



# UNCTAD Annual Report 2015

# DELIVERING ON A SUSTAINABLE AGENDA







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WHO

WE ARE

UNCTAD promotes the equitable participation of developing countries in the global economy through the integrated treatment of trade and development and the interrelated issues of finance, technology, investment and sustainable development. Our activities reflect our vision for a world that is more inclusive, more sustainable and more prosperous.

Find out more  
<http://unctad.org>



# UNCTAD IN 2015: BY THE NUMBERS



**51**  
years of promoting  
development

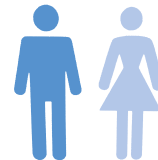


**3**  
ways of working:  
Thinking, debating, delivering

**194**  
member States



**489**  
staff members



**74**  
million:  
Total regular budget for 2015



**39.5**  
million in technical  
cooperation expenditures

**229**  
projects  
in 145 countries



**~10,000**  
media mentions



**267**  
press releases



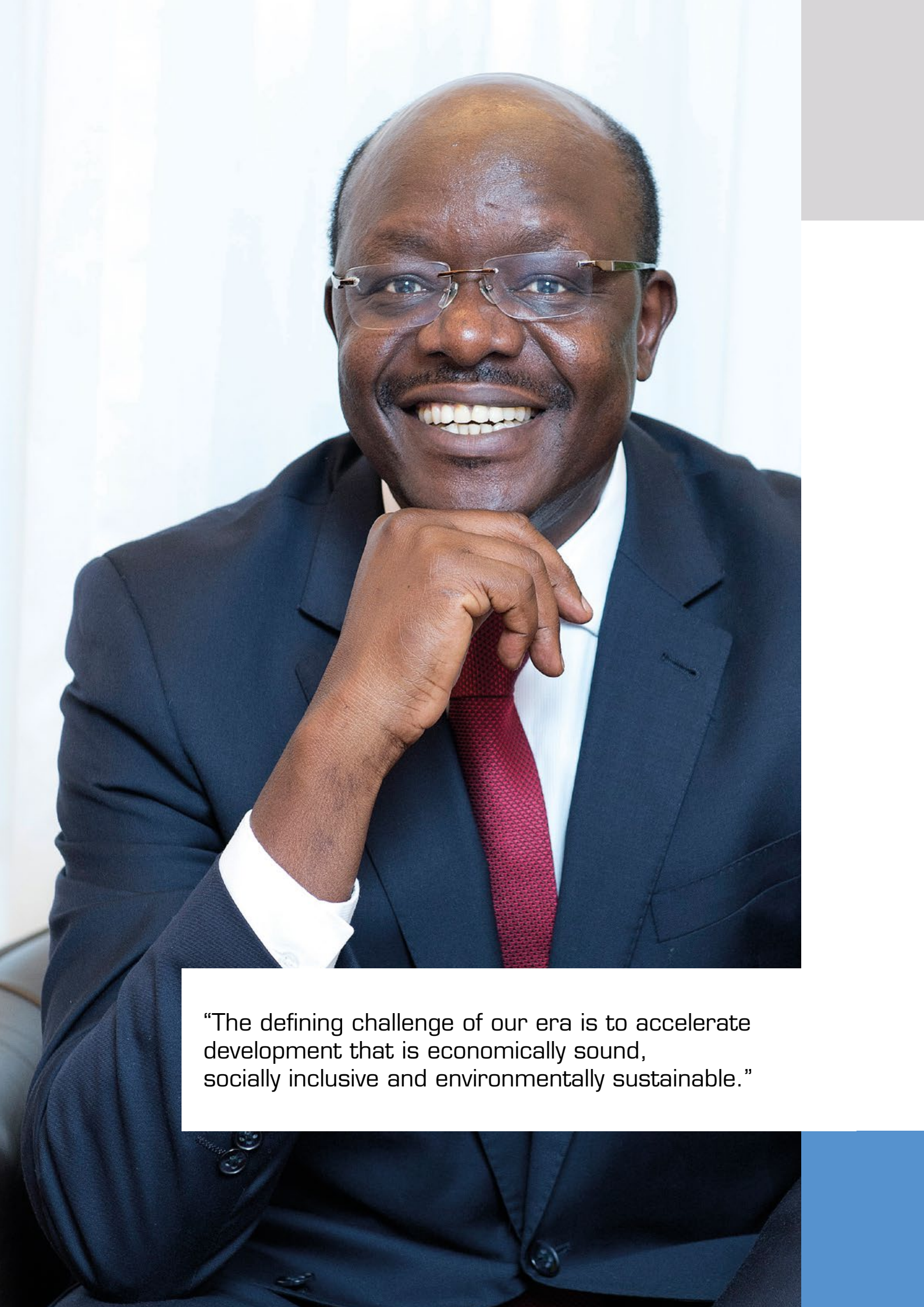
**4.4**  
million unctad.org  
page views

**4.5**  
million  
Twitter impressions



**7,800**  
Facebook  
likes





“The defining challenge of our era is to accelerate development that is economically sound, socially inclusive and environmentally sustainable.”



## FROM DECISIONS TO ACTIONS

The year 2015 brimmed with hope that some of the world's most intractable challenges could be met with collective action. In Addis Ababa, countries reached an ambitious agreement to overhaul global finance practices and generate investments for development. In New York, leaders adopted the 2030 Agenda for Sustainable Development and the Sustainable Development Goals to foster growth and eradicate extreme poverty within 15 years. In Paris, negotiators forged the world's first legally binding climate deal to bring healing to our planet. And in Nairobi, World Trade Organization (WTO) members concluded a package to strengthen the open and rules-based global trading system.

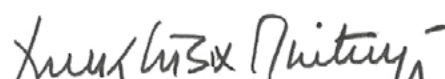
What is needed now is the audacity to act. And in this respect, I believe UNCTAD – as the focal point in the United Nations for the integrated treatment of trade and development and interrelated issues in the areas of finance, technology, investment and sustainable development – has a central role to play. For more than 50 years, “prosperity for all” has been the leitmotif of our commitments to build a better world. In 2015, we recommitted ourselves to our mandate with renewed energy and a deeper sense of purpose.

And we are not alone. Together with our member States and other partners, including businesses and civil society, we can help all countries make strides towards more inclusive prosperity. Looming challenges will require innovative responses that are embedded in partnerships and rooted in our shared values of justice, fairness, equity and solidarity. For now is when the work truly begins. Indeed, the theme of the fourteenth session of the United Nations Conference on Trade and Development, our 2016 ministerial conference in Nairobi, has been deliberately chosen: “From decisions to actions.”

Amid the frenetic pace, we never forget that people are at the heart of what we do. The measure of our progress is whether our efforts translate into improved living conditions for the people we serve. The last 25 years have witnessed significant progress, with an increasing number of developing countries integrating into the global economy, though poverty and inequality remain pervasive challenges. To secure development gains for all, we are going to need to ensure the process is inclusive, keeping small, poor and vulnerable economies on board. As a long-standing bridge between developing and developed countries, UNCTAD is poised to fulfil that role in articulating shared concerns.

This report details some of the successes of UNCTAD as a generator of evidence-based policy recommendations, a forum for the exchange of ideas and experiences and a provider of technical support. It outlines our work and situates it within a broader context that underscores the relevance of our initiatives. It gives credit to our staff, whose exceptional dedication and unflagging enthusiasm make it possible for UNCTAD to achieve lasting change.

The defining challenge of our era is to accelerate development that is economically sound, socially inclusive and environmentally sustainable. The Sustainable Development Goals embody nothing less. Reflecting on over 50 years and looking ahead to 2030, I am confident that we can deliver on our mandate and promises to generations to come: prosperity for all, dignity for all and a better planet for all.



**Mukhisa Kituyi, Secretary-General of UNCTAD**





## NEW OPPORTUNITIES, NEW RISKS

**The world is closing in on an unprecedented goal: eliminating poverty.**

Between 1990 and 2015, the number of people living in extreme poverty was more than halved. The rapid expansion of trade and new technologies helped spur economic growth and transform patterns of interaction. Increasing cross-border flows of people, products and ideas accelerated globalizing forces, knitting the world's economies closer together. The dynamism of emerging economies provided powerful sources of growth.

But growth has not translated directly into sustained development. Progress has been uneven, fuelling disenchantment. Inequalities persist – many small and vulnerable economies remain peripheral – despite unparalleled economic integration. New technologies have disrupted lives and livelihoods. Women, young people and minorities still have fewer opportunities to participate in the global economy on an equal footing. The environmental consequences of climate change are pummeling those who are most fragile. And financial crises have exposed vulnerabilities that jeopardize the

assiduous progress made in recent years.

In short, the world faces both new opportunities as well as new risks. And the UNCTAD vision of shared prosperity is essential to seizing the former and mitigating the latter.

### **A TRANSFORMATIVE AGENDA FOR THE FUTURE**

In September 2015, world leaders distilled their collective ambitions for the world they envisage by 2030 into a single set of goals. The Sustainable Development Goals manifest the consensus that equity and fairness are conditions for sustainable growth, that sound economics is inseparable from environmental stewardship and that basic services are instrumental to innovation and entrepreneurship.

The aim is to generate inclusive growth and eradicate poverty while decarbonizing the global economy – all within the next 15 years. But the road ahead is daunting. With decelerating growth in emerging markets, heightened financial market volatility, weakening commodity prices and the beginning of normalization of monetary

policy in some developed countries, the external environment is growing more challenging. The deteriorating global economic outlook will compound the difficulties of achieving progress on one of the most important battlegrounds for the 2030 Agenda for Sustainable Development – the least developed countries (LDCs).

As the focal point for trade and development issues in the United Nations system, UNCTAD is well equipped to assist developing countries in tackling the challenge of the Sustainable Development Goals. UNCTAD has more than 50 years of experience responding to the aspirations of people around the world who yearn for a better life. Its analytical expertise and reputation as a trusted partner for sustainable development are indispensable assets for achieving sustainable growth. Since 2008, UNCTAD has led the United Nations Inter-Agency Cluster on Trade and Productive Capacity, reaffirming its position in the United Nations system-wide coherence process with effective inter-agency delivery and impact at the country level.



# UNCTAD...

 transforms economies

 tackles vulnerabilities

 improves competitiveness

 enriches multilateralism

## RETHINKING DEVELOPMENT

UNCTAD exemplifies both change and continuity. The overarching objective of UNCTAD is no different now than it was at the first quadrennial meeting in 1964: aspiring to “a better and more effective system of international economic cooperation, whereby the division of the world into areas of poverty and plenty may be banished and prosperity achieved by all.”

But the world has changed. And so has UNCTAD. In light of the rising demand for its research and technical support, UNCTAD activities are structured around four actions lines that were articulated in the report of the Secretary-General of UNCTAD to the fourteenth session of the United Nations Conference on Trade and Development: to transform economies, tackle vulnerabilities, improve competitiveness and enrich multilateralism.

The activities pursued across these four action lines around the world are designed to unlock development potential. Together with its key partners, UNCTAD is well placed to deliver on the sustainable development agenda.

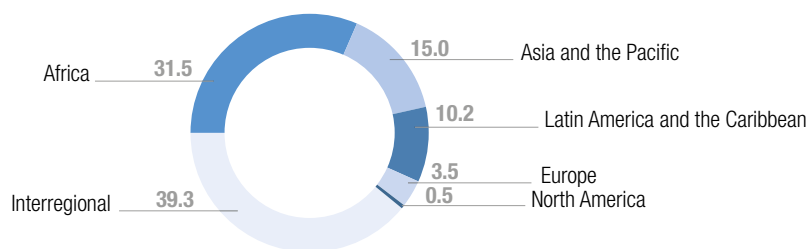
## SUPPORTING CAPACITY-BUILDING IN 2015

In 2015, UNCTAD implemented 229 projects – of which 145 were national projects – with annual expenditures of just over \$39.5 million, a slight increase of 2 per cent over 2014. These included interregional, regional and country-specific projects. LDCs accounted for 48 per cent of these expenditures. Total bilateral voluntary contributions amounted to just under \$34.7 million – a decrease of 12 per cent over 2014. The Automated System for Customs Data (ASYCUDA) continued to be the largest UNCTAD technical assistance activity, followed by the Debt Management and Financial Analysis System (DMFAS). These two programmes accounted for 57 per cent of the total delivery on UNCTAD technical cooperation in 2015.

Actions in support of implementation of the Doha Mandate and the decisions of the Trade and Development Board continued with a view to enhancing the impact of UNCTAD operational activities. This included UNCTAD operations at the national and regional levels carried out under the United Nations Inter-Agency Cluster on Trade and Productive Capacity and the ongoing process of consolidation and rationalization of UNCTAD project-based trust funds into six overarching thematic clusters, expected to be announced in 2016.

Distribution of project expenditures by region, 2015

(Percentage of yearly expenditures)



Within its mandate and core competences, UNCTAD will be a major institutional stakeholder in advancing the Sustainable Development Goals. Although the 17 Goals are closely interrelated, the work of UNCTAD – in partnership with other entities of the United Nations system – contributes most to the following Goals:



**Voluntary contributions to UNCTAD technical cooperation trust funds, 2014–2015**  
(In thousands of United States dollars)

**DEVELOPED COUNTRIES**

	2014		2015	
Sweden	3,805	<b>1</b>	1,716	Switzerland
Norway	2,001	<b>2</b>	1,485	Finland
Germany	1,850	<b>3</b>	1,400	Netherlands
Finland	1,390	<b>4</b>	1,383	Germany
Netherlands	1,114	<b>5</b>	1,141	Sweden
Switzerland	1,038	<b>6</b>	807	Norway
Other developed countries	849		638	Other developed countries

**DEVELOPING COUNTRIES AND ECONOMIES IN TRANSITION\***

	2014		2015	
Haiti	1,705	<b>1</b>	2,056	Equatorial Guinea
Angola	1,025	<b>2</b>	1,646	Democratic Republic of the Congo
Zambia	917	<b>3</b>	1,227	Papua New Guinea
Saudi Arabia	731	<b>4</b>	1,154	Nepal
Jamaica	700	<b>5</b>	1,031	Benin
Timor-Leste	616	<b>6</b>	716	Angola
Other developing countries and economies in transition	10,367		9,760	Other developing countries and economies in transition

**OTHER SOURCES**

	2014		2015	
European Commission	5,629		1,727	European Commission
International organizations	5,432		6,237	International organizations
Contributions from other sources	246		565	Contributions from other sources

**TOTAL ALL SOURCES, 2014: 39,415**

**34,690: TOTAL ALL SOURCES, 2015**

*Note:* Reflects financing from member States, public donations and United Nations organizations.

\* The majority of contributions from developing countries and economies in transition are self-financed projects for ASYCUDA and DMFAS programmes, financed from proceeds of loans, credits or grants from international financial institutions.



4







# TRANSFORMING ECONOMIES

- **Investing in a transformative agenda**
- **Leveraging technology and services for inclusive growth**
- **Fostering entrepreneurship for a better future**  
Impact story: Beatrice
- **Catalysing development through structural change**

More and better jobs are at the heart of economic transformation. Creating more opportunities to tap the potential of enterprising men and women is essential to the productivity gains that underpin sustained growth. To that end, UNCTAD helps developing countries to revamp their economies by reducing their dependence on exports of commodities such as oil, cocoa, sugar, cotton and fish. This entails harnessing investments to accelerate the diffusion of digital technologies, such as the Internet, and mobile phones and helping local firms to capture larger slices of global value chains by marketing or packaging their own products. It also involves promoting entrepreneurship and innovation by nurturing ties between manufacturers and universities. In close collaboration with its development-driven stakeholders, UNCTAD is committed to fostering economic transformation.



## INVESTING IN A TRANSFORMATIVE AGENDA

**With development-friendly policies and sound regulations, investment can be a potent tool for economic growth. It fosters competitive private sectors, generates new jobs and unlocks new export markets. UNCTAD supports efforts to attract investment and maximize its benefits, essential given the annual \$2.5 trillion financing gap separating developing countries from the Sustainable Development Goals.**

“The [*World Investment Report 2015*] marks a major step forward in our understanding of the scale and nature of multinational tax avoidance in developing countries. Both the baseline of multinationals’ revenue contribution, and the assessment of the losses to avoidance, are likely to become a part of the literature and the policy discussion for a good time to come.”

Alex Cobham, Director of Research,  
Tax Justice Network

### ***World Investment Report 2015: Reforming International Investment Governance***

The twenty-fifth edition of the *World Investment Report* aims at informing and enriching the debate on the policy environment for foreign direct investment. Since its launch, the 2015 report has already been downloaded more than 1 million times in over 150 countries, underscoring the role of UNCTAD as a leading voice on international investment governance. Policymakers, academics and thought leaders have relied on its incisive research in forums such as the Group of 20, World Economic Forum, Association of Southeast Asian Nations (ASEAN) and Asia–Pacific Economic Cooperation forum. The 2015 report offers a menu of policy options for the reform of the fragmented international investment regime, together with a road map to guide policymakers.

Today, the question is not about whether to reform, but the what, the how and the extent of such reform. In May 2015, European Parliament resolution P8\_T8(2015)0196 highlighted UNCTAD work on investment. In July 2015 in Addis Ababa, the outcome document of the third International Conference on Financing for Development entrusted UNCTAD with a clear role in leading this global endeavour.

### **Investment Policy Reviews**

Foreign direct investment is a powerful vehicle for development, but the benefits are not automatic. Policy design matters. UNCTAD diagnostic studies – Investment Policy Reviews – offer customized strategies to calibrate legal and institutional measures for optimal performance. The UNCTAD approach promotes national ownership and incorporates lessons from peer successes and failures.





By the end of 2015, more than 40 countries around the world had redesigned their investment policies based on UNCTAD recommendations. The impacts are clear: having enacted reforms urged by its Investment Policy Review, for example, the Investment Policy Review for Guatemala gave impetus to reforms that halved the time and cost required to start a business. In 2014–2015, of countries benefiting from UNCTAD Investment Policy Reviews, 5 of the top 10 reformers were listed in the World Bank’s Doing Business Index.

### Investment Policy Framework for Sustainable Development

In 2015, UNCTAD released an update of its 2012 Investment Policy Framework for Sustainable Development, which serves as a reference document for countries revising their national or international investment policies. By the end of 2015, over 110 countries (including member States of five regional integration organizations) had redesigned their investment policies based on the framework. New treaties and model treaties – both bilateral and regional – match the policy options that UNCTAD advocates to foster sustainable investment. For example, whereas only 12 per cent of “old” treaties clarify indirect expropriation (i.e. government measures that have a similar effect to expropriation), over 58 per cent of “new” treaties do so. And only 4 per cent of “old” treaties specify public policy exceptions (i.e. domestic regulatory measures aimed at pursuing legitimate public policy objectives), whereas over 35 per cent of “new” treaties do so.

### Investment advisory services

At the request of investment promotion agencies from developing countries, UNCTAD developed a green investment promotion programme, providing capacity-building and tailored advisory reports for them. As a key part of this programme, UNCTAD launched a platform on green foreign direct investment for investment promotion agencies that features more than 300 recent publications related to green and low-carbon investment. Since its launch in 2014, greenfdi.org has been visited over 7,300 times by users from 146 countries, including 112 developing and transition economies. In 2015, 75 new publications were uploaded while older publications were removed.

### Investment guides with the International Chamber of Commerce

Designed jointly by UNCTAD and the International Chamber of Commerce, investment guides – iGuides – bring together two types of parties with complementary interests: firms seeking opportunities and countries seeking investors. With assessments of business costs and operating conditions, the guides alert investors to untapped potential in the developing world. In 2015, UNCTAD and the International Chamber of Commerce produced iGuides for Bhutan and Kenya, with additional demand for guides for Bangladesh, Benin and Mongolia.

“The Government of Brazil drafted an entirely new model of investment agreement... This model has been [prepared] with contributions from important international organizations (particularly UNCTAD) and analyses of international benchmarks.”

Fernando Furlan, Deputy Minister, Ministry of Development, Industry and Foreign Trade, Brazil

“Information garnered from the UNCTAD workshop was shared with the members of the Caribbean Association of Investment Promotion Agencies (CAIPA). The targeting of renewable energy investors is now a major part of the targeting efforts of CAIPA.”

Suzette Hudson, Senior Adviser, Investment Promotion, Caribbean Export Development Agency

“I read the Ethiopia guide on my way to the East Africa Business Summit and thought it was the most professional investor’s guide I had seen.”

William Lay, Chair and Managing Director of General Motors in East Africa





## LEVERAGING TECHNOLOGY AND SERVICES FOR INCLUSIVE GROWTH

The proliferation of new services and the phenomenal growth of the digital economy, and the technologies that power it, harbour potential to fuel development. UNCTAD efforts are designed to help developing countries leverage technology, close the digital divide and promote services for inclusive growth.

### Services Policy Reviews

Services are the sinews of an economy: banks connect depositors with homebuyers, trucking firms bring goods from port to market and advertising agencies translate big ideas into consumer loyalty. UNCTAD Services Policy Reviews allow policymakers and regulators to assess the economic and regulatory frameworks of services and identify adequate policy mixes. In 2015, UNCTAD added Paraguay and Peru to the list of 10 countries that have already benefited from Services Policy Reviews. UNCTAD also trained trade negotiators in Africa to boost gains from intra-African services trade and the WTO services waiver.

### *Economic Development in Africa Report 2015: Unlocking the Potential of Africa's Services Trade for Growth and Development*

The face of Africa is changing. The UNCTAD *Economic Development in Africa Report 2015* urges Governments to capitalize on the services revolution and enable it to power Africa's rise. During seminars in Nairobi and Stockholm, UNCTAD presented the report and discussed ways of linking services with booming manufacturing sectors. A social media blitz promoting the report yielded more than 83,000 impressions and over 1,000 engagements on Twitter.

“It should be noted that, thanks to UNCTAD technical assistance, today we have a detailed study of the construction, telecommunication, finance and education sectors. This will doubtless allow us to create, improve and adapt our national regulations with the aim of generating the adequate conditions for the development of trade in services.”

Pablo Cuevas Giménez,  
Vice-Minister of Trade, Paraguay

### THE INFLUENCE OF UNCTAD RESEARCH

In early 2016, *The Economist* published an article on regional integration in Africa, relying heavily on UNCTAD research and policy recommendations from previous years.



## Science, Technology and Innovation Policy Reviews

In 2015, UNCTAD followed up on recent Science, Technology and Innovation Policy Reviews in Oman and Thailand, consulting with a constellation of actors in each country. As a result of the consultation process, Thailand redesigned its science, technology and innovation policy, improving public instruments for financing innovation. In Oman, the review's recommendations provided the basis for a government-wide effort to prioritize technology and innovation in response to challenges stemming from tumbling oil prices. In 2015, UNCTAD also seeded two new initiatives for Science, Technology and Innovation Policy Reviews in the Islamic Republic of Iran and in Rwanda.

### **Information Economy Report 2015: Unlocking the Potential of E-commerce for Developing Countries**

The UNCTAD *Information Economy Report 2015* identified common challenges to the growth of electronic commerce – e-commerce – in developing countries. The report includes innovative elements: the UNCTAD Business-to-Consumer E-commerce Index, which benchmarks country readiness to engage in e-commerce, complemented by the UNCTAD Global Cyberlaw Tracker, the first-ever global mapping of legislation in the areas of e-transactions, consumer protection, data privacy and cybercrime. The report has piqued interest in dozens of venues, including the Stockholm Internet Forum, the Council of Europe's Octopus Conference and the Asia-Pacific Trade Facilitation Forum.

In 2015, UNCTAD also hosted the first e-commerce week in Geneva, a series



of events gathering 250 delegates from more than 70 countries to distill ideas for channelling the growth of the digital economy. During the week, a regional workshop with members of the Economic Community of West African States produced a comparative study highlighting possible areas for harmonization on e-commerce legislation.

### **Commission on Science and Technology for Development**

As the secretariat of the United Nations Commission on Science and Technology for Development, UNCTAD organized the eighteenth session of the Commission, which considered the 2030 Agenda for Sustainable Development and the policy implications for digital development. The Commission undertook a ten-year review of progress in implementing the outcomes of the World Summit on the Information Society. The Economic and Social Council transmitted the Commission's ten-year review of the World Summit on the Information Society to the

General Assembly, along with an UNCTAD report, entitled *Implementing World Summit on the Information Society Outcomes: A Ten-Year Review*, which was welcomed as a comprehensive and balanced analysis by members and other stakeholders.

### **Technology and Innovation Report 2015: Fostering Innovation Policies for Industrial Development**

The *Technology and Innovation Report 2015* examined the links between innovation policies and industrial development, particularly in Africa. It highlights three imperatives: better policy coordination, inclusion of the private sector and creation of a learning society. Supported by primary data collection in Ethiopia, Nigeria and the United Republic of Tanzania, these three messages are unpacked in the African context. The report and its findings underscore that, for developing countries, industrial development through technological change should be a central, if not the most important, priority.

## FOSTERING ENTREPRENEURSHIP FOR A BETTER FUTURE

Entrepreneurs not only drive economic growth and innovation, but are also important channels for improving social conditions and addressing environmental problems. That makes enterprise development a key focus at UNCTAD. In particular, UNCTAD aims at empowering women and youth to start businesses that can grow and compete in the global economy.

### The Global Enterprise Registration portal and eRegulations

Making administrative procedures transparent and efficient is essential to private sector development, good governance and the rule of law. With UNCTAD help, 49 eRegulations systems have been installed in 28 countries, reducing business registration steps and documents by an average of 80 per cent globally. Moreover, the Global Enterprise Registration portal, – developed by UNCTAD, the Global Entrepreneurship Network of the Kauffman Foundation and the Department of State of the United States of America –

provides direct access to national business registration websites and rates their user-friendliness. In this way, UNCTAD efforts stimulate entrepreneurship, curb graft and expand the formal sector to increase government revenues.

### Empretec

To flourish, entrepreneurs need both training and support. Since its launch in 1988, the UNCTAD Entrepreneurial Development Programme – Empretec –has trained over 370,000 budding entrepreneurs to start and grow their businesses. By fostering motivation and self-confidence, UNCTAD

encourages entrepreneurs to do more than merely run a business: it encourages them to build a growth-oriented enterprise. Through national centres operating in more than 37 countries, Empretec stimulates job creation.

The UNCTAD Business Linkages Programme, which grew out of Empretec, upgrades the skills and technologies of small and medium-sized businesses by connecting them with larger and more productive corporations. In the United Republic of Tanzania, for example, farmers benefiting from UNCTAD support increased turnover by 50 per cent within three years.



### IMPACT STORY: BEATRICE

As the first woman admitted to the University of Makerere, Beatrice Ayuru had a vision to combat illiteracy and champion the rights of girls. With her earnings from selling cassava roots, Beatrice started two businesses, and then used the profits to build a school offering primary, secondary and vocational programmes. A defining moment came in 2008 when Beatrice joined the UNCTAD Empretec programme, benefiting from the training offered.

“Empretec helped me to build my skills, gain knowledge of my rights as a business person and of how to make my business unique. Because of the training, I am now accountable and transparent, and I operate a formal business,” Beatrice says.

Today, the Lira Integrated School teaches over 1,500 students. In 2010, Beatrice won the UNCTAD Empretec Women in Business Award, which has been granted every two years since 2008 to help women to become role models for their communities.







## CATALYSING DEVELOPMENT THROUGH STRUCTURAL CHANGE

Developing countries may benefit temporarily from surges of foreign capital or commodity booms, but lasting transformation requires structural transformation. UNCTAD ushers the process along by promoting the germination of new industries, the movement of labour to fast-growing sectors and the virtuous cycles between technological innovation and higher productivity.

### *The Least Developed Countries Report 2015: Transforming Rural Economies*

Eradicating poverty demands a strategy to tackle it where 70 per cent of the world's poor live: in rural areas. To expedite poverty reduction, *The Least Developed Countries Report 2015* calls for a reorientation of agricultural production towards higher-value products and expanded non-farm activities such as construction and transport.

To enrich scholarship and policymaking for rural development, UNCTAD also published statistical tables on the least developed countries in 2015.

### Mainstreaming trade into national development strategies

In 2015, UNCTAD organized regional workshops in Lesotho and the Philippines to discuss key elements of an effective trade policy framework. Convening stakeholders from Governments, businesses and civil society, the workshops outlined strategies to support diversification and productive capacity-building. Subsequent evaluations indicate that the training provided enhanced participants' understanding of how to harness trade for national development goals.



*“The Least Developed Countries Report 2015 provides a most valuable reflection on issues affecting least developed countries... The timeliness and relevance of the report's focus and its findings and observations underline the value and importance of the UNCTAD research and analysis pillar for all members.”*

Wayne McCook, Ambassador of Jamaica on behalf of the Group of 77 and China, at the sixty-second executive session of the Trade and Development Board









### Trade policy frameworks

With UNCTAD assistance, developing countries are defining trade policies to position themselves as emerging nodes in the global marketplace. In 2015, UNCTAD assembled stakeholders from Governments, businesses and civil society for workshops to examine draft reports on trade policy assessments as a basis for the formulation of trade policy frameworks in Angola, Tunisia and Zambia. Recommendations emanating from those reports were discussed and endorsed at national multi-stakeholder validation workshops held in Tunisia and Zambia. Advisory activities and multi-stakeholder consultations at the national level were also conducted in Algeria, Botswana, the Dominican Republic, Namibia and Panama.

### Trade policy and sustainable development meeting

Trade can drive progress towards achieving the Sustainable Development Goals. But only under the right set of conditions. On the heels of the United Nations summit for the adoption of the post-2015 development agenda in September 2015, UNCTAD organized a meeting to ventilate new approaches to implement development-

oriented national trade policy frameworks. As ideas percolated and people mingled, a set of policy recommendations emerged emphasizing a deliberate trade policymaking process, strengthened institutions and public-private partnerships. The meeting was highly appreciated by participants; UNCTAD received subsequent requests on developing trade policy frameworks and Services Policy Reviews from Botswana, Ghana, Mauritius, Namibia, Tunisia, Economic Community of West African States, Organisation of Eastern Caribbean States and Pacific Islands Forum.

### Geographical indications and development

Geographical indications exist to protect the brands of unique products, e.g. Gruyère cheese, Port wine and Parma ham. But they also have potential to catalyse rural development. With UNCTAD support, the manager of a Cambodian Kampot pepper farm travelled to the World Exposition 2015 in Milan to showcase how registration for a geographical indication had increased the price of her peppers from \$5 to \$18 over four years, boosting wages and property values. In 2015, UNCTAD also ran a workshop in Myanmar to pore over means of deriving

benefits from geographical indications; in later evaluations, participants gave the workshop a rating of 4.1 on a scale of 5.0.

### Classification of non-tariff measures

In 2015, UNCTAD embarked on several projects to enhance transparency about non-tariff barriers to trade. In 2015, UNCTAD launched a non-tariff measures data collection project with the Economic Research Institute for ASEAN and East Asia and offered an online course on non-tariff measures to academic and government officials from 39 countries (including 11 LDCs).

UNCTAD held an ad hoc expert meeting on non-tariff measure classification with several other international organizations to facilitate the collection and analysis of data on non-tariff measures. UNCTAD also provided a one-week capacity-building workshop on non-tariff measures for 48 policymakers from three regional economic communities in Africa. Data are used for regional negotiations to promote intraregional trade and competitiveness. Policymakers have also built national interministerial committees to address the trade and development impacts of non-tariff measures that cut across different ministries.









# TACKLING VULNERABILITIES

- **Limiting exposure to financial volatility and debt**
- **Deepening inclusion of the least developed countries**
- **Channelling commodities for development**
- **Managing climate change**
- **Assistance to the Palestinian people**  
Impact story: Beatrice and Mekia

One of the great injustices of this world is that those who are already poor are most vulnerable to external shocks. They have few ways of cushioning life's inescapable blows. Global economic frailty and tepid growth magnify the challenges of generating wealth that actually reaches the poorest. A significant part of the contribution of UNCTAD to the 2030 Agenda for Sustainable Development focuses on bolstering developing countries and LDCs in particular. Research and programmes are aimed at immunizing developing countries against financial volatility and debt crises. The counselling provided is with a view to members capitalizing on commodities without losing their reformist zeal for structural change. And activities merge economic opportunity with social and environmental responsibility. UNCTAD builds resilience among those who need it most.

## LIMITING EXPOSURE TO FINANCIAL VOLATILITY AND DEBT

Financial integration confers benefits when it helps to finance imports of capital goods for the creation of productive capacity and reduce pressure for macroeconomic adjustment to temporary shocks, thereby smoothing or avoiding recessions and job losses. It can also make domestic financial markets more efficient. But it also exposes developing countries to the risk of financial boom-and-bust cycles that can compromise their options for pursuing inclusive and sustained growth and development. UNCTAD promotes both domestic and international policies and regulations to harness the benefits of financial integration.

### ***Trade and Development Report, 2015: Making the International Financial Architecture Work for Development***

While the questions facing the development community are becoming broader, the answers often remain disappointingly small. Yet micro and macro policies are two sides of the same coin. Without a stable financial system and sound macroeconomic management, untrammelled capital flows can upend years of painstaking progress. The *Trade and Development Report, 2015* argues that the global financial architecture must be reformed to serve the long-term needs of developing and transition economies rather than the short-term interests of speculative investors. Given the tepid global growth over the last seven years, the report advocates expansionary fiscal policy and wage growth to restore demand. The report has been cited in *The Economist*, *The Hindu*, *All Africa*, *Business Day*, *Buenos Aires Herald*, *Millennium Post* and *L'Humanité*.

### **Enhanced regional financial and monetary cooperation**

Financial flows respond to economic conditions in developed countries rather than to what the needs actually are in developing countries. Given the infeasibility of expanding loan facilities at the International Monetary Fund, in 2015 UNCTAD carried out research

to help developing countries pursue regional financial and monetary integration. Currency swaps among central banks, for instance, can obviate the need for costly foreign exchange reserves. UNCTAD also held two regional seminars in West Africa and Latin America to disseminate those ideas to policymakers.

### **UNCTAD participation in the Group of 20 finance track**

Since 2009, UNCTAD's participation in the Group of 20 meetings has become one of the central means of transmitting its expertise. Over the course of the Presidency of Turkey of the Group of 20 in 2015, UNCTAD contributed on the finance track, delivering – often in collaboration with the International Labour Organization – presentations on topics ranging from global imbalances to the macroeconomic effectiveness of income policies. UNCTAD representatives also travelled to Paris to consider presentations by the Organization for Economic Cooperation and Development and the European Commission on short-term structural reforms and ran simulations highlighting possible spillover effects of Group of 20 policies on non-Group of 20 countries. Many Group of 20 members value UNCTAD for contributing to the intellectual diversity of these high-level discussions.

### **External debt sustainability and sovereign debt workouts**

The year 2015 witnessed growing concerns about debt sustainability across developing countries, as many commodity prices hit rock bottom and capital outflows increased. The UNCTAD contribution to the United Nations Secretary-General's annual report to the General Assembly on external debt sustainability and development highlighted new vulnerabilities and discussed policy solutions, such as the use of less risky debt instruments.

The work of UNCTAD as the secretariat of the Ad Hoc Committee on Sovereign Debt Restructuring Processes also provided the basis for the General Assembly resolution on basic principles on sovereign debt restructuring processes. Building on its long-standing work in the area of responsible sovereign lending and borrowing, UNCTAD organized a round table in 2015 in New York on the role of vulture funds in international financial markets, attracting over 80 high-level experts from financial markets, academic, Government, civil society and the legal profession.



### Debt Management and Financial Analysis System

Debt sustainability and debt management are central to development. Sound stewardship is essential to meet financing needs, cut borrowing costs and improve market confidence. Given the potentially catastrophic effects of debt-fuelled crises, UNCTAD works directly in 58 countries to deliver practical assistance in this area through its Debt Management and Financial Analysis System (DMFAS) programme. By providing technical training and reliable data, DMFAS continues to prove itself an essential tool. In 2015, 88 per cent of users had developed comprehensive and reliable debt databases with respect to government and government-guaranteed external debt, and 96 per cent fulfilled their obligations to report through the World Bank Debtor Reporting System.

The experience of Uganda highlights the success of DMFAS. Since UNCTAD first teamed up with the country to provide technical assistance, Uganda has improved the quality of debt records substantially as attested by the scores under the Public Expenditure and Financial Accountability framework. Thanks to DMFAS, Uganda now has the capacity to integrate dependable debt data into its policymaking, enabling evidence-based policies and better governance. In 2015, the country published its first debt statistical bulletin, sending a powerful signal to foreign investors about its commitment to transparency.







## DEEPENING INCLUSION OF THE LEAST DEVELOPED COUNTRIES

**The test of progress is whether UNCTAD serves those who have too little. Integrating the weakest and most vulnerable countries on the planet into the global trading system creates shared prosperity. UNCTAD efforts aim at making them impervious to external shocks that derail development.**

“The substantive inputs made by [UNCTAD] staff at the meeting were well received by participants and contributed to making the event a resounding success.”

Gyan Chandra Acharya, United Nations Under-Secretary-General and High Representative for the Least Developed Countries, Landlocked Developing Countries and Small Island Developing States

### **Liner Shipping Connectivity Index 2015**

Between 2004 and 2015, the number of countries that are served by fewer than four shipping competitors rose from 22 to 32. In other words, there are now 10 more countries facing oligopolistic markets, with consequences for export competitiveness and development. In 2015, the twelfth annual UNCTAD Liner Shipping Connectivity Index explored the role of maritime connections in determining a country's trade performance.

Beyond the Index, UNCTAD and the International Trade Centre co-organized a regional seminar on transport and trade facilitation for the Marshall Islands, the Federal States of Micronesia and Palau. The findings will help the Micronesian Trade and Economic Community and the Micronesian Shipping Commission to further develop a regional maritime strategy.

### **High-level follow-up meeting to the second United Nations Conference on Landlocked Developing Countries**

UNCTAD aims at helping landlocked developing countries escape the vicious cycle of human and economic underdevelopment. At the high-level follow-up meeting to the second United Nations Conference on Landlocked Developing Countries in Livingstone, Zambia, in 2015 – which convened 200 participants to discuss the way forward for the Vienna Programme of Action – UNCTAD strategized on means of mitigating vulnerabilities and moving exports from landlocked developing countries up global value chains.





### Inserting landlocked developing countries into commodity value chains

In 2015, UNCTAD authored a paper to help landlocked developing countries derive maximum benefits from their natural resources wealth, synthesizing case studies on the mining sectors in Botswana and Zambia, the cotton textile sector in Uzbekistan, the sugar sector in Paraguay and the copper and coal sectors in Mongolia. The resulting policy analysis will help landlocked developing countries to pursue sustainable development through greater diversification and value addition.

### Graduation of least developed countries

Graduation from LDC status is not about ticking boxes – it is about a holistic quest for self-sustaining growth. For UNCTAD, the goal is to facilitate a “smooth transition” to post-LDC status. In 2015, by casting light on the absence of structural progress in Kiribati and Tuvalu, UNCTAD highlighted the need for maximum concessionary treatment of these two LDCs, which have few productive capacities and face acute risks of natural disasters. Five LDCs were also deemed pre-eligible for graduation, which brought the total number of beneficiaries of UNCTAD support for LDC graduation up to 17.

“It is gratifying that UNCTAD advocates for a comprehensive development-centred agenda for landlocked developing countries which will address [issues beyond] transport, transit and trade facilitation challenges... My own country has benefited a lot from UNCTAD support in the areas of trade and investment.”

Yamfwa Mukanga, Minister of Transport, Works, Supply and Communications, Uganda







## CHANNELLING COMMODITIES FOR DEVELOPMENT

**Reducing dependence on commodity exports has the power to break the “resource curse”. But the path to sustainable growth is not always clear. UNCTAD provides research and policy advice to channel commodities for development.**

### **Global Commodities Forum**

Gyrating prices for commodities such as oil can have insidious consequences for development. In 2015, the sixth edition of the UNCTAD Global Commodities Forum gathered around 350 participants from the public, private and civil society sectors to probe strategies for lowering dependence on commodity exports and diversifying economies.

Under the theme of trade in commodities – challenges and opportunities, the Forum underscored the need for developing country Governments to take more active roles in WTO negotiations on food security and adopt countercyclical policies to attenuate the effects of collapsing commodity prices. Participants also traced approaches to reconcile the trade policies of importing and exporting countries and to improve transparency in commodities trading.

### **African Oil, Gas, Mines Conference**

In 2015, UNCTAD also convened the seventeenth African Oil, Gas and Minerals Trade and Finance Conference in Khartoum to discuss extractive industries and sustainable job creation. High-level policymakers and senior industry representatives winnowed down strategies for the extractive industries to create more stable, wage-paying jobs that not only promote economic growth, but also protect the environment and foster social and gender inclusion, diversification, the development of local content, innovative financing techniques, training and capacity-building, South–South cooperation and the promotion of youth and women.





***Commodities and Development Report 2015: Smallholder Farmers and Sustainable Commodity Development***

More than 90 per cent of the 570 million farms worldwide are managed by an individual or a family, constituting the largest share of the poor in developing countries. Achieving food security sustainably will be a herculean task: it requires transforming smallholders into sustainable business enterprises. To this end, the *Commodities and Development Report 2015* urges Governments to ease market access by expanding the road network, strengthen the bargaining power of farmers' organizations and introduce ICTs to improve access to market information and boost productivity. The report was launched on the sidelines of the WTO Tenth Ministerial Conference in Nairobi, and key findings were further disseminated at the Trade and Markets Division of the Food and Agriculture Organization of the United Nations in Rome, the tenth anniversary of the European Union-Africa Partnership on Cotton in Cotonou, Benin, a senior policy seminar of the African Economic Research Consortium in Maputo, and more broadly to civil society organizations.

**Monitoring commodity dependence**

UNCTAD has established itself as a leading source for research on commodity dependence. *The Economist* published a series of interactive maps based on the publication of the latest report, *State of Commodity Dependence 2014*. Reuters relied on the same report to provide commodity market analysis. The export credit agency, Export Development Canada, even integrated UNCTAD data into its risk analyses.

“The report highlights very well the challenges we face when working with smallholders. It grasps the pivotal idea of the need for a multi-stakeholder process that involves all members of a value chain when aiming for sector change. We would like to use its key findings during policy dialogue with decision makers in the coffee sector in the countries we work in.”

John Schluter, Chief Executive Officer of Café Africa





## MANAGING CLIMATE CHANGE

**Rising sea levels contaminate drinking water, unpredictable rainfall imperils crop production and increasingly severe weather events leave trails of destruction in their wake. Given the myriad of trade and development challenges tied to climate change, UNCTAD has been turning the incontrovertible science on environmental concerns into action.**



“Climate change is perhaps the fight of our generation. It is a fight for everyone, because climate change affects us all. And it is a fight for the trade policy community, because global trade as we know it is jeopardized by climate change.”

Joakim Reiter,  
Deputy Secretary-General, UNCTAD

### **Climate change: Making trade part of the solution**

Throughout 2015, UNCTAD, in cooperation with the International Trade Centre, WTO and the United Nations Framework Convention on Climate Change, held a series of briefings and expert discussions, which culminated in a side event at the twenty-first session of the Conference of the Parties in Paris. Policy analysis has encouraged new perspectives on the role of international trade, changing the approach from shifting burdens among countries through trade restrictive measures such as border carbon adjustments, to figuring out ways in which all countries could take advantage of the benefits that would be generated by the implementation of nationally determined contributions.

### **Trade and sustainable fisheries for the 2030 Agenda**

UNCTAD, jointly with the Commonwealth Secretariat, deepened its work on the ocean economy by focusing on opportunities and challenges that sustainable fisheries could bring for small island developing States, LDCs and other coastal States. In 2015, UNCTAD organized an ad hoc expert meeting on trade in sustainable fishery products. It was the first meeting since the adoption of the Sustainable Development Goals to address particular aspects of Goal 14 relating to the conservation of marine species and ecosystems. Discussions at the meeting led to the adoption of an action agenda with a time horizon of 2030 and five interrelated objectives: strengthening governance, promoting sustainable supply



and demand, removing harmful incentives and subsidies, introducing measures for resilience and meeting capability constraints for value addition.

### **Promoting biotrade**

In 2015, UNCTAD launched the third phase of the BioTrade Facilitation Programme, which helps developing countries to strengthen their institutional capacity and policy frameworks. Concretely, UNCTAD considered traceability systems for ornamental plants under the Convention on International Trade in Endangered Species of Wild Fauna and Flora, mapped policy options on implementing the Nagoya Protocol and identified barriers to the trade of biodiversity-based products. UNCTAD also signed a memorandum of understanding with the Development Bank of Latin America to help Latin American countries achieve key development goals on trade and environmental sustainability, focused on enhancing the biotrade sector.

### **National Green Export Reviews**

UNCTAD continued its efforts in assisting developing countries to advance green sectors and promote economic diversification and value addition through the implementation of National Green Export Reviews. In 2015, national stakeholder workshops were held in Ecuador, Ethiopia, Morocco and Vanuatu to select high potential green products and devise sectoral development strategies. The review process helped Ethiopian and Moroccan stakeholders select priority green sectors. In Vanuatu, a draft action plan was reviewed and completed. The national green export policy was finalized in Ecuador, and consultations laid the groundwork for green export reviews in Lebanon, the Philippines and the Republic of Moldova.

### **Review of Maritime Transport 2015**

The 2015 edition of the *Review of Maritime Transport* highlighted some key issues that are at the interface of maritime transport, sustainability and climate resilience. It underscored the role of the sector in helping implement a workable international sustainable and climate-driven development agenda and, further identified priority action areas that can improve access and connectivity to the international marketplace.

### **Sustainable freight transport systems**

Freight transport continues to shape patterns of international trade, production processes and globalization. Some observers have argued that containerization has boosted trade more than every trade agreement signed in the past 50 years. Today freight transport is increasingly seen as an important sector that can support economic as well as social and environmental goals. In this context, the fourth session of the Multi-Year Expert Meeting on Transport, Trade Logistics and Trade Facilitation, held in 2015, generated useful guidance and insights into the role of the freight transport sector in promoting a climate-friendly development path.

“The International Maritime Organization, as the regulator for international shipping, finds the annual *Review of Maritime Transport* to be an invaluable reference source when defining the policy context for this critical transport sector that is the servant of world trade and the global economy. . . the [report] has enabled the International Maritime Organization to demonstrate the importance of the work that international shipping undertakes for [the] wider society.”

Edmund Hughes, Head, Air Pollution and Energy Efficiency, International Maritime Organization

“UNCTAD has the ability to bring Governments and industry together as a group, build consensus and assist countries in putting the right policies and programmes in place. We hope that UNCTAD, together with other relevant United Nations agencies, continues to play this role and helps address the important barriers that industry faces in making freight transport more efficient and sustainable.”

Sophie Punte, Executive Director, Smart Freight Centre









### Assistance to the Palestinian people

For over three decades, UNCTAD has been promoting better jobs and futures in the Occupied Palestinian Territory. Through technical cooperation, research, advisory services and international engagement, UNCTAD has worked together with the Palestinian National Authority and the Palestinian private sector to promote trade, ease customs, marshal financing

and encourage entrepreneurship and innovation. In 2015, UNCTAD revamped the Palestinian Shippers' Council, provided training to supply chain professionals and offered several online courses. The UNCTAD report on UNCTAD assistance to the Palestinian people, subtitled "Developments in the economy of the Occupied Palestinian Territory," generated significant media interest: it was the subject of over 650 news articles, has been

downloaded more than 10,000 times and shared on Facebook over 300 times and resulted in 13,000 impressions and nearly 200 engagements on Twitter. In 2015, the great majority of member States adopted a General Assembly resolution expressing appreciation of UNCTAD efforts in reporting to the United Nations on the economic cost of the Israeli occupation for the Palestinian people.



### IMPACT STORY: BEATRICE AND MEKIA

How can trade and regional integration improve the lives of women and their families? That is the question that Beatrice Hamusonde and Mekia Redi confront daily. At the Gender and Social Affairs Division of the Common Market for Eastern and Southern Africa (COMESA), Beatrice serves as Director and Mekia as Senior Gender Mainstreaming Officer.

Beatrice and Mekia saw that there are no easy answers to the challenges facing women in sub-Saharan Africa: corruption, opaque regulations, unsafe infrastructure and the competing demands of family life and entrepreneurship. To tackle those challenges, they needed data disaggregated by gender to analyse policy impacts. And they needed training.

Through the UNCTAD online course on trade and gender, Beatrice and Mekia explored how trade policy designs help or harm women. They not only deepened their knowledge but honed their arguments in favour of mainstreaming gender into COMESA policy and programmes. As Beatrice puts it: "The course can be of great benefit to all professionals in the COMESA secretariat."











# IMPROVING COMPETITIVENESS

- **Advancing effective States and more efficient markets**
- **Building bridges to the private sector**  
Impact story: Anielle
- **Investing in leaders**

Under the right conditions, competitiveness brings wealth. But while prowess in global markets is the key to higher wages and rising standards of living, competitiveness involves more than a good product. Competitiveness is rooted in sound institutions, judicious policies and collective brainpower. By advancing tools to improve both States and markets, UNCTAD moves beyond a myopic focus on lower costs to the more holistic pursuit of higher value. Through a clutch of programmes, UNCTAD helps developing countries speed up customs procedures to reduce the time it takes for goods to reach the market. Researchers train civil servants in the art of designing laws to make competition policy work for consumers. And businesses are coached as they encompass social and environmental impacts in their corporate reporting. As a trusted partner, UNCTAD boosts competitiveness to help economies take flight.









## ADVANCING EFFECTIVE STATES AND MORE EFFICIENT MARKETS

**With the right social and economic policies, markets can contribute to poverty reduction. UNCTAD puts a high premium on two conditions for growth – effective States and efficient markets.**

### Competition policy

Competition matters because consumers matter; it can lead to lower prices and higher quality. Trade reforms must be paired with reforms that create the conditions for contestable markets. UNCTAD efforts are designed to tackle restrictive business practices and baroque regulations that stifle competition and deprive consumers of economic freedom.

Within the Trade and Private Sector Development Programme, funded by the European Union, UNCTAD delivered three training courses on competition law and policy in Harare in 2015 to equip university lecturers and national and regional enforcement specialists with practical expertise. Twenty-five students and lecturers at the University of Zimbabwe were trained during a one-week course designed to teach competition law and economics.

### Consumer protection policy

UNCTAD brought together over 300 stakeholders in Cuzco, Peru, for the Competition and Consumer Protection for Latin America programme's fifth International Consumer Protection Forum. The discussions at the forum served as the basis for later negotiations at the Ibero-American Forum of Consumer Protection Agencies.

In 2015, the United Nations General Assembly adopted by consensus the revised United Nations Guidelines for Consumer Protection, which now reflects a world of e-commerce and online shopping, complex and globalized financial services, energy crises and mass tourism. With this update, UNCTAD is entrusted with the mandate to serve as the privileged intergovernmental forum to discuss global consumer protection issues.

The year also saw 350 competition officials from 70 countries gathered in Geneva to review the only multilateral competition instrument, the United Nations Set of Multilaterally Agreed Equitable Principles and Rules for the Control of Restrictive Business Practices.

### Automated System for Customs Data

Long waiting times at borders, dubious fees, and cumbersome formalities are serious obstacles to trade and development. For more than 30 years, the UNCTAD flagship software – the Automated System for Customs Data (ASYCUDA) – has supported the evolving needs of customs administrations of 112 countries and territories. Special focus is given by the ASYCUDA programme to assisting the special needs of LDCs; in 2015, 40 LDCs, 22 landlocked developing countries and 19 small island developing States benefited from support.

In 2015, UNCTAD worked with the World Customs Organization on performance measurement within customs administrations, an effort that will expand trade facilitation indicators by leveraging ASYCUDA data to understand customs operations better and to combat fraud. The customs administration of the Democratic Republic of the Congo was the first to adopt this new software for performance metrics.





## BUILDING BRIDGES TO THE PRIVATE SECTOR

**Sustainable development guided by the Sustainable Development Goals will require contributions from all sectors, especially from the investment community. UNCTAD encourages corporate sustainability as a vehicle for creating long-term value for all stakeholders.**

### Sustainable Stock Exchanges

Stock exchanges are uniquely positioned at the intersection between investors, companies and regulators. As such, they can play a key role in promoting responsible investment and sustainable development. The United Nations Sustainable Stock Exchanges Initiative, of which UNCTAD is a co-organizer, provides a peer-to-peer learning platform for capital market leaders who seek to promote sustainable business practices.

The Sustainable Stock Exchanges Initiative

ended 2015 with 48 partner exchanges from 52 countries representing nearly \$48 trillion in market capitalization. During the year, UNCTAD organized 20 events worldwide: 11 thematic bell ringing ceremonies, three regional dialogues, two leaders' luncheons, two panel discussions, a consultative group meeting and a capacity-building workshop. UNCTAD distributed briefs after the United Nations summit for the adoption of the post-2015 development agenda and the twenty-first Conference of the Parties, pinpointing

actions that stock exchanges can advance sustainability. And UNCTAD updated 78 fact sheets and added 16 new exchanges to its database of fact sheets informing stakeholders about the work of stock exchanges in advancing sustainability.

### International Standards of Accounting and Reporting

High-quality reporting contributes to financial stability, promotes corporate good governance and underpins a vibrant private

## THE ACCOUNTING DEVELOPMENT TOOL...

... plugs gaps in the key pillars of a country's accounting infrastructure, helping countries to improve transparency, promote financial stability and attract investments. Visit <http://adt.unctad.org>.





sector. Combined with capable auditors and watchful regulators, accounting standards are imperative for the success of the 2030 Agenda for Sustainable Development.

Particularly for developing and emerging economies, corporate transparency and unimpeachable accounting standards are conducive to investment flows and economic development.

The Accounting Development Tool, developed by the UNCTAD Intergovernmental Working Group of Experts on International Standards of Accounting and Reporting, features an Internet-based platform currently available

in English, French, Spanish and Russian. In 2015, the Tool was updated to include examples of assessment results provided by some members States that recently applied the Tool's features. Several countries, including Belgium, Côte d'Ivoire, the Congo, Ecuador, Kazakhstan, Ukraine and Viet Nam, solicited UNCTAD assistance to help them design post-Accounting Development Tool action plans.

#### Business Schools for Impact

Less than 15 per cent of case studies taught in business schools are about

developing countries, compounding gaps in knowledge on approaches to fostering investment and enterprise in these markets. By exposing future corporate leaders to the opportunities of investing in frontier markets, the UNCTAD Business Schools for Impact project harnesses private sector contributions for the Sustainable Development Goals. Launched in 2014, the project's network membership already has more than 600 educators and professionals, with 240 participating business schools – over 55 per cent of which are in developing countries, including LDCs and small island developing States.



#### IMPACT STORY: ANIELLE

What were you doing when you were 22 years old? By that age, Anielle Guedes had already founded her own company and won recognition as a "Top Innovator Under 35" in the Brazilian edition of the *MIT Technology Review*.

Inspired by her family's construction business, and what she saw and learned about the housing situation in São Paulo, Anielle started Urban 3D, a technology construction company, to harness materials science technology for the development of low-cost solutions to the rampant homelessness problem. But she faced both human resources and funding limitations.

So she joined the UNCTAD Business Schools for Impact network, which linked her up with business graduate, Guilherme Lourenço, who agreed to support Urban 3D's communications and fundraising efforts as an intern. Anielle is pioneering solutions in the construction sector to tackle homelessness and UNCTAD is excited to have helped her firm in the start-up phase.

As Anielle says, without a project such as this one, "I would not have been able to connect with top like-minded students. It helped me expand my capabilities and extend my reach."







## INVESTING IN LEADERS

**Behind every efficiently managed port or public agency stands a well-trained professional. UNCTAD offers a handful of programmes to polish the skill sets of officials and managers – a source of ingenuity and competitiveness.**

“I was very happy with the way the course has been structured, particularly the division of course content into theoretical and empirical aspects. Very often, courses have difficulty teaching empirical aspects, especially in long-distance settings. I think this course is an exception and has done very well.”

Andre Wirjo, secretariat of the Asia-Pacific Economic Cooperation forum, participant in the Virtual Institute online course on trade and poverty

### Virtual Institute

The UNCTAD Virtual Institute supplies academics with the analytical tools and training to formulate sound economic policies. The Institute enriches academic debate among its members and

strengthens links between researchers and policymakers. Launched in 2004 with universities in five countries, the Virtual Institute has now expanded into a true global network of 123 universities and research centres in 61 countries.

### RESULTS FOR 2015 – AT A GLANCE

- Two-volume trade and gender manual
- 2,100 UNCTAD research reports filling the shelves of Virtual Institute member libraries
- 191 researchers from Africa and Asia trained via one regional and five national professional development workshops
- 175 researchers and practitioners from developing and transition countries graduated from 3 online courses
- Two fellowships at UNCTAD enabled academics to prepare research papers and develop a new graduate programme
- 214 students trained through 9 study tours
- UNCTAD research findings presented to 606 university students and lecturers via 13 videoconferences.



## Train for Trade

For developing countries that lag behind in measures of trade competitiveness, the lack of human capital is a key constraint. The UNCTAD Train for Trade programme addresses this challenge by developing the skills and capacities of local professionals, empowering countries to reap greater benefits from trade.

Through a blended learning approach that delivers instruction both online and in person, Train for Trade maximizes its educational reach and minimizes its carbon footprint. In 2015, Train for Trade continued projects in the Caribbean and in West Africa to strengthen capacities in the area of e-commerce, providing online courses and regional workshops.

In 2015, 556 port managers and 510 trade operators – a third of which were women – gained the skills and experience to replicate Train for Trade capacity-building exercises in their own countries, creating local ownership and sharing knowledge.

Under Train for Trade, the port training programme alone certified 111 middle managers and 217 local trainers, supporting developing countries in their quest for efficient port management. Operating through four language-based networks (English, French, Portuguese and Spanish), the programme offers 240 hours of instruction, tailored to local contexts. The aim is to share expertise among port operators and strengthen talent development.

The results speak for themselves: one participant from Douala port in Cameroon developed a system for better preparation, anticipation and deployment of employees that sped up operations by around 40 per cent. Another participant replaced his port's fax machines with new Internet-based programs, saving his port over \$200,000 per year. Yet another participant implemented a proposal to improve the lighting system at the Haina International Terminals in Santo Domingo, improving night-time safety and creating cost savings of more than \$700,000 in 2015.

## UNCTAD cabinet briefings

The cabinet briefing is an initiative launched by the Secretary-General of UNCTAD for national cabinets in developing countries. Its purpose is to support LDCs in implementing the 2030 Agenda for Sustainable Development through interactive sessions on coherence in Government and the sharing of examples of best practice. Briefings take the form of an executive retreat that brings together national cabinet members and high-level practitioners from other countries and international institutions. Held at the invitation of the Head of State or Government, the cabinet briefing is implemented directly by the Secretary-General of UNCTAD, who leads a delegation of eminent resource persons to the country to deliver a tailor-made series of briefing sessions.

## Course on Key Issues on the International Economic Agenda

For policymakers articulating national development strategies, UNCTAD offers the Course on Key Issues on the International Economic Agenda – known as the paragraph 166 course – to provide greater perspective on the relationship between international trade, finance, investment and technology. In 2015, UNCTAD introduced new curricula for three-week regional courses that were held in Colombia, Mauritius and Singapore. Five short courses were also offered for Geneva-based delegates. Across the regional and Geneva-based courses, 44 per cent of all participants were women.

## Science, technology and innovation policy courses

The new UNCTAD training programme on science, technology and innovation policies provides decision makers with a practical understanding of how technology and innovation policies can help transform economies and promote growth. In 2015, UNCTAD piloted its basic and advanced training courses in Colombia and Cuba.



“At first I expected to go through the usual trade policy issues, but what I was exposed to throughout the course was overwhelming. Intense and packed as it was, I got to understand the linkages between the key pillars for any development strategy. The course’s emphasis on the development dimension was spot on as this is what LDCs and developing countries need.”

Shaw Chimombe, Principal Economist, Ministry of Trade and Industry, Zimbabwe

“The training course was a great opportunity to reflect on concepts, better or lesser known, and to share and exchange criteria. The training materials are of very good quality and are very helpful as they are up to date. I will use your materials in a conference for the directors of six public firms from the Ministry of Higher Education and for research activities with postgraduate students”.

Miriam Alpizar Santana, Vice-Minister, Ministry of Higher Education, Cuba









# ENRICHING MULTILATERALISM

- **Supporting developing countries in their trade negotiations**
- **Sustaining momentum on trade facilitation**  
Impact story: Kelebogile
- **Encouraging data-driven development**
- **Finding common solutions: Trade and Development Board**
- **Strengthening partnerships for sustainable development**

Multilateralism has established itself as the modus operandi in global politics. And with good reason. As globalization spawns challenges that spill across national borders – health epidemics, migrant crises, currency spats, environmental scourges, to name but a few – only collective action can address joint problems. Within its mandate, UNCTAD advances solutions that yield mutual gains for all. UNCTAD experts train trade negotiators from developing countries on mitigating the effects of convoluted rules of origin. Its teams have fanned out across the world to win support for the WTO agreement to ease customs cooperation. And UNCTAD hosts multidisciplinary expert meetings at its headquarters in Geneva to put trade in the service of health and environment. In light of these common challenges, UNCTAD stands united with its partners to enrich multilateralism.









## SUPPORTING DEVELOPING COUNTRIES IN THEIR TRADE NEGOTIATIONS

**With changes rippling through the global economy at unprecedented speed, UNCTAD supports developing countries in their trade negotiations at both the multilateral and the regional levels. UNCTAD equips negotiators to forge agreements that are conducive to sustainable development.**

### Promoting integration into the global economy

In 2015, UNCTAD extended technical support to ambassadors and senior officials at retreats of the LDCs and the African, Caribbean and Pacific States. UNCTAD experts provided support on duty-free and quota-free market access and rules of origin for LDCs, preferential market access on LDC services and services providers, non-tariff barriers, agriculture (including cotton), market access and special and differential treatment. UNCTAD organized a series of side events at the WTO Tenth Ministerial Conference in Nairobi. Furthermore, UNCTAD also promoted a coherent approach to national trade policymaking for countries acceding to the WTO, offering training events and advisory missions. At the intergovernmental level, UNCTAD prepared the United Nations Secretary-General's report to the United Nations General Assembly on international trade and development, which assessed the status of the multilateral trading system from a development perspective, contributing to development-oriented discourse.

### Navigating rules of origin

UNCTAD efforts were instrumental in securing consensus to hold a dedicated session of the WTO Committee on Rules of Origin to scrutinize the challenges faced by LDCs in complying with rules of origin. UNCTAD organized intensive face-to-face training with LDC delegates to prepare them for each of the agenda items and for negotiations that later produced the Nairobi decision of the WTO on preferential rules of origin. A number of LDC delegates expressed their gratitude for the assistance provided by UNCTAD secretariat. Also in 2015, UNCTAD delivered presentations at the WTO Public Forum and at a capacity-building workshop of the Asia-Pacific Economic Cooperation forum that advocated simplified rules of origin to favour trade and development in developing countries.

### Support to least developed countries on market access

At the request of the Government of Cambodia, UNCTAD authored a paper in 2015 highlighting the opportunities and challenges arising from the emergence of the Trans-Pacific Partnership and other free trade agreements between the European Union and ASEAN members. UNCTAD followed up with a national workshop in Phnom Penh to hold discussions with Cambodian officials and private sector participants. Since then, the Minister of Commerce of Cambodia has expressed his appreciation in writing and requested that UNCTAD carry out a series of studies to be funded by the European Union.





## SUSTAINING MOMENTUM ON TRADE FACILITATION

**Cumbersome administrative barriers are significant brakes on growth. UNCTAD aspires to ease the flow of goods across borders, particularly in developing countries, whose share of global imports has more than tripled since 1970.**

### **Implementing the World Trade Organization Agreement on Trade Facilitation**

By one estimate, the WTO Agreement on Trade Facilitation could cut the cost of shipping goods around the world by more than 10 per cent. A large proportion of countries that have benefited from UNCTAD technical assistance have later ratified the WTO Agreement on Trade Facilitation. For instance, with UNCTAD support, Botswana notified the WTO of its progress and was among the first African countries to ratify the Agreement in June 2015.





### **Collaboration with trade facilitation stakeholders**

Small producers venturing into markets abroad often approach freight forwarders to ship their goods. The difference between a competitive good and a non-competitive one often hinges on the dexterity with which the freight forwarder combines shipments. In 2015, UNCTAD organized training courses with the International Federation of Freight Forwarders Associations in Santiago and Harare to keep a check on unit costs, training 47 trainers in the areas of trade facilitation, risk management and liability insurance.

In 2015, UNCTAD also teamed up with

the Organization of Islamic Cooperation, the Port Management Association of West and Central Africa and the China–Europe Vocational Training Centre to spur development through greater port efficiency. Within the five members of the East African Community, the collaboration of UNCTAD not only helped to strengthen national capacities, but also coordination and implementation of regional trade facilitation initiatives.

### **Supporting national trade facilitation bodies**

Making trade facilitation work requires coordination. Conversations between public and private actors are essential

to predictable and transparent border transactions. Throughout 2015, UNCTAD actively supported the creation of national trade facilitation committees required under the WTO Agreement on Trade Facilitation, forming coalitions for accelerated progress. Involving all relevant stakeholders, from the public and the private sectors, in decision making and implementation of trade facilitation reforms is an important step towards transforming economies to deepen their participation in global value chains. UNCTAD led and created a global repository with information for and about national trade facilitation committees, covering at present more than 100 countries.



### **IMPACT STORY: KELEBOGILE**

Kelebogile Maureen Lekaukau has a vocation: channelling trade for development in her native Botswana. The second of seven children, Kelebogile picked up degrees in economics and trade to tackle the perennial challenges facing landlocked countries. With her colleagues from the Botswana Unified Revenue Services, Kelebogile requested UNCTAD support for her country's trade facilitation programme in the run up to a meeting for landlocked developing countries held in Mongolia.

Since then, Botswana has become one of the first African countries to ratify the World Trade Organization's Agreement on Trade Facilitation. Kelebogile herself shepherded the technical work through a committee she chairs at the Ministry of Trade and Industry.

"Thanks to UNCTAD, meaningful progress has been achieved on the Agreement on Trade Facilitation obligations. UNCTAD deserves a lot of credit for the advances Botswana has made so far," she notes.







## ENCOURAGING DATA-DRIVEN DEVELOPMENT

**Sound policies require sound data. But countries cannot improve what they cannot measure. UNCTAD helps developing countries to gather and analyse data to shape better development-oriented national policies. UNCTAD data are made available to international and regional organizations, policymakers, journalists, academics and the general public.**

“The UNCTAD presentation, which shared data and valuable insights on world seaborne trade patterns, certainly helped to inform maritime administrators and industry players at our conference.”

Andrew Tan, Chief Executive, Maritime and Port Authority of Singapore

### **Economic statistics**

UNCTAD statistical work is designed to help developing countries reap the benefits of globalization. In 2015, the UNCTADstat database recorded more than 414,000 visits with over 7.7 million page views from more than 200 countries. UNCTAD also launched a new series of statistical country

profiles in 2015, which have already been viewed over 184,000 times. Also in 2015, the *UNCTAD Handbook of Statistics 2014* was downloaded over 19,000 times, and the *Development and Globalization: Facts and Figures* report, produced in 2012, was downloaded 12,000 times.





### Investment data

Developing countries often face difficulties formulating foreign direct investment policies that are consistent with their development objectives. In view of these challenges, UNCTAD in 2015 maintained seven statistical databases on foreign direct investment, State-owned enterprises and multinational enterprises, mergers and acquisitions, greenfield investments, global value chains, bilateral foreign direct investment and national investment policies. Beyond maintaining these statistics, UNCTAD also equips government officials to compile and analyse data for better policy outcomes.

### Indicators for the 2030 Agenda for Sustainable Development

Statistics are at the heart of the follow up and review of the 2030 Agenda for Sustainable Development. Without reliable data, progress cannot be measured. Throughout 2015, UNCTAD was very active in discussions regarding the choice of indicators for the 2030 Agenda and its Sustainable Development Goals. The collaborative efforts of UNCTAD with the United Nations Capital Development Fund were essential to the proposals for Goal 17 – the global partnership for sustainable development.

“We are aware of the extensive work that some agencies have done under the leadership of UNCTAD and the United Nations Capital Development Fund on indicators to support Goal 17. This initiative must be recognized.”

John Pullinger, Chair of the United Nations Statistical Commission of the Economic and Social Council





## FINDING COMMON SOLUTIONS: TRADE AND DEVELOPMENT BOARD

The UNCTAD Trade and Development Board is a rudder that sets the organization's heading. And at its sixty-second session, the Board devoted attention to tackling gender inequality through trade. Three themes guided this part of the debate: the impact of trade liberalization on women; women as catalysts of rural development; and women's empowerment in the 2030 Agenda. The Board also invited the two other members of the Geneva trade hub – WTO and the International Trade Centre – to contribute to the discussions. All three reaffirmed their commitments to support Geneva-based delegations and their Governments to hasten progress towards achieving the Sustainable Development Goals.





## STRENGTHENING PARTNERSHIPS FOR SUSTAINABLE DEVELOPMENT

Collaboration within the United Nations magnifies the results individual members could hope to achieve alone. Launched in 2008, the United Nations Inter-Agency Cluster on Trade and Productive Capacity functions as a tool for more efficient delivery, with complementary initiatives and more holistic packages. The Inter-Agency Cluster's projects are driven by the demand of beneficiaries – not the needs of agencies. In the context of “Delivering as one”, the Inter-Agency Cluster coordinates its participation in the United Nations Development Group and works towards increased impact at the country level.

The year 2015 was decisive for the Inter-Agency Cluster as it enhanced its influence in the United Nations system through more institutionalized mechanisms. It also improved its impact at the country level through a high delivery rate and increased access to “Delivering as one” funds.

It was the turn of UNCTAD in the rotation to represent other non-resident agencies at the Advisory Group meetings of the United Nations Development Group; UNCTAD contributions ensured the full participation of the non-resident agencies in the “Delivering as one” process to share trade expertise in the United Nations system.

UNCTAD also strengthened key partnerships within the Inter-Agency Cluster to fulfil the objectives of the Sustainable Development Goals. A memorandum of understanding between UNCTAD and the International Labour Organization yielded joint analysis and policy recommendations on issues that require comprehensive solutions, such as trade and employment.

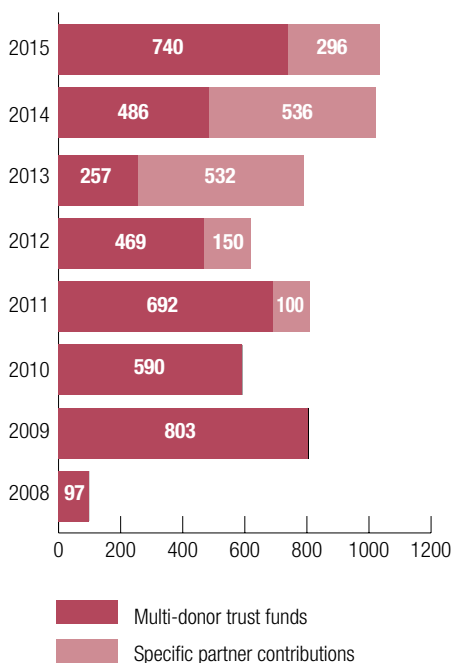
In 2015, UNCTAD also successfully positioned itself in the “Delivering as one” context, with the consolidation of the Inter-Agency Cluster's joint programmes contributing to stronger normative and operational linkages for more coherence, impact and visibility at the country level.

It delivered on more than 30 operations in Africa, Arab States, Asia, Europe and Central Asia, and Latin America and the Caribbean. It also actively participated in the formulation of a new generation of United Nations Development Assistance Frameworks that allow the United Nations to speak with one voice on trade-related issues.

Finally, it improved its access to the “Delivering as one” funding mechanism, in particular to multi-donor trust funds, which are aimed at supporting the Development Assistance Frameworks. UNCTAD would encourage donors to support the

“Delivering as one” multi-donor trust funds as those funds allow the entire United Nations to fit the purpose and effectively achieve the objectives of the Sustainable Development Goals.

UNCTAD access to “Delivering as one” funding mechanisms  
(Thousands of United States dollars)

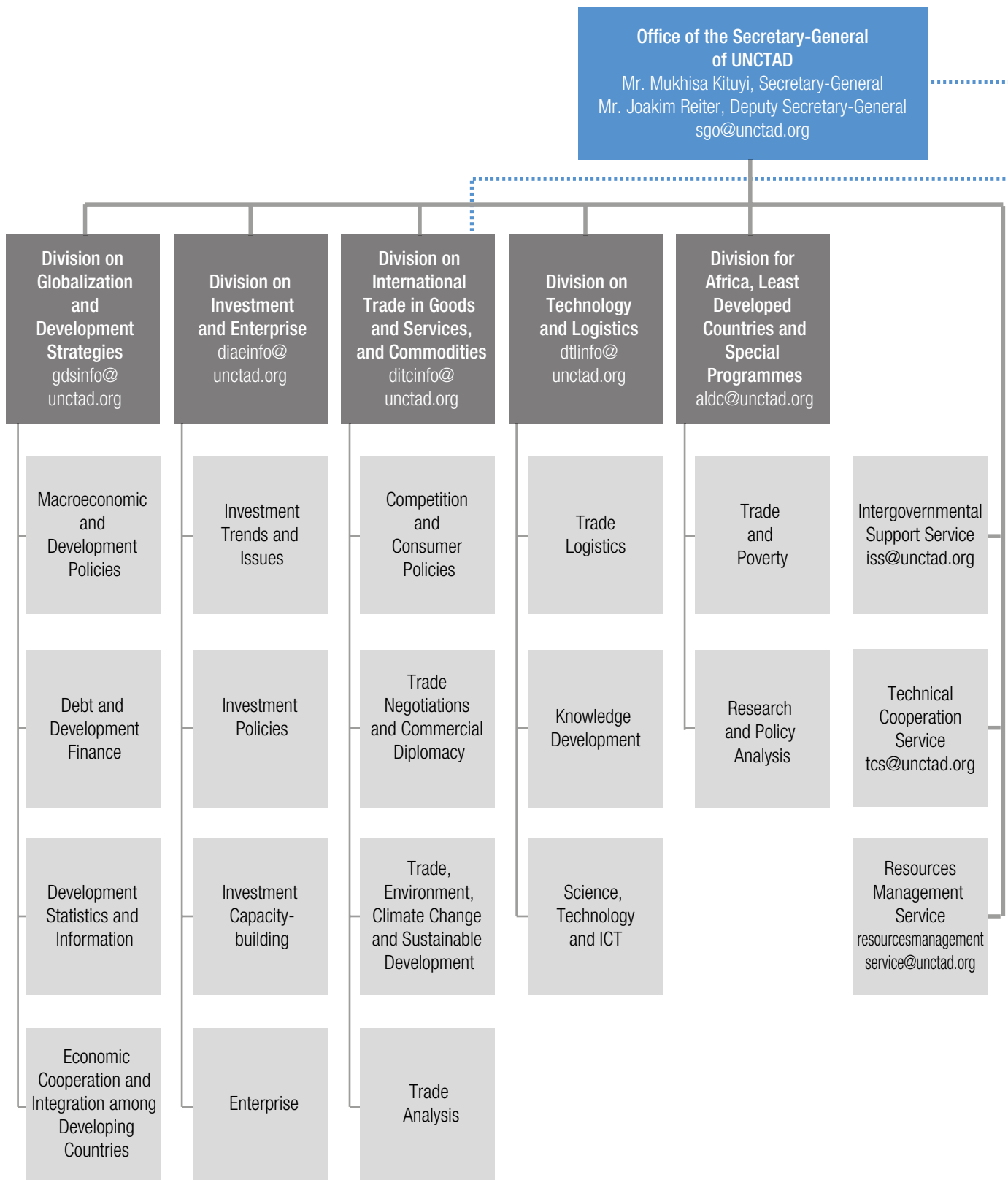


Source: UNCTAD calculations, 2015.



# UNCTAD SECRETARIAT

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The annex on objectives, expected accomplishments and indicators of achievement for the 2014–2015 biennium is available online at [unctad.org/AnnualReport2015](http://unctad.org/AnnualReport2015).

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