policy work of UNCTAD carried out in the 1960s. Since then UNCTAD has played a central role in mobilizing the attention of the international community to the needs of LDCs and in carrying out original research to underpin policy action in support of LDCs.

The Division annually publishes *The Least Developed Countries Report*, which provides LDC policymakers and their development partners with original research work and policy options to key and emerging development challenges facing the 48 LDCs. Worldwide, it is the only periodic publication dedicated exclusively to research and policy analysis on the group of LDCs. The report has been published by UNCTAD since 1984.

**Mr. Mawussi Djossou Semodji**, Minister of Planning, Development and Territorial Management of Togo, **Mr. Kako Kossivi Nubukpo**, Minister of Foresight and Public Policy Evaluation of Togo, and **Ms. Khardiata Lo Ndiaye**, United Nations Resident Coordinator in Togo, during the launch of *The Least Developed Countries Report 2013* in Lomé

## Comments on *The Least Developed Countries Report 2013* made during the TDB session include:

- “We welcome the analytical framework generated by UNCTAD to understand and implement policies to promote the generation of productive capacities, focusing on policies that create quality jobs. The Group of 77 and China believes that this organization is not only able, but also entitled, to actively support the efforts of the least developed countries in their development path.” Group of 77 and China;
- “The LDCs Report this year is an excellent example of UNCTAD’s integrated and holistic approach to development. ... The LDCs Report has made useful contributions over the years in terms of graduation and post-graduation issues.” Asian Group;
- “As always, the report is highly analytical and brings out key issues and policy advice that LDCs can benefit from. ... UNCTAD’s work on LDCs has always been outstanding and we encourage UNCTAD to keep up its efforts towards assisting the LDCs.” Bangladesh.

## In other forums, *The Least Developed Countries Report 2013* was greeted by statements such as the following

- Job creation is topical the world over and the report will no doubt add on to existing knowledge for decent job creation. ... Following the directions provided in the report will certainly go a long way for creating employment not only for LDCs but for countries like Ghana. (Mr. Antwi Boasiako-Sekyere, Deputy Minister of Employment and Labour Relations, Ghana).
- The publication *The Least Developed Countries Report 2013* is an opportunity for the United Nations to raise the alarm: if decent jobs are not created in medium term in LDCs, there is a risk that these countries may not be able to overcome their poverty status. (*La Libre Belgique*).



***The Least Developed Countries Report 2014*** focuses on and is subtitled *Growth with Structural Transformation: A Post-2015 Development Agenda*. This topic was chosen in line with the current debate on the forthcoming SDGs. The report investigates the “LDC paradox”: the combination of rapid economic growth with slow poverty reduction and limited progress towards human development goals. It concludes that this paradox is the result of these economies’ insufficient progress towards structural transformation and the creation of productive jobs. If the lessons learnt from the MDG implementation period are not heeded, the LDCs will not be able to meet the much more ambitious SDGs, which will encapsulate the development agenda for the 2015–2030 period. Fostering growth with structural transformation requires LDCs to focus on three critical policy areas: resource mobilization to finance productive investment; industrial policy aimed at upgrading and diversifying the economic structure; and a supportive macroeconomic policy stance. For LDCs to achieve the SDGs, they will also require a concerted effort by the international community, especially in terms of additional and better delivered official development assistance, more development-friendly international financial and trade systems, and effective and equitable responses to climate change.

*The Least Developed Countries Report 2014* was launched in November 2014 and press conferences and presentations to publicize and disseminate the report were held in 36 countries, including 22 LDCs. Interest in the report led to 180 press articles and blog posts, as well as 15 radio and television interviews. From the launch to the end of the year, the report and its parts were downloaded more than 3,000 times.

## Capacity-building<sup>1</sup>

### Capacity-building on the findings of *The Least Developed Countries Report series*

Capacity-building by drawing on the analytical work and the policy implications contained in the *Least Developed Countries Report series* was provided in several occasions.

Linked to the work undertaken for *The Least Developed Countries Report 2014*, ALDC delivered a “Training workshop on development policies in the post-2015 context” in Kathmandu (October–November 2014). The course provided training on the evolution of international development policymaking since the 1990s, the MDGs, the

<sup>1</sup> Given the vulnerability of LDC economies, the international community devised the EIF, a trade-related technical assistance programme, to support LDCs to be more active players in the global trading system and to address their supply-side constraints. The United Nations Conference on Trade and Development is one of the core agencies of the EIF, and activities undertaken within this programme are presented in the section Technical cooperation and the Enhanced Integrated Framework.

## Comments on *The Least Developed Countries Report 2014* include:

- “The Group of 77 and China considers the theme of this year’s *Least Developed Countries Report* as timely given that next year will mark the crossroads in the field of development. The Group thanks UNCTAD for the timeliness and quality of its report.” Group of 77 and China;
- “*The Least Developed Countries Report 2014* provides a pertinent and high-quality analysis of the performance of the LDCs in the pursuit of the MDGs ...” Asian Group;
- “Africa being a continent with a large number of LDCs, we take note of the *Least Developed Countries Report* of this year as a tool for providing useful policy perspectives to our countries. In this context, the African Group commends the work undertaken by UNCTAD in research and publications which are supporting governments in policy development.” African Group;
- “The focus of the report in assessing the progress made by the LDCs on the Millennium Development Goals analyses the linkages between structural transformation, economic growth and human development for sustainable and inclusive economic growth. It is a timely and important topic and is among the many contributions of UNCTAD to the post 2015 process.” JUSSCANNZ;

The Minister of Foreign Affairs and International Development of France, Mr. Laurent Fabius, underscored the need for the international community to reiterate its support for the LDCs in the implementation of the post-2015 agenda.

## Impact of *The Least Developed Countries Report 2012*

*The Least Developed Countries Report 2012* was subtitled *Harnessing Remittances and Diaspora Knowledge to Build Productive Capacities*. Given the remarkable increase in remittances over the last decade (annual average growth rate of 15 per cent in the median LDC), the parallel increase in emigration from LDCs and the rise in diasporas, the topic of the report was timely and highly relevant.

Requests for workshops on the potential of remittances and diaspora were received by several countries. In April 2013, a two-day workshop entitled “Harnessing of remittances and diaspora knowledge in the Republic of Sudan” was held in Khartoum. The workshop was attended by approximately 70 stakeholders from the Government, parliament, private sector, non-governmental/diaspora organizations and research institutions, and was also broadcast on television. The sub-themes of (a) remittances, (b) migration policy; (c) encouraging the diaspora to invest at home; (d) addressing brain drain and how to encourage what one participant termed “brain regain”; and (e) humanitarian support to deal with internally displaced people and unmanaged immigration were discussed. There was tremendous interest, heated debate and lively discussions across each of these themes. As a follow-up to the workshop, a meeting

to discuss further activities and projects was held between ALDC and the Sudan Centre for Migration, Development and Population Studies in October 2013.

The work also led to invitations to present the report at several major conferences and at universities. For example, the African Export-Import Bank invited the Director of ALDC to its annual meeting where he shared with the shareholders the UNCTAD perspective on the potential role of the African diaspora in promoting trade and economic development in the African continent. In February 2013, a seminar was organized by the University of Pavia, Italy, as part of its international masters programme in cooperation and development. The seminar was attended by 50 staff and students.

Following the adoption of its diaspora policy in June 2013, Ethiopia requested UNCTAD technical assistance to help refining and further developing the main instruments and measures of this policy. Drawing on the expertise developed for the preparation of the *Least Developed Countries Report 2012*, UNCTAD provided assistance through tailor-made interregional advisory services.

SDGs, the international context for development policies in the post-2015 period, policies for structural transformation, and the outlook, priorities and alternatives for Nepalese development in the new context. Representatives from the government, academia, non-governmental organizations, media, social policies, health services and business participated. The local partner institution qualified the workshop as “highly inspiring” and stated that it had been part of an initiative “to enhance knowledge and practical skills on development policies and global perspective”. Furthermore, a policy dialogue on the topic of “Nepal, MDGs and LDCs: Vision beyond 2015” was held with representatives from the Government, activists from civil society and academia.



Participants of the “Training workshop on development policies in the post-2015 context”, Kathmandu, October–November 2014



### **Capacity-building on key least developed country issues**

- ***Accompanying countries on the road to graduation from LDC status***

Graduation from LDC status has been a growing focus of UNCTAD's work on LDCs for nearly two decades. The organization has been a pioneer in raising awareness of the significance and implications of graduation from LDC status. Graduation became a key systemic subject after United Nations Member States – through the Istanbul Programme of Action for LDCs for the decade 2011–2020 – set the goal of enabling at least half of LDCs to meet graduation criteria by 2020. Support from UNCTAD to LDCs in this area intensified in 2013 and 2014, with a range of activities benefiting Samoa (which graduated in January 2014) as well as five LDCs that meet at least one graduation threshold (Angola, Kiribati, Myanmar, Tuvalu and Vanuatu), and two others in which the question of graduation has been much debated (Cambodia and the Lao People's Democratic Republic).

Some examples are:

The Division provided assistance to Samoa in elaborating a smooth transition strategy (as it had done earlier for Cabo Verde and Maldives). The idea of “smooth transition” implies preventing losses of concessions that could harm the country, after graduation on 1 January 2014, in its efforts to maintain the momentum of economic progress.

Advisory services were also provided by ALDC to Angola through a sensitization and capacity-building workshop held in Luanda (30 July–1 August 2013). The workshop examined Angola's prospects, opportunities and challenges in meeting graduation criteria: income (gross national income per capita), human assets, and economic vulnerability. The workshop highlighted the close relationship between structural progress and graduation from LDC status, and the importance for Angola of using the country's prosperity to trigger and fuel structural transformation. The implications of a foreseen exit of Angola at the latest in December 2018 were discussed extensively. The event was attended by more than 60 participants, including government ministers, parliamentarians, and heads of key national institutions.

In October 2013, ALDC organized two national workshops on graduation in Cambodia. One workshop was on graduation prospects and policy implications. This was considered particularly timely given Cambodia's efforts to resist the erosion of market access preferences and the hardening of

rules of origin. The second event was a capacity-building workshop on “Policies and strategies for sustainable graduation of Cambodia from LDC status: Prospects, opportunities and challenges”, wherein senior government officials from a range of ministries and public agencies examined conceptual, methodological, statistical and policy-related aspects of the question of graduation. Graduation was discussed in relation to the goal of structural economic progress, with particular reference to productive capacity-building and structural transformation. The workshop highlighted the importance of Cambodia's growing participation in regional and global value chains, and efforts to benefit from trade and investment opportunities at subregional, regional and global levels.

In accordance with a mandate from the General Assembly and for the 2015 review of the United Nations list of LDCs by the Committee for Development Policy, ALDC prepared in 2014 a vulnerability profile of Kiribati as a potential graduation case.

In 2014, ALDC provided advisory services to officials in Myanmar regarding prospects of Myanmar's graduation from LDC status, with a focus on the country's performance under all relevant indicators of structural economic and social progress. A seminar was also organized by UNCTAD on “Graduation, the role of remittances and market access possibilities for Myanmar”, in Nay Pyi Taw, on 28–29 October 2014.



## Indicators of productive capacity

### (a) Structural transformation

- Merchandise export concentration index
- Manufacturing value added as a share of gross domestic product

### (b) Infrastructure

- Road density per million people
- Proportion of paved roads
- Annual average growth rate of paved roads
- Density of rail networks
- Annual average growth rate of rail tracks (wagons)
- Internet users per 100 people
- Mobile cellular subscriptions per 100 people
- Fixed telephone lines (landline networks) per 100 people

### (c) Energy, science, technology and innovation

- Research and development expenditure as a share of gross domestic product
- Proportion of researchers and technicians in research and development
- Total primary energy supply per capita
- Share of renewable electricity in total electricity output
- Access to energy (electricity and non-solid fuels)

### (d) Private sector development

- Ease of doing business
- Logistics performance
- Structural policies (business regulatory environment, structure of financial sector, policy framework related to trade in goods and services)
- Involvement of women in professional life; entrepreneurial support for women

### (e) Financing and investing in productive capacities

- Official development assistance flows
- Gross fixed capital formation
- Government spending on education

Furthermore, ALDC produced a sector-specific publication on graduation, entitled *Enabling the Graduation of LDCs: Enhancing the Role of Commodities and Improving Agricultural Productivity*. The publication contains case studies which examine, amongst other issues, the role of commodities and agricultural productivity in fuelling economic progress toward graduation from LDC status. For more details on this subject, see section Technical cooperation and the Enhanced Integrated Framework.

#### • **Productive capacity-building**

The need for building productive capacities has been emphasized by UNCTAD for a long time, including through an in-depth study of the subject in *The Least Developed Countries Report 2006*. In April–May 2013, a course on “Productive capacities, economic growth and poverty reduction – The example of Angola” was organized in Luanda.

The Istanbul Programme of Action emphasizes the importance of building productive capacities and of mainstreaming productive capacities into national development policies and strategies of LDCs (paragraph 46). In its priority area A, the programme identifies a broad set of objectives on productive capacities. The Doha Mandate (paragraph 65(e)) requested UNCTAD to develop quantifiable indicators 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”. Work has thus been undertaken by UNCTAD on measuring

and benchmarking productive capacities and the organization has developed a set of indicators. In the 2013 progress report on UNCTAD's contribution to the implementation of the Istanbul Programme of Action (TD/B/60/8) (see annex), UNCTAD presented its ongoing work on measuring and benchmarking productive capacities in LDCs in relation to where they currently stand with respect to agreed targets.

Interest in this work led to an UNCTAD side event on indicators for benchmarking productive capacities in LDCs during the Benin Ministerial Meeting on New Partnerships for Productive Capacity-building in LDCs (July 2014). Another side event on "Productive capacities, structural transformation and a post-2015 development agenda of the United Nations" was organized during the Ministerial Meeting of Asia-Pacific LDCs, held in Kathmandu (December 2014).

### **Intergovernmental consensus-building**

In December, the TDB holds its executive session on LDCs wherein a high-level panel and the membership discuss the main findings of *The Least Developed Countries Report*.

For the consideration of the TDB at its annual session in September, the Secretariat prepares a progress report on UNCTAD's contribution to the implementation of the Istanbul Programme of Action. For this purpose, ALDC liaises with other UNCTAD divisions to ensure comprehensive reporting on the programme.







# AREAS OF WORK

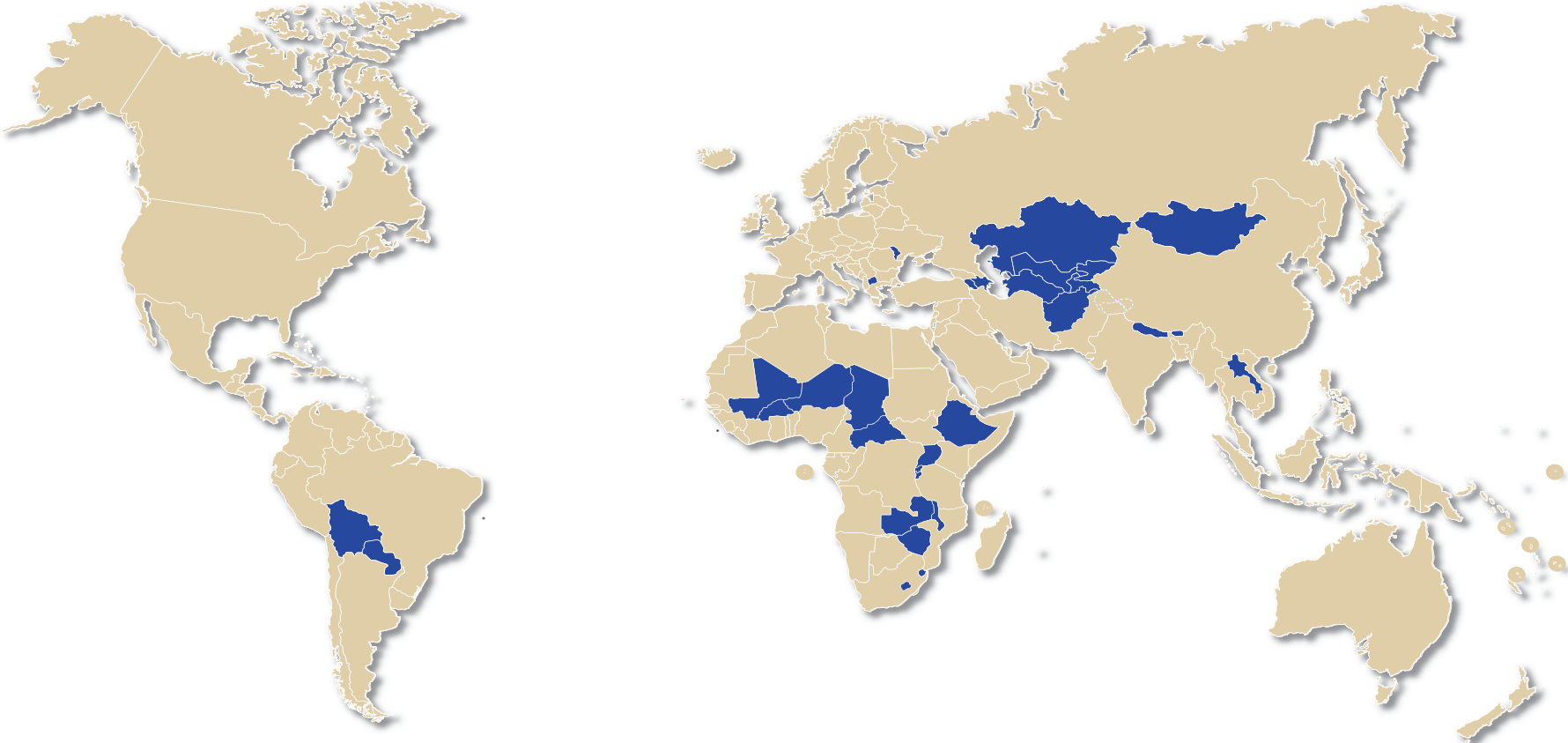
## Landlocked developing countries

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The boundaries and names shown and the designations used on this map do not imply official endorsement or acceptance by the United Nations.



\*Retired on 31 October 2014



## Objective and mandate

The ALDC Division coordinates and serves as a focal point for LLDC-related activities within UNCTAD. It undertakes analytical work and is involved in technical cooperation and advocacy activities, supporting efforts of LLDCs to initiate a transition from being landlocked to land-linked countries.

The work on LLDCs contributes towards paragraph 18(i) of the Doha Mandate, which calls on UNCTAD to “Further address the special trade, investment and development needs of landlocked developing countries ...”, and paragraph 56(h) which requests UNCTAD to “Assist developing countries, particularly LLDCs and transit developing countries, ... to address challenges affecting their participation in trade from geographical constraints, with a view to improving transport systems and connections, designing and implementing resilient and sustainable transport systems, and enhancing transit infrastructure and trade facilitation solutions”.

## Research and policy analysis

Analytical work has included the analysis of landlockedness and the transit-transport situation in LLDCs, as well as issues related to the participation of the LLDCs in the multilateral trading system and their capacity to attract foreign direct investment (FDI).

## The challenge of landlockedness

Since its establishment, UNCTAD has addressed the specific development problems of LLDCs with a view to facilitating a more beneficial integration of these countries into the global trading system. The right of free access to the sea, the right of free and unrestricted transit and the free access to regional and international trade in all circumstances and for every type of goods were among the key elements inscribed in the set of principles for landlocked developing countries which was adopted at the first UNCTAD Conference (UNCTAD I) held in 1964. This set of principles provided the basis for the elaboration of mandates at later UNCTAD quadrennial conferences that give guidance and direction to ALDC and other substantive divisions for their work in favour of LLDCs.

The lack of territorial access to the sea distinguishes landlocked developing countries from other developing countries. This geographical particularity poses persistent challenges to growth and development of these countries, because it has an adverse effect on their capacity to draw benefits from the international division of labour. The inevitable transit of export and import goods through the territory of at least one neighbouring State and

the frequent change of the mode of transport result in high transaction costs in international trade, reduced international competitiveness and in a marginalization as investment location. However, as the empirical evidence of developed landlocked countries, such as Austria, the Czech Republic, Luxembourg, Switzerland and others, shows, geography is a constraining factor to development, but it need not be destiny.

Responding to the specific problems of LLDCs requires a multidimensional approach to landlockedness as a development challenge. This implies, in addition to cross-border trade facilitation measures to make transit procedures less onerous, the implementation of policies and measures aimed at promoting economic restructuring and specialization. Since there is no graduation from landlockedness, developmental progress in LLDCs is measured, inter alia, by their advances in diversifying their economies and in enhancing their capabilities to produce goods and services that are competitive in global markets despite the specific locational constraints faced by these countries. The development of productive capacities in LLDCs is a key element of this process.

## Impact story: Bhutan's tourism industry benefits from an UNCTAD project

Bhutan was one of the beneficiary countries of the interdivisional project on investment guides. The project enabled stakeholder consultations, including the private sector and officials from the Ministry of Economic Affairs, on how to attract and retain foreign investment and the incentives and policies that the country could implement to make Bhutan attractive to investors. This led to the preparation of the Bhutan Investment Guide. A web-based version will be released shortly.

Several private sector representatives have commented on the usefulness of the guide. For instance, the Sales and Marketing Manager of the Naksel Boutique Hotel & Spa Pvt. Ltd. referred to the project as a key event for its tourism enterprise in terms of cooperation and reaching out to potential investors. The manager said that thanks to UNCTAD's field activity, new and additional contacts have been established with public and private sector stakeholders and similar links could be envisioned for other business sectors.



To this end, ALDC published the booklet "Landlocked developing countries: Facts and figures 2014".

## Capacity-building

Research on the issue of landlockedness and the capacity to attract FDI has resulted in an interdivisional project entitled "Enhancing the capacities of landlocked developing countries to attract FDI for the development and modernization of productive capacities". The project is financed through the United Nations Development Account and aims to help selected LLDCs from Africa and Asia to attract more foreign investment into their economies. To this end, the project prepares investment guides and online guides (iGuides). These iGuides are "living" documents that enable local counterparts to input information autonomously and when need arises. This ensures that guides continue to be relevant for the target audience. iGuides have been launched in Burundi, Djibouti, Nepal and Rwanda and more are underway.

Within the context of the World Investment Forum 2014, capacity-building training was provided to countries where iGuides have already been prepared. The meeting also provided participants an

opportunity to discuss how iGuides can be updated and used to provide investors up-to-date information on business costs, opportunities and conditions in countries.

The Division for Africa, Least Developed Countries and Special Programmes also formulated and implemented a project entitled "Identifying growth opportunities and supporting measures to facilitate investment in commodity value chains in landlocked countries". Its principal aim was to assist the participation of LLDCs in the second United Nations Conference on Landlocked Developing Countries, held in Vienna from 3 to 5 November 2015. The project included case studies on specific commodity sectors in Botswana, Mongolia, Paraguay and Zambia, which identify and critically examine growth opportunities, prospects, and challenges for LLDCs to participate in regional and global commodity value chains, and assist these countries and their development partners in articulating policy measures for action. The case studies served as background documents for a preparatory side event organized in New York and a high-level dialogue during the conference in Vienna. Their findings, conclusions and recommendations fed into the negotiation process on the final outcome of the conference.

## Intergovernmental consensus-building

The United Nations Conference on Trade and Development has been advocating that the

challenges of LLDCs are much deeper than the need to have efficient transport and trade facilitation systems. The work of ALDC has supported intergovernmental processes in favour of a development-centred agenda for a new programme of action with the following broad avenues:

- (a) Giving emphasis to policies and measures for advancing productive capacity development, particularly in economic activities that allow LLDCs to participate in international trade through high-value, low-bulk and less transport-intensive goods and services;
- (b) Promoting industrial respecialization and diversification so as to achieve sustained structural transformation, which favours a shift from generating low-value high-volume primary exports to higher-productivity activities for producing exportable products – goods and services – with a rising content of technology and local value addition;
- (c) Supporting regional integration efforts that foster structural change and economic growth in integrating economies.

The United Nations Conference on Trade and Development organized and participated in a number of thematic events and made substantive and technical contributions to the regional and global preparatory process leading up to the second United Nations Conference on Landlocked Developing Countries, held in Vienna, 3–5 November 2014:

- Fourth Meeting of Ministers of Trade of Landlocked

Developing Countries, 12 September 2012, Almaty, Kazakhstan;

- High-Level thematic meeting on international trade, trade facilitation and Aid-for-Trade, 13–14 September 2012, Almaty, Kazakhstan;
- Brainstorming meeting on the priorities for a new development agenda for LLDCs, 20–21 March 2013, New York, United States of America;
- Global Services Forum, 27–28 May 2013, Beijing;
- Expert group meeting on assessing the status of implementation of trade and transport facilitation instruments and measures in Africa, 15 July 2013, Addis Ababa;
- Expert group meeting on transport and logistics innovations for LLDCs, 22–24 October 2013, Geneva, Switzerland;
- Retreat for the ambassadors of LLDCs, 10 May 2014, New York, United States;
- Side event on challenges and opportunities facing LLDCs to beneficially integrate into regional and global commodity value chains, second session of the preparatory committee, 1 October 2014, New York, United States;

At the United Nations Conference on Landlocked Developing Countries, ALDC organized a high-level dialogue on “Policies and strategies to turn commodity dependence into sustainable, inclusive and equitable economic growth and development for landlocked developing countries” (4 November 2014).

The outcome of the conference was the adoption of the **Vienna Programme of Action** – a 10-year action plan aimed at accelerating sustainable development in the world’s 32 LLDCs. The UNCTAD call for emphasizing the need of LLDCs to structurally transform their economies contributed to the formulation of priority area #5 entitled “Structural economic transformation”.

**Mr. Yamfwa D. Mukanga**, Minister of Transport, Works, Supply and Communications of Zambia, highlighted the significance of the work of UNCTAD in support of landlocked developing countries at a special event held in New York on 1 October:  
 “As LLDCs, we appreciate the role of UNCTAD in addressing trade and development challenges faced by our countries.”





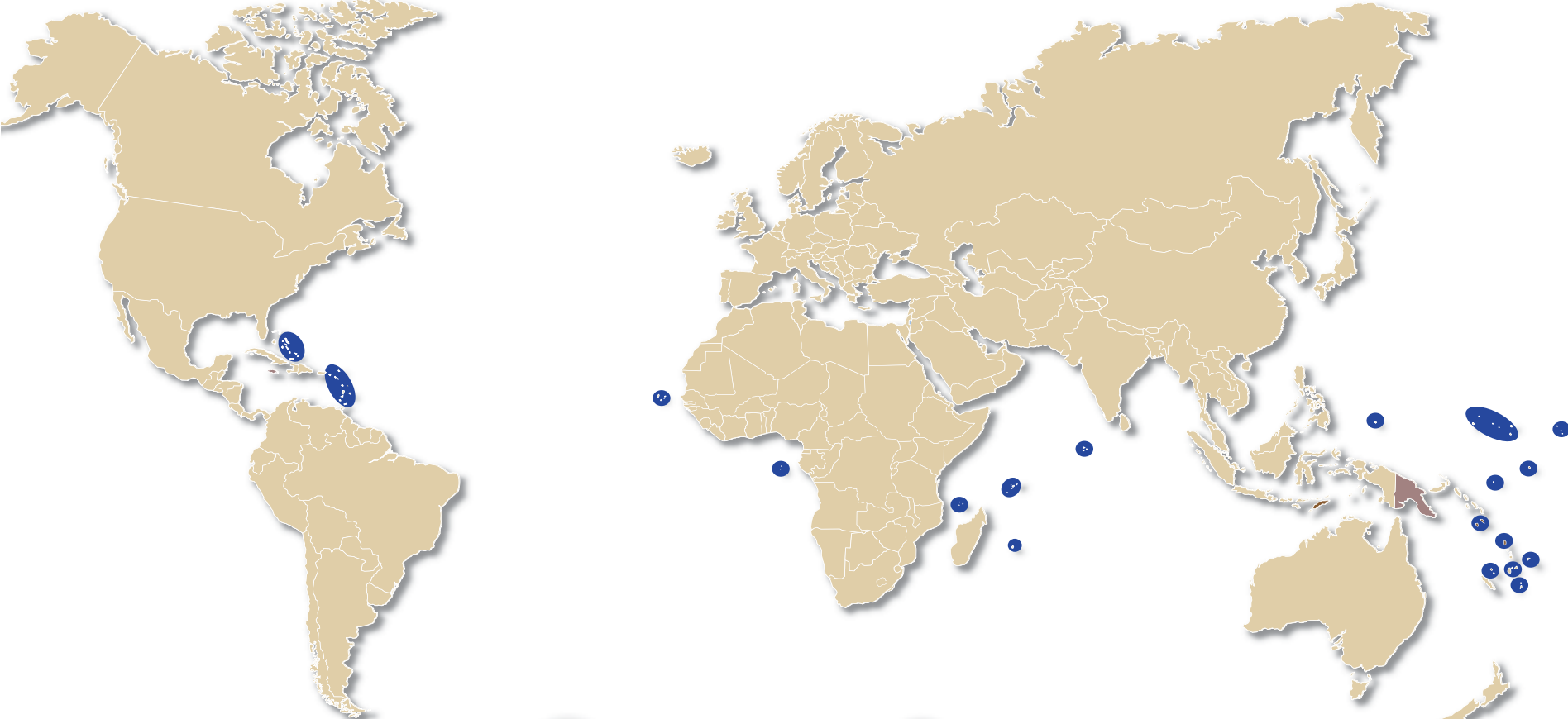




# AREAS OF WORK

## Small island developing States

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The boundaries and names shown and the designations used on this map do not imply official endorsement or acceptance by the United Nations.



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## Objective and mandate

The Doha Mandate entrusts UNCTAD with the responsibility of helping SIDS to address their “persistent trade, investment and development challenges” in the framework of United Nations-wide support to the sustainable development of these countries (paragraph 18(j)). The Doha Mandate also asks UNCTAD to “Advise SIDS on the design and implementation of policies addressing their specific trade and trade logistics challenges linked to their remoteness and geographical isolation” (paragraph 56(j)).

Moreover, the work on SIDS has been driven by paragraph 98 of the 2005 Mauritius Strategy for the Further Implementation of the Programme of Action for the Sustainable Development of Small Island Developing States, which singles out the role of UNCTAD in providing “concrete recommendations to assist small island developing States in obtaining access to and deriving greater economic opportunities and benefits from the global economy”.

## Research and policy analysis

During the 2013–2014 period, research work on SIDS focused on vulnerability-related issues more specifically, measuring vulnerability through the United Nations Economic Vulnerability Index and identifying potential international measures to support the resilience-building efforts of SIDS. All these aspects are reflected in a 2014 joint

publication of UNCTAD and the Indian Ocean Commission, titled *Addressing the Vulnerabilities of Small Island Developing States More Effectively* (see annex).

## Capacity-building

In 2013–2014, UNCTAD advisory services to SIDS focused on countries that are or were affected by the question of graduation from LDC status, namely Cabo Verde, Kiribati, Samoa, Tuvalu and Vanuatu.

The Division continued to support the Government of Cabo Verde to pursue its efforts to foster structural transformation through economic diversification. In particular, ALDC provided advisory services on sustainable tourism and its link to the creative economy.

In accordance with a mandate from the General Assembly and for the 2015 review of the United Nations list of LDCs by the Committee for Development Policy, ALDC prepared in 2014 a vulnerability profile of Kiribati as a potential graduation case.

Samoa graduated from LDC status on 1 January 2014. Between 2008 and 2013, Samoa benefited from the pre-graduation grace period allowing national authorities to pave the way for a smooth transition to post-LDC status. At the request of the Samoan Government, ALDC provided assistance in elaborating a smooth transition strategy for the country. This involved identifying ways of preventing losses of concessions that could harm the country,

## The United Nations Conference on Trade and Development’s advocacy role in recognizing small island developing State vulnerabilities

Since the early 1990s, UNCTAD has been supporting the plea for putting the issue of vulnerability at the heart of United Nations attention to the problems of SIDS. In 1992, UNCTAD pioneered the concept of vulnerability index, which subsequently evolved into a criterion for identifying LDCs. The highly debated graduation cases of Cabo Verde, Kiribati, Maldives, Samoa, Tuvalu and Vanuatu since the late 1990s have brought UNCTAD to defend the idea of making vulnerability a paramount criterion for reviewing the question of SIDS graduation from LDC status, and a reason for granting special international support to countries with SIDS status.

after graduation, in its efforts to maintain the momentum of economic progress.

Advisory services were also provided to Tuvalu and Vanuatu. Vanuatu is now assisted by UNCTAD in elaborating a smooth transition strategy to post-LDC status.

## Intergovernmental consensus-building

The United Nations Conference on Trade and Development has been helping SIDS to enhance

their credibility as a category and their chances of gaining special consideration from development partners. Two main streams of action have been pursued by ALDC in an effort to enrich the international debate on United Nations support to SIDS: (a) identifying potential international support measures of key interest to SIDS; (b) paving the way for the existence of SIDS status as an avenue for making eligibility for special treatment possible. The latter area of action implies, as a prerequisite, the adoption of internationally acceptable criteria for defining SIDS.

In two distinct resolutions in 2010 and 2011, the General Assembly and the United Nations Economic and Social Council called for “improved and additional measures ... to more effectively address the unique and particular vulnerabilities and development needs” of SIDS. The United Nations Conference on Trade and Development then provided inputs to the work of regional groups of SIDS in the context of the preparations for the **third International Conference on Small Island Developing States** (Samoa, 2014).

During the Samoa conference, UNCTAD organized jointly with the United Nations Development

Programme (UNDP) a “High-level panel discussion on SIDS and the issue of graduation from LDC status” (2 September 2014). The event, co-chaired by the Secretary-General of UNCTAD and the Administrator of UNDP, involved the President of Kiribati, the Prime Ministers of Cabo Verde, Tuvalu and Vanuatu, the Deputy Prime Minister of Samoa, and a minister from Maldives. All panellists underlined the importance for their respective nations of achieving durable economic and social progress. They recognized that leaving behind the LDC category was something they and their people looked forward to, and that graduation should be viewed as a desirable development, even for fragile and vulnerable countries. However, while the quest for durable progress was palpable, there were equally strong views about the necessary conditions for most SIDS to achieve such progress.

The Secretary-General of UNCTAD shared the sentiment of SIDS leaders that graduation from LDC status will not be a straightforward matter until there is total clarity on what the international community is prepared to do to help graduating SIDS deal with the distinct disadvantages they face as small island economies. He echoed one of the most pressing

demands by the panellists, namely their plea for “SIDS treatment” and encouraged the international community to come up with international support measures that will enable graduating SIDS to continue to build resilience once they have lost the benefits associated with LDC status.

Panellists called for “a new start” in the United Nations agenda for SIDS, enabling the notion of SIDS-specific responses to be brought to fruition. The SIDS leaders generally believe that the United Nations system, which already deals with other special categories of countries, should be fully able to support the quest for SIDS treatment.



Prime Minister of Vanuatu, **Mr. Joe Natuman**, and UNCTAD Secretary-General, **Dr. Mukhisa Kituyi**, Samoa, 2 September 2014



# AREAS OF WORK

## Trade and poverty

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## Objective and mandate

The work on trade and poverty in ALDC is driven by the Doha Mandate, as well as the poverty reduction and graduation goals contained in the Istanbul Programme of Action for LDCs. The work programme also relates to the post-2015 global development framework, particularly the objectives of “ending poverty”, “creating a global enabling environment and catalysing long-term finance”, and “creating jobs, sustainable livelihoods, and equitable growth”.

## Research and policy analysis

The research and policy analysis assesses the relationship between trade and poverty reduction in LDCs, Africa and other economic and structurally vulnerable economies, with the objective of providing concrete policy recommendations. The research work complements and responds to the technical assistance activities led by the Trade

and Poverty Unit. The outputs are disseminated through seminars and policy documents including publications in the UNCTAD Working Paper Series, the Trade and Poverty Paper Series (to be launched in 2015), and policy briefs. The Trade and Poverty Paper Series will publish articles focusing on trade and poverty covering up-to-date policy concerns and structural development problems. The papers will also contain research and policy analysis on topics like growth, poverty and distribution, gender, employment, and structural transformation. The Trade and Poverty Paper Series will provide rigorous yet accessible analysis for researchers and practitioners alike. The policy papers “Transformative regionalism, trade and the challenge of poverty reduction in Africa”, “Integrating trade into national development strategies” and the empirical study “Trade and poverty: Panel data analysis” will be published soon. Also, a study on trade and poverty in Senegal using household data is being undertaken.

The research seminars provide a platform for addressing issues related to up-to-date policy concerns and structural development problems in the context of trade and poverty. In 2013, two seminars were organized. The first seminar, “Trade liberalization and labour regulations: Impact on employment” was delivered by Professor Jennifer P. Poole (University of California). The second seminar “Green urbanization in Asia: Paradox or win-win scenario?” by Professor Guanghua Wan (Asian Development Bank) was organized jointly with the United Nations Research Institute for Social Development and the United Nations Office at Geneva library.

In 2014, the Trade and Poverty Unit contributed to the organization of a course on policy evaluation. The course was complemented by an open lecture on “Incentives for public service delivery – evidence from field experiments” by Professor Oriana Bandiera, from the London School of Economics and Political Science.



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## Capacity-building

The Division for Africa, Least Developed Countries and Special Programmes, in collaboration with the Division on International Trade and Commodities, has been implementing an interdivisional project entitled “Strengthening of capacities of trade and planning ministries of selected least developed countries, to develop and implement trade strategies that are conducive to poverty reduction” (2012–2015) – financed by the United Nations Development Account. The main objective of the project is to enhance the capacity of trade and planning ministries of participating LDCs to jointly assess trade options and fully understand the implications of trade strategies and policies conducive to poverty reduction.

Six LDCs benefit from the project, namely, Ethiopia, Lesotho and Senegal in Africa; Kiribati and the Lao People's Democratic Republic in the Asia-Pacific region; and a sixth country that has been preselected in line with its needs in terms of trade mainstreaming.

In partnership with the Government of **Ethiopia**, ALDC organized a national workshop on “Mainstreaming trade into national development strategies” in Addis Ababa in October 2013. The workshop brought together over 60 participants including senior government officials and relevant stakeholders from civil society, the private sector, and other national institutions. The workshop discussed the national trade policy framework and

trade strategies, providing an in-depth assessment, from a development perspective, of the economic and institutional constraints facing the country in its efforts to make trade an engine of growth and poverty reduction. Recommendations on possible measures and options to address these constraints were identified. The importance of updating the DTIS and the potential involvement of UNCTAD were elucidated. The study funded by the project has been considered by the national authorities as a key input for the development of Ethiopia's trade policy strategy, the next growth and transformation plan, and the DTIS update led by UNCTAD starting in 2014.

In **Lesotho**, UNCTAD organized a workshop on “Mainstreaming trade into national development strategies” in Maseru in December 2013. The workshop provided a forum for a national consultative process to translate trade-related objectives into concrete technical assistance. In particular, it helped to identify how the trade capacity needs, as outlined in the various diagnostic studies and capacity assessments, could be implemented. In opening the workshop, Mr. Sekh'ulumi Paul Ntsoale, Minister of Trade and Industry, Cooperatives and Marketing, highlighted that the project and the workshop provided a format for collectively addressing the challenges affecting Lesotho's international trade and the implementation of trade priorities. He acknowledged the need for designing effective trade strategies to accomplish the country's long-term development vision in

### Trade mainstreaming workshop in Ethiopia



From left to right:

**Dr. Mukhisa Kituyi**, Secretary-General of UNCTAD,  
**Mr. Yaekob Yalla**, State Minister of Trade of Ethiopia, and  
**Mr. Eugene Owusu**, United Nations Resident Coordinator in Ethiopia



general, and in particular to move from poverty reduction to graduation from the LDCs category.

A national study on trade and planning processes in a poverty reduction perspective will be presented, alongside other national studies, in the Regional Workshop for African Countries in March 2015 in Maseru.

In **Senegal**, a national workshop on trade mainstreaming took place in January 2014. Special emphasis was placed on the most recent national development plan, namely the *Plan Sénégal Emergent*. A national study on trade, planning and poverty reduction was completed following the national workshop and consultations with stakeholders.

Also, a national workshop and training module was held in the **Lao People's Democratic Republic**

(June 2014). Relevant stakeholders from the Ministries of Planning and Agriculture, central banks and other public institutions, as well as private sector and civil society participated in the discussions and deliberations. Further training activities and project proposals were identified, particularly to address capacity and technical assistance needs. The national study on trade mainstreaming and poverty reduction in the Lao People's Democratic Republic was also presented and discussed with the stakeholders.

A fact-finding mission to **Kiribati** took place in 2014. This provided an opportunity for undertaking a capacity assessment of trade policy and institutional needs.

In addition to the workshops, capacity-building and fact-finding mission, a policy handbook

summarizing the key findings of the project is being prepared. The policy handbook will be presented and discussed with the stakeholders in the regional workshops in 2015.

### **Intergovernmental consensus-building**

The Division contributed to the workshop "Building institutional capacity in the use of trade-related international support measures", organized by the United Nations Department of Economic and Social Affairs in November 2014 in Geneva, Switzerland. A presentation was made on trade mainstreaming and poverty reduction, particularly in the context of the contributions and activities under the above-mentioned United Nations Development Account project. Possible synergies between the two projects were discussed.



# AREAS OF WORK

## Technical cooperation and the Enhanced Integrated Framework

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The Division for Africa, Least Developed Countries and Special Programmes provides a range of technical cooperation services that are financed by extrabudgetary resources. These services are tailor-made to the needs of the countries and are driven by the **principle of country ownership**.

### Enhanced Integrated Framework

As a core agency of the EIF programme, UNCTAD participates very actively in the organization and implementation of EIF activities. The Doha Mandate recognizes the EIF as a key mechanism for the provision of trade-related technical assistance to the LDCs and calls on UNCTAD to intensify and strengthen its contribution to it. The Division for Africa, Least Developed Countries and Special Programmes represents UNCTAD on the EIF board and contributes to the LDC-friendly operationalization of the EIF. The Division assists LDCs in various stages:

- Organization of sensitization workshops on the EIF process;

- Updating of DTISs;
- Formulation and implementation of tier 2 projects.

In January 2013, ALDC completed the update of the DTIS of **the Gambia**. Technical assistance was then proposed by UNCTAD to the Government for the elaboration of the Mid-term Plan (2014–2017) so that it reflects the new strategies included in the action matrix. Furthermore, a proposal for the elaboration of a trade and industrial policy was elaborated that will address the institutional constraints in implementing the commitments to the Economic Community of West African States and the implementation of the Trade Facilitation Agreement.

In July 2013, the DTIS update of **Senegal** was completed in a record time of nine months. The Government of Senegal expressed that they would incorporate the main DTIS action matrix recommendations into their Poverty Reduction Strategy paper and their *Plan Sénégal Emergent*, and they considered that the DTIS process provided tools for fostering national ownership of trade policy.

### Diagnostic trade integration study updates

The diagnostic trade integration study is the cornerstone of the EIF programme in terms of mainstreaming and integrating trade into a country's national development plan. It provides analysis and recommendations on how trade can be used as an instrument for fostering inclusive growth and development. This study and the country's policies are the basis for all subsequent EIF projects and it is therefore a fundamental component of the programme.

The first round of DTIS (~2001–2010) was carried out by the World Bank and UNDP. To ensure timely trade diagnostic, the EIF provides funds for updating the national DTIS. In search for alternative trade policy analysis, several countries have requested UNCTAD to be the lead agency in the process of updating their DTISs. This indicates the growing confidence that LDCs have in the analytical capability of UNCTAD and the organization's experience to help identify the reforms that they need to introduce and make trade contribute – not only to growth – but also to productive capacity-building, structural transformation, poverty reduction and sustainable and inclusive economic development. The response of UNCTAD has been positive to these requests and it has already concluded the DTIS updates of the Gambia, Mozambique and Senegal, and is currently supporting Djibouti, Ethiopia, Mali and the Niger in their processes.



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Senior staff assistant

The Government was then assisted by UNCTAD in the elaboration of a tier 2 project on transforming and commercializing fruits in Casamance and in the organization of a workshop on this subject in January 2014. A follow-up workshop on trade mainstreaming was held in February 2014.

The DTIS update of **Mozambique** was validated in November 2014 in Maputo. The DTIS highlighted the need to formulate and update the trade strategy and to establish interministerial coordination for trade mainstreaming. In order to become a regional hub, the implementation of the Trade Facilitation Agreement and the development of corridors with neighbouring countries are priorities. The workshop focused on the aspects of implementation of the action matrix in the short, medium and long term.

As part of the work on the DTIS update of **Mali**, a workshop on trade facilitation and customs procedures was held in June 2014 in Bamako. The aim of this workshop was to analyse the current customs clearance and transit procedures, to identify the main limitations and to elaborate recommendations and strategies for improvement of the system. The validation of the DTIS update is scheduled for early 2015.

Work on the DTIS updates of **Djibouti** and **the Niger** was also initiated in 2014. In the case of Djibouti, the process shows that there are various areas of opportunity for promoting inclusive growth. The main area is linked to Djibouti's port infrastructure and the possibility of further developing the corridor

with Ethiopia. The study update also examines the potential of the tourism and fisheries sector and how supply capacity could be developed.

In 2014, **Ethiopia** requested UNCTAD to carry out the update of its DTIS. The concept note was validated in December in Addis Ababa. The DTIS update will also build on the technical assistance provided to the Ethiopian Government for the development of a structural transformation strategy focusing primarily on light manufacturing, agro-sourced food and non-food processing. Two brainstorming meetings were organized by UNCTAD in December to identify clusters of products that could augment aggregate value and should therefore be sustained in the next quinquennium.

As an example of the United Nations Delivering as One, UNCTAD in cooperation with the International Trade Centre and UNIDO assisted the Government of **Benin** in the formulation of a tier 2 project on "Strengthening productive and marketing capacities of Benin". The project was approved in July 2014.

On 17 June 2014 in Banjul, UNCTAD organized in collaboration with the EIF secretariat a regional event on the implications of the World Trade Organization (WTO) Trade Facilitation Agreement on regional transit issues. The objective was to discuss and eventually solve the implementation issues of the Economic Community of West African States Inter-state Road Transit Agreement that had arisen in the context of the DTIS updates of Burkina

## Feedback received on diagnostic trade integration study updates

"We have been very satisfied with the level of experts and the professional approach dedicated into it. As the update is now complete, I wish to thank UNCTAD for the technical support given by the Division for Africa, Least Developed Countries and Special Programmes to realize this important study." Mr. Abdou Kolley, Minister of Trade, Industry, Regional Integration and Employment, the Gambia (5 February 2014).

"I take this opportunity to commend the quality of collaboration between our two institutions and to express the gratitude of the Government of Senegal for the quality of the results achieved." Mr. Alioune Sarr, Ministry of Commerce, Entrepreneurship and Informal Sector, Senegal (12 December 2013).

Faso, the Gambia, Mali, the Niger and Senegal. Participants discussed how the WTO provision on transit could assist in making progress towards the implementation of the agreement.

## Rules of origin

The Division provides policy advice and technical assistance on rules of origin for a better utilization of trade preferences granted by preference-giving countries. Assistance has been provided to the LDC WTO Group as well as to individual countries.

Since 2006, UNCTAD has assisted the LDC WTO Group on the implementation of the WTO Hong Kong Ministerial Conference Declaration on duty-free quota-free (DFQF) which called to “ensure that preferential rules of origin applicable to imports from LDCs are transparent and simple, and contribute to facilitating market access”.

In particular, UNCTAD assisted coordinators of LDCs in the drafting of the LDC proposal on rules of origin, first the one circulated by Zambia (2006), then Bangladesh (2012) and then Nepal (2013). Several briefings, advisory memoranda and training activities were organized for LDC delegations and coordinators to enhance their understanding of the proposal's technicalities.

From July to October 2013, an intense exchange of views and drafting exercises took place to turn the original LDC proposal into a WTO ministerial decision format. In November 2013, ALDC organized an ad-hoc expert group meeting for LDCs on the preparation for the ninth WTO Ministerial Conference in Bali. The goal was to offer a platform where the LDCs, experts and participants could meet to share views and concerns, and reinforce the LDC joint proposal in the run up to the conference.

This assistance contributed to the implementation of the Ministerial Decision on Preferential Rules of Origin for Least Developed Countries, adopted at the Bali Ministerial Conference on 7 December 2013. This Decision states that “Members should endeavour to develop or build on their individual rules of origin arrangements applicable to imports from LDCs in accordance with the [...] guidelines [contained in WT/MIN(13)/42 or WT/L/917]”.

Prior to the April 2014 meeting of the WTO Committee on Rules of Origin, ALDC organized a workshop to discuss the Bali Ministerial Decision on Preferential Rules of Origin for LDCs. In addition to delegates who follow the WTO, UNCTAD invited H.E. Sok Sopheak, Director General from the Ministry of Commerce, Cambodia, and Mr. Jon Edward, Chief Executive Officer of AJ, a main factory producing bicycles in Cambodia, to share the concrete and positive experience of Cambodia in using the newly created trading opportunities offered by the European Union and Canada reform of their rules of origin.

This workshop provided the opportunity for the LDC WTO Group in Geneva to discuss the difficulties faced by LDCs in complying with rules of origin. As a result, it was decided to hold an in-depth discussion in the Committee on Rules of Origin meeting in October. On that occasion, a fully fledged paper on the LDC challenges in complying with rules of origin was presented by Uganda on behalf of the LDC Group. The paper, drafted with the assistance of UNCTAD,

drew on LDCs experiences in using the existing preferences and the favourable impact that the reforms of the European Union and Canada have had on their trade flows. This experience and related challenges provided the case to argue for more lenient rules of origin allowing the insertion of LDCs to supply chains, especially in the United States and Japanese markets.

Advisory services on rules of origin were also provided to individual countries. In 2013, within the context of the fourth Global Review of Aid For Trade, ALDC supported Cambodia through two workshops on rules of origin held in Bavet and Koh Tong, Cambodia. A seminar on “Global value chains and rules of origin: Opportunities and challenges for Cambodia” was then held in Geneva in July 2013. The main topic of the seminar was the pending changes regarding rules of origin for exports to the European Union and Canada. Existing preferential trade rules enabled Cambodia to enter new value chains and to 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 of the graduation of neighbouring countries, Malaysia and Singapore, from the European Union Generalized System of Preferences on Cambodia trade benefits. As a result of the panel, Cambodia submitted to the European Union a request for derogation to the current rules of origin, which was approved in July 2014 and is currently under

consideration by the European Union. In November 2014, two workshops on operational procedures and training relating to rules of origin were held in Phnom Penh.

In response to a request from Myanmar, in October 2014 ALDC also carried out a workshop on market access and rules of origin and their utilization of different Generalized System of Preferences schemes.

In 2014, three handbooks on this subject were drafted and will be forthcoming in 2015 (see annex):

- An update of the *Handbook on Duty-Free and Quota-Free and Rules of Origin. Part I: Quad Countries*;
- The “Handbook on Using Trade Preferences Granted to Cambodia by the European Union, Japan, the United States and Canada”;
- The “Handbook on Using Trade Preferences Granted to Cambodia Under Different Association of Southeast Asian Nation Free Trade Agreements”.

### **Tripartite free trade area**

The Division for Africa, Least Developed Countries and Special Programmes developed, in collaboration with Trade Mark Southern Africa, a comprehensive series of modules to train negotiators with regard to the Tripartite Free Trade Area (TFTA) on drafting negotiating text. The modules cover the topics of free trade agreements, tariffs, rules

of origin, anti-dumping, subsidies, safeguards and dispute settlement. In 2013, this collaboration resulted in six sessions in the Southern and Eastern African region, in which 150 trade negotiators from 22 tripartite countries participated.

In 2014, the paper “An assessment of the Tripartite FTA in Eastern and Southern Africa” was drafted and presented at the seventeenth Annual Conference on Global Economic Analysis under the Global Trade Analysis Project. The study explores the current status of the TFTA as an actor in global trade by assessing the existing trade performances of the TFTA member States, the structure of traded products and the utilization of current preferences granted under existing regional economic communities. In addition, the trade creation and diversion effects of the TFTA are estimated at the six-digit tariff line level of the Harmonized System.

### **Geographical indications, market access and trade laws for least developed countries**

The Division implemented two projects relating to geographical indications, market access and trade laws. One project was funded by Italy and one by the United Nations Development Account. Both supported LDCs to better utilize market access opportunities provided by DFQF, promote geographical indications of traditional products to increase and diversify their exports, preserve traditional products, and promote sustainable growth for isolated rural communities.

### **Relevance of geographical indications**

“Awareness of the product creates an incentive for customers in an importing country to pay higher prices for the products of rural communities of specific regions, thus contributing to the society’s overall well-being” and “Trademarks belong to just one company, geographical indications belong to the population of rural communities” (Amedeo Teti, Director General for International Trade Policy, Italian Ministry of Economic Development, Turin, October 2014).

“LDCs are usually referred to as being poor, however in terms of geographical indications, these countries are extremely rich” (Stephane Passeri, Food and Agriculture Organization of the United Nations, Phnom Penh, December 2014).

“This kind of direct communication organized by UNCTAD permits us to establish dialogue to participate in value chains which are a golden route to escape poverty for LDCs” (Michael Wamai on behalf of Christopher Onyaga Appar, Ambassador of Uganda, Geneva, December 2014).

## Workshop Italy and Cambodia



Participants of the workshop “Making geographical indications work for rural communities in selected Asian countries: Identify products and drafting of disciplinary for geographical indication registration” held in collaboration with the Food and Agriculture Organization of the United Nations in December in Phnom Penh



**Paulo Di Croce**, Secretary-General of Slow food, during the workshop “Voices from rural communities in least developed countries: Promoting traditional food products and the territory through ‘made in’ initiatives and geographical indications” held in October in Turin, Italy

Feasibility studies on products potentially eligible for geographical indication were undertaken and several workshops on how to implement geographical indications and market these products were organized. For instance, in February 2014, a workshop on promoting and commercializing fruits from Casamance using geographical indications was held in Ziguinchor, Senegal. In the workshop the theory of geographical indications and related issues of quality, sustainability, branding, and environmental protection were discussed. While Casamance benefits from an array of traditional products and preparations, marketing these products is hindered by a lack of notoriety. To secure higher returns from sales, there is a need to develop a legal framework for the names of regional foods and to promote the use of food quality names, such as geographical indications and protected designations of origin.

In October 2014, UNCTAD in collaboration with Slow Food organized a regional workshop on “Voices from rural communities in least developed countries: Promoting traditional food products and the territory through ‘made in’ initiatives and geographical indications” in Turin, Italy. Participants considered how laws on geographical indications and branding initiatives can assist rural communities in LDCs to promote their products and enter value chains, while preserving territorial integrity and biodiversity.

In December 2014, a workshop on “Promoting traditional products: Moving towards a

geographical indication registration for the pink rice of Madagascar” was held in Amparafaravola. The workshop provided a platform to discuss the appropriate organization of rice producers, the specific characteristics of the rice from the region, the varieties of rice to include and the geographical area, the name of the geographical indication, and how to draft the book of specifications for such indications.

In collaboration with the Food and Agriculture Organization of the United Nations, a regional workshop was held in Phnom Penh (December 2014). Participants sought a better understanding of the constraints and difficulties that rural communities and countries are facing in promoting their products while preserving their identity, and the workshop also fostered South–South collaboration. The Government expressed its appreciation of the workshop and considered it an excellent example of inter-agency coordination.

Also in December 2014, a multi-stakeholder workshop on geographic indications was held for the benefit of LDC delegates from permanent missions in Geneva. Industry experts were invited in order to better understand key features of geographical indications, the required legal framework and the importance of high quality and the compliance with sanitary and phytosanitary standards. Representatives of rural communities were invited to express their interests and concerns regarding geographical indications. Representatives of donor countries attended the workshop to better

understand the constraints and difficulties that rural communities in LDCs are facing in promoting their products.

Furthermore, ALDC in collaboration with Slow Food organized a training on geographical indications in Ethiopia. The theory of quality, sustainability, marketing, geographical indications and environmental protection were introduced, as well as practical training, which was given to government extension workers and farmers of three different cooperatives of Harrenna Forest wild coffee.



**Mussie Deleegn**  
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## Trade development strategy

In response to the request received from the Comoros, UNCTAD supported the Government in elaborating a national trade and development strategy. The strategy was launched in Moroni in March 2013 as part of a seminar. The seminar also provided capacity-building in statistics on key macroeconomic and trade concepts and models, and enhanced the technical capacities of the national authorities to update the strategy in the future. A roadmap, containing a selection

of recommendations drawn from the strategy, was endorsed at the seminar and subsequently approved by the Council of Ministers in July 2013. This project was funded by UNDP.

## Commodities

Thanks to the funding of two projects (one funded by Sweden and one by the Common Fund for Commodities), sectoral reviews and assessments of experiences in commodities and non-traditional exports, notably horticulture, could be completed. Case studies were carried out in 14 countries<sup>2</sup> with the objective to (a) closely examine the role of commodities and agricultural productivity in fuelling economic progress toward graduation from LDC status; (b) assess the structural weakness, excessive fragility and vulnerability to shocks of the economies of LDCs; (c) review and document the challenges arising from the volatility of commodity markets and from the impacts of the recent global economic, financial and food crises on the prospects of LDCs for meeting internationally agreed goals, including those contained in the Istanbul Programme of Action. The studies confirmed that horticulture is a very promising source of export diversification and poverty reduction for many LDCs, especially in Africa.

An outcome of these projects was the publication *Enabling the Graduation of LDCs: Enhancing the*

<sup>2</sup> Twelve LDCs (Benin, Burundi, Cambodia, Ethiopia, the Gambia, the Lao People's Democratic Republic, Mali, Nepal, Rwanda, Senegal, the United Republic of Tanzania and Zambia) and two non-LDCs (Ghana and Kenya).

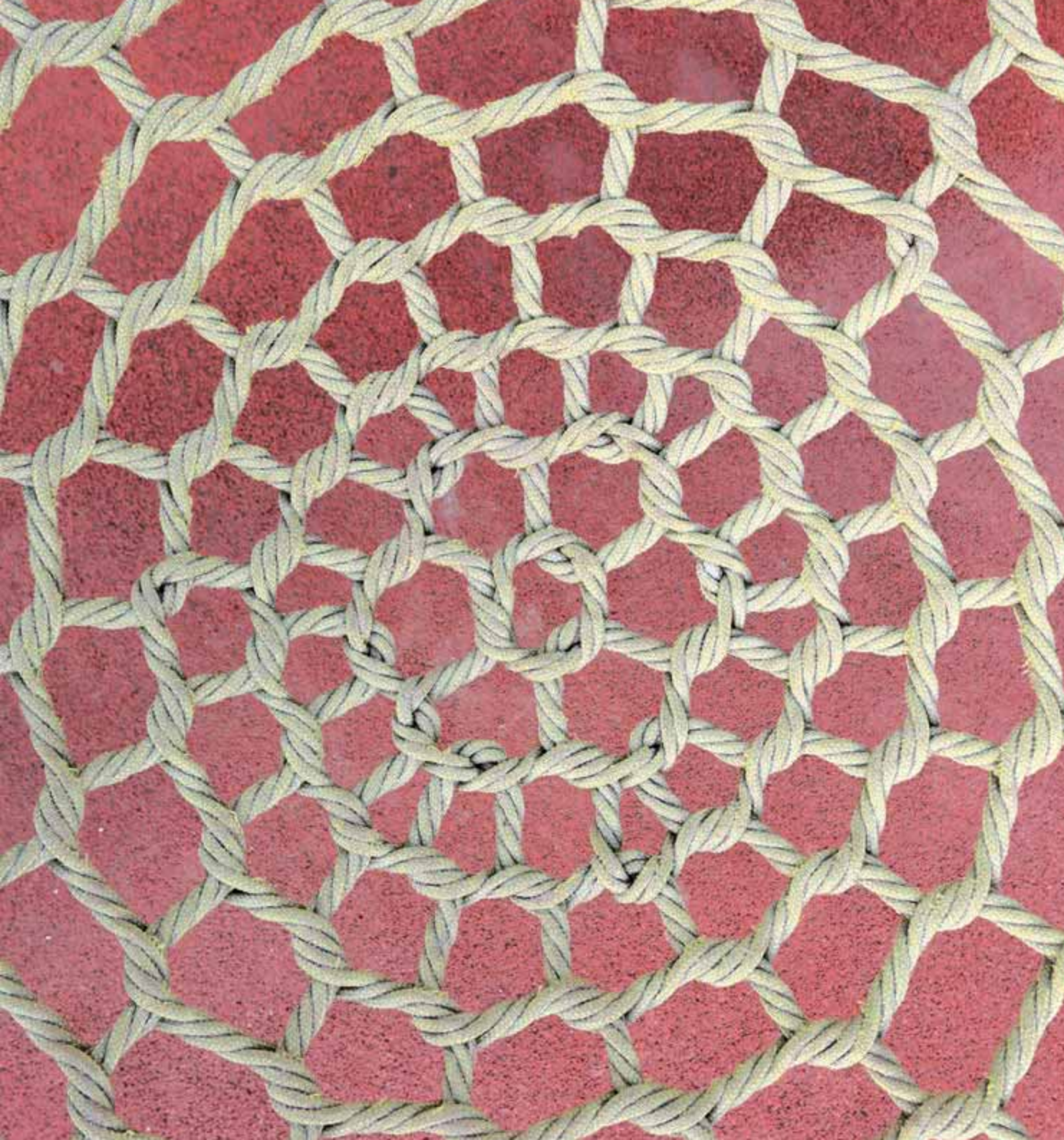
*Role of Commodities and Improving Agricultural Productivity* (see annex, list of documents and publications). In 2013, the publication was translated into French and widely distributed to LDCs and their development partners. As a follow-up, the Common Fund for Commodities provided additional funding for a project to analyse challenges and opportunities facing LLDCs to beneficially integrate into regional and global commodity value chains.

## Institutional coordination

With the financial assistance of the Government of Austria, ALDC carried out a study on the challenges of institutional coordination in the area of trade and development in Mozambique. The analytical and policy-oriented assessment related to the scale and degree of duplication as well as its impact on the capacity to design and implement policies and strategies. The objectives of the assessment were to (a) identify key lessons and priority areas (recommendations) for action at the national level, drawing on successful experiences and best practices of other developing countries; and (b) to provide a synthesis of policy lessons and conclusions together with clearly identified and sequenced actions by the Government of Mozambique, including on how to enhance the participation of the private sector and civil society. A workshop on this subject took place in Maputo in November 2014 and was attended by approximately 60 participants from various government institutions, the private sector and civil society.







# AREAS OF WORK

## Cross-cutting issues

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Interregional advisory service **51**

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## Tourism

In 2013, the work on tourism gained new momentum in UNCTAD. In March, ALDC organized a single-year expert meeting on tourism's contribution to sustainable development. The meeting raised awareness about the important role tourism plays in employment creation and fostering inclusive growth in developing countries. A background note entitled "Sustainable tourism: Contribution to economic growth and sustainable development" was prepared (see annex). To benefit from the collaboration amongst United Nations agencies in this area, the second day of the meeting was co-organized with the United Nations Steering Committee on Tourism for Development (SCTD). More than 90 experts, practitioners and delegates participated.

In December 2013, ALDC jointly with the Creative Industries Unit of the Division on International Trade in Goods and Services, and Commodities in UNCTAD, held an ad-hoc expert meeting

on the link between tourism and the creative economy and invited selected countries (Cabo Verde, Ethiopia and Madagascar) and SCTD. The meeting provided the countries with an opportunity to identify specific technical assistance that is suitable for their needs. The topic of the meeting was chosen because of the still limited research and knowledge on the linkage between tourism and the creative industry. This is an area that is critical for employment creation in poorer segments of the population. Participants indicated that the meeting format (small number of participants and space for bilateral meetings) brought out a "humanistic approach" and stimulated a highly interactive discussion between country representatives, the representatives from various agencies of SCTD and EIF, Professor Vellas of Toulouse University, France, and UNCTAD colleagues from various divisions. The meeting also contributed to further enhancing the constructive partnership amongst agencies, which is crucial for efficient resource allocation and project implementation.



**Jo Elizabeth Butler\***  
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## United Nations Steering Committee on Tourism for Development

The Steering Committee on Tourism for Development brings together the tourism-specific experiences and expertise of each of its members with a view to creating synergies for a more coordinated, effective and efficient delivery of technical assistance to developing countries in their efforts to build a competitive national tourism sector. The committee consists of nine agencies, namely the International Labour Organization, the International Trade Centre, UNCTAD, UNDP, UNIDO, the United Nations Educational, Scientific and Cultural Organization, the United Nations Environment Programme, the United Nations World Tourism Organization, and WTO. The Division for Africa, Least Developed Countries and Special Programmes serves as representative for UNCTAD.

To increase visibility and advocacy for the tourism sector as a driver for development, UNCTAD in collaboration with SCTD has organized several meetings and conferences, such as a special event at UNCTAD XIII in Doha, a special event at the fourth United Nations Conference on LDCs in Istanbul in May 2011, and two expert meetings in Geneva in 2013.

At the request of the Prime Minister from Cabo Verde, Mr. José María Pereira Neves, and the Minister of Culture, Mr. Mario Lucio Matias de Sousa Mendes, and in line with the country's recent DTIS update, UNCTAD collaborated with the EIF executive secretariat, UNDP and the United Nations Resident Coordinator Office in Cabo Verde to produce concrete policy recommendations on the creative economy and sustainable tourism. Three experts were engaged by UNCTAD who were based in Cabo Verde. In early 2014, the agencies jointly submitted three reports on tourism, the creative economy and music to the Government. The findings of the reports were then presented in May at a conference on sustainable tourism development and creative economies in Africa, in Santa Maria, Cabo Verde. The collaboration also led to an invitation of UNCTAD to participate in a workshop entitled "Mainstreaming sustainability in tourism investment and development" (Tarrafal, Cabo Verde, June 2014). The workshop introduced the tourism life cycle as an approach to mainstreaming sustainability into the tourism sector and facilitated discussions on investment, monitoring and evaluation, and intersectoral linkages. The findings of the report also contribute towards the elaboration of an EIF tier 2 project.

### **Social inclusion and economic growth**

Member States requested UNCTAD to organize an expert meeting on "Social inclusion programmes

and their impact on sustainable and inclusive development and growth". Owing to the fact that social inclusion is inherently linked with vulnerability and that the countries under purview of ALDC are characterized by high degrees of vulnerability, ALDC was tasked to organize this expert meeting. The meeting took place on 27–28 November 2014 and aimed at sharing knowledge and identifying key issues and policy options related to social inclusion programmes and how they link to inclusive growth and development. The topic was highly relevant given the "jobless growth" phenomenon experienced by many developing countries that has intensified the debate on inclusiveness and equity in the growth and development process. A background note entitled "Social inclusion programmes and inclusive growth in developing countries" was prepared (see annex).

### **Interregional advisory service**

The work of ALDC benefited from an interregional adviser who contributed to increasing awareness and adoption of UNCTAD's practical policy recommendations to promote African development in the areas of trade and development. During 2012 and 2013 the adviser represented UNCTAD in various forums and meetings of the Regional Coordination Mechanism of NEPAD. The adviser participated in the African Union and Heads of State Summit on intra-Africa trade (Addis Ababa, July 2012); the African Development Forum on "Governing and harnessing natural resources for Africa's development" (Addis

Ababa, October 2012); the Committee on Food Security and Sustainable Development; the "Africa-wide consultation on the post-2015 development agenda" (Hammamet, Tunisia, March 2013); and the Development Cooperation Forum/United Nations Economic and Social Council meeting on a new global partnership. The interregional adviser also chaired UNCTAD's NEPAD taskforce, and coordinated UNCTAD's inputs to the United Nations Secretary-General's report on NEPAD as well as the UNCTAD Secretary-General's report "Activities undertaken by UNCTAD in support of Africa" (see annex).



Expert Meeting on Social Inclusion Programmes and Their Impact on Sustainable and Inclusive Development and Growth, 27-28 November 2014

# PARTNERSHIPS AND FUNDRAISING

As a small division dealing with many issues and countries, building strong partnerships is crucial for being able to deliver high quality work. Partnerships provide opportunities for creating synergies and leveraging resources, and thus enable ALDC to respond more effectively to resource constraints.

The Division mobilizes resources through the LDC Trust Fund and from bilateral donors, multi-donor funds, multilateral trust funds (for example, the EIF),

the United Nations Development Account and other institutions. As shown in figure 1, the main source of additional funding in ALDC have become the EIF and the United Nations Development Account. In total, extrabudgetary resources and funding from the United Nations Development Account (which is part of the regular budget) enabled expenditure of US\$ 1.15 million for project implementation in 2013 and US\$ 1.45 million in 2014.

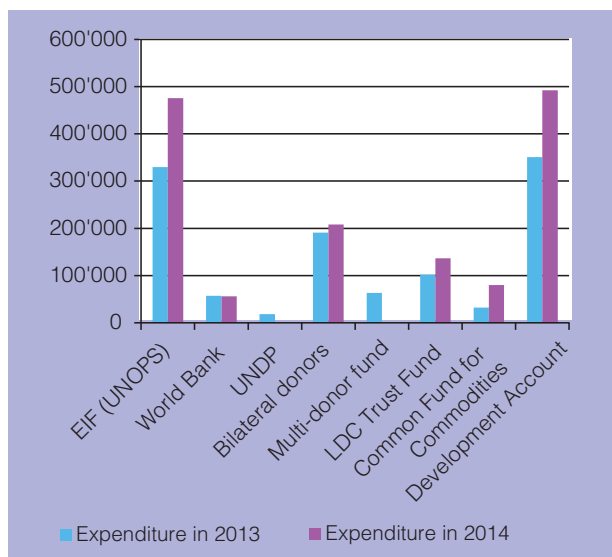
Traditionally, **the LDC Trust Fund** has been a very important vehicle for the Division. Division activities financed by the LDC Trust Fund have related to the strengthening of national capacity for policymaking and assisting countries in implementing the programmes of action for LDCs. For example, these resources have helped financing broader dissemination of the findings of the *Least Developed Countries Report* through the organization of national and regional workshops and report launches, and enabled the participation of LDC policymakers in national, regional and international workshops and conferences/expert meetings to exchange ideas with counterparts and experts.

As shown in figure 2, contributions to the LDC Trust Fund have, however, sharply declined in recent years. In 2013, the Fund received no contributions and thus expenditure was reduced to a minimum so as to stabilize the depletion of the fund. In 2014, contributions remained low.

## LDC Trust Fund

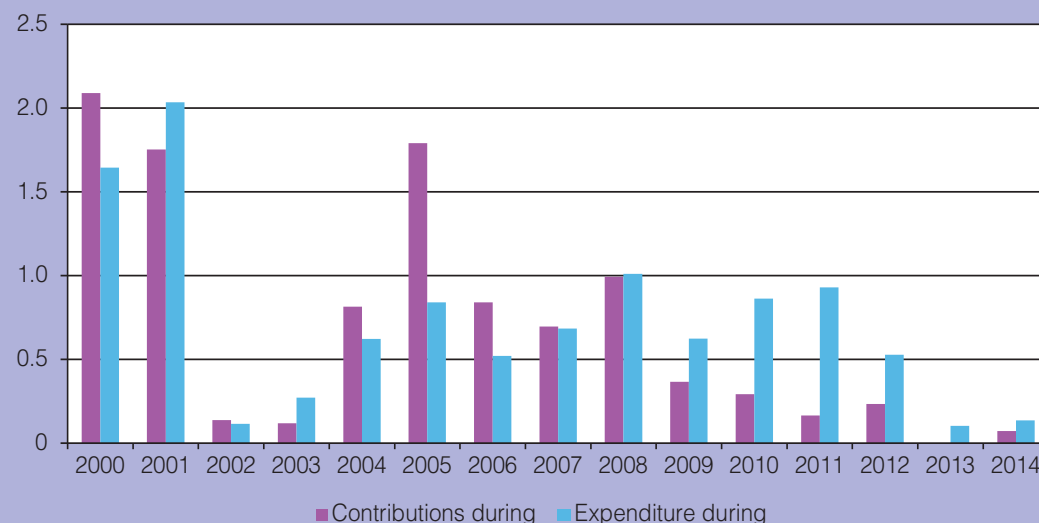
The UNCTAD LDC Trust Fund was established in 1996 pursuant to paragraph 98 of the outcome document of UNCTAD IX (TD/377). Paragraph 98 requested within the context of the technical cooperation programme of UNCTAD that “The setting-up of a special Trust Fund for LDCs should be examined”. This request derived from the objective that assistance should be directed towards developing countries with the greatest need and that LDCs should have priority (TD/377, paragraph 95). It was decided that ALDC would be responsible for the management of this trust fund.

The overall objective of the LDC Trust Fund is to facilitate the start-up of new activities in UNCTAD’s four main areas of work: globalization and development; international trade in goods and services, and commodity issues; investment, enterprise development and technology; and services infrastructure for development and trade efficiency. The LDC Trust Fund sets out a list of activities that can be covered through these means.



**Figure 1.** Amounts of additional resources (US\$) spent in 2013 and 2014, by source of funding

Figure 2. LDC Trust Fund: Contributions and expenditure from 2000-2014 (US\$ millions)



During 2013 and 2014, projects carried out with funding other than the LDC Trust Fund were the following:

- EIF Trust Fund: UNCTAD led or leads the DTIS update of Djibouti, Ethiopia, the Gambia, Mali, Mozambique, the Niger and Senegal;
- Italy: Implementation of two multi-year projects (one on mainstreaming LDCs in the global economy and one on market access and trade laws for LDCs);
- Austria: Support for the follow-up to the implementation of the Istanbul Programme of Action and for a study on challenges of

institutional coordination in the areas of trade and development;

- World Bank: Support for a project on the Rules of Origin;
- UNDP: Implementation of the trade development strategy of Comoros;
- Common Fund for Commodities: Support for a project on the economic crisis and commodity-dependent LDCs and for a project to identify growth opportunities and supporting measures to facilitate investment in commodity value chains in landlocked countries;

- United Nations Development Account: Implementation of four projects: (a) a project on LDC capacity-building for designing and implementing trade strategies; (b) a project on enhancing capacities of LLDCs to attract FDI for the development and modernization of productive capacities; (c) a project on strengthening capacity of rural communities in LDCs to utilize market access opportunities provided by DFQF and enhancing value added of traditional products; (d) a project on building capacities of LDCs to upgrade and diversify their fish exports.

The Division closely collaborates with several partners of the **United Nations family** to carry out activities ranging from preparing joint reports to implementing projects and programmes, and organizing conferences and meetings. For instance, ALDC collaborated with the International Labour Organization in drafting the *Least Developed Countries Report 2013* on inclusive employment, and it engaged the Steering Committee on Tourism for Development in organizing two expert meetings on tourism. The Division also closely collaborates with the United Nations Office of the High Representative for the Least Developed Countries, Landlocked Developing Countries and Small Island Developing States for the implementation of the various programmes of action and strategies.

ALDC contributes to the work of its **intergovernmental partners**, such as the African Union and its NEPAD programme.

Finally, and of particular importance, are the **beneficiary country** partners who provide national expertise to various meetings and who request ALDC expertise to address development challenges they face. The previous section on technical cooperation provided details on the projects carried out during 2013 and 2014 in collaboration and coordination with beneficiary countries.

## **Fundraising**

The Division for Africa, Least Developed Countries and Special Programmes carries out its main activities through the regular budget. However, the

Division also mobilizes additional extra-budgetary resources to fund ever-increasing requests from member States for capacity-building and advisory services. To this end, ALDC in collaboration with UNCTAD's Technical Cooperation Service has developed a fund-raising strategy to reach out to traditional and non-traditional donors, including international and regional foundations and institutions. The objective is to present concrete projects and proposals for technical cooperation support based on specific requests and needs of African countries, LDCs, LLDCs and SIDS, and in line with priorities identified in the various programmes of action and strategies as well as

the Doha Mandate. The present activities report shows the range of technical and advisory support provided by ALDC, and the sustainability of this highly appreciated and much-needed assistance by the Division will depend on the continuation of the donors' generous support, which we hope will be maintained in the coming years. The United Nations Conference on Trade and Development is grateful and wishes to express its appreciation of the financial support provided by the Governments of Austria, China, Finland, France, the Netherlands, Norway, Sweden and the United Kingdom to technical cooperation activities and analytical work carried out by the Division.



# LIST OF DOCUMENTS AND PUBLICATIONS

## **Economic Development in Africa Report**

*Economic Development in Africa Report 2014. Catalysing Investment for Transformative Growth in Africa.* UNCTAD/ALDC/AFRICA/2014.

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UNCTAD's contribution to the implementation of the Istanbul Programme of Action for the Least Developed Countries: Measuring and benchmarking productive capacities in the least developed countries. Report by the UNCTAD secretariat. TD/B/60/8.

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We look forward to engaging with you !



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