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**Review of the technical cooperation activities of  
UNCTAD and their financing**

**Report by the Secretary-General of UNCTAD**

**Annex I: Review of activities undertaken in 2011**

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## Abbreviations

<b>AAACP</b>	All ACP Agricultural Commodities Programme
<b>ACP</b>	African, Caribbean and Pacific (Group of States)
<b>AFRICOMP</b>	Competition Programme for Africa
<b>ALADI</b>	Latin American Integration Association
<b>APEC</b>	Asia–Pacific Economic Cooperation
<b>ASEAN</b>	Association of Southeast Asian Nations
<b>ASYCUDA</b>	Automated System for Customs Data
<b>BIT</b>	Bilateral investment treaty
<b>BTIAS</b>	BioTrade Impact Assessment System
<b>CBD</b>	Convention on Biological Diversity
<b>CDM</b>	Clean Development Mechanism
<b>CFTA</b>	Continental free trade area
<b>CIDA</b>	Canadian International Development Agency
<b>CITES</b>	Convention on International Trade in Endangered Species of Wild Fauna and Flora
<b>COMESA</b>	Common Market for Eastern and Southern Africa
<b>COMPAL</b>	Competition and Consumer Protection Policies for Latin America
<b>COROS</b>	Common Objectives and Requirements of Organic Systems
<b>DDIP</b>	Development Dimension of Intellectual Property
<b>DFID</b>	Department for International Development (United Kingdom)
<b>DGIPR</b>	Directorate General of Intellectual Property Rights
<b>DMFAS</b>	Debt Management and Financial Analysis System
<b>DTIS</b>	Diagnostic trade integration study
<b>DTTs</b>	Double taxation treaties
<b>EAC</b>	East African Community
<b>EC</b>	European Commission
<b>ECLAC</b>	Economic Commission for Latin America and the Caribbean
<b>ECO</b>	Economic Cooperation Organization (formerly RCD)
<b>ECOWAS</b>	Economic Community of West African States
<b>EIF</b>	Enhanced Integrated Framework
<b>Empretec</b>	Entrepreneurship Development Programme
<b>EPA</b>	Economic partnership agreement
<b>ESCWA</b>	United Nations Economic and Social Commission for Western Asia
<b>ETW</b>	Entrepreneurship Training Workshops
<b>EU</b>	European Union
<b>FAO</b>	Food and Agriculture Organization of the United Nations
<b>FDI</b>	Foreign direct investment
<b>FTA</b>	Free trade agreement
<b>G-24</b>	Intergovernmental Group of Twenty-Four on International Monetary Affairs
<b>G-NEXID</b>	Global Network of Developing Finance Institutions and Export Import Banks
<b>GAP</b>	Good Agricultural Practice
<b>GATS</b>	General Agreement on Trade in Services
<b>GCF</b>	Global Commodities Forum
<b>GI</b>	Geographical indication
<b>GIZ</b>	Deutsche Gesellschaft für Internationale Zusammenarbeit
<b>GMG</b>	Global Migration Group
<b>GOMA</b>	Global Organic Market Access

<b>GSP</b>	Generalized System of Preferences
<b>GSTP</b>	Global System of Trade Preferences among Developing Countries
<b>GTZ</b>	Deutsche Gesellschaft für Technische Zusammenarbeit (now GIZ)
<b>HIPCs</b>	Heavily indebted poor countries
<b>IANWGE</b>	United Nations Inter-Agency Network on Women and Gender Equality
<b>IBRD</b>	International Bank for Reconstruction and Development
<b>ICC</b>	International Chamber of Commerce
<b>ICT</b>	Information and communications technology
<b>ICTSD</b>	International Centre for Trade and Sustainable Development
<b>IDB</b>	Islamic Development Bank
<b>IDRC</b>	International Development Research Centre
<b>IEG</b>	APEC Investment Experts Group
<b>IFOAM</b>	International Federation of Organic Agriculture Movements
<b>IIA</b>	International investment agreement
<b>ILO</b>	International Labour Organization
<b>IMF</b>	International Monetary Fund
<b>INTOSAI</b>	International Organization of Supreme Audit Institutions
<b>IOM</b>	International Organization for Migration
<b>IPA</b>	Investment promotion agency
<b>IPM</b>	Investment Policy Monitor
<b>IPR</b>	Investment policy review
<b>ISAR</b>	International Standards of Accounting and Reporting
<b>ISDS</b>	Investor–State dispute settlement
<b>IT</b>	Information technology
<b>ITC</b>	International Trade Centre UNCTAD/WTO
<b>ITF</b>	International Task Force on Harmonization and Equivalence in Organic Agriculture
<b>LDC</b>	Least developed country
<b>LLDC</b>	Landlocked developing country
<b>MDG</b>	Millennium Development Goal
<b>MEA</b>	Multilateral environmental agreement
<b>MECOFIN</b>	Mechanism for Confirmation and Financing of Letters of Credit and Imports (Andean region)
<b>MERCOSUR</b>	Common Market of the South
<b>MOU</b>	Memorandum of Understanding
<b>NAMA</b>	Non-agricultural market access
<b>NGO</b>	Non-governmental organization
<b>OCHA</b>	Office for the Coordination of Humanitarian Affairs
<b>OECD</b>	Organisation for Economic Co-operation and Development
<b>OECS</b>	Organization of Eastern Caribbean States
<b>OGEDEP</b>	L'Office de gestion de la dette publique
<b>OPT</b>	Occupied Palestinian territory
<b>PA</b>	Palestinian Authority
<b>PACM</b>	Pan African Cotton Meeting
<b>PCBS</b>	Palestinian Central Bureau of Statistics
<b>PSC</b>	Palestinian Shippers' Council
<b>PSD</b>	Private sector development
<b>RBPs</b>	Restrictive business practices
<b>RTA</b>	Regional trading arrangement
<b>SADC</b>	Southern African Development Community
<b>SEATAC</b>	Southern and Eastern African Technical ASYCUDA Centre
<b>SECO</b>	State Secretariat for Economic Affairs (Switzerland)

<b>SELA</b>	Sistema Económico Latinoamericano y del Caribe (Latin American and Caribbean Economic System)
<b>SIDA</b>	Swedish International Development Agency
<b>SIDS</b>	Small island developing State
<b>SIGECOF</b>	Sistema Integrado de Gestión y Control de las Finanzas Públicas
<b>SMEs</b>	Small and medium-sized enterprises
<b>SPRs</b>	Services Policy Reviews
<b>SPS</b>	Sanitary and phytosanitary
<b>STI</b>	Science, technology and innovation
<b>STIP</b>	Science, technology and innovation policy
<b>TBT</b>	Technical barriers to trade
<b>TIR</b>	Transport international routier
<b>TNC</b>	Transnational corporation
<b>ToT</b>	Training-of-trainers
<b>TRAINS</b>	Trade Analysis and Information System
<b>TrainForTrade</b>	Training Development in the Field of Foreign Trade
<b>TRIPS</b>	Agreement on Trade-related Aspects of Intellectual Property Rights
<b>TSPN</b>	Trade Standard Practitioners Network
<b>UEMOA</b>	West African Economic and Monetary Union
<b>UNCTAD</b>	United Nations Conference on Trade and Development
<b>UNCITRAL</b>	United Nations Commission on International Trade Law
<b>UNCSD</b>	United Nations Conference on Sustainable Development
<b>UNDAF</b>	United Nations Development Assistance Framework
<b>UNDP</b>	United Nations Development Programme
<b>UNEP</b>	United Nations Environment Programme
<b>UNFCCC</b>	United Nations Framework Convention on Climate Change
<b>UNFSS</b>	United Nations Forum on Sustainability Standards
<b>UNIDO</b>	United Nations Industrial Development Organization
<b>UNITAR</b>	United Nations Institute for Training and Research
<b>UNOPS</b>	United Nations Office for Project Services
<b>Vi</b>	Virtual Institute
<b>VSS</b>	Voluntary Sustainability Standards
<b>WAEMU</b>	West African Economic and Monetary Union
<b>WHO</b>	World Health Organization
<b>WIF</b>	World Investment Forum
<b>WIPO</b>	World Intellectual Property Organization
<b>WIR</b>	World Investment Report
<b>WITS</b>	World Integrated Trade Solution
<b>WSIS</b>	World Summit on the Information Society
<b>WTO</b>	World Trade Organization

## Country/territory/region codes

<b>AFG</b>	Afghanistan	<b>CZE</b>	Czech Republic
<b>ALB</b>	Albania	<b>DJI</b>	Djibouti
<b>ALG</b>	Algeria	<b>DMI</b>	Dominica
<b>ANG</b>	Angola	<b>DOM</b>	Dominican Republic
<b>ANL</b>	Anguilla	<b>DRC</b>	Democratic Republic of the Congo
<b>ANT</b>	Antigua and Barbuda	<b>DRK</b>	Democratic People's Republic of Korea
<b>ARG</b>	Argentina	<b>ECU</b>	Ecuador
<b>ARM</b>	Armenia	<b>EGY</b>	Egypt
<b>ARU</b>	Aruba	<b>ELS</b>	El Salvador
<b>AZE</b>	Azerbaijan	<b>EQG</b>	Equatorial Guinea
<b>BAH</b>	Bahrain	<b>ERI</b>	Eritrea
<b>BAL</b>	Baltic States (regional)	<b>EST</b>	Estonia
<b>BAR</b>	Barbados	<b>ETH</b>	Ethiopia
<b>BDI</b>	Burundi	<b>FIJ</b>	Fiji
<b>BEN</b>	Benin	<b>GAB</b>	Gabon
<b>BER</b>	Bermuda	<b>GAM</b>	Gambia
<b>BGD</b>	Bangladesh	<b>GBS</b>	Guinea-Bissau
<b>BHA</b>	Bahamas	<b>GEO</b>	Georgia
<b>BHU</b>	Bhutan	<b>GHA</b>	Ghana
<b>BIH</b>	Bosnia and Herzegovina	<b>GIB</b>	Gibraltar
<b>BKF</b>	Burkina Faso	<b>GRN</b>	Grenada
<b>BOL</b>	Bolivia (Plurinational State of)	<b>GUA</b>	Guatemala
<b>BOT</b>	Botswana	<b>GUI</b>	Guinea
<b>BRA</b>	Brazil	<b>GUY</b>	Guyana
<b>BRU</b>	Brunei Darussalam	<b>HAI</b>	Haiti
<b>BUL</b>	Bulgaria	<b>HON</b>	Honduras
<b>BVI</b>	British Virgin Islands	<b>HUN</b>	Hungary
<b>BYE</b>	Belarus	<b>IND</b>	India
<b>BZE</b>	Belize	<b>INS</b>	Indonesia
<b>CAF</b>	Central African Republic	<b>IRA</b>	Iran (Islamic Republic of)
<b>CAM</b>	Central America (regional)	<b>IRQ</b>	Iraq
<b>CAR</b>	Caribbean (regional)	<b>IVC</b>	Côte d'Ivoire
<b>CAY</b>	Cayman Islands	<b>JAM</b>	Jamaica
<b>CHD</b>	Chad	<b>JOR</b>	Jordan
<b>CHI</b>	Chile	<b>KAZ</b>	Kazakhstan
<b>CIS</b>	Commonwealth of Independent States	<b>KEN</b>	Kenya
<b>CKI</b>	Cook Islands	<b>KIR</b>	Kiribati
<b>CMB</b>	Cambodia	<b>KUW</b>	Kuwait
<b>CMR</b>	Cameroon	<b>KYR</b>	Kyrgyzstan
<b>COI</b>	Comoros	<b>LAO</b>	Lao People's Democratic Republic
<b>COL</b>	Colombia	<b>LAT</b>	Latvia
<b>COS</b>	Costa Rica	<b>LEB</b>	Lebanon
<b>CPR</b>	China (People's Republic of)	<b>LIB</b>	Libya
<b>CRO</b>	Croatia	<b>LIR</b>	Liberia
<b>CUB</b>	Cuba		
<b>CVI</b>	Cape Verde		
<b>CYP</b>	Cyprus		



<b>LIT</b>	Lithuania	<b>SAM</b>	Samoa
<b>LSO</b>	Lesotho	<b>SAU</b>	Saudi Arabia
<b>MAG</b>	Madagascar	<b>SEN</b>	Senegal
<b>MAL</b>	Malaysia	<b>SEY</b>	Seychelles
<b>MAR</b>	Mauritius	<b>SIL</b>	Sierra Leone
<b>MAT</b>	Malta	<b>SIN</b>	Singapore
<b>MAU</b>	Mauritania	<b>SLO</b>	Slovakia
<b>MCD</b>	The former Yugoslav Republic of Macedonia	<b>SOI</b>	Solomon Islands
<b>MDV</b>	Maldives	<b>SOM</b>	Somalia
<b>MEX</b>	Mexico	<b>SRL</b>	Sri Lanka
<b>MLI</b>	Mali	<b>STH</b>	Saint Helena
<b>MLW</b>	Malawi	<b>STK</b>	Saint Kitts and Nevis
<b>MOL</b>	Republic of Moldova	<b>STL</b>	Saint Lucia
<b>MON</b>	Mongolia	<b>STV</b>	Saint Vincent and the Grenadines
<b>MOR</b>	Morocco	<b>STP</b>	Sao Tome and Principe
<b>MOT</b>	Montserrat	<b>SUD</b>	Sudan
<b>MOZ</b>	Mozambique	<b>SUR</b>	Suriname
<b>MYA</b>	Myanmar	<b>SVN</b>	Slovenia
<b>NAM</b>	Namibia	<b>SYR</b>	Syrian Arab Republic
<b>NAN</b>	Netherlands Antilles	<b>SWA</b>	Swaziland
<b>NEP</b>	Nepal	<b>TAI</b>	Taiwan Province of China
<b>NCA</b>	New Caledonia	<b>TAJ</b>	Tajikistan
<b>NER</b>	Niger	<b>TCI</b>	Turks and Caicos Islands
<b>NIC</b>	Nicaragua	<b>THA</b>	Thailand
<b>NIR</b>	Nigeria	<b>TIM</b>	Timor-Leste
<b>NIU</b>	Niue	<b>TOG</b>	Togo
<b>OMA</b>	Oman	<b>TOK</b>	Tokelau
<b>PAK</b>	Pakistan	<b>TON</b>	Tonga
<b>PAL</b>	Palestinian Authority	<b>TRI</b>	Trinidad and Tobago
<b>PAN</b>	Panama	<b>TUK</b>	Turkmenistan
<b>PAR</b>	Paraguay	<b>TUN</b>	Tunisia
<b>PER</b>	Peru	<b>TUR</b>	Turkey
<b>PHI</b>	Philippines	<b>TUV</b>	Tuvalu
<b>PNG</b>	Papua New Guinea	<b>UAE</b>	United Arab Emirates
<b>POL</b>	Poland	<b>UGA</b>	Uganda
<b>PRC</b>	Congo	<b>UKR</b>	Ukraine
<b>PUE</b>	Puerto Rico	<b>URT</b>	United Republic of Tanzania
<b>QAT</b>	Qatar	<b>URU</b>	Uruguay
<b>RAF</b>	Africa (regional)	<b>UZB</b>	Uzbekistan
<b>RAS</b>	Asia and the Pacific (regional)	<b>VAN</b>	Vanuatu
<b>RER</b>	Europe (regional)	<b>VEN</b>	Venezuela (Bolivarian Republic of)
<b>RLA</b>	Latin America and the Caribbean (regional)	<b>VIE</b>	Viet Nam
<b>ROK</b>	Republic of Korea	<b>YEM</b>	Yemen
<b>ROM</b>	Romania	<b>YUG</b>	Yugoslavia
<b>RUS</b>	Russian Federation	<b>ZAM</b>	Zambia
<b>RWA</b>	Rwanda	<b>ZIM</b>	Zimbabwe
<b>SAF</b>	South Africa		

## Introduction

1. This annex provides a description of the main technical cooperation projects and projects undertaken by UNCTAD in 2011. It is presented in accordance with the structure of the thematic clusters around which the technical cooperation projects and projects are grouped. A table showing the individual projects implemented by each cluster follows the relevant section. The technical assistance and capacity-building activities draw on research conducted by UNCTAD and on policy suggestions arising from UNCTAD's intergovernmental machinery. The technical cooperation projects and projects, including through synergies created within and among the clusters, also contribute to the implementation of the Aid for Trade initiative.

## Clusters I, II, IV, and V

### **Lead division: Division on International Trade in Goods and Services, and Commodities (DITC)**

2. *General introduction:* UNCTAD has consistently advanced policy measures at the national and international level to support rising living standards in developing countries, build economic resilience to external shocks, enhance competitiveness, and pursue a more inclusive and sustainable growth path and a more balanced and beneficial integration in the global economy and international trading system. Through its demand-driven technical cooperation and capacity-building activities, UNCTAD has contributed to this objective by helping developing countries, especially LDCs, and countries with economies in transition build and further develop human, regulatory and institutional capacities and develop new generation policies and strategies suited to local conditions which can effectively contribute to meeting local and internationally agreed development goals, especially building productive capacities and fostering structural transformation, eradicating poverty and creating employment opportunities. DITC's technical cooperation and capacity-building activities are increasingly provided in cooperation with other divisions of UNCTAD, with other United Nations entities and with a wide range of partners and cooperating institutions. The activities also benefit from synergies derived from outcomes of intergovernmental bodies of UNCTAD and analytical findings from research conducted by UNCTAD.

3. Key priorities for the period ahead, drawing on the Doha Mandate of UNCTAD XIII and in response to demands from member countries, will include access to trade intelligence, economic and trade data and information, especially on non-tariff measures, within as well as outside the United Nations system; and providing platforms for the sharing of experiences of best practices in trade and services policy and negotiations, competition policy and consumer protection, and trade and sustainable development, especially in the context of the green economy. Furthermore, UNCTAD will continue to assist countries with the creation of conducive legal and regulatory frameworks for building productive capacities that favour employment creation and integration into global value chains; to improve the understanding and capacities of countries' acceding to the WTO of the rules and disciplines associated with WTO membership; to explore strategies for strengthening national and regional capacities, and to assess the challenges and opportunities for joining regional and other trade arrangements for the liberalization of trade in goods and services. Information on voluntary standards, especially with respect to organic

agricultural produce and the potential for developing countries capitalizing thereon will be further developed. Focus areas will continue to be competition and competitiveness at national and regional level, with an emphasis on specific sectors of the economy. Increasing attention will be given to consumer protection in developing countries. UNCTAD's pioneering activities in shaping a development-friendly green economy that provides trade and investment benefits will be further translated into helping countries adapt to current environmental and climatological challenges, consistent national development objectives and available international support measures.

## **I. Cluster I Capacity-building on trade negotiations and commercial diplomacy**

### **Lead division: Division on International Trade in Goods and Services, and Commodities (DITC)**

4. The projects under this cluster aim to strengthen the human, policy, institutional and regulatory capacities of developing countries, particularly least developed countries, and countries with economies in transition, to integrate beneficially into the global economy and the international trading system, including trade in services; to design and implement trade policies; and to participate effectively and coherently in bilateral, regional (including South–South) and multilateral trade negotiations in goods, agriculture and services. Greater emphasis is placed on practical solutions seeking “best-fit” policies and strategies for local conditions and special needs. The projects also contribute to the implementation of the Aid for Trade initiative. The work under this cluster is delivered in cooperation with other parts of the UNCTAD secretariat, with other United Nations bodies, with intergovernmental and non-governmental agencies, and with other development partners. The cluster also contributes to “Delivering as one” activities under UNDAF, the activities coordinated by the United Nations Inter-Agency Cluster on Trade and Productive Capacity, and other inter-agency initiatives.

### **A. Enhanced trade negotiations and trade policy formulation capacities for meeting the Millennium Development Goals**

#### **1. Support to developing countries on trade policy and trade negotiations**

5. *Development context:* International trade remains an important instrument for inclusive and sustainable development. However, there is increasing recognition that export-led and demand-led growth strategies should be made more balanced and that trade-led growth strategies should be complemented by proactive national policies and strategies that would enhance productive capabilities, economic diversification, and formation of human capital. In particular, employment creation has become a key policy concern for many economies following the global economic crisis. Increased policy attention is being given to building endogenous productive capacities and creating employment. Various national initiatives are increasingly combining trade-led growth strategies with proactive industrial, agricultural and services policies, while defining productive capability formation and employment creation as two major policy objectives within a coherent and integrated policy

framework. Designing and implementing such coherent policy frameworks represent new challenges for developing countries and require international support.

6. Internationally, the trading system is at a crossroads. The decade-long WTO (World Trade Organization) Doha Round negotiations are in a stalemate, underlining the need to seek new ways to foster multilateral consensus in addressing trade barriers and enhancing more open and fairer international trade, while the parallel increasing number of regional trade agreements being established further fragment the international trading system. There have also been concerns about how the multilateral trading system should address twenty-first century challenges, while also dealing with long-standing development concerns. The increased volume of South–South trade and the growing importance of developing countries further shape the multipolar trading system and can be harvested for inclusive development. Promoting developing countries' beneficial integration into the international trading system has become more complex as the trading system has become increasingly fragmented and multipolar, while many countries are in the process of reconsidering and reformulating their national trade policy regimes.

7. **Objective:** UNCTAD's support on trade policy and trade negotiations aims at helping developing countries, particularly the least developed countries (LDCs) and their regional groupings, to build analytical, human, regulatory and institutional capacities in comprehensive trade policy formulation and implementation, and trade negotiations and trade agreements. The support provided assists countries in establishing and implementing national and/or regional trade policies, identifying negotiating priorities and negotiating and implementing bilateral, regional and multilateral trade agreements in a coherent manner that reflects their critical development concerns and interests, especially by building productive capacities and creating employment. This enables countries to derive greater benefit from international trade and the international trading system, including in meeting the United Nations Millennium Development Goals (MDGs). Greater attention is also given to enhancing the development impact of South–South and South–North trade, including in respect of trade financing.

8. **Outputs:**

(a) **The international trading system, WTO Doha negotiations and regional trade agreements**

9. In 2011, UNCTAD continued to provide advisory and capacity-building support to Geneva- and capital-based trade negotiators and policymakers from developing countries in their preparation and engagement in multilateral, regional and subregional trade negotiations, including ACP (African, Caribbean and Pacific)–EU negotiations on economic partnership agreements (EPAs), and preparatory work towards the formation of a pan-African continental free trade agreement. UNCTAD contributed to the analysis and assessment of the development implications of various technical issues and facilitated the establishment of specific negotiating priorities on such topics as agriculture, NAMA (non-agricultural market access), non-tariff barriers, services, trade facilitation, rules, TRIPS (trade-related aspects of intellectual property rights) and development issues, including special and differential treatment and Aid for Trade. Particular attention was given to the needs of LDCs, African countries and small and vulnerable economies. Advisory services and analytical support were provided on a regular basis to Geneva-based trade negotiators of developing countries and their groupings.

10. UNCTAD contributed and provided substantive support to various ministerial and high-level meetings, in particular those organized in preparation for the Eighth

WTO Ministerial Conference in November–December 2011, such as LDCs, the African Group and the ACP Group. For instance, UNCTAD's contribution to the Fourth United Nations Conference on Least Developed Countries (8–13 May 2011, Istanbul, Turkey) was instrumental in injecting a trade and development dimension into the Istanbul Programme of Action. UNCTAD contributed to an AU (African Union) consultative workshop and retreats to deliberate on African trade and development need and concerns in the Doha Round (27–28 April 2011, Geneva; 10–11 November 2011, Geneva). Furthermore, in collaboration with the Commonwealth Secretariat, UNCTAD made substantive contributions to technical and capacity-building events, including the Workshop on Elements of Pro-Development Doha Round Results (26–27 September 2011, London) and The Doha Round and Multilateralism: Stakes for LDCs and SVEs (an event in the WTO Public Forum) (21 September 2011 Geneva). UNCTAD also contributed to the ACP High-Level Meeting on Aid for Trade (Geneva, 22 June 2011) in preparation for the WTO Global Aid for Trade Review, to which UNCTAD also provided substantive inputs.

11. UNCTAD further contributed to a number of technical seminars and events organized by developing countries and groupings, as well as cooperating organizations, with regard to the development dimension of the international trading system, including mainstreaming trade into national and regional development strategies. These include: (a) Workshop on Integration of the Trade Dimension in the UNDAF (26–27 May 2011, Maseru, Lesotho); (b) Intensive Training Course of the Islamic Development Bank on Trade Negotiating Skills (Dakar, 5–8 July 2011); (c) Trade Policy Workshop for Parliamentarians of the Southern African Community (Livingstone, Zambia, 2–4 May 2011); and (d) ACP Committee of Ambassadors (Brussels, 13 October 2011) and Meeting of Technical Experts of ACP Regional International Organizations (Brussels, 17–19 October 2011).

12. Pursuing its long-standing cooperation with the African Union, UNCTAD contributed to the African Union's decision to fast-track the formation of a pan-African Continental Free Trade Area (CFTA) with a view to boosting intra-African trade and to conceptualizing and formulating a road map towards CFTA. UNCTAD contributed to the AU retreat on intra-African trade (25–27 October 2011, Addis Ababa), which adopted recommendations on a road map and action plan for the CFTA.

13. Trade policy and trade negotiation capacities of countries were also built through the provision of training courses organized under Paragraph 166 courses and the Virtual Institute, including regional courses for (a) Asia and the Pacific (29 November–2 December 2011, Singapore); and (b) Latin America and the Caribbean (25–29 July 2011, Medellin, Colombia). These enhanced preparedness and technical capacities with regard to trade policy and multilateral and regional negotiations.

14. In respect of trade financing, UNCTAD supports the efforts of the Global Network of Developing Finance Institutions and Export Import Banks (G-NEXID) in enhancing opportunities for trade and project financing among member institutions in support of the expansion of South–South trade and productive capacity development. UNCTAD participated in and contributed to the G-NEXID Sixth Annual Meeting held on 6 June 2011 in Lisbon (Portugal). Cooperation between G-NEXID and UNCTAD was formally established with the signing of a Memorandum of Understanding between the two entities on 19 September 2011 in Geneva (Switzerland). G-NEXID organized a Seminar in Geneva on 19 September 2011 with UNCTAD's support on the topic of Enhancing South–South Cooperation: Promoting SMEs Finance. At the event, the role of development finance institutions

in the post-global crisis period was discussed, with particular emphasis on challenges and opportunities regarding the financing of small and medium-sized enterprises (SMEs). The Seminar was followed by a meeting of the G-NEXID Steering Committee on 20 September which, *inter alia*, agreed to hold its 2012 annual meeting in conjunction with UNCTAD XIII in Doha, Qatar.

**(b) ACP–EU negotiations on economic partnership agreements**

15. ACP–EU negotiations for EPAs continued in most ACP subregions in 2011. ACP countries continued to face daunting challenges of effectively negotiating terms of EPAs in a manner commensurate with their stated objectives, *i.e.*, to serve as an instrument for sustainable development, poverty alleviation and regional integration. UNCTAD continued to provide analytical and operational support to ACP States in these negotiations. UNCTAD collaborated closely with the ACP Group of States and the ACP Group Secretariat. Advisory and analytical support was regularly provided to the ACP Group in Geneva, on issues interfacing the multilateral negotiations and EPAs negotiations, and within the context of national trade policy frameworks and services policy reviews. Such support was undertaken in close coordination with the Office of the ACP Secretariat in Geneva.

16. Substantive contributions were made to various regional and national consultative processes and technical meetings on EPAs organized by the ACP Group, the African Union and ACP subregional configurations, as well as by other development partners such as the Commonwealth Secretariat. These events included ACP Strategic Brainstorming on Non-Tariff Trade Barriers (3 February 2011, Geneva); Common Market for Eastern and Southern Africa (COMESA) Committee on Trade in Services (3–6 May 2011, Manzini, Swaziland), and the Commonwealth Secretariat’s Workshop on Regional Trade Integration in Pacific (26 September 2011, London).

**(c) Trade policy formulation and implementation**

17. Many countries – developed and developing – saw the need to rethink and reorient national development strategies in the light of the crisis, and of new development lessons learned, in the search for best-fit national policies and strategies. UNCTAD intensified its support to member countries in their (re)assessment of national trade policy regimes towards an elaboration of new, comprehensive and development-centred trade policy frameworks. The support helped countries to assess, develop, elaborate and implement a new generation of trade policy measures and strategies as well as promote and strengthen self-sustainable national institutional capacities to participate effectively in and benefit from, international trade. Building on the successful experience of helping Rwanda formulate a national trade policy framework in 2010, UNCTAD assisted the Governments of Angola and Jamaica with the elaboration of comprehensive development-oriented trade policy frameworks.

18. Assisting countries in exploring export strategies has been a new area of UNCTAD’s support activities under this cluster. UNCTAD collaborated with the Commonwealth Secretariat in preparing a joint study on the “Identification of potential supply chains in the textiles and clothing sector in South Asia”, which assessed the scope for promoting regional trade and cooperation in the sector for South Asian countries. The study was launched in Dhaka at the Fourth South Asian Economic Summit (Committee for Development Policy-Centre for Policy Dialogue) (22–23 October 2011), a UNCTAD XIII pre-event on an International Conference on 20 Years of India’s Liberalization: Sharing of Experiences (15–16 November 2011),

and an Inter-Agency Meeting on Rural Development through Employment (14–15 November 2011, Rome).

19. UNCTAD intensified work on better mainstreaming labour market considerations into national trade policy frameworks as a key aspect of the promotion of inclusive development. As a member of the multi-agency initiative, International Collaborative Initiative on Trade and Employment comprising, inter alia, ILO, OECD, the World Bank and WTO, UNCTAD participated in and contributed substantively to the International Conference on Trade Negotiations, Inclusive Growth and Employment (18–19 April 2011, Manila, Philippines); the OECD Global Forum on Trade and Employment (8–9 November 2011, Paris), and the High-Level Conference on Trade and Employment (22–23 September 2011, Tunisia).

20. **Results/impacts:** UNCTAD contributed substantially to strengthening capacities of developing countries and countries with economies in transition to integrate beneficially into the global economy and the international trading system, and to design and implement trade policies and participate effectively and coherently in bilateral, regional, including South–South, and multilateral trade negotiations. UNCTAD’s support activities helped developing country policymakers and trade negotiators better understand the national policies and strategies needed to achieve inclusive and sustained development, and developmental provisions and flexibilities that are particularly important in creating an enabling environment. UNCTAD’s intervention had a positive impact on strengthening human, institutional, and regulatory capacities in trade-related policies and negotiations in beneficiary countries. The feedback received from beneficiaries indicates that UNCTAD’s support and activities contributed to the following:

(a) Greater preparedness and improved ability of policymakers and trade negotiators to analyse, formulate and implement “best-fit” trade policies and strategies with holistic and comprehensive approaches to ensure that increased trade fosters greater economic resilience, productive capacity and employment;

(b) Greater awareness and appreciation of the importance of the coherence of bilateral and regional trade agreements with the multilateral trading system, and of strengthened regional cooperation mechanisms, regulations and institutions;

(c) Enhanced understanding by developing country trade negotiators, policymakers and stakeholders of the developmental implications of various technical issues under negotiation at multilateral and regional levels;

(d) Better-informed and better-trained trade officials in regions, e.g. Africa and country groupings, such as the LDCs and the ACP Group – as well as in individual countries – who are better equipped with expertise to assess and establish their own negotiating priorities reflecting their developmental interests;

(e) The advancement of multilateral and regional trade negotiations with greater focus on the development dimension, including the MDG goal of developing an open, rules-based, predictable, non-discriminatory and equitable multilateral trading system; and

(f) Improved opportunities for financing of South–South trade through G-NEXID networking of development finance institutions and export-import banks.

## 2. **Dispute settlement in international trade, investment and intellectual property, and WTO dispute settlement**

21. **Development context:** In the increasingly rules-based international trading system, beneficial participation in the global economy demands knowledge of

the rules and their interpretation by designated regional and international judicial or quasi-judicial bodies.

22. **Objective:** The UNCTAD Project on Dispute Settlement in International Trade, Investment and Intellectual Property develops training materials and delivers capacity-building activities on the procedural and substantive rules and main issues in international dispute settlement by the principal dedicated institutions. The project covers international investment dispute settlement under the rules of the International Centre for Settlement of Investment Disputes (of the World Bank group); WTO's dispute settlement system as regards international trade in goods, services and intellectual property; dispute settlement in the field of intellectual property under the rules of WIPO's Arbitration and Mediation Centre and on Internet domain name dispute resolution; the rules of the United Nations Commission on International Trade Law (UNCITRAL) on international commercial arbitration as a mode of international dispute settlement as well as dispute settlement under selected regional arrangements, namely the Association of Southeast Asian Nations (ASEAN), the Common Market of the South (MERCOSUR), and the North American Free Trade Agreement. The goal of the project is to help developing countries avoid disputes where possible and manage unavoidable disputes effectively, thereby allowing their participation in the international economy to be as effective as possible.

23. **Outputs:** UNCTAD provided training for government officials, lawyers and trade negotiators, academics, legal practitioners, lawyers representing trade associations, corporations and law firms, and business people from developing countries. In the framework of the Memorandum of Understanding on capacity-building in international dispute settlement in the Asia-Pacific region, concluded in 2008 with the City University of Hong Kong:

(a) One workshop was held on Contemporary Issues in Investment Arbitration: Challenges and Opportunities for Asia's Growth and Development", in collaboration with the City University of Hong Kong (21–22 November 2011, Hong Kong, China); and

(b) A tailor-made event on Arbitration and Mediation was organized in Geneva, for judges from China, in collaboration with the Swiss Association for Arbitration (Geneva, 14 December 2011).

24. **Results/impacts:** The capacity-building and outreach activities contributed to greater awareness, appreciation and understanding of the continuously expanding field of international economic law and dispute settlement practice in developing countries, and more effective use of dispute settlement.

## **B. Support for accession to the WTO**

25. **Development context:** Accession to the WTO constitutes an important trade and development objective of countries in the process of acceding to the WTO. The process of WTO accession represents a challenge. It is complex and requires significant national trade and broader economic policy reforms. The terms of WTO accession have an important bearing on their development prospects. Thus, in negotiating such terms with WTO members, the challenges of ensuring that WTO accession has a beneficial impact are further increased by the capacity constraints acceding countries face, including with respect to human and physical resources, trade policy expertise and support institutions. Preparation for and participation in accession negotiations require considerable financial and human resources. Supporting acceding countries' efforts to better prepare and manage trade policy



reform and negotiating processes and build national institutions is of utmost importance.

26. **Objectives:** UNCTAD's support in this area aims at building human, regulatory, policy and institutional capacities in WTO-acceding countries to effectively manage WTO accession processes (before, during and after accession), so that they can take advantage of trading opportunities and foster development. Specifically, UNCTAD's support aims at increasing awareness among the negotiating team and relevant stakeholders of the multifaceted issues in the accession process, enhancing their understanding of WTO rules and disciplines, and building their trade and negotiating capacities to participate effectively in the accession negotiations.

27. **Outputs:** UNCTAD assisted 22 out of 30 countries that were negotiating or preparing their WTO accession, including all acceding LDCs. Technical cooperation and capacity-building support was provided through, inter alia, training activities for countries' negotiating teams and other stakeholders; simulation exercises to prepare for negotiations in the WTO Working Party sessions and with trading partners; attachment of selected trade policymakers to UNCTAD; advisory missions on the substance and process of WTO accession; substantive support on the preparation of accession negotiations, including the preparation of required documentation such as the memorandum of foreign trade regime and elaboration of market access offers; and organization of national multi-stakeholder consultative meetings and sensitization events, including for the private sector and academia, as well as for parliamentarians.

28. Advisory services, field missions and capacity-building activities undertaken in: Cape Verde (22–25 February 2011, 27–29 July 2011), Syria (4–5 December 2011), Lao PDR (16–20 May 2011), Algeria (10–14 October 2011), Sudan (17–18 April 2011) and Seychelles (Workshop on Agriculture: Linking WTO commitments and Development Strategy, 14–16 May 2011, Victoria). Advisory services were also provided on a more continuous basis, including for Yemen and Islamic Republic of Iran, on such issues as the preparation of responses to questions from other WTO members and other required documentations. Intensive training sessions and technical consultations, including in preparation for the Working Party discussions, were organized, inter alia for Bosnia and Herzegovina (23–25 January 2011), Azerbaijan (24–30 July 2011), Syria (11–16 July 2011), Afghanistan (26 August–2 September 2011) and Ethiopia with an emphasis on services commitments (14 December 2011).

29. UNCTAD also provided support to the preparation of analytical studies for acceding countries, including an impact assessment of WTO accession on the industrial sector in Algeria, an impact assessment of WTO accession on the agricultural sector in Syria, and a study on non-agricultural market access for Islamic Republic of Iran. UNCTAD further contributed to national and regional events such as the WTO/JVI Workshop on WTO Accession (12–14 July 2011, Vienna, Austria), and Workshop of the Islamic Development Bank on Trade Policies and WTO Accession (12–14 September, Istanbul, Turkey).

30. In implementing these activities, UNCTAD worked and maintained close cooperation with the WTO secretariat, World Bank, Asian Development Bank, Islamic Development Bank, FAO, ESCAP, ITC and UNDP, as well as with national trade institutions and trade policymakers, and with donors.

31. **Results/impacts** UNCTAD may be considered a pioneer in the provision of comprehensive support on WTO accession. It has successfully provided support to

the accession of a number of developing countries. UNCTAD's technical cooperation in this area was evaluated positively<sup>1</sup> in an independent evaluation, which was subsequently endorsed by UNCTAD member States. The number of requests for assistance and capacity-building activities in their accession and post-accession phases has been on the rise. Feedback from beneficiary countries indicated as an impact of UNCTAD's technical assistance:

- (a) Improved ability to formulate trade policy and implement reform consistent with WTO commitments, while prioritizing developmental policy objectives;
- (b) Improved ability to identify priority issues in accession negotiations, and through facilitation by impact assessment and other analytical and sectoral studies, enabling informed decision-making;
- (c) Timely preparation, in a manner reflecting countries' national interests, of the Memorandum on the Foreign Trade Regime and other required documentation, and timely responses to questions on the trade regime by WTO members;
- (d) Formation of an inter-institutional consultative mechanism/national negotiating team that manages the whole accession process and facilitates consensus-building among diverse stakeholders in order to set national negotiating priorities;
- (e) Strengthened knowledge and skills of national negotiating teams in respect of multilateral trade negotiation techniques and strategies through advisory services, national workshops and hands-on training in Geneva;
- (f) Greater preparedness and participation of national negotiating teams in working party deliberations through provision of targeted advice on pertinent issues and negotiating strategies prior to working party meetings;
- (g) Timely preparation of market access offers on goods and services reflecting countries developmental needs;
- (h) Taking advantage of special and differential treatment provisions and the General Council decision of December 2002 on guidelines for LDCs' accession;
- (i) Increased awareness on the importance of mainstreaming trade into national development strategies;
- (j) Increased awareness and sensitization of stakeholders (parliamentarians, the private sector, including chambers of commerce, trade unions, women's groups, civil society, etc.) about the WTO accession process and its impact;
- (k) Greater coherence in national approaches to WTO membership and regional and bilateral trade agreements.

### C. Services for development and trade

32. **Development context:** The services sector has gained importance over the last decade, accounting for a growing share of gross domestic product (GDP) and employment. The services sector, particularly infrastructure services, is not only important in its own right but can also help improve efficiency and competitiveness in all sectors of the economy, as services constitute essential inputs to many other

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<sup>1</sup> "Evaluation of UNCTAD's trade-related technical assistance and capacity-building on accession to the WTO" TD/B/WP/190, para 20, p. 6, [http://www.unctad.org/en/docs/wpd190\\_en.pdf](http://www.unctad.org/en/docs/wpd190_en.pdf).

products and services. The sector generates opportunities for greater income, productivity, employment, investment and trade, and also furthers achievement of the MDGs through the provision of essential services including health, education, energy, transport and telecommunications. Moreover, services play a major catalytic role in the expansion of global supply chains. While the services sector has matured in developed countries, where it currently accounts for over 70 per cent of GDP and employment, it is the new frontier for developing countries, where the share of services in GDP and employment remains at 50 per cent and 35 per cent, respectively. Positively integrating developing countries – especially LDCs and small economies – into the global services economy and increasing their participation in services production and trade are essential. Despite the significant potential of the services sector, many developing countries face challenges in reaping the benefits of services trade for development, primarily due to their weak supply capacities. Maximizing the positive and pro-development contributions of the services sector requires good regulation and institutions capable of promoting domestic supply capacity.

33. **Objectives:** UNCTAD's support in the area of services is aimed at strengthening developing countries' capacities to make informed policy choices, at the national, regional and multilateral levels, for effectively harnessing the benefits of services economy and services trade. The support is geared towards allowing beneficiary countries to design and implement appropriate policies and regulatory frameworks, to negotiate and implement multilateral and regional trade agreements, to establish institutional frameworks, to create an enabling environment for entrepreneurship, and to build competitive services supply capacities.

34. The support provided is particularly designed to enhance expertise and human, regulatory and institutional capacities to elaborate and implement national services regulatory frameworks, services sectoral assessments and preparations for (a) regional negotiations with a view to developing regional frameworks on services trade; (b) participation in WTO General Agreement on Trade in Services (GATS) negotiations; and (c) responding to the challenges associated with parallel negotiations between the multilateral track and regional tracks. Synergies were created with ongoing analytical and intergovernmental work, especially through the Multi-year Expert Meeting on Services, Development and Trade: The Regulatory and Institutional Dimension.

35. **Outputs:** UNCTAD support included national Services Policy Reviews; group training (in Geneva and in capitals); advisory services on legal, economic and policy issues; support for stakeholder consultations; and support for services negotiations at regional and multilateral levels. These activities are informed by evidence-based research and analysis on such issues as market trends and the economic and legal aspects of the services economy and specific services sectors, regulatory and institutional frameworks, and international trade negotiations.

36. Throughout 2011, UNCTAD provided demand-based assistance on national Services Policy Reviews (SPRs), including specific country- and sector-focused services assessments that examine policy and regulatory frameworks and potential impact of trade liberalization. SPRs provide beneficiary countries with the analysis to help them make informed policy choices about accelerating national services development, build adequate regulatory and institutional frameworks and proceed with services trade opening and regulatory cooperation at the national, regional and international level. Through collaboration with national consultants, SPRs directly build capacity at the country level. UNCTAD's SPRs respond to the increased demand from countries for national services assessment studies. Each SPR guides a

full range of national stakeholders in requesting countries, through a systematic review of the economic, regulatory, institutional and trade policy environments characterizing their services sectors, with the aim of assisting them in improving regulatory and institutional frameworks and identifying trade policy options that advance national sectoral development objectives. After completing SPRs for three pilot countries (Uganda, Nepal and Kyrgyz Republic), SPRs were conducted for Lesotho and Rwanda. National stakeholder consultations were held at the National Workshop for Training of Trade Officials in Trade in Services (9–10 May 2011 and 22–25 September 2011, Maseru, Lesotho) and the National Stakeholders Workshop on Trade in Services (26–27 September 2011, Kigali, Rwanda).

37. Customized support, including specialized training and advisory services, on multilateral and regional trade negotiations pertaining to trade in services, was provided to policymakers and negotiators in developing countries and country groupings, particularly LDCs and African countries and small and vulnerable economies. Such assistance supported countries and the regional groupings concerned in pursuing their trade negotiating objectives in multilateral and regional services negotiations. UNCTAD assistance included the preparation of technical background material and the provision of technical advice and analysis. Topics addressed included national and regional strategies for services negotiations at the multilateral and regional levels while enhancing positive coherence between various negotiations; GATS negotiations in the area of temporary movement of natural persons supplying services (Mode 4), trade in labour-intensive services, and skills development and recognition of qualifications; development of services supply capacities; and promotion of services policy formulation at the sectoral level and in overall terms.

38. UNCTAD has extended technical support on development impacts of trade in services to regional configurations such as SADC (Southern African Development Community) and COMESA (Common Market for Eastern and Southern Africa). The support was designed to enhance the expertise and knowledge in services negotiation and pertained to services assessments and preparations for (a) regional negotiations with a view to developing a regional framework on services trade; (b) participation in WTO GATS negotiations; and (c) the challenges associated with parallel negotiations between SADC and the EU on EPAs. UNCTAD provided demand-based technical and advisory support to the Secretariats of SADC and COMESA and to their member States. In 2011, such support was provided to COMESA's Committee on Trade in Services (3–6 May 2011, Manzini, Swaziland), which covered such issues as the global services market, GATS principles and obligations, and regional approaches to services liberalization through RTAs and GATS negotiations for COMESA, as well as for Lesotho (9–10 March 2011, Maseru, Lesotho). UNCTAD also contributed to a Workshop on Services organized by GTZ / ILEAP / ICTSD in Nairobi (14–16 November 2011).

39. In 2011, substantive contributions, based on findings from analyses and on outcomes of intergovernmental deliberations, were made to national and regional technical and consultative meetings, such as: (a) International China Services Congress (24–30 May 2011, Wuhan, China); (b) National Stakeholders Workshop on Trade in Services (29–30 September 2011, Nairobi, Kenya); and (c) Regional Workshop on Trade in Services, Positions of Arab Countries, Current and Future Negotiations, and Developmental and Economic Added Value (9–10 September 2011, Beirut, Lebanon). Training provided under Para 166 courses and the Virtual Institute also included services components.

40. UNCTAD participates in the Inter-Agency Task Force on Statistics of International Trade in Services, with OECD, the European Commission, IMF, the United Nations Statistics Division, the World Tourism Organization and WTO. It contributed to the Task Force on Services Statistics, including its meeting in Paris, France (10 November 2011).

41. UNCTAD actively promotes coherence and global understanding by offering strategic policy analysis and options on the nexus between migration, trade and development, including through expert meetings and key publications. It undertakes analytical work and provides advice and technical assistance to policymakers, trade negotiators and regulators on migrants' contribution to development; the potential benefits and opportunities of trade, investment and developmental links between migrants' countries of origin and their communities abroad; and the potential of migrants' remittances to contribute to development.

42. UNCTAD collaborated with international organizations and member States on migration issues, particularly as a member of the GMG (Global Migration Group). It contributed to various migration and development events in the course of 2011. For example, UNCTAD participated in a Working Group meeting on GMG Mainstreaming (6 September 2011), the IOM International Dialogue on Migration on Economic Cycles, Demographic Change and Migration (16 October 2011) and the Global Migration Group Meeting of Principals (15 November 2011). UNCTAD also contributed to the GMG Symposium Migration and Youth: Harnessing Opportunities for Development (17–18 May 2011), aimed at advancing partnerships and the sharing of good practices on migration and development among United Nations agencies, governments and civil society, and to the General Assembly informal thematic debate on international migration and development, organized by the President of the United Nations General Assembly on 19 May 2011.

43. UNCTAD also continued its work on maximizing the development impact of remittances, building upon the findings and outcomes of an ad hoc expert group meeting held on 14–15 February 2011 on the topic. It stressed the potential of migrants' remittances for contributing to development, for example by better channelling remittances into productive investment, including by expanding migrants' access to financial services and improving financial integration.

44. **Results/impacts:** UNCTAD's comprehensive and innovative work on services supported developing countries' efforts to develop services sectors and take measures to strengthen their contribution to inclusive development, achieve economic diversification and employment creation. Close synergy was created between the three pillars of UNCTAD's work on services. Of the new products, national Services Policy Reviews (SPRs) proved particularly useful and were in great demand by countries wishing to build up services supply capacities and trade. UNCTAD's support to trade policymakers and trade negotiators in continuing to articulate their interests in the GATS, as well as regional and bilateral services negotiations, helped them to maintain a development focus in the negotiations. Such support was particularly instrumental, especially in COMESA and SADC, in terms of adopting services integration agreements and putting in place the liberalization framework and modalities.

45. As participation in multiple negotiations was a major challenge, UNCTAD's support helped countries and regional integration groupings to ensure greater coherence between priorities pursued multilaterally, regionally and bilaterally. UNCTAD's assistance was important in facilitating countries' reform of policies following the financial and economic crisis, and enhanced extensive multi-stakeholder consultations on services development. Sharing of experiences and

lessons learnt is a special feature of UNCTAD's support. Improving the availability of services statistics is an ongoing concern of the international community and UNCTAD continually supports this effort, especially through the Interagency Task Force on Statistics of International Trade in Services. The developmental benefits of international migration and related remittances received added emphasis by UNCTAD in the light of its growing impact on development prospects. This work was appreciated by member States.

#### **D. Capacity-building on market access, preferences, GSP, GSTP, and other trade laws**

46. *Development context:* Trade preferences constitute an important trade and development policy tool available to beneficiary developing countries in enhancing the competitiveness of their exports and in turn promoting their industrial development and structural transformation. The key preferential scheme has been the Generalized System of Preferences (GSP), instituted in 1971 under UNCTAD auspices. Over the years, it has helped to create an enabling trading environment for developing countries, particularly LDCs. Challenges arise for beneficiaries in terms of fully exploiting the market access opportunities available under these schemes, including by developing supply capacities and effectively meeting the rules of origin requirements. Following the WTO Hong Kong Ministerial Decision in 2005 whereby members agreed that developed countries and developing countries in a position to do so would grant duty-free and quota-free market access for exports of LDCs, improvements were made to various GSP schemes and/or new schemes for LDCs were launched. The provision and utilization of trade preferences are key goals of the MDGs and the Istanbul Programme of Action.

47. The Global System of Trade Preferences among Developing Countries (GSTP) was established in 1988 as a framework for the exchange of trade preferences among developing countries. The third round of GSTP negotiations (the São Paulo Round), launched at UNCTAD XI in 2004, was successfully concluded in 2010. GSTP signatories to the Round were working towards expeditiously bringing into force the São Paulo Round results. It is noteworthy in this regard that trade among developing countries has grown to represent significant economic opportunities. The value of South–South trade reached \$3.5 trillion in 2010, accounting for 55 per cent of developing countries' total exports. The economies of the 43 GSTP participants represented a market of \$11 trillion in 2010 and grew nearly twice the world average growth rate during the 2000s. Trade under GSTP could thus bring about significant commercial gains.

48. *Objectives:* The objective of UNCTAD's support on GSP and other preferential arrangements is to help developing countries – particularly LDCs – to increase utilization of GSP and other trade preferences and in turn promote productive capacity development and increased exports. Such support includes raising awareness and enhancing understanding among exporters and government officials in beneficiary countries of the trading opportunities available under the schemes; strengthening understanding of technical and administrative regulations and laws governing preferential market access, particularly rules of origin; and disseminating relevant information for users of GSP and other preferential schemes. Support is also made available to providers of preferences in improving their preferential schemes.

49. The objective of UNCTAD's support to the GSTP is to strengthen South–South trade and economic cooperation and integration. It enables participants

to make effective use of the trade agreement in building and increasing trade among them. UNCTAD also provided substantive and administrative support to GSTP participants for the conduct of the third round of GSTP negotiations and the implementation of its results, as well as further enhancement of the agreement.

50. *Outputs:*

#### 1. Generalized System of Preferences (GSP) and other trade preferences

51. UNCTAD continued to promote enhanced awareness among developing countries on ways to better utilize the preferences available under GSP and other preferential schemes through regular provision of information on a dedicated website, administrative support on certificate of origin, collection of data, publication of handbooks on the GSP schemes and newsletters, and demand-based technical cooperation and capacity-building support. UNCTAD ensured the dissemination of relevant information by updating and revising GSP Handbooks of individual GSP schemes, such as that of the United States, preparing related studies and issuing GSP newsletters. It also continued compilation and updating of the UNCTAD GSP database based on the data submitted by GSP donor countries, which provide useful information on trade conducted under each preferential scheme. UNCTAD also contributed to international policy discussion regarding GSP and other trade preferences, particularly for LDCs (Beyond Istanbul - Challenges after the UNLDC IV and Trade Preferences for LDCs, 28 June 2011, Geneva).

#### 2. Global System of Trade Preferences among Developing Countries

52. In 2011, UNCTAD continued to provide substantive, technical and administrative support for the implementation of the GSTP Agreement, the operations of the GSTP Committee of Participants, follow-up and implementation of the third round of GSTP negotiations in the Sub-Committee of Signatories to the São Paulo Protocol, as well as the Working Group on Rules of Origin. GSTP participants continued to examine possible modification of GSTP rules of origin, currently based on value-added methods, including the examination of tariff-classification methods. Substantive assistance was provided to GSTP participants, particularly to signatories to the São Paulo Protocol, on some outstanding technical issues such as rules of origin, scheduling and other technical issues such as notification and depositary.

53. *Results/impacts:* UNCTAD's support on trade preferences has contributed to building the knowledge base among beneficiaries on GSP and other trade preferences and helped them to consider ways of more effectively utilizing trade preferences. UNCTAD's dissemination of GSP-related information, including through the preparation of GSP handbooks and GSP newsletters, and the compilation of GSP trade data, has improved understanding and awareness of GSP among exporters and government officials in some individual beneficiary countries. UNCTAD has contributed ideas with a view to making LDC preferences more effective, thereby facilitating implementation of the Istanbul Programme of Action.

54. UNCTAD's support to the GSTP Agreement and participants has ensured the smooth functioning of the Agreement and effective follow-up to implementation of the So Paulo Round results by the signatories. This is expected to further expand and deepen the growing South–South trade and cooperation.

Table 1  
**Capacity-building on trade negotiations and commercial diplomacy**

<i>Project number</i>	<i>Short title</i>	<i>Date</i>	<i>Source of fund</i>
IND/0T/2CC <sup>a</sup>	Strategies and preparedness for trade and globalization in India	2002–2011	United Kingdom
INT/0T/0AG	Building capacity through training in the settlement of disputes in international trade, investment and intellectual property	2001–	Multi-donor
INT/9X/00M	Negotiations for a GSTP among developing countries	1990–	Multi-donor
INT/9X/77I	Technical cooperation on market access, trade laws and preferences	1997–	Multi-donor
INT/0T/2CT	Training in LDCs and developing countries on trade policies formulation	2003–	Norway
INT/0T/4CN	Project for WTO accessions	2004–	Germany
INT/0T/5AU <sup>a</sup>	Project for WTO accessions	2005–2011	United Kingdom
INT/0T/7AF <sup>a</sup>	Development implications of services trade liberalization	2007–2011	Canada
INT/0T/9BG	General Trust Fund on Services, Development and Trade	2009–	Multi-donor
INT/0T/9AU	General Trust Fund on WTO Accession	2009–	Norway
RAF/0T/3AI <sup>a</sup>	Joint Integrated Technical Assistance Programme Phase II	2003–2011	Multi-donor
ROA-2159 (N6) <sup>a</sup>	Promoting sub-regional growth-oriented economic and trade policies towards achieving the MDGs in Arab countries of West Asia and North Africa	2008–2011	Development Account
ROA-2243 (P7)	Addressing the impact and implications of the global financial and economic crisis on developing countries through support to services sector development	2011–	Development Account

<sup>a</sup> Projects that were “operationally but not financially completed” or “completed” in 2011.

## II. Cluster II Trade analysis capacities and information systems

### Lead division: Division on International Trade in Goods and Services, and Commodities (DITC)

55. The projects under this cluster aim to strengthen analytical, statistical and information bases and tools for trade and trade-related decision-making in developing countries, LDCs and countries with economies in transition, at national, regional, South–South and international levels, and for enhanced understanding of interactions among trade, competitiveness and development leading to adjustment of policies and strategies for facilitating increased participation in international trade.



## A. Strengthened analytical tools and database (including on non-tariff barriers)

### 1. Trade information system and database

56. *Development context/objectives:* TRAINS (Trade Analysis and Information System) is an information system designed to increase transparency in international trading conditions and enhance trading opportunities. It is intended more specifically for government officials and researchers, by providing them with comprehensive, up-to-date information on market access conditions together with a corresponding software tool. One component of the system relates to the Generalized System of Preferences in that it includes information on tariffs, preferential margins, non-tariff measures and other regulations affecting the export interests of developing countries in relation to the preference-giving countries. A subsystem, TRAINS for the Americas, has been developed in collaboration with the Inter-American Development Bank for extension of the database with information on bilateral preferential trade agreements, as well as extended coverage of non-tariff measures. For the purpose of dissemination, a computer software – the World Integrated Trade Solution (WITS) – has been developed. This is a web-based application, which has been developed jointly with the World Bank. Free and unlimited access to TRAINS through WITS is provided to member governments and private users.

57. *Outputs/results/impact:* The data elements of TRAINS accessible through WITS can be compared to a specialized library containing books on trade-related topics as follows: 167 volumes of tariff schedules, 97 of which are for 2010 and 116 for 2009; 56 volumes with para-tariff measures; 95 publications on non-tariff measures, produced by UNCTAD; and 71 volumes on detailed import statistics at tariff-line level by origin. The number of new requests for access to TRAINS via the WITS software continued to increase in 2011. About 6,000 of the approximately 18,000 licenses issued to users of WITS were issued in 2011.

58. The widespread use of TRAINS, particularly in the publications of other international organizations such as the WTO, World Bank and IMF, attests to its usefulness. TRAINS has served as a primary data source for various research papers aiming at measuring the potential impact of the current WTO multilateral trade negotiations as well as for GSTP negotiations. In addition, the database has continued to furnish tariff and trade data to the Agricultural Market Access Database, which, in turn, is often referenced as an information source in many publications on trade in agriculture.

59. Among the regional secretariats actively collaborating with UNCTAD are those of ALADI (Latin American Integration Association), the South Asian Association for Regional Cooperation, and the Permanent Secretariat of the General Treaty on Central American Economic Integration.

60. TRAINS has contributed data for the calculation of MDG indicators on market access, namely Indicator 8.6 (Proportion of total developed-country imports from developing countries and least developed countries, admitted free of duty) and Indicator 8.7 (Average tariffs imposed by developed countries on agricultural products and textiles and clothing from developing countries). In 2004, UNCTAD, WTO and ITC established the Common Analytical Market Access Database by putting together all data sources collected or received by each organization, thereby creating the most comprehensive market access database in the world.

## B. Increased participation in new and dynamic sectors of world trade

61. **Development context:** The process of identifying new and dynamic sectors of exports, and formulating strategies for successfully developing such export sectors will necessarily upgrade a country's capacity to formulate trade policy. Entering new and dynamic sectors of world trade can create the multiplier effects of accelerating growth, increasing the domestic value-added of exports, and enhancing employment and the quality of jobs in developing countries – especially LDCs and other commodity-dependent economies.

62. South–South trade has remained relatively resilient in the face of the recent global economic crisis, due largely to a strong demand for imports exhibited by emerging economies. This reconfirms that enhancing South–South trade, including in new and dynamic sectors, can be an engine of economic growth for many developing countries in coming years.

63. **Objectives:** UNCTAD has been implementing a development account project (ROA-2166 (O6)) that aims to strengthen the new supply capacity of several developing countries by using innovative approaches to development and trade, and to organizational learning and information-sharing towards enhancing the public-private partnership in trade policymaking.

64. **Outputs/results/impact:** Based on the national diagnostic study on new and dynamic exports, a national workshop and other meetings were held in Lima (May 2011) which brought the private sector, the government and the potential markets (e.g. the Republic of Korea) for the fishery and fruits exports from Peru. This multi-stakeholder workshop identified new export opportunities, and led to an undertaking of follow-up action in 2012 to facilitate Peruvian anchovy exports to the Korean market.

## C. Creative economy and industries

65. **Development context:** At UNCTAD XI, the São Paulo Consensus called on the international community to support the efforts of developing countries to increase their participation in and benefit from dynamic sectors, including creative industries, noting that those countries' participation in such sectors is vital if they are to achieve development gains from international trade and trade negotiations. In the context of UNCTAD XII, the Secretary-General's High-level panel on the creative economy and industries for development recognized that UNCTAD's work in the area of the creative economy and the creative industries should be pursued and enhanced.

66. **Outputs/results/impact:** In 2011, UNCTAD provided demand-driven policy advice to governments; undertook policy-oriented research to identify issues and policy options to assist governments in policy formulation to nurture their creative economies; promoted synergy inside the United Nations system aiming at complementarities and policy coherence on creative economies; implemented technical cooperation projects to assist developing countries in enhancing their creative capacities for trade and development gains; and expanded its creative economy network which serves as a catalyst that facilitates collaborations, best practices and knowledge-sharing among stakeholders, including governments, academia, creative business and the civil society.

67. In the context of the activities jointly implemented under the Partnership between UNCTAD and UNDP Special Unit for South–South Cooperation, an event

for the official launching of the Creative Economy Report 2010: “A feasible development option” took place at United Nations headquarters in March 2011 in New York. With the presence of the Deputy Administrator of the UNDP and the President of the United Nations High-level Committee on South–South Cooperation, the debate around the report captured the attention of delegates and international media, including news coverage by CNN.

68. In 2011, UNCTAD concluded its activities under a multi-agency project “Strengthening the creative industries in five selected ACP countries through employment and trade”, jointly implemented by UNCTAD, UNESCO and ILO with funds provided by the European Commission and institutional support from the ACP Secretariat. The beneficiary countries were: Fiji, Mozambique, Senegal, Trinidad and Tobago, and Zambia. In this framework, UNCTAD finalized and disseminated two policy-oriented country studies entitled “Strengthening the creative industries”, for Mozambique and for Zambia respectively, which were released during the annual session of the UNCTAD Trade and Development Commission in June 2011. These studies were the result of collaboration with the Governments of Mozambique and Zambia, and were carried out with the participation of national stakeholders, including government agencies, the creative community, national associations, and civil society. A research study under the theme “Strengthening the Creative Industries in Trinidad and Tobago” was prepared, and the final draft sent to the Ministry of Trade and Industry for comments.

69. In 2011, UNCTAD launched the Creative Economy Academic Exchange Network bringing together nearly 100 academic institutions joining this initiative under the Creative Economy web page. The aim is to provide a platform for academia, creative professionals, artists and civil society with a view to promoting international cooperation, networking and advocacy.

70. In response to the success of its second edition - Creative Economy Report 2010: “A feasible development option”, a good number of governments and academia requested UNCTAD to co-organize and/or participate in events in different parts of the world to disseminate the findings and recommendations of the report. Among these activities were:

(a) “Index conference” which discussed the economic impact of design-related sectors for growth and modernization. UNCTAD provided technical advice for the research study on the design industry and a framework for measuring design capabilities;

(b) February 2011 (Macao, China) UNCTAD, at the invitation of the European Studies (IEEM) of Macao, a front-runner in the development of creative industries in the city, held consultations with local authorities to assist the government with raising its profile in achieving its full economic potential;

(c) February 2011 (Paris, France) At the invitation of NetExplorateur Forum, UNCTAD participated in the voting for the ten laureates of the year for the 2011 Awards ceremony for worldwide excellence in using digital technologies creatively for innovation, communication and knowledge sharing;

(d) March 2011 (London, UK) In the context of the UNCTAD Creative Economy Academic Exchanges, a seminar was organized by King’s College of London in order to disseminate the findings of the Creative Economy Report 2010;

(e) March 2011 (New York, USA) UNCTAD moderated a panel at the African Economic Forum on Monetizing the Creative Industries in Africa. Discussions focused on niche markets such as music, fashion, publishing, film and television programmes;

(f) March 2011 (Geneva, Switzerland) UNCTAD addressed a seminar on “Media Trends 2011 with a focus on women’s rights and gender equality”, organized by Webster University, which discussed the global media and its strengths in promoting agendas and images of women;

(g) March 2011 (St. Lucia) UNCTAD addressed a seminar on Assessing the Economic Contribution of Creative Industries to National Economies, jointly organized by ITC, WIPO and the Organization of Eastern Caribbean States. UNCTAD presented its methodology for the analysis and dissemination of world trade statistics for creative products with a view to promoting creative industries in the CARIFORUM;

(h) June 2011 (Geneva, Switzerland) At the annual session of UNCTAD’s Trade and Development Commission, UNCTAD released the publications *Strengthening the Creative Industries in Zambia – Priorities and Bottlenecks Requiring Action* and *Strengthening the Creative Industries in Mozambique*. These reports were prepared by UNCTAD in cooperation with the Governments of Zambia and Mozambique;

(i) June 2011 (Dublin, Ireland) In the context of the World Crafts Council, the conference “Craft-conscious: Reshaping global futures in the innovation age”, UNCTAD shared the United Nations perception on the growing importance of the creative economy for job creation and innovation, in particular the crafts and design sectors;

(j) July 2011 (Ávila, Spain) In the context of the United Nations Creative Community Outreach Initiative, the Iberoamerican Creative Summit was held in Ávila (Spain). The aim was to bring together representatives of the Iberoamerican film and television industries and urge them to help spread United Nations messages and stories;

(k) August 2011 (Pretoria, South Africa) At the invitation of the Department of Communication of South Africa and its e-Skills Institute, UNCTAD addressed a workshop jointly organized with UNDP, to draw up a Global Partnership Framework to support its National E-Skills Plan of Action. E-skills are essential to building capacity for a creative and innovative workforce in South Africa;

(l) September 2011 (Shenyang, China) UNCTAD gave a keynote speech at the World Summit on Multimedia organized by the International Federation of Multimedia Associations and Shenyang National Cultural Industry Zone with the aim of discussing digital applications in health, education, sports, tourism and new media arts;

(m) September 2011 (Beijing, China) At the invitation of the Beijing Industrial Design Centre, UNCTAD was part of the jury for the China Red Star Design Award. The aim was to recognize excellence in creative design, promote the design industry, and encourage Chinese enterprises to protect intellectual property rights;

(n) October 2011 (Poitiers, France) In the context of the Academic Exchange Network on Creative Economy and Science Day, UNCTAD introduced the topic of the creative economy in reflections around the relationships between creation and research;

(o) October 2011 (Melbourne, Australia) UNCTAD addressed the Fifth International Federation of Arts Councils and Culture Agencies Summit, organized in collaboration with the Australian Arts Council. Nearly 75 countries gathered to debate and propose new directions for cultural policies;

(p) October 2011 (Bogotá, Colombia) The first congress organized by the University Antonio Nariño on the theme of the economics of creativity was inspired by the Creative Economy Report 2010. Discussions focused on the need to reinforce the collaboration between academia and creative enterprises;

(q) October 2011 (Taipei, Taiwan Province of China) UNCTAD addressed the International Design Alliance Congress on the theme Design at the Edges. The aim was to

promote the value of design and explore design-led approaches as an enabler of innovation in economic development. Moreover, at the initiative of the College of Humanities and Arts of the National Taipei University of Education, UNCTAD released the translation into traditional Chinese of the Creative Economy Report 2010, as an outcome of the activities of the UNCTAD Academic Exchange Network on Creative Economy;

(r) November 2011 (Rio de Janeiro, Santa Catarina and Porto Alegre, Brazil) At the invitation of the City Government of Rio de Janeiro, UNCTAD participated in the launching of the Creative Economy Report 2010 in Brazil. On that occasion, the Secretary of Creative Economy of the Ministry of Culture presented the first Brazilian Plan for the Creative Economy. UNCTAD also addressed the Fifth Congress on Copyright and Public Interest organized by the Santa Catarina Federal University in Florianopolis, which brought together professors to share research on copyrights and intellectual property rights issues. UNCTAD further addressed the 2011 Week of Communication, Media and Advertisement, held in Porto Alegre, which highlighted the importance of creative industries;

(s) November 2011 (Muscat, Oman) At the invitation of the Royal Opera House Muscat and the Aspen Institute Global Initiative, UNCTAD addressed a conference on the theme Arts in Motion with the purpose of discussing the emergence of new cultural markets and the contribution of arts to economic growth and social change;

(t) December 2011 (Shanghai, China) UNCTAD was a co-organizer of the Global Education Conference on Creative Industries hosted by Shanghai Theatre Academy. The event brought together experts and academics to discuss educational reform, research and ways of reviewing the curricula of universities in order to respond to the challenges of the creative economy and build creative capacities;

(u) December 2011 (Doha, Qatar) UNCTAD addressed the Fourth Forum of the United Nations Alliance of Civilizations on the contribution of the creative economy to economic prosperity. The Forum's session on "The role of creative industries to boost development – from education to business" was inspired by the *Creative Economy Report 2010*.

Table 2

**Trade analysis capacities and information systems**

<i>Project number</i>	<i>Short title</i>	<i>Starting date</i>	<i>Source of fund</i>
INT/9X/00J	TRAINS: Development and dissemination of selected computerized trade data	1991–	Multi-donor
INT/06/001 <sup>a</sup>	Creative economy report	2006–2011	UNDP
INT/0T/8AZ <sup>a</sup>	The operational aspects of a joint programme strengthening the creative industries in five selected African, Caribbean and Pacific Countries through employment and trade expansion	2008–2011	ILO
INT/0T/AAJ <sup>a</sup>	Construction of a cross-country historical database on tariff and trade indicators of trade openness	2010–2011	UK/DFID
RAS/0T/9BN <sup>a</sup>	Strengthening export capacity of selected developing countries in dynamic and new type of goods and services	2009–2011	Japan
ROA-2166 (O6) <sup>a</sup>	Enhancing effective participation of developing countries in dynamic and new sectors of international trade	2008–2012	Development Account

<sup>a</sup>.. Projects that were "operationally but not financially completed" or "completed" in 2011.

### III. Cluster III

## Commodity-sector development and poverty reduction

#### Lead entity: Special Unit on Commodities

71. The programmes under this cluster aim to improve the capacity of commodity-dependent developing countries, LDCs, and countries with economies in transition, to harness development gains from the 2008 boom in commodity prices and enhanced international cooperation with a view to addressing trade and development problems associated with the commodity economy, including the food crisis and poverty reduction (Accra Accord, paras. 91–93, 98 and 183).

#### A. All ACP Agricultural Commodities Programme

72. *Development context.* The EU-funded All ACP Agricultural Commodities Programme (AAACP) is intended to help improve incomes and livelihoods of agricultural producers in commodity-dependent developing countries within the ACP Group. UNCTAD's activities under the programme aim to contribute to this objective through human and institutional capacity-building activities.

73. The main issues being addressed under UNCTAD's work plan are:

(a) Capacity-building at regional level to enhance the functioning of agricultural commodities markets;

(b) Access to key market information, through two channels: a) UNCTAD's portal INFOCOMM <http://www.unctad.info/en/Infocomm/> and (b) technical assistance to provide market information services of relevance to commodity chains stakeholders at national/regional levels, in particular through the UNCTAD INFOSHARE software <http://infoshare.unctad.org/>;

(c) Building consensus regarding the necessary conditions for successful national and regional commodity exchanges;

(d) Building consensus regarding the necessary conditions for successful warehouse receipt systems and supply chain finance; and

(e) The creation and launching of a portal concerning sustainability claims (organic, sustainable agriculture, fair trade, geographical indications, etc.). The Sustainability Claims Portal, [www.unctad.org/scp](http://www.unctad.org/scp) is designed to inform both EU consumers and ACP producers about the requirements for the labels concerned.

74. *Objectives/features.* The Programme is implemented in five ACP regions: Pacific, Caribbean, Central Africa, West Africa, East and Southern Africa. For each region, UNCTAD should contribute to the development of regional/national supply chain strategies which integrate market information systems, innovative commodity value chain finance, and use of the sustainability claims portal.

75. *Outputs.* The Programme was completed in 2011. The main achievements during the period under review are the following: Market information systems: Infoshare upgrading (the Infoshare tool was upgraded into a fully customizable software application that can be easily tailored to different settings and requirements). A subregional application of Infoshare was developed for the Caribbean and Pacific regions. Eight multi-stakeholders capacity-building workshops were successfully held:

- (a) “Establishment of a regional market intelligence system and the development of a sustainability claims portal for the Caribbean” (17–19 February 2011, Port of Spain, Trinidad and Tobago);
- (b) “Atelier sous-régional sur la labellisation des produits agricoles et lancement du Portail d’Information” (24–25 May 2011, Dakar, Sénégal);
- (c) “Enhancing access to finance for the nutmeg sector in Grenada” (7–8 July 2011, St. George’s, Grenada);
- (d) “Establishment of a subregional agricultural market intelligence System in the Pacific” (17–19 August 2011, Nadi, Republic of Fiji);
- (e) “Atelier sur le financement de la commercialisation du café/cacao au Cameroun: Rôle du système de réception d’entrepôt/crédit warrantage” (5–6 October 2010, Kribi, Cameroon);
- (f) “Pacific regional capacity-building workshop on enhancing access to finance for the agricultural sector” (20–21 October 2011, Nadi, Republic of Fiji);
- (g) “Regional meeting on the agrifood standards and the launching of the sustainability claims portal” (10–11 November 2011, Dar es Salaam, Tanzania); and
- (h) “Commodity exchanges as instruments for agrifood production and trade in East and Southern Africa” (21–22 November 2011, Dar es Salaam, Tanzania).

## B. Commodity sector development and poverty reduction – INFOCOMM<sup>2</sup>

76. **Development context:** Commodity-dependent developing countries continue to face difficulties in procuring broad-based, well-organized and verified information. The imperfect nature of the information and the disequilibrium in the distribution of information lead to what is termed “asymmetric information” on price, quality, quantity, credit and many other relevant variables. Long-established commodity-related sources of information are relatively dispersed, provided for a fee and not always well-structured. Above all, there is a massive flow of electronic news and information, usually quite diverse and hardly accurate. It is thus costly, time-consuming and rather difficult to identify the relevant set of unbiased, specialized information in a specific commodity sector. As a result, policymakers do not always have the proper analytical tools to assess rapid changes in commodity market structures, to adjust their policies accordingly and to be able to improve their competitiveness. Similarly, emerging commodity operators and smallholders are looking for intelligence sources and friendly and operational systems to be able to increase efficiency, expand markets, respond to business opportunities, obtain negotiating powers and capture more of their commodities’ value. Reducing the digital divide and increasing access to and use of structured information on commodities are prerequisites for establishing effective production and trading strategies.

77. **Objectives/features:** To promote market information and transparency, reduce the asymmetry in accessing strategic commodity-related information, improve understanding of commodity structures and provide access to the analysis vital to the formulation of pertinent policies for commodity production, marketing, processing and financing. To design information and communication technology (ICT) tools in

<sup>2</sup> Some activities for the INFOCOMM project were developed under the AAACP Programme.

this field that improve developing countries' access to key information and data at both domestic and international levels. To manage, organize and develop, in a practical and innovative manner, knowledge management and sharing instruments for assisting the decision-making process in both the public and private sectors. Targeted work to increase knowledge and strengthen domestic and international capacities has given impetus to material and effective actions. Such work usually takes the form of a series of activities interlinking commodity information, market intelligence and knowledge management. The UNCTAD programme in this area is designed to review, adapt and disseminate information – useful for the different strategic, informational, organizational and economic aspects of the commodity sectors – on a series of products in an innovative way.

78. **Outputs:** The development of international knowledge management tools, including the market information in the commodities area (INFOCOMM) project. Outputs in 2011 were the following:

(a) In collaboration with UNCTAD's IT Department, the INFOCOMM e-portal was upgraded to a new web platform (new design, new technology). This activity was finalized in April 2011. The INFOCOMM e-portal is being transferred to a new web platform (new design, new technology);

(b) In total, 761 web pages, including texts, pictures, formatted tables, interactive maps, reference materials, monthly market reports and internet links, were transferred;

(c) The following general profiles are now available for the following agricultural commodities: Citrus fruits (English and French), cashew nuts (F), wheat (F), timber (F), tropical timber (E and F), cotton (E and F), shea (F), jute (F), olive (E and F), pepper (F), Rice (E and F), sugar (F), tobacco (F), coffee (F), cocoa (E and F), tea (F);

(d) New agricultural commodities profiles, relevant for ACP countries (according to the list agreed with the CU), were developed: banana (including plantain (F)), cassava (F), coconuts (E), corn (E), mango (F), onions (F), palm oil (F), pineapple (E), potatoes (F) spices (E) and tomatoes (E);

(e) The new INFOCOMM website was officially launched on 18 August 2011.

### C. Global Commodities Forum

79. **Development context:** Many developing countries depend on commodities for their economic well-being. As demand for commodities in the long term is going to increase, thus posing major challenges for their sustainable and efficient production, there is a very real need to consider how to make the commodities markets more stable and policies better designed, so that the benefits are more equitably distributed between commodity producers and consumers. Through the Global Commodities Forum (GCF), UNCTAD and its partners can play a key role in providing a neutral pathway, augmented by information resources, to help address the volatility of markets and overcome development difficulties, particularly in commodity-dependent developing countries.

80. **Outputs:** Pursuant to UNCTAD XII decisions, the GCF is supposed to be organized on a yearly basis to discuss comprehensively the key issues of commodity economy, commodity trade, commodity finance and commodity logistics and their implications for international trade and development.

81. **Results:** The second Global Commodities Forum took place in Geneva on 31 January–1 February 2011. It was organized by UNCTAD and co-sponsored by the Common Fund for Commodities, the State Secretariat for Economic Affairs of the



Swiss Federal Department of Economic Affairs, and the Governments of China and France. The event was attended by more than 500 participants, including ministers and other policymakers, commodity producers, traders, financiers, consultants, academics and other experts. Themes of the second meeting of the Forum included the following plenary and parallel sessions:

(a) **Plenary:** The current state and instability of hydrocarbons, agricultural and metals markets; the volatility of commodity markets and interconnectedness and price correlations between minerals and agricultural markets; improvements in measuring the commodity economy and overcoming information symmetries; commodity policies in agricultural economies, commodity policies and extractive industries;

(b) **Parallels:** The long-term sustainable supply of and demand for hydrocarbons and food and innovation; new technologies and commodities; forecasting of trends and design of adequate early warning systems for commodities; the recovery in commodity finance and the emerging regulatory environment; support institutions for commodity finance, price and other related risk management; shipping and international trade in commodities.

#### D. Trust fund on iron ore

82. **Development context:** The Governments of several iron ore exporting countries decided to establish a trust fund on iron ore information to be administered by UNCTAD, operational 1 June 1989.

83. **Outputs:** The *Market Report on Iron Ore* is an annual publication (usually issued in June) containing updated information on iron ore production, trade and prices, and the short-term outlook, as well as a market analysis. *Iron Ore Statistics*, a statistical report published annually around October–November, contains tables with worldwide and country-specific data for iron ore production, exports, imports and prices, as well as pellet production, exports and production capacity and other data relevant to the world iron ore market. *Statistical Update* in electronic form goes out in December. In 2011, the *Market Report on Iron Ore* was issued in July (UNCTAD/SUC/2011/4), and the *Iron Ore Statistics* was issued in November (UNCTAD/SUC/2011/7). The *Statistical Update* was released in December.

84. **Results:** During the 20 years of the operation of the Trust Fund, its publications have come into great demand among iron ore producers, shipping agents, steel companies and consultants on the iron ore and steel markets. The publications provide up-to-date, accurate and comprehensive information on developments in the world market for iron ore, including both statistical data and analyses. In 2011, the subscribers' client base grew by approximately three per cent, with corresponding growth of the Project's budget. The *Market Report on Iron Ore*, as well as activities of the Trust Fund, was presented at major international conferences on iron ore and raw materials for steelmaking. The new three-year contract (2011–2013) for the provision of information for the outputs was signed between UNOG and the Raw Materials Group of Sweden.

#### E. High-level Multi-stakeholder Pan African Cotton Meeting

85. **Development context:** The Pan African Cotton Meeting (PACM) was a response to the request for such a forum made by the African cotton-producing countries during the Multi-stakeholder Meeting on Cotton, which was organized by UNCTAD's Secretary-General in Geneva on 2 December 2008. The PACM was initiated by UNCTAD, the Common Fund for Commodities, the Secretariat of the

African Caribbean Pacific Group of States (ACP) and the *Comité d'orientation et de suivi-coton* (COS-coton) of the EU-Africa Partnership on cotton.

86. **Outputs/Results:** The PACM took place on 27–29 June 2011 in Cotonou, Benin. The meeting was held in collaboration with the Comprehensive African Agricultural Development Programme of the NEPAD Agency and the Government of Benin. The European Union (EU), the Common Fund for Commodities and the Centre for the Development of Enterprise provided generous financial support. The PACM brought together the main stakeholders of the African cotton sector at the pan-African level. It thereby contributed to developing synergies between existing initiatives that are otherwise commonly disconnected by subregional and language barriers. Over 150 stakeholders were present, including representatives from the following types of organizations:

- African and international commercial operators, including ginnerers, traders, exporters and spinners
- Regional economic communities
- Research centres
- Bilateral and multilateral development agencies
- Banking and financial institutions, and
- National trade, industry and agricultural ministries

87. The main objective of the meeting was to define a 10-year road map for the African cotton sector, by building on the existing national and regional strategies for the cotton sector and taking into account the EU–Africa Partnership Action Framework. The road map is intended to enhance consistency between the different initiatives and give a general direction to the development of the African cotton sector at a pan-African level.

88. The COMESA Regional Strategy Review Workshop was held in Nairobi (Kenya) in July 2011, one month after the PACM. In line with the requests of stakeholders, UNCTAD presented a draft of the road map based on the outcome of the Cotonou meeting, for discussion and comments.

Table 3

**Commodity sector development and poverty reduction**

<i>Project number</i>	<i>Short title</i>	<i>Starting date</i>	<i>Source of fund</i>
INT/9X/42Z	Collection and dissemination of iron ore statistics	1994–	Multi-donor
INT/9X/9C2	L'intelligence économique au service des plus démunis	1999–	France
INT/9X/65N	Commodity risk management and finance	1996–	Multi-donor
INT/0T/7BE <sup>a</sup>	All ACP Agricultural Commodity Programme	2007–2011	EC
INT/0T/9AX	Global Commodity Forum	2009–	Common Fund For Commodities
INT/0T/BAW	High-level multi-stakeholder pan African cotton meeting	2011–	Common Fund For Commodities

<sup>a</sup> Projects that were “operationally but not financially completed” or “completed” in 2011.

## **IV. Cluster IV**

### **Competition policy and consumer protection**

#### **Lead division: Division on International Trade in Goods and Services, and Commodities (DITC)**

89. The projects under this cluster aim to create capacities in developing countries and countries with economies in transition to prepare and implement national and regional (including South–South) competition laws and frameworks that reflect prevailing conditions for achieving domestic and international competitiveness, and enhanced international cooperation for better implementation of the United Nations Set of Multilaterally Agreed Equitable Principles and Rules for the Control of Restrictive Business Practices.

90. Development context: UNCTAD is the focal point for all work related to competition policy and consumer protection within the United Nations system. The mandate dates back to the adoption in 1980 by the United Nations General Assembly of the Set of Multilaterally Agreed Equitable Principles and Rules for the Control of Restrictive Business Practices, which aims “to ensure that restrictive business practices do not impede or negate the realization of benefits that should arise from liberalization of tariff and non-tariff barriers affecting world trade, particularly those affecting the trade and development of developing countries”. Despite a general widespread trend towards the adoption, reformulation or better implementation of competition laws and policies in developing countries and economies in transition, many countries still do not have either up-to-date competition legislation or adequate institutions for their effective enforcement and rely to a large extent on UNCTAD’s capacity-building to meet this need. The Set calls on UNCTAD to provide technical assistance, advisory and training programmes, particularly to developing countries. The validity of the Set was reaffirmed by the Sixth United Nations Review Conference for the Set, held in November 2010.

91. Objectives: The objective of UNCTAD’s support on competition policy and consumer protection is to assist developing countries, especially LDCs, and countries with economies in transition in formulating and reviewing competition policies and legislation; enhancing implementation of competition laws by building national institutional capacity; promoting a culture of competition among government officials, private sector, consumers and academics; supporting regional cooperation on competition policy; and helping countries and regional groups to better evaluate the implications of regional cooperation on competition issues. Since 2005, a new impetus has been given to UNCTAD’s support to developing countries through the introduction of voluntary peer review of competition policy of some of the countries. Recommendations of the peer reviews are translated into capacity-building projects to enhance the competition regime of the beneficiary country.

92. Assistance is provided in accordance with requests received, needs of countries concerned and resources available. The main type of technical cooperation activities provided is delineated in the paragraph below.

93. The main types of technical cooperation assistance provided by UNCTAD are: (a) provision of information about anti-competitive practices, their existence and possible adverse effects on the economy, which may involve a study on these practices in a specific country; (b) introductory seminars and workshops on the role of competition in promoting development directed at a wide audience, including

government officials and academics, as well as business and consumer-oriented circles; (c) assistance to countries or regional organizations which are in the process of drafting competition legislation in the form of provision of information on such legislation in other countries or advice on drafting competition law and related legislation; (d) advisory services for the setting-up or strengthening of competition authorities, which usually includes preparation of institutional framework report, training of officials responsible for the actual control of anti-competitive practices, including the judiciary, which may involve training workshops and/or on-the-job training with competition authorities in countries having experience in the field of competition; (e) seminars and workshops for countries which have already adopted competition legislation, have experience in the control of anticompetitive practices and wish to better enforce competition legislation or consult each other on specific cases and exchange information; (f) assistance to countries or regional organizations which wish to revise their competition legislation and seek expert advice from UNCTAD and competition authorities in other States, so as to amend their laws in the most effective manner possible; (g) conduct of voluntary peer reviews of competition law and policies of interested countries, and design of assistance for follow-up activities on the recommendations of peer reviews; (h) assistance to countries in helping them better evaluate the implications of regional and bilateral cooperation on competition issues; (i) assistance to countries and regional organizations in identifying the role of competition policy in the promotion of competitiveness and development; (j) support on development-oriented competition policy and its implications at the national, regional and international levels, as well as strategies for international cooperation in this area; and (k) assistance in formulating appropriate sector regulations and competition policies.

94. Output: In 2011, UNCTAD continued its demand-driven efforts to assist in the creation of competition culture with the following outputs at national level and at regional levels, as well as through cooperative agreements:

## **A. Outputs at the national level**

95. UNCTAD provided technical assistance related to the preparation, adoption, revision or implementation of national competition and consumer protection policies and legislation as well as in areas contributing to a better understanding of the issues involved, and building national institutional capacity to enforce effective competition legislation. Furthermore, UNCTAD assisted governments in identifying the role of competition policy in development and its implications at the national, regional and international levels, as well as strategies for international cooperation in this field. The main areas of intervention included awareness-building on competition issues, competition advocacy, preparation of national competition laws, institution-building and voluntary peer reviews of competition policy.

### **1. Competition policy-related activities**

96. UNCTAD's advisory and training activities were combined with or provided through different seminars, workshops, meetings and activities directed at stakeholders, specific officials or a wide audience, including government officials, academics, business and consumers-oriented circles. These activities contributed to raising awareness about the role of competition and promoting a competition culture.

## 2. Competition advocacy

97. UNCTAD's various advisory and training activities were combined with other efforts or provided through different seminars, workshops, other meetings and activities directed at stakeholders, specific officials or a wide audience including government officials and academics, as well as business-and consumer-oriented circles. These activities helped raise awareness of the role of competition and promote a culture of competition. In this regard, a national workshop was organized in Sierra Leone in February 2011 to make government officials and representatives of the business community and civil society aware of the benefits of competition law and policy for the national economy. An advocacy workshop was also co-organized with the Government of Republic of Congo in Brazzaville in June 2011 to analyse the main provisions of the draft Competition Bill with all stakeholders at the national level, taking into consideration the specificity of its economic structure and its membership with the Economic and Monetary Union of Central Africa, which adopted a set of regional competition rules in 1999.

98. An introductory Workshop on Competition Law and Policy was conducted for the Malaysia Competition Commission in Kuala Lumpur in July 2011.

99. Under the national components of COMPAL (Competition and Consumer Protection Programme for Latin America), workshops were organized in Bogotá (Colombia) and Lima (Peru) from 14–19 March 2011 to disseminate the main findings of two reports on collusive practices and abuse of dominance. In addition, UNCTAD contributed to the SADC Roundtable on Competition Policy in Lusaka (27–28 October 2011). UNCTAD assisted the Indonesian competition authority with the organization of the first ASEAN Competition Conference in Bali (15–16 November 2011). It was an opportunity to explore ways of cooperation with the Deutsche Gesellschaft für Internationale Zusammenarbeit (GIZ) in the ASEAN region and network with representatives of competition authorities/ministerial departments in charge of competition issues in ASEAN member States.

## 3. Preparation of national competition laws

100. Within the framework of efforts to help countries draft and/or review their competition legislation, assistance was provided to Gambia on the guideline and interpretation aid included in its Competition Act. UNCTAD's recommendations were submitted to the Government of Ghana on the appropriate provision to be incorporated into its draft competition bill. In June 2011, a consultation meeting was organized with the Ministry of Economic Affairs of Bhutan and with all the concerned agencies and departments in Thimphu to discuss the general framework of its competition policy. UNCTAD also took part in the preparation of the outline for the regulation of competition law in Kuala Lumpur (Malaysia) in August 2011.

101. Under the national component of COMPAL, UNCTAD organized bilateral consultations with the Government of Paraguay on the preparation of its Competition Law (June 2011). These consultations were followed in September 2011 by a meeting with the Chair of the Senate Economics Committee to review the progress of the draft competition bill and its submission, by the President, to Parliament. The bill was adopted in a plenary session of Parliament on 31 August 2011. Similar assistance was also provided by UNCTAD to the Ministry of Economy of Guatemala on the finalization of its draft competition bill (October 2011). UNCTAD also had a bilateral meeting with the Sub-Secretary of Competition and Consumer Protection of Ecuador on the progress made in the adoption of the Competition Law. The draft bill was submitted to Parliament, which adopted the Law in October 2011.

#### 4. Training of competition case handlers

102. Within the framework of training activities for competition case handlers, several training workshops were organized in 2011. One regional training workshop on mergers for prosecutors was organized in San Salvador (February 2011). Another training workshop on mergers was conducted in Managua (February 2011). In March 2011, a regional training workshop on collusive practices was organized in Bogotá (Colombia). UNCTAD conducted a fact-finding mission for the Indonesian competition authority as part of developing the cartel detection and investigation for the Indonesian competition authority on July 2011 in Jakarta (Indonesia). The manual will be used to train officials working with the competition authority in Indonesia. A validation workshop of the manual adapted to Indonesian competition law and policy was conducted in Jakarta on October 2011. At the eleventh session of the Intergovernmental Group of Experts on Competition Policy, which was held in Geneva from 19–21 July 2011, a training session on competition policy was organized by UNCTAD for competition officials of Sierra Leone in order to equip them with adequate skills to enforce their Competition Law.

#### 5. Institution-building

103. UNCTAD's backing for countries that have adopted national legislation, as well as newly established competition agencies, includes activities in support to institution-building. In this area, bilateral consultations were held in March 2011 with the Government of Tunisia to update the planned technical assistance activities, particularly for the training of judges and the training centre on competition law and policy created in accordance with the recommendations of the peer review of their competition policy held in 2006. UNCTAD attended and participated in a seminar on mergers and acquisitions, and on model organization of competition authority in Clark City (Philippines) on 24–25 August 2011.

104. UNCTAD also organized a study tour to the Dutch competition authority and the International Competition Network Cartels Workshop for competition officials from Armenia, Malaysia and Serbia in support for the establishment of the Malaysian competition authority (October 2011). Under the national component of COMPAL, UNCTAD participated in the benchmarking event for the future competition authority in Santo Domingo (Dominican Republic).

#### 6. Consumer protection

105. UNCTAD has been assisting developing countries and economies in transition with consumer protection issues. In 2011, UNCTAD helped the following countries draft a Consumer Law: Angola, Bhutan, Seychelles and Sierra Leone. Thanks to COMPAL, UNCTAD also assisted beneficiary countries in the preparation of their Consumer Law, namely: Nicaragua and Peru. In addition, several activities including advocacy workshops on consumer protection issues were organized under COMPAL:

- *Bolivia*: Strategy for sustainable consumption; Consumer policy framework
- *Colombia*: Compilation of norms, doctrine, jurisprudence on competition and consumer protection laws; Media strategy
- *Costa Rica*: Software for handling and managing virtually consumer complaints; SAAM (automatic system for monitoring of markets); Redesign of the institutional website

- *El Salvador*: Educational projects for consumer associations; Training workshops to suppliers with an emphasis on SMEs; New centres (shop fronts) for consumer complaints; Training workshops for journalists and judges
- *Ecuador*: Technical assistance on mediation and other techniques; Visit tours to Spanish and Hong Kong consumer agency
- *Nicaragua*: Strategic plan for market organization and productivity: Market observatories, Consumer education; Promoting the creation of Consumer Associations; Centres for consumer complaints nationwide
- *Peru*: Compilation of binding administrative rulings on consumer protection; Assessment of the relationship quality/prices on commodities and consumer satisfaction; Training workshops of the regional offices of the INDECOPI; Labelling manual; Diagnosis of sectors where informality is present; Analysis of barriers to entry in doing business

## 7. Peer reviews and follow-up

106. With a view to ensuring coherence between overall governmental approaches to privatization and liberalization of trade and investment regimes, UNCTAD initiated the organization of ad hoc voluntary peer reviews on competition law and policy. Such reviews provide an ideal forum for reviewing how economic reforms can promote development and ensuring that markets work for the poor. Since the Fifth United Nations Review Conference on the Set, the following countries have been reviewed: Kenya and Jamaica (2005), Tunisia (2006), Costa Rica (2008), Indonesia (2009), Armenia (2010) and Serbia (2011). UNCTAD plans to conduct a tripartite peer review of competition policy of the United Republic of Tanzania, Zambia and Zimbabwe in 2012, at the Twelfth Session of the Intergovernmental Groups of Experts on Competition Law and Policy.

107. At the regional level, UNCTAD conducted a voluntary peer review on competition law and policy of West African Economic and Monetary Union (WAEMU) and its eight member States in 2007 on the occasion of the Eighth session of the Intergovernmental Groups of Experts on Competition Law and Policy. The first-ever review of a regional grouping's competition policy, it highlighted the challenges and opportunities which developing countries face in strengthening their regional cooperation and integration schemes.

108. Peer reviews have become an appreciated part of UNCTAD's work on technical assistance. They have given rise to a range of recommendations on how the application of the legislation might be made more effective at regional and national levels and, with UNCTAD assistance, to build capacity for the enforcement and advocacy of competition policy. In this regard, during 2011, workshops to follow up on the recommendations of the peer reviews were organized in Armenia and Kenya. The workshops aimed at assessing the progress achieved by the competitions authorities in the respective country to enhance the enforcement of their competition law. Moreover, UNCTAD accompanied the Armenian, the Serbian and the Malaysian competition officials to the International competition network Cartel workshop as a follow-up to capacity-building activities.

## B. Outputs at regional and subregional levels

109. UNCTAD's technical cooperation and capacity-building activities were increasingly provided within the framework of regional and subregional groupings and programmes.

## 1. COMPAL

110. Activities carried under the Programme on competition and consumer protection policies for Latin America (COMPAL), supported by SECO (Switzerland) and the Government of Spain, helped strengthen competition and consumer protection law and policies in the beneficiary countries. Indeed, since the First Annual Conference of COMPAL held in San Salvador in April 2010 and the Second Annual Conference in Bogotá in July 2011, UNCTAD, within the framework of COMPAL, has continued to actively implement technical assistance to countries benefiting from the programme, namely, Bolivia, Colombia, Costa Rica, Ecuador, El Salvador, Guatemala, Honduras, Nicaragua, Paraguay, Peru, Uruguay and Dominican Republic. Also, following the successful implementation of COMPAL I (2005–2008), COMPAL II was launched in 2008 for the period 2009–2012, including Colombia as the sixth beneficiary country and comprising activities at both national and regional levels.

111. This comprehensive programme encompasses the preparation of sectoral in-depth studies, reports, manuals, guidelines, brochures, seminars, workshops and training activities targeting various stakeholders. In addition, with a view to expanding the spectrum of action of COMPAL to other countries in the region and establishing synergies with activities, the programme has expanded partnerships to a group of country “partners”. For example, technical cooperation through COMPAL was provided to the Dominican Republic, with some funds provided granted by the Government of Spain and to Ecuador with their own national funds. Paraguay and Uruguay have national projects that have also benefited from the regional component of COMPAL. Bolivia continued to benefit from COMPAL. Some COMPAL partners like Brazil and Chile offer technical training. Thus, COMPAL coverage in Latin America includes countries in Central America and Caribbean (Costa Rica, El Salvador, Nicaragua and the Dominican Republic), member countries of the Andean Community of Nations (Bolivia, Colombia, Ecuador and Peru), Chile and MERCOSUR (Brazil, Paraguay, Uruguay). The programme is open to partnership initiatives from other Latin American countries and to other countries expressing interest in collaborating within the COMPAL framework.

112. The regional component of COMPAL aims at strengthening cooperation between beneficiary countries and disseminating lessons learned from COMPAL activities throughout Latin America. The exchange of experiences among COMPAL countries is a key element that contributes to enhancing the impact of specific activities of COMPAL at national level. In this respect, UNCTAD deployed efforts to further improve these exchanges of experiences. Under the regional component of COMPAL, UNCTAD organized the First International Forum on Consumer Protection in Guayaquil (March 2011). There were representatives from all Latin American countries and the Caribbean, as well as Spain, the Netherlands, and others. At the conclusion of the first Forum, members discussed the possibility of holding a second Forum where they would be able to address such topics as (i) the entry and marketing of industrial products that are defective and found outside of international trade: the need for international cooperation, (ii) consumer protection in the information society, (iii) consumer protection in services (tourism and other productive services), and (iv) consumer education programmes for children and adolescents.

113. Also in 2011, with the support of COMPAL, reports relative to analytical techniques on market investigation in collusive practices and unilateral conduct in



the Colombian and Peruvian markets were completed by UNCTAD, validated by the two competition authorities involved, and due to be published.<sup>3</sup> Another key project undertaken by UNCTAD with the support of COMPAL country members in the Central American region is the preparation of a Central American regional study on the possible existence of cross-border business practices that may be classified as anti-competitive. This has generated interest among national agencies in increasing cooperation between them in addressing such practices. UNCTAD's study became relevant due to the growing role of Central American companies with a regional scope that conduct strategic business alliances. These companies increasingly integrate and contribute to intra-regional trade. UNCTAD also organized a workshop on "the role of competition policy during times of crisis" in Buenos Aires, Argentina (21–23 September 2011). During the same period, UNCTAD participated in the Fifth Iberoamerican Forum of Consumer Protection Agencies (FIAGC).

## 2. AFRICOMP

114. The Competition Programme for Africa (AFRICOMP) was officially launched in Geneva on 22 June 2009. This new initiative was taken in response to the mandate given by the Accra Accord (paragraph 104 (g)), and it aims at helping African countries develop appropriate administrative, institutional and legal structures for effective enforcement of competition and consumer law and policies.

115. Most UNCTAD technical cooperation activities on competition and consumer issues in Africa in 2011 were undertaken within the framework of AFRICOMP. The programme provides for a more coordinated and streamlined approach in technical cooperation activities based on the needs of each beneficiary country, while promoting regional cooperation. It emphasizes beneficiary ownership and the demand-driven aspect of technical cooperation. The programme further seeks to establish closer links with the private sector, as well as with NGOs and local learning institutions. In this connection, during 2011, UNCTAD technical assistance conducted within the framework of the AFRICOMP benefited the following countries: Sierra Leone, Kenya, Tunisia and the Republic of Congo. In addition, from 28–30 November 2011, UNCTAD, in cooperation with WAEMU, also organized a regional workshop on investigative tools for case handlers in Lomé (Togo). The workshop was attended by 40 competition officials from the eight WAEMU member States. The workshop was conducted by UNCTAD with the participation of experts from the French Competition Authority, the DGCCRF, Ministry of Finance (France) and the European Court of Justice in Luxembourg. The workshop trained participants on modern tools to investigate competition cases.

## C. Cooperation with other organizations

116. UNCTAD has an extensive network of cooperating partners with whom many analytical and capacity-building activities are implemented. Through the Intergovernmental Group of Experts on Competition Law and Policy, UNCTAD has established long-standing cooperation ties with national competition authorities and competition experts worldwide. This is being further strengthened with selected countries through UNCTAD's national-level capacity-building activities and the conduct of voluntary peer reviews. Cooperation with NGOs and civil society, as well as the private sector, is also undertaken. As UNCTAD's technical cooperation and

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<sup>3</sup> These reports were made available at the COMPAL side event during UNCTAD XIII in Doha, Qatar.

capacity-building activities were provided both at national level and within the framework of regional and subregional activities, relations with regional integration groupings of developing countries were strengthened to support the development and implementation of regional competition policy.

117. In this regard, in March 2011, a Memorandum of Understanding (MOU) on cooperation between UNCTAD and WAEMU was signed. As a follow-up initiative to the UNCTAD peer review of the WAEMU competition policy, the WAEMU Commission made a financial contribution to implementing the peer review recommendations. In accordance with the MOU, UNCTAD will manage the programme according to the rules and procedures of the United Nations, covering several outputs as indicated in the paragraph below. Bilateral consultations were held with the African Development Bank to present the AFRICOM project and discuss possible funding.

118. Capacity-building on competition law and policy for WAEMU and its member States: Planned outputs:

- Awareness of the benefits of competition
- Adapting member States' rules for the implementation of the WAEMU competition rules by national authorities
- Reorganizing national competition institutions
- Adapting procedures at national and regional level for an effective implementation of the community competition rules
- Building institutional infrastructure to monitor the functioning of the WAEMU economic integration process and mainstream the contribution of competition policy as one of its key pillars

119. UNCTAD also attended the International Consumer Protection and Enforcement Network Conference in The Hague (18–19 April 2011). The main objective for the participation of UNCTAD in such an event is to further develop cooperation with other international agencies and fora in the area of consumer protection, to disseminate UNCTAD's work and to keep in touch with the latest developments, research and case studies on consumer protection. UNCTAD also held a bilateral discussion on how best to strengthen the cooperation with the OECD back to back with the OECD Latin American Forum (13–14 September 2011). In addition, UNCTAD participated in the APEC Training Workshop on Competition Policy in Indonesia (Penang, 10–12 October 2011).

## **D. Impact**

120. The capacity-building and technical assistance of UNCTAD in competition and consumer policies has had a meaningful impact in the beneficiary countries at national level. It has increased the number of competition experts skilful in handling competition cases effectively. UNCTAD's assistance has enabled a number of beneficiary countries to adopt or revise their competition and consumer protection laws, including under COMPAL. It has also enabled beneficiary developing countries and countries with economies in transition to establish institutional frameworks for the smooth enforcement of competition law. In turn, effective implementation of competition legislation by beneficiary countries has created an enabling environment for businesses to prosper, consumers to benefit and markets to work for the poor. It has further induced improvements in the business environment through reductions in the cost of doing business and promotion of consumer welfare.

121. Initiated in 2005, the voluntary peer reviews of competition law and policy of some countries has resulted in an improvement of their competition regime, especially through follow-up implementation of recommendations of peer reviews with UNCTAD's assistance. The countries reviewed to date have reported on the following achievements: (a) enhanced technical capacity of competition agencies as a result of the identification of structural weaknesses; (b) enhanced competition law compliance in the peer reviewed country; (c) strengthened cooperation with other government bodies; (d) closer cooperation with foreign competition authorities that participated in the peer review; (e) political support for required reforms thanks to the international attention given to the peer-reviewed country; and (f) sharing of relevant experience between younger and more advanced competition agencies.

122. UNCTAD's assistance to regional organizations also boosted the enforcement of competition rules by regional competition authorities in developing countries. For instance, thanks to UNCTAD's assistance, links were created between the West Africa Economic and Monetary Union Commission and its member States for the effective enforcement of their community competition rules (developed with UNCTAD support).

123. The following examples illustrate some of the noticeable changes, synergies and multiplier effects evident in the COMPAL beneficiary countries. The development of a handbook on anti-competitive practices in Bolivia was undertaken in parallel with the development of competition law enforcement-related handbooks in Nicaragua and created synergies. Support for the development of a Competition Policy Framework for Bolivia has served as a starting point for Paraguay and Guatemala, where the two countries are yet to draft their own legislation on competition. It is also expected that the development of a strategy that links the economy and sustainable consumption in Bolivia could serve as a reference for El Salvador, in particular with regard to consumer protection. A compilation of legal documents for promoting competition and consumer protection was completed for Colombia and Peru. UNCTAD will therefore establish measures for the sharing of experiences of these two countries and the creation of synergies. In Costa Rica, the near completion of the report on the proposed regulation to the Law on Copyright and Related Rights and the Law of Patents and Designs is expected to serve as a reference for similar activities to be implemented in other COMPAL countries, particularly Ecuador.

124. The successful redesign of the competition authority's website in Colombia has served as a basis for similar initiatives in other competition agencies, similar to COPROCOM of Costa Rica. With the ongoing implementation of methodological sectoral studies in the 13 COMPAL countries, a critical mass of sectoral studies on competition policy and consumer protection is being generated that could serve as a reference for other COMPAL countries. For example, the sectoral studies conducted in the Dominican Republic drew on lessons learned from the experiences of Nicaragua in 2008 and 2009. In addition to the work of COMPAL in Nicaragua, the recently founded competition agency, Procompetencia, has to constantly review, update, approve and publish the policies and procedures regarding Law 601, the Law to Promote Competition and Regulations, for the operation of Procompetencia. In this aspect, the Administrative Procedures Project for Costa Rica has been useful. Similarly, the idea of the "market observatories" is taken as a reference from the experience acquired by Peru in COMPAL.

Table 4  
**Competition policy and consumer protection**

<i>Project number</i>	<i>Short title</i>	<i>Starting date</i>	<i>Source of fund</i>
DOM/0T/8AU <sup>a</sup>	Extension of the COMPAL Programme	2009–2011	Spain
SIL/0T/ABJ <sup>a</sup>	Supporting inclusive and fair private Sector development: Developing competition and consumer protection laws and policies	2011–2011	Sierra Leone
INT/8X/603	Training programme on restrictive business practices (competition policies)	1986–	France, Norway, Sweden
RLA/0T/3BF	Strengthening institutional and capacity-building in the area of competition and consumer law and policy in Latin American countries	2003–	Switzerland, Spain
ROA-2242(O7)	Strengthening capacities in developing countries for the effective enforcement of competition law to minimize constraints to economic productivity	2010–	Development Account

<sup>a</sup> Projects that were “operationally but not financially completed” or “completed” in 2011.

## V. Cluster V Trade, environment and development

### Lead division: Division on International Trade in Goods and Services, and Commodities (DITC)

125. The projects under this cluster aim to strengthen the capacity of developing countries to formulate and implement mutually supportive trade, environment, climate change and sustainable development objectives, and to integrate sustainable development objectives into development strategies at all levels in support of poverty eradication and inclusive development.

#### A. Addressing environmental, health, and food safety requirements, and their developmental and market access impact

##### 1. Consultative Task Force on Environmental Requirements and Market Access for Developing Countries

*Optimizing the developmental and market-access impact of voluntary sustainability standards for developing country producers/exporters*

126. **Development context:** The rapid growth of Voluntary Sustainability Standards (VSS) (setting specific requirements for health, safety, environmental, animal safety and social norms) has brought both benefits and constraints to developing countries. Although voluntary in nature, their expansion has made it increasingly clear that to maximize benefits from such standards and effectively manage their impact on sustainable development and market access, developing country governments must have access to comprehensive, credible and independent information (in particular related to the implementation of proactive national policies and programmes in

producing countries), engage directly with a wide variety of key actors, and evaluate and place VSS within a broader sustainable development strategy. By increasing their access to credible information and engaging with key actors, governmental and private sector decision-makers can expand their knowledge of VSS; influence their development (inter alia, their transparency, inclusiveness, governance, costs, requirements and applicability); identify opportunities and threats posed by VSS; and effectively integrate them into national strategies for leveraging the catalytic effects of VSS and promoting their own sustainable development agendas. This necessitates policy coherence, institution-building, improved technical and quality-assurance capacities, effective national stakeholder dialogue as well as the development of public-private partnerships.

127. There is considerable concern in developing countries that VSS may undermine the hard-won gains in terms of transparency, legitimacy and least trade restrictiveness of standards under the WTO TBT and SPS agreements. This concern is unlikely to dissipate in the absence of (i) clear criteria that distinguish environment and social-protective from trade-protective VSS (this concerns not only the nature of the VSS but also procedural issues, such as the ways in which they are prepared, adopted and implemented); and (ii) tangible evidence that VSS lead to concrete economic, environmental and social gains in exporting developing countries.

128. **Objectives and features of activities:** The activities aim: (i) to establish a regular and well-informed dialogue among developing country decision-makers in Government, the private sector and civil society, with a focus on understanding, anticipating, coping with and maximizing the developmental benefits of VSS; and (ii) to reach an efficient exchange of experiences among developing countries on best practice in dealing proactively with VSS. These objectives are achieved by:

- (a) Providing credible, independent analysis of the effectiveness and impact of VSS in developing countries, including on SMEs;
- (b) Assisting interested countries and producer groups in effectively analysing, and where appropriate, implementing VSS;
- (c) Gathering information and assuring constructive dialogue, linking with key stakeholders through specific and well-respected stakeholder platforms and programmes;
- (d) Drawing decision-makers in developed countries into the dialogue on standard-setting and standard governance issues;
- (e) Responding to identified knowledge gaps of VSS, enhancing coordination with and making full use of analytical and empirical work of other institutions; and
- (f) Using policy dialogue to facilitate informed discussion in other international forums on VSS, in particular in WTO, but also in FAO, UNEP, and UNIDO.

129. **Output and results:** UNCTAD has been collaborating with other international organizations (in particular FAO, ITC, World Bank) in the context of the Trade Standard Practitioners Network (TSPN)<sup>4</sup> to prepare *A Strategy Guide for*

<sup>4</sup> TSPN aims at a pro-developmental use of voluntary sustainability standards by turning them into catalysts for sustainable development. The Network's mission is to improve the effectiveness of initiatives that support developing country capacity and participation in the development and implementation of trade-related social, environmental and food-safety standards through policy research, knowledge management and exchange, and the dissemination of capacity-building best practices. In doing so, TSPN seeks to foster more sustainable, competitive, and equitable developing

*Policymakers on Food-related Voluntary Sustainability Standards*. UNCTAD chaired the TSPN Working Group, conceptualizing, drafting and peer-reviewing the Guide. The preliminary final version of the Guide appeared in November 2011 and is accessible at [www.tradestandards.org/en/Article.314.aspx](http://www.tradestandards.org/en/Article.314.aspx). The Guide covers the following main goals:

- (a) Support developing country capacity in analysing market opportunities and related market trends (domestically, regionally and internationally); as well as their production; processing and trading capacities and constraints;
- (b) Define specific sustainable development objectives within the context of the analysis;
- (c) Enhance understanding on how sustainability standards and programmes fit (and can enhance or hinder) sustainable development objectives;
- (d) Identify existing gaps in achieving these sustainable development goals, including potential challenges linked to effective implementation of sustainability standards such as those related to standards and their governance; supply capacities and supportive institutional and technical infrastructure; policy issues; and business strategies;
- (e) Review national and local capacities for establishing an enabling hard and soft infrastructure needed to close the above-mentioned gaps in terms of physical infrastructure; verification, certification, and accreditation institutions; existing capacities in the public sector with respect to standards and trade; assessment of service providers and other sources of support that are available domestically;
- (f) Analyse sustainable financial strategies, which would include both public and private investment approaches; and
- (g) Review policy strategies that can be developed to cope proactively with a plethora of sustainability standards and avoid/reduce multiple inspection and certification requirements and the associated high costs.

130. UNCTAD contributed to the conceptualization and the drafting of a TSPN study on Sustainability Standards in South–South Trade and Opportunities for Advancing the Sustainability Agenda, which was released in November 2011. It is available at [www.tradestandards.org/en/Article.353.aspx](http://www.tradestandards.org/en/Article.353.aspx).

131. UNCTAD also continued its conceptual work and consultative activities for the future launching of a United Nations Forum on Sustainability Standards (UNFSS), a joint initiative of five United Nations agencies (FAO, ITC, UNCTAD, UNEP and UNIDO). UNFSS is intended to support developing countries in better understanding, addressing and potentially benefiting from standards-based sustainability programmes. The Forum will be a neutral dialogue platform, linking key decision-makers in governments with those in the private sector, academia and NGOs. UNFSS has the following main objectives (the 5 I's):

- (a) Inform developing country policymakers about (i) standard development processes for particular issues and related trends, (ii) the substance of VSS, and (iii) the impact of VSS on their business and trading opportunities (analysis);

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country roles in global value chains. Currently funded by the World Bank and GTZ, TSPN is a collaborative effort of some 30 institutions (including research centres, standard-setting bodies, bi- and multilateral organizations, and NGOs) that builds on the strengths of individual institutions while working as a community to achieve the shared goals. For more information, see: [www.tradestandards.org](http://www.tradestandards.org).

- (b) Advise on the incorporation of VSS into national sustainable development agendas or for meeting specific national sustainability objectives, i.e. the question of having a strategy on using VSS for specific developmental targets;
- (c) Assist in the implementation of VSS;
- (d) Influence the development of VSS setting; and
- (e) Intensify discussions on the relationship between private standards and mandatory standards (or to increase multilateral governance on standards).

*Making sustainability standards work for small-scale farmers in developing countries*

132. **Development context:** Organic agriculture potentially offers a wide array of economic, food security, environmental, social and health benefits for developing countries. While domestic markets for organic products in developing countries are growing, the vast majority of certified organic products are exported to developed countries, particularly in Europe and North America. Demand for organically grown produce for supermarkets as well as for the food processing and catering industry has been rapidly expanding in recent years.

133. As many of the buyers in these markets are either members of GLOBALGAP or apply the GLOBALGAP requirements, there is increasing demand for organic producers to meet the requirements of GLOBALGAP (aimed at ensuring consistent application of Good Agricultural Practices with a particular focus on health and safety of fresh produce). This results in double inspection and certification requirements and potential loss of market for many organic farmers, particularly small-scale farmers. For traders and retailers and other buyers of organic produce, the costs and difficulties of sourcing doubly certified products leads to higher costs, a reduced range of products and increased risk of supply interruptions.

134. **Objectives and features of activities:** Based on some preliminary analysis, UNCTAD found that there is some common ground between GLOBALGAP and organic agriculture objectives and requirements. Hence UNCTAD launched activities on exploring practical options for achieving partial equivalence between GLOBALGAP and organic certification systems or other arrangements to streamline the certification process at the scheme level for dual certification. The objective is to launch a consultative process between GLOBALGAP and the International Federation of Organic Agriculture Movements (IFOAM) standard-setting bodies on these options, with a view to achieving a practically applicable approach for achieving partial equivalence or streamlining the inspection and certification process aimed at drastically reducing the inspection and certification costs of small-scale organic farmers and significantly improving access to the large overseas markets of big retailers.

135. **Output and results:** UNCTAD prepared two studies aimed at developing two conceptual tracks that facilitate practical ways of achieving partial equivalence between the GLOBALGAP standard (a standard on Good Agricultural Practice applied by most globally active supermarkets and catering companies) and the main organic standards aimed at facilitating market access and drastically reducing compliance costs with both standards.

136. The first study targeted an “Organic Plus” approach, i.e. the development of additional modules on food safety (particularly contamination) and occupational health and safety to accommodate GLOBALGAP requirements to be combined with mandatory or voluntary organic certification. The second study focused on a “GLOBALGAP Interpretative Guidelines” approach, i.e. creating interpretive

guidelines for organic production under GLOBALGAP certification, which would have the effect of eliminating some GLOBALGAP requirements that are not applicable to or similar to organic production schemes and advising how yet other requirements could be addressed by auditors and certification reviews in a streamlined way. The two studies were discussed by an expert group of IFOAM and FoodPlus on 8 June 2011 in Bonn (Germany). The expert group meeting made specific suggestions on follow-up activities for devising suitable matching tools between both standard systems.

## **B. Organic agriculture as an opportunity for inclusive and sustainable development**

137. *Development context and needs of beneficiary countries:* At present, agriculture faces unprecedented challenges and exciting opportunities globally. The challenges result from the need to secure a food supply for a rapidly growing human population while at the same time minimizing the adverse impacts of agricultural production on the environment. Exciting opportunities relate to new management options, opened up by alternative production targets, technological developments and changing consumer preferences.

138. A shift towards sustainable agricultural production entails the adoption of comprehensive, more system-oriented strategies. Such strategies include farm-derived inputs and productivity based on ecological processes and functions. Furthermore, it involves the traditional knowledge and entrepreneurial skills of farmers. The most consistent system-oriented sustainable practice is organic farming. Because of bans or restrictions on the use of many direct control techniques such as pesticides, herbicides, fast-acting fertilizers or veterinary medicines, organic farmers rely heavily on preventive and system-oriented practices.

139. No other form of agriculture and food production can claim to offer so many benefits to consumers and can provide such a bounty of public goods to producers as organic farming and food systems. Organic production is particularly suited to and both productive and remunerative for small-scale farmers.

140. *Objectives/features:* UNCTAD primarily aims at easing market access for fresh organic food products; strengthening the production capacity of organic producers, notably among groups of small-scale farmers; assisting interested developing country governments and using best policy practice for promoting organic production; and facilitating harmonization and equivalence among the approximately 70 existing mandatory and voluntary standards for organic production.

141. *Output and results:*

### **1. Enhanced harmonization and equivalence in standards governing international trade in organic agricultural products**

142. UNCTAD, FAO and the International Federation of Organic Agriculture Movements (IFOAM) have been working closely together since 2001 to facilitate trade in organic products through harmonization and equivalence. This has been through the UNCTAD–FAO–IFOAM International Task Force on Harmonization and Equivalence in Organic Agriculture (ITF, 2003–2009) and its successor project, Global Organic Market Access (GOMA), financed by the Norwegian Agency for Development Cooperation. Documents and other information are available on the project website [www.goma-organic.org](http://www.goma-organic.org).



143. GOMA highlights in 2011 include promoting South–South cooperation on organic agriculture in Asia and Central America and the preparation of the international Global Organic Market Access Conference in February 2012 in Nuremberg (Germany).

144. In Asia, work focused on the development of the Asian Regional Organic Standard (AROS). A Drafting Group met several times and considered comments received during national and regional consultations and from the GOMA Working Group for Cooperation on Organic Labelling and Trade for Asia, which met in Seoul, Korea in September 2011. The Working Group also addressed other facets of cooperation to facilitate intraregional trade in organic products, including components of a mutual recognition agreement. It adopted a declaration stressing the importance of continuing the work with UNCTAD–FAO–IFOAM assistance and requested donor support in that respect. The Working Group is expected to adopt AROS at its meeting in February 2012 in Nuremberg (Germany), and will recommend that it be adopted as the ASEAN and SAARC organic standard.

145. The competent authorities of Central America plus the Dominican Republic held national consultations on a draft text for a common organic agriculture regulation. In February 2011, they met in San José (Costa Rica) along with representatives from the private sector and UNCTAD to discuss the comments. The final text has now been prepared and submitted to the Central American Council for regional adoption.

146. After extensive international consultations, the Common Objectives and Requirements of Organic Systems (COROS) were finalized in June 2011. COROS is an expansion of Equitool developed under GOMA's predecessor project, the ITF. It is a template to guide Governments and other stakeholders in conducting objectives-based equivalence assessments of two or more organic standards for production and processing. COROS is also being used in the IFOAM Organic Guarantee System as the international reference against which standards can be included in the IFOAM Family of Standards. It thus replaces the international private sector organic standard.

147. Outreach activities included a mission to the European Commission in June 2011 to discuss uptake of COROS for equivalency determinations for imports of organic products into the EU, meetings with other key public and private sector actors, presentations at relevant forums, a workshop at the Biofach organic trade fair in February 2011 in Nuremberg (Germany), information provision via GOMA website ([www.goma-organic.org](http://www.goma-organic.org)) and periodic newsletters.

## **2. Supporting organic agriculture in Africa**

148. A number of activities were undertaken to support the development of organic agriculture in Africa. In May 2011, UNCTAD participated actively in the African Union inception workshop in Thika (Kenya) to develop the African Ecological/Organic Agriculture Initiative, as a follow-up to the African Heads of State and Government Decision EX.CL/Dec.621 (XVII) on Organic Farming. The initiative aims to mainstream ecological organic agriculture into national agricultural production systems by 2020 through six interrelated drivers, namely:

- (a) Research, training and extension;
- (b) Information and communication;
- (c) Value chain and market development;
- (d) Networking and partnerships;

- (e) Policy and programme development; and
- (f) Institutional capacity development.

149. UNCTAD also participated in the related First European Commission-African Union Workshop on African Organic Agriculture in July 2011 in Brussels, Belgium. In June 2011, UNCTAD and partners, including the head of the Ugandan Organic Agriculture Movement, visited the Head of the European Commission's programme on organic agriculture in Brussels (Belgium) to explore practical issues related to EU recognition of the East African Organic Agriculture Products Standard (EAOPS), which was developed in 2005–2007 through a highly consultative regional public–private partnership with the support of UNCTAD and its partners and adopted as the official East African Community organic standard in 2007.

150. UNCTAD support also ensured that the African organic perspective was represented in discussions with GLOBALGAP and IFOAM secretariats on Organic GAP — an add-on module for certified organic products that would address food safety and worker health issues.

151. In partnership with UNTV, UNEP and the national organic sector organizations in East Africa, UNCTAD ventured into the new territory of film-making. In May 2011, a short film on “Organic agriculture: A good option for LDCs” featuring the heads of UNCTAD and UNEP was launched at the LDC-IV Conference High-Level Interactive Thematic Debate on Reducing Vulnerabilities, Responding to Emerging Challenges, and Enhancing Food Security in the LDCs in Istanbul, Turkey. (<http://www.unctad.org/templates/Page.asp?intItemID=5957&lang=1>). Also in May 2011, a UNTV film crew visited organic farms and exporters in Zanzibar to produce a piece for the UN in Action series. It will be broadcast over UNTV's networks in 2012.

152. Throughout 2011, UNCTAD was also actively involved in preparations for the Second African Organic Conference, to be held in May 2012 in Lusaka (Zambia). This is the main organic agriculture event for the continent, foreseen to take place every three years. It is organized in partnership with the African Union, IFOAM and others. The theme is “Mainstreaming organic agriculture into the African development agenda”.

153. Many of the above activities were carried out within the framework of the UNEP–UNCTAD Capacity-Building Task Force on Trade, Environment and Development, with the generous support of the Government of Austria. Conference preparations continued with support from the United Kingdom Department for International Development (DFID).

### **3. Linking organic and tourism sectors in LDCs**

154. Under the United Nations CEB Inter-Agency Cluster on Trade and Productive Capacity (UNCTAD, UNIDO, UNOPS, ITC, ILO), work commenced on a national project in Laos PDR with the financial support of Switzerland (SECO). UNCTAD participated in the multi-agency mission to Laos PDR in June 2011 to coordinate planning of activities. UNCTAD will be working particularly closely with ITC to strengthen backward linkages from the tourism sector in selected regions of Laos PDR, starting with Luang Prabang, and promoting development of organic exports, particularly to regional markets. The Asian Regional Organic Standard developed under the GOMA project (mentioned above) should be useful in this regard. Preparations have begun for a similar project for the United Republic of Tanzania.

### C. Enhanced opportunities in biotrade

155. *Development context:* Biodiversity, as the source of many products and services utilized by society, is being lost at accelerating rates, caused by widespread overexploitation of biological resources, introduction of alien species and transformation of habitats. Biodiversity loss often destabilizes and reduces the productivity of ecosystems, weakening their ability to generate products and services and their capacity to deal with the natural disasters and stress caused by humans, such as environmental pollution, degradation and climate change. Accordingly, the sustainable use of biodiversity is fundamental for long-term sustainable development. Developing countries, which are often endowed with rich biodiversity, face the great challenge of combining poverty alleviation and economic growth with the sustainable use and conservation of biodiversity. Trade in products and services derived from biodiversity could be part of the solution to this problem.

156. Research shows that market interest and demand for biodiversity products and services are growing, giving biodiverse countries a comparative advantage. However, developing countries often lack the capacity to turn this into competitive advantage, meaning that the traded volumes of sustainably obtained biodiversity goods and services remain relatively low. The importance of trade as a positive incentive for biodiversity conservation is increasingly recognized at the national and international level, and efforts are under way to promote trade that takes ecological and social issues into account. UNCTAD's BioTrade Initiative and BioTrade Facilitation Programme support sustainable development through trade and investment in biological resources in line with the three objectives of the Convention on Biological Diversity (CBD).<sup>5</sup> These programmes respond to the limited capacity of developing countries to benefit from international markets for products whose production processes enable sustainable use and conservation of biodiversity.

157. *Objectives/features:* The BioTrade Initiative seeks to promote trade and investment in biological resources in support of sustainable development. Through the establishment of partnerships with national, regional and international programmes, it endeavours to strengthen the capacity of developing countries to enhance the production of value-added products and services derived from biodiversity, both for domestic and international markets. The Initiative, which supports sustainable development through trade and investment in biological resources, aims at giving concrete expression to the concept of sustainable use of biodiversity and to reconciling biodiversity conservation with the development aspirations of local communities in biodiversity-rich areas in developing countries. It also seeks to facilitate sustainable trade in biodiversity products and services through innovative collaborative arrangements that enhance sustainable bio-resource management; it supports BioTrade product development, value-added processing and market entry; it promotes product differentiation and improves access to trade and pre-export finance; and it articulates concerns related to biotrade in the policy environment that affects such trade.

158. *Output and results:* UNCTAD, through its BioTrade Initiative and BioTrade Facilitation Programme, continued to assist developing countries in strengthening the institutional capacity of the national BioTrade programmes in developing policy

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<sup>5</sup> The Convention's objectives are the conservation of biological diversity; sustainable use of its components; and fair and equitable sharing of the benefits arising from the utilization of genetic resources.

frameworks in support of biotrade and to provide technical assistance and advisory services to BioTrade programmes and partners in Colombia, Indonesia and Vietnam on the BioTrade concept and methodologies, project design and formulation, value chain development, market access and fundraising. In Indonesia, under the Initiative, a series of meetings and workshops were organized that brought together high-level officials from Government, key business representatives and stakeholders to carry out the assessment of selected value chains – Value Chain Analysis Workshop for Natural Ingredients, Rattan and Ecotourism on 20–21 July 2011 in Jakarta and the Workshop on Tips for Natural Ingredients Suppliers on 16 July 2011 in Tapaktuan, Aceh Selatan. UNCTAD also provided technical advice to the nutmeg value chain through a field visit to several distillers. In Colombia, UNCTAD continued to support the Fondo Biocomercio and the Ministry of Environment and Sustainable Development, formerly the Ministry of Environment, Housing and Sustainable Development, in ensuring the continuity of implementing biotrade activities.

159. In accordance with paragraph 102 of the Accra Accord, the BioTrade Initiative continued “to support the creation of an enabling policy environment to foster private sector engagement in the sustainable use and conservation of biodiversity”. In partnership with UNCTAD, the Natural Resources Stewardship Circle has integrated the value chain guidelines into its supply chain selection process in the cosmetic sector. In addition, the Initiative also supported the efforts of The Economics of Ecosystems and Biodiversity for Business Coalition, the World Business Council for Sustainable Development, Business for Social Responsibility and the United Nations Global Compact in enhancing private sector engagement.

160. UNCTAD also continued to implement activities under biodiversity-related MEAs such as the CBD. It contributed to the Biodiversity Indicators Partnership, participated in economic incentives discussions and disseminated BioTrade activities at CBD meetings. UNCTAD also became one of the drivers of the newly created Business and Biodiversity Global Platform, signing an MOU with the CBD together with 24 of the largest international agencies working on biodiversity for the implementation and achievement of the 2020 Aichi Biodiversity Targets.

161. In addition, UNCTAD supported the Convention on International Trade in Endangered Species of Wild Fauna and Flora (CITES), by promoting the sustainable use of CITES-listed species and engaging the private sector and building awareness of the Convention.

162. Biotrade activities are being implemented worldwide, and there is a constant need to obtain real, precise and comparable information to monitor the conservation and sustainable use aspects of the species and ecosystems used. Within the BioTrade network, there have been independent efforts by national and regional programmes and partners to measure and report on the impact of the activities supported. However, there is still a need to measure the contribution of BioTrade to sustainable development in order to demonstrate the efficiency and effectiveness of interventions in the field. The BioTrade Impact Assessment System (BTIAS) developed by UNCTAD is vital for the achievement of this goal. BioTrade partners in Latin America and Africa have started to adopt this system as part of their monitoring and evaluation activities and to build their baseline. In 2011, partners supported the development of the BTIAS baseline in 15 countries, which involved more than 60 companies at different stages of the value chain. To facilitate this process, UNCTAD created the BTIAS virtual group for the dissemination of information guidelines and other technical materials to partners involved in the BTIAS and BioTrade.

163. As part of efforts to increase awareness and understanding of BioTrade issues among public and private stakeholders, UNCTAD has organized and/or participated

in various seminars, workshops, conferences as well as relevant discussions of international development processes, such as the following:

- (a) CITES Asian Snake Trade Workshop, 11–14 April 2011, Guangzhou (People's Republic of China);
- (b) International Expert Workshop in support of the Ad Hoc Technical Expert Group on Indicators for the Strategic Plan for Biodiversity 2011–2020, 20–24 June 2011, High Wycombe (United Kingdom);
- (c) International Sustainable Foods Summit, 23–24 June 2011, Amsterdam (The Netherlands);
- (d) Workshop on Nutmeg Business Development, 15–18 July 2011, Aceh Selatan (Indonesia);
- (e) Value Chain Analysis Workshop for the Natural Ingredients, Rattan and Ecotourism Sectors, 20–21 July 2011, Jakarta (Indonesia); and
- (f) Fifteenth Meeting of the CBD Subsidiary Body on Scientific, Technical and Technological Advice, 7–11 November 2011, Montreal (Canada).

164. UNCTAD continued to contribute to policy development within the scope of BioTrade, CBD and CITES, with the preparation of the following analytical studies:

- (a) Improving International Systems for Trade in Reptile Skins based on sustainable use (UNCTAD/DITC/TED/2011/7);
- (b) Implications for BioTrade of the Nagoya Protocol on Access to Genetic Resources and the Fair and Equitable Sharing of Benefits Arising from their Utilization (UNCTAD/DITC/TED/2011/9); and
- (c) Linking to Peace: Using BioTrade for biodiversity conservation and peace-building (UNCTAD/WEB/DITC/TED/2011/1).

165. BioTrade, widely recognized and understood at the international level, is linked with other relevant issues such as reintegration, climate change and the green economy. On reintegration, it is being used as an approach to support reintegration and livelihoods in post-conflict settings as a result of the partnership with the UNDP Bureau for Crisis Prevention and Recovery. UNCTAD provided technical assistance and capacity-building in developing sustainable supply chains, taking into consideration BioTrade methodologies, principles and criteria. On climate change, UNCTAD is developing the link between BioTrade and climate change-related initiatives such as Reducing emissions from deforestation and forest degradation, covering inter alia the role of conservation, sustainable management of forests and enhancement of forest carbon stocks (REDD+).

#### **D. Enhanced opportunities in biofuels**

166. *Development context:* Conventional fossil fuels, such as petroleum and its derivatives, coal, and natural gas, are the primary sources of energy worldwide. The increasing greenhouse gas emissions stemming from escalating dependence on fossil fuel combustion are the single most important source of greenhouse gas concentration in the atmosphere, causing human-induced climate change. Continued overdependence on fossil fuels has economic, social, climate and biodiversity impacts, especially on the most vulnerable developing countries.

167. The production of biofuels – clean-burning, carbon-neutral fuels derived mainly from agricultural crops – has a number of benefits: it can reduce dependency

on fossil fuel imports and increase energy security; it promotes job creation, economic diversification and rural development; and it reduces greenhouse gas emissions, thus helping to combat global warming. The new Kyoto policy environment is likely to significantly increase the demand for low- or no-carbon-emitting energy, including biofuels. Overall, the greatest potential for the production of biofuels can be found in developing countries, whereas developed countries – in meeting their Kyoto commitments – potentially provide the greatest markets. However, greater penetration of biofuels in energy markets requires enhanced policy coherence, as it involves agriculture, energy, trade and climate policies. A well-targeted multisectoral approach is required if developing countries are to capture investment opportunities and development gains from the new emerging markets for biofuels. Increased production, domestic use and trade in biofuels may offer a real and pragmatic alternative to both developing and developed countries in terms of meeting their commitment to combat climate change and achieving the Millennium Development Goals.

168. **Objectives/features:** The UNCTAD BioFuels Initiative offers a facilitating hub for programmes already under way in a number of institutions. The Initiative, with its partners, adds value by providing interested countries with access to sound economic and trade policy analysis, capacity-building activities and consensus-building tools. It tailors national strategies, based on specific national circumstances and needs. It attempts to share lessons from success cases and to illustrate problems that are encountered by developed and developing countries alike in dealing with the technical, political and economic aspects of biofuels. The Initiative works closely with the private sector towards the ultimate goal of developing the business and sustainable development case for increased production, domestic use, and trade in biofuels. More specifically, the BioFuels Initiative helps assess the potential that specific developing countries have to engage in the growing worldwide production, use and trade of biofuels. In doing so, it looks at the possible opportunities and impacts on domestic energy policies, food security, environmental management, job creation and rural development. It deals with trade flows, tariff regimes and market access and market entry issues affecting international trade in biofuels. In addition, it assesses emerging investment opportunities for developing countries, including the use of the CDM under the Kyoto Protocol. Finally, it provides policy guidance, ideas and examples on how to overcome barriers when engaging in this new market.

169. **Output and results:** The Biofuels Initiative of UNCTAD, with the support of its partners, provided developing countries with access to sound economic and trade policy analysis, capacity-building activities and consensus-building tools. It has maintained its partnerships with intergovernmental organizations, governments, applied research centres, NGOs, and relevant initiatives such as the FAO's International Bioenergy Platform, UNFCCC, the G8 Global Bioenergy Partnership, UNEP–Risoe, UNIDO, the EPFL/WEF Roundtable for Sustainable Biofuels, the International Federation of Agricultural Producers, and the Inter-American Development Bank.

170. The UNCTAD BioFuels Initiative continued to assist developing countries in their policy analysis and decision-making process on whether biofuels is an option for them in achieving energy security and sustainable development goals. It continued collaboration with the Government of Mexico in assessing the biofuel option, including the evaluation of policy implementation and analysis of developments on biofuels markets, especially with regard to issues related to sustainability certification. The assessment was finalized and submitted to the Government of Mexico for its consideration. An analytical study was also prepared

on the *State of South–South and Triangular Cooperation in the Production, Use and Trade of Sustainable Biofuels* (UNCTAD/DITC/TED/2011/10).

171. In 2011, the UNCTAD BioFuels Initiative participated in the following conferences, trainings and seminars:

- (a) Risoe Energy Conference, 10–12 May 2011, Copenhagen (Denmark), where a paper was presented on development of the EU policy for biofuels;
- (b) Round Table on Sustainable Biofuels, 15 June 2011, Lausanne (Switzerland);
- (c) Seminar on the compatibility of the EU sustainability criteria for biofuels with WTO rules, 30 November 2011, Brussels (Belgium).

## **E. Trade, development and investment opportunities in the climate change regime**

172. **Development context:** Global concerns over the impact of climate change, particularly its adverse effect on developing countries, and the related significant economic costs associated with inaction, have put climate change very high on the international agenda. The projected climate impacts will hurt developing countries most, because their economies are more reliant on climate-sensitive sectors such as agriculture and fisheries. Developing countries are also more vulnerable because they have limited human, institutional and financial capacity to anticipate and respond or adapt to climate change and natural disasters. As developing countries are already economically vulnerable, their economies – and particularly those of the least developed countries – often rely on few exports and face negative terms of trade. To make their economies more resilient – both in general economic terms and to the effects of adverse climate change – they will need to diversify. Economic diversification can be spurred by well-targeted foreign direct investment (FDI) in a variety of productive sectors.

173. The Kyoto Protocol provides key investment opportunities for developing countries through the CDM. Developing countries need to be prepared to seize the opportunities for sustainable development offered by the CDM and ensure that these are captured domestically in a manner that lessens their economies' vulnerability, increases their energy security, and augments their chances of integrating into the globalized world economy on more equitable terms. Investment under the CDM – which may not necessarily follow traditional FDI flows – may provide an opportunity for investment that assists developing countries in diversifying their economies. Such investment flows may carry opportunities for technology transfer and for the fostering of indigenous technologies. Current climate change negotiations are generating major emerging trade and investment opportunities for developing countries, particularly in the area of bioenergy.

174. **Objectives/features:** UNCTAD's Climate Change Programme has a significant role to play in the international climate change debate on the effects of and policy responses to global climate change, as well as to the United Nations-wide response strategy. In particular, UNCTAD focuses on addressing the economic aspects of climate change and its trade and development implications. By admitting that future economies will be carbon-constrained, UNCTAD plays a significant role in preparing developing countries for the expected shifts in relative prices and in relative production costs stemming from the introduction of climate policies and measures. It contributes to a smoother transition to a regulated-carbon economy. As there is a growing commitment to more active climate change policy, both at the

national and international level, UNCTAD addresses issues such as the trade competitiveness aspects of climate change policies; trade, development gains and investment opportunities arising as climate change measures are adopted, creating new markets for more efficient, innovative and less carbon-intensive products and processes; investment promotion and development gains in developing countries, which may derive from the development of projects under the CDM; and compatibility issues between climate policy and trade rules.

175. **Output and results:** The green economy within the context of sustainable development and poverty eradication is set to be one of the themes of the United Nations Conference on Sustainable Development (UNCSD), also referred to as Rio+20, to be held in Brazil in June 2012. UNCTAD, serving as the sustainable trade focal point for the Conference, has been invited to convene an expert meeting to address the trade and sustainable development implications of the green economy.

176. In response, UNCTAD, in collaboration with the United Nations Department of Economic and Social Affairs (UNDESA) and the United Nations Environment Programme (UNEP), organized an Ad hoc Expert Meeting on The Green Economy: Trade and Sustainable Development Implications from 8–10 November 2011 in Geneva. Participants included policymakers and decision-making officials in the relevant government agencies, as well as development policymaking agencies in both developed and developing countries in charge of formulating and implementing national development strategies and policies. The meeting aimed at exploring ways in which the green economy, through trade-led growth, can become a pro-development income-generating instrument that will directly contribute to meeting the sustainable development imperative, universally adopted at the 1992 Rio Summit. As an enabling component of sustainable development, the green economy may provide a new trade and investment impetus to developing economies, especially if it is anchored in a mutually supportive approach to sustainable development. The outcome of the meeting was submitted as a substantive input to UNCTAD XIII and the Rio+20 preparatory process.

177. UNCTAD continued to assist developing countries with economic analysis and in building consensus on the conditions necessary for their engagement and enhancement of climate policies. As one of the two running themes for the Rio+20 Conference, the “green economy” sheds new light on the trade and environment nexus. UNCTAD prepared an analysis of the product space and the policy space of the green economy with a view to providing tailored advice to particular countries and to promoting a common understanding as to which trade measures were acceptable in pursuit of green economy objectives. In addition, a product space methodology was also developed to assist developing countries in identifying potential value chains of tradable goods and services that could enable them to benefit from the transition to a green economy.

178. As one of the implementing partners of the Nairobi Framework, UNCTAD, through the Climate Change Programme, supported the organization of the Third Africa Carbon Forum from 4–6 July 2011 in Marrakech (Morocco). The event brought together more than 1,000 participants representing the project developers, buyers, service providers, national CDM representatives and other private and public sector stakeholders to tap the potential of greenhouse gas emission offset projects in the continent. It aimed at strengthening links between CDM project developers and the region’s investment community. In addition, it facilitated knowledge sharing among CDM project sponsors and buyers. This activity was under the auspices of the Nairobi Framework established to improve the level of participation of developing countries, especially those in sub-Saharan Africa, in the Clean Development



Mechanism (CDM) under the Kyoto Protocol. The event was organized with other partners such as UNDP, UNEP, UNEP-Risoe, UNFCCC, UNITAR, the World Bank Group, AfDB and the International Emissions Trading Association (IETA).

179. On the fringe of the Third Africa Carbon Forum, a side event for the Portuguese-speaking countries in Africa – Cape Verde, Guinea-Bissau, São Tomé e Príncipe and Mozambique – was organized on 5 July 2011 in Marrakech (Morocco). The event provided a platform to showcase Angola's experience with regard to the e-learning course on Climate change and Carbon markets. To assist African countries in seizing trade and investment opportunities arising from climate change policies, particularly through the CDM, the course could be replicated in other Portuguese-speaking countries to empower the Government and private-sector representatives in climate change negotiations and ensure their effective participation in carbon markets.

180. In the lead-up to the Rio+20 Conference in June 2012, the following activities were undertaken: (i) submission of substantive inputs to UNDESA for the compilation document, which will serve as a basis for the preparation of a zero-draft of the outcome document; (ii) substantive and logistical preparations for a series of workshops in early 2012 aimed at building the capacity of trade negotiators involved in the Rio+20 process. Activities will focus on the opportunities provided by the transition to a green economy and on policy decision-making informed by market as opposed to trade considerations. This is instrumental to promoting coherence between the negotiations and discussions relating to green economy and trade, and particularly in familiarizing delegations to the UNCSD with trade negotiations and discussions. This is a case where capacity-building work feeds directly into a major intergovernmental process and helps developing member delegations articulate and coordinate their positions; and (iii) preparation of analytical studies and publications:

- The Road to Rio +20: For a development-led green economy (First Issue) UNCTAD/DITC/TED/2010/8) released in March 2011
- WTO Negotiations on Environmental Goods: Selected technical issues (UNCTAD/DITC/TED/2011/1)
- Are there downsides to a green economy? (UNCTAD/DITC/TED/2011/3);
- The Green Economy: Trade and sustainable development implications (UNCTAD/DITC/TED/2011/5)
- The Road to Rio +20: For a development-led green economy (Second Issue) (UNCTAD/DITC/TED/2011/6)
- Report of the Ad Hoc Expert meeting on the Green Economy: Trade and sustainable development implications (UNCTAD/DITC/TED/2011/8)
- Policy brief on Building a development-led green economy (UNCTAD/PRESS/PB/2011/11 (No. 23))
- Transition to a Green Economy: Benefits, challenges and risks from a sustainable development perspective (UNDESA/UNEP/UNCTAD), July 2011, and
- Green Economy: Why a green economy matters for the least developed countries (UNEP/UNCTAD/UN-OHRLLS), May 2011

181. (iv) Participation in the following UNCSD meetings:

- Second Preparatory Committee Meeting for the United Nations Conference on Sustainable Development, 7–8 March 2011, New York (USA)

- Regional Preparatory Meeting for Latin America and the Caribbean, 7–9 September 2011, Santiago (Chile)
- Regional Preparatory Meeting for the ECE Region, 1–2 December 2011, Geneva (Switzerland), and
- Second Intersessional Meeting of UNCSD, 15–16 December 2011, New York (USA)

182. UNCTAD contributed substantively to global forums by participating in conferences, meetings, seminars and roundtables such as:

- 2011 Public Symposium – Roundtable II: Making the transition to a green economy fair and equitable, 23 June 2011, Geneva (Switzerland);
- Green growth and development Workshop, 28 June 2011, OECD, Paris (France);
- Enhancing South–South cooperation: Promoting SMEs finance – Seminar by the Global Network of Eximbanks and Development Finance Institutions (G-NEXID), 19–20 September 2011, Geneva (Switzerland);
- WTO Public Forum on “Preparing for Rio 2012: Trade opportunities and challenges in a green economy”, 21 September 2011, Geneva (Switzerland);
- UNEP/Ville de Genève conference on *Actions locales pour un impact global / Gouvernances locale et régionale pour une transition vers une économie verte*, 18 October 2011, Geneva (Switzerland);
- South Centre and UNDP Workshop on Trade, Environment, Climate Change and Sustainable Development Policy Linkage Issues, 15–16 November, Geneva (Switzerland);
- Joint Conference – UNCTAD EnergyPact Foundation on how emerging economies will green the world; and The Global South Agenda for a Sustainable World, 29 November–1 December 2011, Geneva (Switzerland);
- Joint Working Party on Trade and Environment, 16 December 2011, OECD, Paris (France).

Table 5

**Trade, environment and development**

<i>Project number</i>	<i>Short title</i>	<i>Starting date</i>	<i>Source of fund</i>
INT/0T/3AC <sup>a</sup>	Biotrade facilitation programme for biodiversity products and service	2003–2011	SECO/Netherlands
INT/0T/3BB	Consultative task force on environmental requirements and international trade	2003–	Netherlands
INT/0T/6AY <sup>a</sup>	Implementing the BioFuels Initiative in LDCs and countries with vulnerable economies	2006–2011	Norway
INT/0T/6BP	Challenges and opportunities of implementing biodiversity-related MEAs	2006–	Switzerland
INT/0T/7BS	Climate Change Programme	2007–	Norway
INT/0T/8AS	BioTrade Facilitation Programme, Phase II	2008–	Switzerland

<i>Project number</i>	<i>Short title</i>	<i>Starting date</i>	<i>Source of fund</i>
RAF/OT/8BE <sup>a</sup>	Promoting production and trading opportunities for organic agricultural products: A tool for poverty reduction and environmental protection in East Africa	2008–2011	Austria

<sup>a</sup> Projects that were “operationally but not financially completed” or “completed” in 2011.

## VI. Cluster VI FDI trends and issues

### Lead division: Division on Investment and Enterprise (DIAE)

183. The programmes under this cluster aim at increasing understanding of various key issues and policies relating to public and private investment issues and of the impact of foreign direct investment (FDI) on development.

#### A. World Investment Report series

184. **Development context:** As the focal point in the United Nations system for investment and technology, UNCTAD promotes understanding of key issues, particularly FDI-related matters, and assists developing countries in attracting and benefiting from FDI and building their productive capacities and international competitiveness. The *World Investment Report (WIR)* series provides up-to-date and comprehensive data on issues pertaining to FDI and TNCs, analyses trends and developments in FDI, examines the implications of activities by TNCs related to these trends, and assesses both international and national policy issues of relevance to developing countries. It serves as a policy decision-making input and an analytical instrument for improving national capacities to attract and benefit from FDI, and as a capacity-building tool.

185. **Objectives/features:** The *WIR* series is a key instrument in helping policymakers improve their understanding of emerging FDI-related issues and policy implications for development and, as a result, enhance their ability to formulate FDI policies that will contribute to their development objectives. The series therefore serves as an essential tool for the formulation of FDI policies, which feeds into UNCTAD’s technical assistance work. The preparation of the Report involves the following interrelated activities:

(a) Policy analysis and research: An extensive peer review of the *WIR* outline, drafts and final text. The preparation of each chapter and section involves dialogue with relevant stakeholders to ascertain facts and determine trends, including with experts (especially those from developing countries), on the topics analysed;

(b) Capacity-building workshops and seminars: These enable policymakers, researchers and other experts from developing countries to directly contribute salient experience, knowledge and information for each *WIR*. As such, these activities constitute a key element of the peer review process;

(c) Dissemination of the Report’s findings and results: Dissemination begins with the organization of over 50 press conferences in national venues on the Report’s launch date, followed by seminars/workshops for policymakers in developing countries.

These workshops allow stakeholders from developing countries to discuss the results of the research and policy analysis, including ways and means of using them in concrete policymaking and implementation; and

(d) Dedicated experts networks: In order to maintain the Report's consistent quality, dedicated networks of experts are maintained and supported through a range of activities, including seminars and conferences.

186. Major outputs for *World Investment Report 2011 (WIR11)* include the following:

(a) Background studies were prepared for the thematic section, e.g. "Licensing in the global pharmaceuticals market", "Use of management contracts as a non-equity mode of TNC participation in the international hotel industry" and "Contract manufacturing in the electronics global value chains";

(b) Companies, associations and experts were consulted to gain insights into their strategy on non-equity modes of operation;

(c) *WIR11* was released worldwide in late July 2011 in nearly 70 countries. To facilitate global media coverage, nine sets of press releases were prepared, some of which were translated into official United Nations languages and other local languages;

(d) The successful dissemination of the findings and policy recommendations of the Report were supported by the media coverage (exceeding 1,460 articles in more than 100 countries as of end-January 2012). The Report can be freely downloaded as either individual chapters or the entire Report from the UNCTAD website. The number of downloads reached almost 120,000 times from users from 159 countries as of end-January 2012;

(e) Databases on FDI, mergers and acquisitions (M&As) and largest TNCs were maintained and updated. These databases are made available to the public;

(f) Two peer review meetings (1 and 15 February 2011) and a global seminar (19–20 April 2011) were organized for *WIR11*, while a brainstorming meeting (7–8 December 2011) was organized for *WIR12*.

187. **Results:** *WIR11* analysed non-equity modes of international production and development. It underscored that TNCs were increasingly engaging with developing and transition economies through various production and investment models, such as contract manufacturing and farming, franchising, licensing and service outsourcing, presenting countries with challenges and opportunities to capitalize on TNCs' involvements in global value chains. Key policy options were presented in the Report to maximize the benefits and minimize the negative impacts of non-equity forms of TNCs' involvement in host economies.

188. The Report also showed the most up-to-date data on global and regional FDI flows, including M&A and TNC data sets. These sets of data are useful for countries in terms of preparing their policy analysis and assessment to attract FDI.

189. *WIR11* was successfully presented at the Fifty-eighth session of the TDB on 16 September 2011, where analyses of the Report were discussed.

## **B. Technical assistance on regional investment cooperation**

190. UNCTAD extended technical assistance to ASEAN in November 2010, to develop a comprehensive multi-year (2011–2015) investment work programme to help realize the objectives and key investment provisions of the ASEAN Economic

Community Blueprint and the ASEAN Comprehensive Investment Agreement. Subsequently, a consultation meeting between UNCTAD and the ASEAN Coordinating Committee on Investment was held in February 2011 in Jakarta to discuss the concept, specific approaches, actionable activities and methodology to develop a comprehensive regional investment work programme. At the same time, UNCTAD presented a comprehensive regional investment work programme to the ASEAN Coordinating Committee on Investment in Jakarta.

### C. Capacity-building in FDI statistics

191. *Development context:* Scarcity, unreliability and inconsistency in existing data reporting systems cause severe problems in formulating policies and strategies regarding FDI. There is also a shortage of studies on the role of FDI and its impact on sustainable economic development and its contribution to the transfer of technology, human resource development and export performance. In response to recommendations made by the UNCTAD Expert Meeting on “Capacity-Building in the area of FDI: Data compilation and policy formulation in developing countries” in December 2005 and endorsed by the tenth session of the Commission on Investment, Technology and Related Financial Issues (Geneva, 6–10 March 2006), UNCTAD continues to provide technical cooperation in the area of FDI statistics.

192. *Objectives/features:* The overall objective of the project is to increase FDI inflows to developing countries, particularly LDCs, by formulating FDI policies based on quality FDI data and information of TNCs operating in the region or the country. This project aims at enhancing the capacity of government agencies in these countries to compile, disseminate and analyse data on FDI and TNC activities by implementing internationally recommended methodological standards and enabling national authorities to maintain high-quality and up-to-date databases. It also intends to strengthen networking among national authorities involved in FDI data compilation and reporting and in FDI policy issues and investment promotion activities, so as to facilitate the exchange of experience.

193. *Outputs:* In March 2011, upon an official request from the Government of Peru, a regional workshop for six Latin American countries – Argentina, Mexico, Brazil, Chile, Colombia and Peru, – took place in Lima (Peru). The overall objective of the workshop was to assist some 20 officials of ministries and agencies, central banks and other public and private institutions from those six countries who deal with statistical and policy issues on FDI in understanding better and reporting correctly FDI trends. The workshop presented the UNCTAD Common Survey to collect and disseminate data on FDI flow and stock and activities of foreign affiliates of TNCs. In addition, the workshop developed a strategy for harmonizing data on FDI statistics and activities of TNCs and setting up the compilation and data dissemination system for internationally comparable FDI and TNC statistics.

194. To comply with the goals of the Central American Integration System (SICA) established in 1991, the deputy Secretary of State of Honduras requested a regional seminar on FDI statistics in Central America. The seminar took place in Tegucigalpa (Honduras) on 14–16 December 2011. The event was attended by some 41 representatives from various national agencies of seven SICA member countries (Belize, Costa Rica, Dominican Republic, El Salvador, Guatemala, Honduras and Nicaragua). It developed a strategy in the area of FDI data compilation and dissemination, to set up the compilation and data dissemination system and its timeframe for collecting internationally comparable FDI and TNC statistics. Eventually, the countries concerned will have capacities to analyse such data and formulate better policies on FDI. To this end, a regional taskforce already established

under the Central American Monetary Council to harmonize macroeconomic data will be expanded to include a function to cover FDI statistics.

195. As part of the recommendations of UNCTAD's Investment Policy Review (IPR) for Guatemala, a national workshop on FDI statistics and activities of TNCs was organized in Guatemala City on 22–25 February 2011. The workshop was designed to assist officials of ministries and other government agencies dealing with statistical issues related to FDI in implementing the UNCTAD Common Survey and in establishing an effective survey system to collect and disseminate data on FDI flows and stock and activities of foreign affiliates of TNCs. The workshop paved the way for the next stage in the area of establishing and improving FDI and TNC statistics, including developing national strategies in the area of FDI data compilation and dissemination and setting up the compilation and data dissemination systems for internationally comparable FDI and TNC statistics. As a result, Guatemala would have capacities to analyse such data and formulate better policies on FDI.

196. As part of the recommendations of UNCTAD's Investment Policy Review (IPR) for the former Yugoslav Republic of Macedonia, a national workshop on FDI statistics and activities of TNCs was organized in Skopje on 19–21 December 2011. The meeting, attended by some 20 participants, aimed to establish an effective survey system to collect and disseminate data on FDI flow and stock and activities of foreign affiliates of TNCs and to address various issues relating to data on FDI and TNCs and the implementation of a widely-accepted survey for the country.

197. **Results:** These national and regional workshops advanced the understanding of government officials of FDI statistics and initiated implementation of a survey on FDI in some countries. They also represented a step towards the establishment of a regional association of FDI data compilers to harmonize FDI statistics in the region and to share experiences of data collection and reporting.

Table 6

**FDI trends and issues**

<i>Project number</i>	<i>Short title</i>	<i>Starting date</i>	<i>Source of fund</i>
INT/0T/2CW	Development and dissemination of selected data on FDI and the operations of transnational corporations	2003–	Multi-donor
INT/0T/3BR	<i>World Investment Report</i> series	2003–	Multi-donor
INT/0T/BAQ	Capacity-building in investment for development	2011–	Norway
ROA-2106 (M6) <sup>a</sup>	Support to decision-making and policy formulation on foreign direct investment in the context of the MDGs and the Monterrey Consensus	2008–2011	Development Account

<sup>a</sup> Projects that were “operationally but not financially completed” or “completed” in 2011.

## VII. Cluster VII Investment policies

### Lead division: Division on Investment and Enterprise (DIAE)

198. The programmes under this cluster aim at enhancing the ability of beneficiary countries to create an environment conducive to attracting and benefiting from

investment for development, increasing their increased understanding of key and emerging issues related to international investment agreements (IIAs) and their development dimension, boosting their capacity to negotiate and implement investment treaties, and facilitating management of investor–State disputes.

## A. Investment policy reviews and follow-up programme

199. *Development context:* Investment policy reviews (IPRs) constitute a programme of technical assistance that evaluates the policy, regulatory and institutional environment for investment in general, and foreign direct investment (FDI) in particular. In line with the requesting country's overall economic and social development objectives, it proposes concrete and action-driven recommendations aimed at attracting higher levels of beneficial FDI.

200. *Objective/features:* The IPR process promotes ownership and learning. It takes place in five consecutive phases, which are sequenced to promote synergies:

(a) *Government ownership.* The reviews are initiated at the request of Governments, and the counterpart government ministry or agency is involved throughout the process to foster ownership and coherence;

(b) *IPR evaluation and advisory report.* Preparation of the IPR report starts with a diagnostic phase, which includes a fact-finding mission by UNCTAD technical staff. Policymakers at the highest level and a wide range of stakeholders are brought into the process, including line ministries and agencies, universities and other research institutions. Meetings are also held with representatives of the private sector, non-governmental institutions and the donor community active in the country;

(c) *Country ownership and intergovernmental review.* Beneficiary countries agree to go through a review process, which includes a national stakeholders' workshop to discuss the findings of the draft report and review its recommendations. This is followed by an intergovernmental peer review, which draws on the experience of other countries in attracting and benefiting from investment, including benchmarking against international best practices. On the basis of inputs gathered through the peer review process, the IPR reports are generally finalized over a period of 10–12 months;

(d) *Implementation and follow-up technical assistance.* The review process is designed with one key purpose: making FDI work for sustainable development. The finalization and publication of the IPR report only mark the beginning of a process. The focus of this process is on delivering technical assistance to beneficiary countries to help them meet their development objectives by attracting higher desirable levels and types of FDI inflows, maximizing their developmental benefits and limiting the potential negative impact. The implementation phase is carried out through short-term action plans and multi-agency medium-term technical assistance;

(e) *Implementation report and additional follow-up actions.* About five years after the completion of the review report, UNCTAD conducts an assessment of implementation of recommendations and makes proposals for further and longer-term technical assistance.

201. *Outputs:* In 2011, the main outputs delivered by the investment policy review and follow-up programme included:

(a) Publication of the IPR for Guatemala and finalization of the reports for the former Yugoslav Republic of Macedonia and Mozambique. As part of the process, UNCTAD organized national workshops in the former Yugoslav Republic of Macedonia

and Mozambique to discuss the findings of the IPR and gather comments from various stakeholders, including government, private sector and civil society representatives;

(b) IPR implementation reports were published for Ethiopia and the United Republic of Tanzania. The implementation report of Rwanda was fully drafted, and desk research was undertaken on Kenya;

(c) The intergovernmental reviews, featuring the participation of UNCTAD's member States and representatives of the private sector, were held in Geneva in May for the IPR of Guatemala as well as for the Implementation Reports of Ethiopia and of the United Republic of Tanzania;

(d) Work was under way to prepare four new IPRs, including for Bangladesh, Djibouti, Republic of Moldova and Mongolia. The respective fact-finding missions took place in October (Mongolia), November (Djibouti) and December (Republic of Moldova);

(e) Technical assistance activities were carried out in a number of countries to support the implementation of the IPR recommendations and to deal more effectively with issues related to investment promotion strategies, international investment agreements, business planning and taxation. The countries which benefited from these activities include Burkina Faso, Guatemala, Kenya, the former Yugoslav Republic of Macedonia, Mozambique and Rwanda;

(f) A meeting of experts was held on 7 December to discuss ways to improve the methodology of IPRs.

202. **Overall results:** Investment Policy Reviews seek to improve the investment policies and strategies of developing countries in order to allow them to attract higher levels of FDI and derive the largest development gains, while avoiding potential costs as much as possible. Furthermore, activities to support the implementation of IPR recommendations and build capacity on international agreements and investor-State disputes have also contributed to enhancing the international framework for investment. Country diversity, the incidence of external and internal economic shocks, differing IPR completion dates and the challenge of attributing responsibility for results make it difficult to assess impact precisely. Notwithstanding these challenges, it is nevertheless possible to provide evidence of the IPR impact at three different levels: country commitment and endorsement of recommendations; implementation of recommendations; and impact on investment flows and the investment environment.

### 1. Commitment at the highest level and endorsement of recommendations

203. The importance and relevance of the IPR work is reflected by the involvement of Heads of States or Governments in the process and their commitment to implementing its outcome. Indeed, in most cases the IPRs have been presented to and discussed with Heads of States and Cabinet Ministers. For instance:

(a) The Minister of Economy of Guatemala discussed the IPR recommendations with the Secretary-General of UNCTAD and played an active role in the IPR national workshop in Guatemala City. The Minister also participated in the ensuing activities, including a high-level briefing session with Cabinet Ministers chaired by the Vice-President;

(b) In the former Yugoslav Republic of Macedonia, during the November-December 2010 mission, the Deputy Prime Minister for Economic Affairs and the Minister of Economy confirmed the Government's commitment to the IPR process and to the implementation of its recommendations;



(c) Cabinet Ministers and Ambassadors from beneficiary and partner countries systematically participated in the intergovernmental presentations of the IPRs, which took place in Geneva in the context of the Investment, Enterprise and Development Commission. In particular, this was the case for Burkina Faso, Burundi, Guatemala, and Sierra Leone.

204. Other examples where Heads of States and Governments were directly involved in the IPR discussions and committed to implementing their recommendations include Belarus, the Dominican Republic, Morocco, Nigeria, Rwanda, Uganda and Viet Nam.

205. Government officials have also expressed their interest directly, as the following endorsements reveal:

(a) “*FDI is a fundamental ingredient for development and the Investment Policy Review of Guatemala constitutes a key impulse to the national dialogue on the reforms necessary to attract much needed investment*”. Erick Coyoy, Minister of Economy, Republic of Guatemala;

(b) “*...we welcome the findings of the IPR, many of which have already been mainstreamed in our national development strategy – the Agenda for Change*.” Dr. Samura M.W. Kamara, Minister of Finance and Economic Development of Sierra Leone;

(c) “*The LLDC group wishes to commend UNCTAD for their work on Investment Policy Reviews (IPRs), which have supported developing countries to create the conditions to strengthen the environment for investment*.” Ambassador Federico Gonzalez, permanent representative of Paraguay on behalf of LLDCs.

206. The 2007 Heiligendamm G8 Summit Declaration recognized that the reviews and follow-up actions are “valuable mechanisms” for investment climate assessment. The outcome of the G-8 Muskoka Summit (25–26 June 2010) reaffirmed the commitment of the G-8+G-5 L’Aquila Summit, which commended UNCTAD’s contribution to international deliberation on the development dimension of investment policies.

## 2. Implementation of the IPR recommendations

207. Another benchmark of the impact of IPRs is the extent to which Governments themselves find the recommendations useful and have implemented them.

208. The Implementation Reports prepared by UNCTAD (Egypt, Ethiopia, Ghana, Rwanda, United Republic of Tanzania and Uganda) to assess the implementation of the recommendations of the IPRs showed a good-to-strong implementation record, increased interest by existing investors, and enhanced capacity to benefit from market investment opportunities. In many cases (see below), these have been accompanied by significant increases in FDI inflows. The findings of the Implementation Reports are complemented by desk research showing that many of the IPR recommendations have indeed been implemented. On the basis of this additional desk research, we can show that beneficiary countries have taken on board close to 180 IPR recommendations, of which some 40 per cent have been implemented with the assistance of UNCTAD. This assistance has taken different forms, including advisory services on policy, legal and regulatory matters. These activities have led to the creation of an investment promotion agency in Burundi and of the Presidential Council on Investment in Burkina Faso, the modernization of the Investment Promotion Act in Kenya, the adoption of a skills attraction and dissemination programme in Rwanda and the use of a model bilateral investment treaty in Sierra Leone.

### 3. Direct impact on investment flows and improvement of the investment environment

209. IPR countries across different regions experienced increases – sometimes sharp – in FDI inflows. While these increases partly reflected the ongoing internationalization of production, they were also driven by greater openness towards foreign investment and more importantly by an improved investment framework due to effective reforms. In addition, African countries that have undergone an IPR experienced lower volatility in FDI inflows between 1999 and 2010. While a causal relationship between FDI flows and the implementation of IPR recommendations cannot be directly assumed from the patterns observed, it nonetheless points to the fact that these countries were ready and willing to reform their investment climate. Furthermore, looking at the FDI performance by country also suggests an overall positive impact of IPRs. All the 21 countries for which the IPR was published more than three years ago have indeed experienced an increase in FDI inflows. And for 13 of them, this increase has been dramatic, with FDI inflows having more than doubled in the following years. For example, FDI to Rwanda soared from US\$ 14 million in 2005 to an average of \$75 million between 2006 and 2010. Other examples of countries where the IPR was followed by a significant increase in FDI inflows include Benin, Ghana, Viet Nam and Zambia, to name a few.

210. A different and perhaps more direct way of looking at the impact of IPRs over the years is to take stock of their incidence on national policies and on the ensuing reforms to the investment climate. This report contains several references to the policy reforms adopted by IPR countries and the implementation of IPR recommendations. International business indicators confirm the reform drive of IPR countries. For instance, among the 38 top reformers in the World Bank's Doing Business Indicators between 2005 and 2011, 16 are IPR countries.

211. Another factor attesting to the overwhelming expression of interest in the IPRs is the number of requests for follow-up technical assistance as well as the number of countries that have requested to benefit from the programme. Finally, the activities carried out by UNCTAD under this programme also included training and workshop events. In those cases, the participant evaluations indicate throughout a sustained positive impact of UNCTAD's work in the area of formulating and implementing investment policies.

212. In future assessments of the IPR, the framework developed by UNCTAD together with the UNDP, ILO, OECD and the World Bank, in the context of the G-20 agenda, should prove useful for improving the evaluation of the impact of investment in general and FDI in particular, in terms of its contribution to economic and social development.

213. 2011 results by country are as follows:

(a) *Bangladesh*: UNCTAD started working on the IPR and defined, in cooperation with the Government, the focus of the review which is to develop a clear strategy of investment promotion, particularly as far as FDI is concerned;

(b) *Djibouti*: UNCTAD launched the IPR and undertook a fact-finding mission in November. The IPR will elaborate an overall strategy to attract investment and FDI, in particular;

(c) *Ethiopia*: The Implementation Report was presented to UNCTAD's Commission on Investment, Enterprise and Development in May. Highlighting the significant progress achieved in the past 10 years, the Government requested UNCTAD to provide additional technical assistance to further improve its investment environment;

(d) *Guatemala*: The IPR was published and presented at UNCTAD's Commission on Investment, Enterprise and Development in May. The Government of Guatemala endorsed the recommendations and committed to their implementation. The country also benefited from a national workshop on FDI statistics in February;

(e) *The former Yugoslav Republic of Macedonia*: The IPR was completed and presented at a national workshop in Skopje in May. UNCTAD also delivered a training workshop on FDI statistics in December;

(f) *Republic of Moldova*: UNCTAD started the IPR and conducted a fact-finding mission in December to gather the relevant information for analysing the investment environment and providing concrete recommendations to improve it;

(g) *Mozambique*: The IPR was completed and presented at a national workshop in Maputo in November. The recommendations were well received, and the Government committed to implementing them in cooperation with UNCTAD;

(h) *Mongolia*: The IPR fact-finding mission took place in October. The mining boom offers formidable opportunities for the country's development, and the IPR presents a strategy to fully tap the benefits of the mining revenues and to adopt policies on three pillars of diversification for FDI: sectoral, country-source and geographical within Mongolia;

(i) *Rwanda*: UNCTAD initiated the preparation of an Implementation Report. A fact-finding mission took place in July, and the report was finalized in December;

(j) *United Republic of Tanzania*: The Implementation Report was presented to UNCTAD's Commission on Investment, Enterprise and Development in May. The Government committed to keep improving its investment environment while stressing the breakthrough in terms of reducing the cost and time of doing business.

214. **Requests from member States for IPRs**: Official requests for IPRs have been received from 27 countries: Azerbaijan, Armenia, Bahrain, Bolivia (Plurinational State of), the Central African Republic, Chad, Chile, the Congo, the Democratic Republic of the Congo, Fiji, Gabon, Guinea Bissau, Kazakhstan, Kuwait, Kyrgyzstan, Madagascar, Malawi, Mali, Nicaragua, Papua New Guinea, the Philippines, Saint Lucia, Suriname, Swaziland, Trinidad and Tobago, Tunisia and Turkmenistan.

## B. International investment agreements

215. **Development context**: With a total of 42 new "core international investment agreements (IIAs)" in 2011, the IIA universe totalled more than 3,100 "core IIAs" at the end of the year, including more than 2,840 BITs and more than 315 "other IIAs". The 42 new agreements include 34 bilateral investment treaties (BITs) and eight "other IIAs". In addition, 65 double taxation treaties (DTTs) were concluded. Developments in 2011 follow a total of 65 new "core IIAs" that were concluded in 2010 (54 BITs and 11 "other IIAs"). As regards investor-State dispute settlement (ISDS), 2011 saw at least 47 new cases.

216. After more than 50 years of continuing growth and expansion and with many ongoing negotiations and multiple dispute-settlement mechanisms, the IIA regime is at a crossroads today. With more than 3,100 "core IIAs", it has come close to a point where it is too big and complex to handle for Governments and investors alike, yet remains inadequate to cover all possible bilateral investment relationships (which would require a further 14,000 bilateral treaties).

217. Against this background, countries continue to conclude IIAs, sometimes with novel provisions aimed at rebalancing the rights and obligations between States and investors and at ensuring coherence between IIAs and other public policies. At the same time, the discourse about international investment policymaking is intensifying at both domestic and international levels, amounting to a period of reflection on the future orientation of the IIA regime and on how to make it work better for sustainable development.

218. UNCTAD's work responds to the fact that the negotiation and implementation of the multifaceted and multilayered network of IIAs and the navigation through the ISDS system have developed into a challenge for countries at all levels of development. Countries strive to integrate IIAs into their economic development policies, including by balancing the need to retain sufficient flexibility to promote economic development against the need to safeguard the effectiveness of the agreements. This challenge is particularly pronounced for developing and least-developed countries. Accordingly, there is a continued and increasing need for building human and institutional capacities to enable countries to make better use of IIAs for attracting and benefiting from foreign investment.

219. *Objectives and features:* The overall objective of UNCTAD's work on IIAs is to help foster the sustainable development dimension of IIAs. In this context, special attention is given to helping developing countries participate more effectively in international investment rulemaking. Among other things, this work focuses on deepening policy makers' and negotiators' understanding of the issues involved, identifying trends and issues that need to be considered, ensuring policy coherence between IIAs and national development policies, and providing an intergovernmental forum on investment rulemaking with a view to facilitating consensus-building.

220. *Outputs/Results:* UNCTAD's IIA work programme is the key focal point in the United Nations system for dealing with all matters related to IIAs, and continues to provide a forum for advancing understanding of issues related to IIAs and their development dimension. UNCTAD's work is implemented through three main pillars: intergovernmental consensus-building, research and policy analysis, and technical cooperation.

## **1. Intergovernmental consensus-building**

221. The Third Session of the Commission on Investment, Enterprise and Development, held in Geneva from 2–6 May 2011, provided an opportunity for member States, together with other investment and sustainable development stakeholders, to discuss key and emerging issues in the area of foreign and domestic investment. In their opening statements, members reiterated the continued importance they attach to the role and impact of IIAs on development and commended the work of the secretariat in that regard. The Commission also considered issues related to IIAs under its fourth agenda item on "Promoting investment for development: Best practices in strengthening investment in basic infrastructure in developing countries". The discussion focused on development implications and possible policy solutions, drawing on the best policy practices and the ISDS research work of the secretariat.

222. A meeting of experts entitled "Disentangling the Spaghetti Bowl" was organized in Bern, Switzerland, 8–9 September, back to back with the World Trade Forum. The meeting brought together more than 54 IIA experts from 20 countries, three intergovernmental organizations and two non-governmental organizations, hence convening policymakers, academia, legal counsel and civil society. During the meeting, IIA stakeholders debated the effect of regional initiatives on the current

“spaghetti bowl” of IIAs and technical issues relating to the ISDS system, with a view to identifying ways forward.

223. The Fourth Multi-year Expert Meeting on Investment for Development (Geneva, 5–6 December 2011) aimed at identifying lessons learnt and innovative solutions for embedding investment policies into countries’ overall development strategies and for maximizing the impact they can have on the sustainable development of both home and host countries. The meeting was attended by 115 delegates, representing 55 countries, five intergovernmental organizations, seven specialized agencies or related organizations, and three non-governmental organizations. It was chaired by H.E. Luzius Wasescha, Ambassador of Switzerland.

224. Towards the end of the year, work intensified on preparations for the World Investment Forum 2012 (WIF 2012), due to take place in conjunction with the UNCTAD XIII Ministerial Conference in Doha, Qatar from 21–26 April 2012, where IIAs were organized during the Ministerial Roundtable on “Addressing the policy challenges for investment and enterprise development” and the 2012 IIA Conference.

225. The IIA work programme participated in the APEC Investment Experts Groups (IEG) I, II and III, in Washington, D.C. (5–6 March), Big Sky, Montana (7–8 May) and San Francisco, California (17–19 September) respectively, reporting on activities undertaken in the framework of APEC–UNCTAD cooperation. The third meeting also included a peer review process to discuss two APEC–UNCTAD studies: the study on “Core elements of IIAs in domestic investment frameworks” and the study on “Transparency in IIAs”.

226. During 2011, UNCTAD also continued its collaboration with UNCITRAL. The IIA programme participated in the Working Group II on Arbitration and Conciliation during the Fifty-fourth Session of UNCITRAL, held in New York from 7–11 February. Later in the year, UNCTAD was represented at the Forty-fourth Session of the UNCITRAL Commission, held in Vienna from 27 June to 8 July. More specifically, the IIA programme presented a note on mediation focusing on alternatives to international arbitration, with a view to strengthening awareness and using alternative dispute resolution methods in the settlement of investment disputes.

227. The IIA work programme also participated in the meeting of the OECD Investment Committee on ISDS on 21 March, in Paris. This meeting was a follow-up meeting of the Second OECD–UNCTAD Symposium on IIAs and ISDS held in December 2010.

228. Finally, the IIA work programme collaborated with the World Trade Institute in the organization of the World Trade Forum (9–10 September). More specifically, experts discussed international investment law and sustainability considerations and looked into the big picture question concerning the way forward for the international investment regime.

## **2. Investment experts network**

229. In 2011, the online IIA network continued to grow, reaching a total of more than 1,430 IIA experts. The IIA programme continued the successful practice of operating the online IIA network in a dual manner, including (i) as a self-standing network and (ii) as part of the Division’s World Investment Network. This not only allows for additional outreach to more than 7,600 investment experts from the public and private sector worldwide but also takes account of the practical linkages between IIA specific issues and their broader, “investment-for-development” context.

230. 2011 continued the operation of the G15 of Law Schools Pilot Project, which included the participation of several G15 members in UNCTAD events and online communication and commenting processes. The G15 network is a network of more than 15 law schools from 14 countries (including seven developing countries) aimed at connecting UNCTAD's work to several centres of excellence in the field of international investment law and development. The project allows law schools with a variety of different development perspectives to work together on international investment issues and constitutes a "think tank of the think tank", providing innovative solutions to contemporary problems.

231. As a follow-up to the 2010 IIA Conference, UNCTAD launched a series of "Fireplace Conversations on Improvements to the ISDS System". This initiative was taken to provide an informal, universal and inclusive platform for hearing from all investment stakeholders on how to improve the ISDS mechanism. It involves practitioners, negotiators, civil society and academia and is organized in an informal setting in a number of countries around the world, usually in conjunction with an ongoing regional meeting and/or technical assistance activity. In 2011, five fireplace conversations took place as follows: (a) the Third Conversation, New York, 7 February, focused on how to establish an appellate mechanism for investor-State cases; (b) the Fourth Conversation, Lima, 9 March, focused on consistency in ISDS awards and the quality of arbitrators and of awards; (c) the Fifth Conversation, Washington D.C., 11 May, focused on appointment of arbitrators and the establishment of an appellate mechanism; (d) the Sixth Conversation, Singapore, 31 May, focused on the appointment of arbitrators and the establishment of an appellate mechanism; and (e) the Seventh Conversation, London, 5 July, focused on the legitimacy of the ISDS system and the consistency of arbitral awards.

### 3. Research and policy analysis

232. In its research and policy analysis work, the IIA programme monitors trends, identifies and analyses emerging issues in international investment rulemaking from a sustainable development perspective, and provides up-to-date and comprehensive information on the IIA regime. The main tools are the series on Issues in IIAs (Pink Series, notably the "Sequels"), the series on International Investment Policies for Development (Yellow Series), the Investment Policy Monitor (IPM), the IIA Issues Notes, and the joint UNCTAD-OECD Reports on G-20 Investment Measures, as well as seminal studies on broader issues. Online tools include the IIA/ISDS databases and the IIA newsflash.

233. **Monitoring trends:** The IIA programme contributes significantly to UNCTAD's IPMs, quarterly publications giving up-to-date, country-specific information on national and international investment policy developments. Three issues were published during 2011, in January, May and October 2011 respectively. As regards their international dimension, IPMs feature the number of new IIAs (i.e. BITs, DTTs and "other IIAs"), the number of countries involved and, subject to availability, information about the agreements' content. IPMs also report on other notable developments in the field of international investment policies and, together with UNCTAD's Global Trends Monitor, have turned into a much-awaited information source for the global investment for development community. They are electronic publications and distributed through the Division's World Investment Network.

234. **Joint UNCTAD-OECD Reports on G-20 Investment Measures:** Following the G-20 Summit in London, September 2009, the G-20 Summits in Pittsburgh, Toronto and Seoul requested UNCTAD and the OECD to jointly prepare regular

monitoring reports on G-20 countries' investment policy measures. Each report is issued together with a report on trade measures, prepared by the WTO, and prefaced by a joint covering letter by the heads of the three organizations. Since the Summit in Seoul, reporting has taken place on a semi-annual basis. Thus far, the reports find that G-20 countries have honoured their commitment to resist protectionism but call for further vigilance in this regard. More specifically, 2011 saw the launching of two joint UNCTAD–OECD G-20 reports, which provide information on G-20 countries' changes to their national and international investment policies. In the 3–4 November G-20 Summit in Cannes, leaders reaffirmed their commitment to refrain from raising barriers or imposing new barriers to investment, and asked the WTO, OECD and UNCTAD to continue monitoring the situation and to report publicly on a semi-annual basis.

235. *Analysing key and emerging issues:* The updating of the series on Issues in Ixias (Pink Paper Series) continued during 2011 with the publication of the Sequel on “Scope and Definition” in February 2011 and the online publication of the volumes on “Fair and Equitable Treatment”, “Expropriation” and “Transparency” towards the end of the year. These volumes are now in the printing pipeline and will be officially launched as hard copies become available. The volume on “Investor–State Dispute Settlement” has reached an advance draft stage, taking into account the comments and suggestions received during the 2011 peer review. “Corporate Social Responsibility” is in advance draft format. The purpose of the Sequels is to consider how the issues described in the first-generation Pink Series have evolved over the past ten years, particularly focusing on treaty practice and the process of arbitral interpretation. Each volume concludes with a section giving policy options for new clauses which better reflect the development needs of host countries and enhance the stability and predictability of the legal system. Over the years, the Pink Series has been well received by Governments and IIA experts worldwide, as it deals with key and dynamic issues related to Ixias negotiations.

236. Work also continued on the series on International Investment Policies for Development (Yellow Paper Series). The volume on “Investor–State Disputes: Prevention and Alternatives to Arbitration II” was published online.

237. The IIA programme contributed to the 2011 edition of the Division's flagship *World Investment Report*, dedicated to Non-Equity Modes of International Production and Development. The IIA programme provided substantive inputs to Chapter III on policy developments and Chapter IV on non-equity forms of investment. Since early autumn 2011, the IIA programme is also working on the 2012 *WIR*, which will feature the special topic of an “Investment Policy Framework for Sustainable Development” including both a national and international dimension.

238. During 2011, three IIA Issues Notes were released. First, the annual IIA *Issues Note on “Latest Developments in ISDS”* (March 2011) reported on the number of known treaty-based investor-State dispute settlement (ISDS) cases filed in 2010. Second, the IIA *Issues Note on “Sovereign Debt Restructuring and International Investment Agreements”* (July 2011) examined the extent to which IIAs may affect the ability of States to implement sovereign debt restructurings when a debtor nation has defaulted or is close to defaulting on its debt. Third, the *Issues Note on “Interpretation of IIAs”* (December 2011) responded to the concerns about the interpretation of treaty provisions by arbitral tribunals. It suggested that as masters of their IIAs, States can be more proactive in asserting their interpretive authority to guide tribunals towards a proper and predictable reading of IIA provisions through various tools at their disposal.

239. The APEC-UNCTAD study on transparency was also completed during the reporting period as a stepping stone towards the Sequel on the same topic as well as the work on the APEC-UNCTAD study on “Core Elements of IIAs in Domestic Investment Frameworks”. Work continues on the *APEC Handbook for Negotiators*, paying special attention to ensuring coherence with the “Investment Policy Framework for Sustainable Development”.

240. During 2011, five databases were maintained and updated (four of which are available online), as follows:

(a) The online database of BITs contains a country-by-country listing of over 2,820 BITs and a compilation of over 2,310 BIT texts;

(b) The online database of double-taxation treaties (DTTs) contains a country-by-country listing of over 2,990 DTTs;

(c) The online database on treaty-based ISDS cases contains detailed and systematic information and web links for known treaty-based ISDS cases;

(d) The online compendium of international investment instruments contains the texts of over 300 international investment instruments dealing with investments at the bilateral, regional and multilateral levels, as well as country model texts of BITs, searchable by key word; and

(e) The IIA mapping exercise details the substantive provisions of BITs and “other IIAs” and records their differences and similarities.

241. In the second half of 2011, the IIA programme launched a special effort to make its databases more user-friendly for both UNCTAD staff and other users. The databases are being reconfigured so as to more systematically record, store, manage, organize and retrieve data and information on IIAs. In the course of 2012, the new IIA database will be complemented with a novel database on national policy measures.

#### **4. Capacity-building**

242. The IIA Section delivers (i) regional training courses on the negotiation of IIAs, and on the management of ISDS (and hybrids between the two), and investment policy formulation at national and international levels; (ii) targeted ad hoc technical assistance at the request of member countries and/or regional organizations; and (iii) the organization and co-organization of, and/or contributions to, specific international conferences and seminars on the sustainable development dimension of IIA.

243. Regional training workshops were organized in cooperation with the respective institutions for members of APEC and the Islamic Development Bank and, for countries with economies in transition:

(a) APEC-UNCTAD training course on IIAs, 7–11 March, Lima (Peru): This training programme served as a forum for negotiators, government officials and policy-makers from APEC economies to enhance their knowledge, exchange views, share information and experience and assist APEC members in the negotiations of IIAs. The course was attended by 36 participants from 14 APEC members: Chile, China (People’s Republic of), Hong Kong (China), Indonesia, Japan, Malaysia, Mexico, Papua New Guinea, Peru, Philippines, Russian Federation, Singapore, Thailand and Viet Nam;

(b) APEC-UNCTAD workshop on IIAs and ISDS, 22–24 June, Manila (Philippines): The aim of the workshop was to build human and institutional capacities of APEC economies to deal with ISDS. Some 63 officials from 14 APEC members



participated in this training: China (People's Republic of), Indonesia, Japan, Republic of Korea, Malaysia, Mexico, Papua New Guinea, Peru, Philippines, Russian Federation, Singapore, Taiwan Province of China, Thailand and Viet Nam;

(c) APEC–UNCTAD–USTR Dialogue, 17 September, San Francisco (United States of America): On the occasion of the meeting of the APEC Investment Group III (IEG III), the delegation of the host economy and that of Japan organized a second dialogue to discuss investment infrastructure projects in the APEC region. The discussion drew on the topics raised during the first dialogue, where UNCTAD presented case studies of best practices in investment in infrastructure: road, electricity and ports;

(d) APEC–UNCTAD Workshop on best practices in investment policy formulation in the APEC region, 29–30 November, Moscow (Russian Federation): The event focused on investment policy formulation, investment promotion and facilitation practices for matching country and investor needs, practices for evaluating and amending legislation concerning an investor-friendly environment, and investor services, including ombudsman and dispute prevention. In all, 38 officials from 16 APEC members participated: Canada, Chile, China (People's Republic of), Japan, Hong Kong (China), Mexico, Malaysia, New Zealand, Papua New Guinea, Peru, Philippines, Russian Federation, Taiwan Province of China, Thailand, United States of America and Viet Nam;

(e) UNCTAD–Islamic Development Bank (IDB) regional activities: Joint UNCTAD–IDB regional workshop on ISDS and international rulemaking for IDB member countries, 22–25 March 2011, Casablanca (Morocco): Financed by the IDB's Investment Promotion Technical Assistance Programme, the course was attended by 29 participants from 26 countries, including 16 LDCs: Afghanistan, Algeria, Azerbaijan, Bangladesh, Benin, Burkina Faso, Cameroon, Chad, Comoros, Djibouti, Gambia, Guinea-Bissau, Indonesia, Jordan, Kazakhstan, Kirgizstan, Mauritania, Morocco, Mozambique, Niger, Senegal, Sudan, Tajikistan, Togo, Tunisia and Uganda;

(f) UNCTAD Regional Workshop for countries with economies in transition: Workshop on key substantive issues relevant to the analysis and negotiation of IIAs, 21–24 September, Zagreb (Croatia): The event addressed specific challenges faced by economies in transition during the negotiation and implementation of IIAs. It also addressed new developments at the European level and investment law in general, with special attention to regional investment agreements such as the EuraAsEC treaty. The meeting also took stock of investment disputes and shed light on recent cases in the region. Participants included 33 government officials from 14 countries: Albania, Armenia, Azerbaijan, Belarus, Bosnia and Herzegovina, Croatia, Georgia, Kazakhstan, former Yugoslav Republic of Macedonia, Montenegro, Serbia, Turkmenistan, Ukraine and Uzbekistan.

244. *Ad hoc technical assistance*: Ad hoc technical assistance is provided to member States and regional organizations that so request, on all matters related to the negotiation and implementation of IIAs. This work ranges from advisory work on specific IIA negotiations, the development of model BITs, the drafting of investment laws in follow-up to recommendations of Investment Policy Reviews, and seminars on the sustainable development dimension of foreign investment and IIAs for government officials from different ministries and other stakeholders. Highlights for 2011 are:

(a) Curriculum on Dispute Prevention Policies for Angola aimed at creating a distance learning training course on dispute prevention policies. The course was developed in collaboration with the World Trade Institute in Bern and UNCTAD's TrainForTrade programme;

(b) A Training Workshop for Angola on Investor–State Dispute Prevention, Preparedness and Defence, also in collaboration with TrainForTrade (18–21 July, Luanda);

- (c) Revision of the draft of a new Investment Code for Belarus;
- (d) Contribution to the development of a new model BIT for Bosnia and Herzegovina;
- (e) National Workshop on IIAs for Chile (13 April, Santiago), with beneficiaries from a variety of ministries within the Chilean Government;
- (f) Meeting on a possible advisory facility on international investment law and ISDS for Latin American countries with the members of the advisory group (13 January, Washington DC);
- (g) National workshop on IIAs for Ethiopia (21–23 February, Addis Ababa);
- (h) Training session on recent trends in IIAs in the context of the changing realities in the Arab world for officials from the Palestine Ministry of Foreign Affairs (14 September, Geneva);
- (i) Contribution to the development of a new model BIT for South Africa;
- (j) Contribution to the development of a new model BIT for Thailand; comments delivered in the context of the *WIR 2012* launch (26 July, Bangkok).
- (k) National Workshop for Thailand on model BITs and other IIA-related issues (13–15 December, Bangkok).

245. **Other activities:** The IIA work programme also participated in the following activities, providing presentations, expert commentary and discussion inputs:

- (a) ICC Taskforce on Arbitration involving States or State Entities (17 January, Paris);
- (b) Meeting of the Special Commission for Foreign Policy of the Social Democratic Party of Switzerland (28 February, Bern);
- (c) Workshop organized by the French Ministry of Foreign Affairs on Investment Arbitration (4 March, Paris);
- (d) International Institute for Trade and Development – International Law Association of Thailand Seminar on Bilateral Investment Treaties: A Double-edged Sword (29 March, Bangkok);
- (e) Energy Charter Treaty Investment Group (5 April, Brussels);
- (f) Conference on the Interaction of International Investment Law, University of Leiden (9 April, Leiden);
- (g) Vienna International Arbitral Centre–UNCITRAL Conference (14–15 April, Vienna);
- (h) Working Group Meeting of the IBA Subcommittee on State Mediation (19 May, Geneva);
- (i) European Investment Dialogue, World Trade Institute (23 May, Brussels);
- (j) Second Conference on International Investment Arbitration, Centre for International Law of the National University of Singapore (31 May, Singapore);
- (k) Conference on 10 Years of Energy Charter Treaty Arbitration, Stockholm Chamber of Commerce (9 June, Stockholm);
- (l) International Chamber of Commerce (ICC) Taskforce on Arbitration involving States or State Entities, (5 July, London);

- (m) Investment Academy, World Trade Institute (15 July, Bern);
- (n) Conference on the Present and Future of EU BITs, University of Liverpool (12 September, Liverpool);
- (o) International Bar Association Annual Meeting (30 October – 4 November, Dubai);
- (p) Meeting of the International Bar Association Sub-committee on State Mediation (2 November, Dubai);
- (q) Joint UNCTAD–City University of Hong Kong Conference on International Arbitration in Asia (21–22 November, Hong Kong).

246. *Engagement with students and universities*: During 2011, the IIA work programme pursued efforts to engage with the student community. Amongst others, briefings were conducted on IIA issues and UNCTAD's role in fostering the sustainable development dimension of IIAs to the following:

- (a) Master's in International Business Law at the Vrije Universiteit Amsterdam (18 January, Geneva; 25 participants);
- (b) World Trade Institute, Bern, (1 March, Geneva; 40 participants);
- (c) Max Schmidheiny Foundation, University of St. Gallen (28 April, Geneva; 33 participants);
- (d) Faculty of Law, Erlangen-Nürnberg, (11 July, Erlangen; 22 participants).

## 5. Overall assessment and impact

247. In 2011, 103 countries/territories benefited from participation in events organized by UNCTAD's IIA work programme. These included 72 developing countries/territories (of which 21 are LDCs), 15 economies in transition, and 16 developed countries.

248. Judging by individual activity feedback, 2011 capacity-building workshops results continued to be overwhelmingly positive. The consolidation of the evaluation questionnaires of the training courses revealed that on average, 97 per cent of the participants found the workshops useful to their work. In addition, 93 per cent of the participants considered that the training courses fully reached or exceeded their expectations. Evaluations were also undertaken for the technical assistance activities for individual countries, all of which point to the continued relevance and high quality, effectiveness and efficiency of the work undertaken.

249. The year 2011 also saw the continued reliance of policymakers, the academic community and civil society on the data and analysis produced by the IIA work programme. Statistical information on the use of UNCTAD's online IIA databases reveals that during 2011, on average 19,000 pages were viewed per month, by 4,220 visitors from 183 countries or territories throughout the year. Since their inception in October 2004, UNCTAD IIA databases have had 234,739 visitors (source: Webstats.com).

250. Numerous expressions of appreciation received from member States and other IIA stakeholders also reflect the continued relevance and impact of UNCTAD's work on IIAs.

251. At the Fifty-eight Session of the Trade and Development Board (12–23 September 2011), the Board commended the work of the organization and recommended that UNCTAD continue with research, analytical and technical

assistance work on FDI policy issues and international investment agreements (IIAs). More specifically, the Group of 77 and China highlighted the importance of ensuring that “the IIA network works for sustainable development by bringing more coherence to the international investment regime, helping rebalance the rights and obligations of investors and States in newly concluded or re-negotiated investment treaties”. In addition, the Group commended the IIA reviews, the launch of the new Series of Sequels on IIA Issues (Pink Series) and the preparations for the IIA Conference on the occasion of WIF 2012, “...assisting developing countries to participate as effectively as possible in international investment rulemaking at the bilateral, regional, and multilateral level.”

252. In the “Final Communiqué” of their 3–4 November 2011 G-20 Summit in Cannes, France, G-20 leaders asked UNCTAD together with the WTO and the OECD to continue monitoring their commitment to not revert to protectionism and to report publicly on a semi-annual basis.

253. As Dr. Abdel-Rahman Taha, Chief Executive Officer of the Islamic Corporation of the Insurance of Investment and Export Credit, noted, “I would like to express my most sincere appreciation and thanks to UNCTAD for collaborating with us in conducting our fourth joint Capacity-Building Programme on ISDS”...”I look forward to further instances of collaboration between insurance of investment and export credit and UNCTAD in the field of investment promotion and international investment agreements.”

Table 7

**Investment policies**

<i>Project number</i>	<i>Short title</i>	<i>Starting date</i>	<i>Source of fund</i>
INT/0T/0BG	Capacity-building on international investment agreements	2000–	Multi-donor
INT/0T/1BN	Capacity-building in investment promotion	2001–	Multi-donor
INT/0T/3AO	Support to the UNCTAD/ICC Investment Advisory Council	2003–	Norway, Germany
INT/0T/3AW	Investment policy reviews in French-speaking countries	2003–	France
INT/0T/5BU <sup>a</sup>	Capacity-building and transfer of knowledge to investment promotion agencies in developing countries	2005–2011	Sweden
INT/0T/7BX <sup>a</sup>	Best practices for building an environment conducive to investment and development	2007–2011	Germany
INT/0T/8AC	Assistance in formulating investment policies and building human and institutional capacities for sustainable development	2008–	Sweden
INT/0T/8AY	Policies and capacity-building: Best practices for building an environment conducive to investment and development	2008–	Australia
INT/0T/9BC <sup>a</sup>	Improving access to medicines in developing countries through pharmaceutical-related technology transfer and local production	2009–2011	WHO

<sup>a</sup> Project that were “operationally but not financially completed” or “completed” in 2011.

## VIII. Cluster VIII Investment facilitation

### Lead division: Division on Investment and Enterprise (DIAE)

254. The programmes under this cluster aim at strengthening developing countries' capacity to create and manage the policy and institutional framework for attracting and retaining foreign investment and at developing an operating climate that maximizes the contribution of FDI to development objectives.

#### A. Investment promotion

255. *Development context:* With the globalization of economic activities, more and more developing countries are seeking FDI. This has resulted in proactive policies by these countries to attract and retain foreign investment, including low-carbon investment, in order to generate employment and improve access to technology and know-how, as well as management and marketing skills.

256. *Objectives/features:* To assist developing countries in strengthening their capacity to create and manage the policy and institutional framework for attracting and retaining foreign investment and in developing an operating climate in which FDI and international business can thrive and contribute to development. The investment promotion programme provides advisory services and training and prepares publications related to investment policies, legislation and regulations, institutional arrangements and good governance to attract FDI, investment promotion strategies and investment facilitation practices. Special attention is being paid to strengthening investment promotion programmes in LDCs, LLDCs and SIDs.

257. *Outputs:* In 2011, the main outputs of the investment promotion programme were:

##### 1. Advisory services

258. A Green Global Value Chains Seminar was held in Geneva (Switzerland) on 4 May 2011. This event, which brought together 55 participants from 20 countries (2 from LDCs), aimed at assisting IPAs in strengthening their capacity to attract and facilitate green FDI and maximizing its impact through integration of local companies into the green global value chains.

259. A review of an advisory report for the Syria Investment Agency was carried out: The report was reviewed and streamlined, taking into account comments of the Syrian authorities. It aims to enhance the Syria Investment Agency's performance and contribution to the economic and social development of the country. The UNDP-UNCTAD project was put on hold in 2011 due to the political situation in the country.

##### 2. Publications and training material

260. Four publications and training materials related to investment promotion and facilitation were published or prepared in 2011:

(a) *World Investment Forum 2010 Report*, UNCTAD/DIAE/PCB/2011/1. Published in June 2011;

(b) *Investment Promotion Handbook for Diplomats*, UNCTAD/DIAE/PCB/2011/2, *Investment Advisory Series, Series A, No. 6*. Published in November 2011;

(c) *Promoting Low-carbon Investment, Investment Advisory Series, Series A, No. 7*. Advanced draft. To be published in 2012;

(d) An *online training course on investment promotion for diplomats* in cooperation with UNCTAD's TrainForTrade programme is being reviewed and is scheduled to go online in 2012. The package is composed of audiovisual material, including pre-recorded presentations, case studies and tests.

### 3. Capacity-building

261. A Regional Training Workshop on strategic investment promotion was organized in partnership with the Caribbean Association of Investment Promotion Agencies and the Dominican Republic Centre for Exports and Investment. The event was held in Santo Domingo (Dominican Republic) from 19–21 September 2011. In all, 59 senior investment promotion managers from 18 countries and territories participated.

### 4. International meetings/networking events

262. Two high-level UNCTAD Investment Events were held at the Annual Investment Meeting, in Dubai (United Arab Emirates) on 11 May 2011, which included:

(a) The UNCTAD High-level Meeting on Green FDI; and

(b) Investment Showcases for Kenya, Malaysia, Morocco and Uzbekistan. More than 200 high-level policymakers, investment promotion officials and senior managers of local and international companies participated in the high-level meeting. At the event, the challenges and opportunities facing governments and businesses in the transition to a low-carbon economy were highlighted, and participants exchanged best practices and feasible policy options on how to promote sustainable green investment. In the Investment Showcases, senior officials from Kenya, Malaysia, Morocco and Uzbekistan briefed potential investors on investment opportunities and operating conditions in their respective countries.

263. UNCTAD Investment Promotion Awards 2011 for the promotion of infrastructure investment were presented in Geneva (Switzerland) on 3 May 2011. Three equal awards were given to the Dominican Republic Export and Investment Centre, ProInversión of Peru and the Zambia Development Agency.

264. The Seventh International Investment Promotion Forum on opportunities and challenges in international investment in the transition to a low-carbon era was held in Nanchang (China) from 10–11 November 2011. The event featured three parallel sessions on green investment and a UNCTAD–UNECE workshop on attracting FDI into advanced fossil fuel technologies. It was attended by more than 300 public and private sector participants from 11 countries.

265. **Overall results and impact:** In 2011, over 550 investment promotion officers and policymakers from more than 50 countries and territories (including three LDCs, three LLDCs and ten SIDS), participated in Inter Press Service (IPS) training activities and meetings on investment promotion. About 40 per cent of participants were women. The training and meetings gave investment promotion agencies (IPA) officials from developing countries insights into the latest practices and techniques in attracting and facilitating FDI and the creation of new investment opportunities,

especially in the area of low-carbon investment. In early 2011, IPS also provided institutional and strategic advice to Syria with respect to a newly established IPA.

266. The publication of the *Investment Promotion Handbook for Diplomats*, number 6 of the *Investment Advisory Series A*, consolidated experiences of UNCTAD's investment promotion training programme for diplomats and was well received by developing countries. The upcoming online training course will also improve UNCTAD's offer to diplomats by enhancing their knowledge and skills in the field of investment promotion.

267. Knowledge collected on best practices in the promotion of low-carbon investment in a series of recent UNCTAD activities and findings from the World Investment Report 2010 on low-carbon FDI are used for an upcoming publication on the promotion of low-carbon investment and for the development of a capacity-building programme to respond to an increasing demand for assistance in this area.

## B. eRegulations, iTrack, Investment Guides and Regulatory Advisory

268. **Development context:** Transparent and simple rules and procedures are key to establishing an enabling environment for private sector development. UNCTAD has conceived a series of tools and services to help Government facilitate business and investment, through improved transparency, simplification and the introduction of eGovernment schemes. The eRegulations system is a turnkey eGovernment software allowing administrations to publish their procedures online. The Investment Guides provide information on the business environment and key emerging investment opportunities and bring this information to the attention of the global investment community.

269. **Objectives/features:** All tools and services developed by the Business Facilitation Programme aim to (a) improve the business/investment climate and legal frameworks; (b) lower administrative barriers to business development, in particular for small businesses; (c) increase domestic and foreign investment; and (d) promote good governance and reduce corruption.

270. **Outputs:** The eRegulations system is operational in Argentina, Benin, Burkina Faso, Cape Verde, Colombia, Comoros, Costa Rica, Côte d'Ivoire, El Salvador, Ethiopia, Guatemala, Mali, Morocco, Nicaragua, Niger, the Russian Federation (Moscow City), Rwanda, Togo and Viet Nam. Procedures were updated and new procedures were documented in Argentina, Benin, Burkina Faso, Cape Verde, Comoros, Costa Rica, Côte d'Ivoire, El Salvador, Mali, Nicaragua, the Russian Federation (Moscow City) and Rwanda. National training sessions were held in Argentina, Benin, Burkina Faso, Cape Verde, Colombia, Comoros, Costa Rica, Côte d'Ivoire, El Salvador, Mali, Nicaragua, Niger, Rwanda and Togo. Regional portals allowing for comparison between administrative procedure applicable to business in Africa and Latin America have been implemented. The Investment Guides were published for Comoros, Zambia and the Oriental Region of Morocco. Guides are to be published shortly for Burkina Faso, Kenya and Rwanda. The guides for Benin, Comoros, Lao PDR, Morocco and Zambia were also showcased to international investors at the LDC-IV Conference in Istanbul and the Annual Investment Meeting in the UAE.

271. **Results:** Activities carried out by the programme had the following impact:

272. **Transparency:** Procedures documented in the eRegulations system are now completely transparent and widely accessible in all countries where the system is

operational. Every day, thousands of visitors consult this information online. Altogether, more than 300,000 visitors visited eRegulations sites in 2011. The Investment Guides to Comoros, Zambia and the Oriental Region of Morocco were instrumental in raising awareness of regulatory frameworks in those countries, as were the subsequent showcase events for a wider selection of guides.

273. **Simplification:** Simplification took place in various countries, as a result of the review of processes that administrations had to undertake before publishing their procedures through the eRegulations system. Steps and requirements were eliminated, for example in Nicaragua where the process to obtain the hygiene and security license has been reduced from 39 to 5 steps. In Mali, a two-step procedure was implemented to formalize small entrepreneurs under the new “Entrepreneur” regime.

274. **Exchange of good practices and South–South cooperation:** Countries learned from good (and less good) practices presented through the eRegulations national systems. South–South cooperation is being initiated among eRegulations user countries to exchange regulatory information and to assist in the implementation of eGovernment tools.

275. **Good governance and public participation:** The programme encourages public–private dialogue on improving the regulatory framework and its application by national administrations. Private sector representatives at the national level are part of the monitoring board of national eRegulations systems and are associated with the drafting of the Investment Guides. At the international level, the private sector is a key audience for the guides. The private sector is engaged in reviewing progress in transparency and in proposing simplifications, on the occasion of workshops, and through direct comments posted on the eRegulations website.

276. **Improvement of the investment climate/benchmarks:** Discussions are under way with Transparency International and with the World Economic Forum (*World Competitiveness Report*) regarding the integration in their respective indexes/benchmarks of the transparency progress made by the eRegulations system user countries.

## C. Intellectual property

277. **Development context:** There is increasing recognition that intellectual property (IP) regimes should be well tailored to a country’s level of development. Developing countries seek assistance in ensuring that their IP regimes are supportive of specific development objectives, such as public health, the transfer of technology, access to knowledge, investment in certain sectors, and innovation.

278. **Objectives and key features:** In response to the mandate received from member States at the Ministerial Conference in Accra as well as requests received in conjunction with WIPO’s Development Agenda and the World Health Assembly’s Resolution 61.21 on a Global Strategy and Plan of Action on Public Health, Innovation and Intellectual Property, UNCTAD is implementing a work programme on the development dimensions of IP rights. Under the programme, research and analysis are conducted on trade and development aspects of IP and consensus-building is facilitated in international discussions on issues at the interface between investment and IP. The overall objectives of UNCTAD’s work programme on the development dimension of IP rights include deepening the understanding in developing countries of the relationship between IP and development; identifying ways and means of using flexibility in international IP architecture to promote the technological capabilities and other public policy objectives of developing countries; examining the implications of regional and bilateral trade and investment agreements



for developing countries' IP policies; and providing a forum for the exchange of experiences and best practices in the formulation of development-oriented IP policies.

279. **Major output:**

**1. Access to medicines, investment and local pharmaceutical production in developing countries**

280. The work programme on access to medicine, investment and local production of pharmaceuticals aims at assisting developing countries in tailoring their domestic IP and related legal framework to facilitate increased access to affordable and quality medicines, and, where feasible, to create local or regional pharmaceutical production and supply capacities. The work programme has been in place since 2006 with the financial support of Germany and formerly the United Kingdom, and since 2009 with the support also of the European Union through the World Health Organization.

281. **Research and policy advice:** Early 2011, UNCTAD's *Reference Guide to Using Intellectual Property Rights to Stimulate Pharmaceutical Production in Developing Countries* was published. This document is a comprehensive text on how developing countries can utilize the flexibilities available under the TRIPS Agreement to reform their IP laws in support of public health objectives, including facilitating greater access to medicines. Particular emphasis is placed on creating an enabling environment for local production of pharmaceuticals. The Reference Guide serves as the underlying textbook for capacity-building activities undertaken by UNCTAD in IP and public health, and earlier versions of the text used in regional training courses financed by this project are now available in both printed form and on the UNCTAD IP programme website <http://www.unctad.org/ddip>. The *Reference Guide* complements a number of other recent publications by UNCTAD on IP and public health that establish the organization as a leader on the issue of IP, public health and the production of pharmaceuticals in developing countries. These include, for example, *Investment in Pharmaceutical Production in the Least Developed Countries. A Guide for Policy Makers and Investment Promotion Agencies*. The objective of this document is to provide concise policy recommendations on how to attract foreign direct investment in the pharmaceutical sector in LDCs. Launched at the May 2011 LDC-IV Conference, this publication also explains the present reality of pharmaceutical production in developing countries and the dynamics of investment in the pharmaceutical sector. In December 2011, UNCTAD also finalized its series of case studies on *Local Production of Pharmaceuticals and Related Technology Transfer in Developing Countries*, which was part of a larger project with WHO. The objective of the UNCTAD case studies is to identify factors that are key to successful transfers of pharmaceutical technology, to enable viable production of and access to medicines in Argentina, Bangladesh, Colombia, Ethiopia, Indonesia, Jordan, Thailand and Uganda. The final document is available at [http://www.who.int/phi/publications/local\\_production/en/index.html](http://www.who.int/phi/publications/local_production/en/index.html).

282. **Capacity-building:** UNCTAD, in cooperation with GIZ, the German development cooperation agency, prepared a set of training materials for judges on the basis of UNCTAD's *Reference Guide to Using Intellectual Property Rights to Stimulate Pharmaceutical Production in Developing Countries*. Training materials include PowerPoint presentations, group assignments and question-and-answer sections covering some 216 pages, which will be handed out to each participant in a series of regional training courses for judges to be undertaken in 2012–13. The training package is specifically tailored to the needs of judges in developing countries, who will be the target audience under this project component.

Accordingly, this project activity represents a logical step forward complementing capacity-building activities throughout 2007–2009 for the benefit of policymakers, local industry representatives, academia and non-governmental organizations (NGOs).

283. **Consensus-building:** In the culmination of its series of regional training workshops and distance learning courses on IP and public health that were undertaken with Capacity-Building International Germany (InWent) and GIZ, UNCTAD jointly hosted, with the United Nations Industrial Development Organization (UNIDO) and the German Federal Ministry for Economic Cooperation and Development (BMZ), a major conference on local pharmaceutical production in Africa in Cape Town (South Africa) in April 2011. The event reviewed the achievements of a number of capacity-building projects implemented to foster local pharmaceutical industries in Africa since 2006 and provided a platform for an in-depth exchange among African countries and beyond on the key issues surrounding local pharmaceutical production at enterprise level, embedded in a national, regional and global context. It included topics such as production, financing, quality, technology transfer as well as the use of TRIPS flexibilities and the harmonization of drug regulation.

## 2. **The interface between biodiversity protection and the IP system, and its implications for trade and investment**

284. In 2011, UNCTAD, with the support of the German Government, launched its new programme on the interface between IP and biodiversity issues. The overall objective of the programme is to build local capacities, in developing countries and to design and enforce domestic trade, customs and IP laws in line with national socio-cultural and socio-economic interests as well as with the October 2010 Nagoya Protocol to the Convention on Biological Diversity and the United Nations Declaration of the Rights of Indigenous Peoples.

285. **Capacity-building:** Under its new programme on IP and biodiversity, UNCTAD, in collaboration with GIZ in 2011, commenced preparations for the deployment in 2012 of a blended learning course on the interface between IP and biodiversity, with specific reference to the access and benefit-sharing system established pursuant to the Nagoya Protocol. Courses will be delivered from 2012 in various regions and will be aimed at government officials from environment, justice and industry ministries, IP offices and designated checkpoints under the Nagoya Protocol, members of Parliament working in relevant committees, indigenous communities, representatives from relevant chambers and associations of small and medium-sized enterprises as well as other local enterprises, civil society organizations and academia. Each course will comprise two face-to-face seminars and one distance learning component. In 2011, UNCTAD prepared draft chapters for the training manual that will provide the basis for the course material. The manual will be finalized during the first half of 2012.

286. **Consensus-building:** UNCTAD and the International Centre for Trade and Sustainable Development (ICTSD) organized a side event to the WIPO IGC Third Intersessional Working Group on Genetic Resources on the issue of What Comes After Nagoya? Addressing Developing Country Needs in Intellectual Property Rights and Biodiversity on 3 March 2011. UNCTAD used the meeting to launch its new technical assistance programme on IP and biodiversity (see above). In September 2011, UNCTAD provided substantive inputs for an Expert Meeting on Access and Benefit-sharing and Intellectual Property Rights, organized by GIZ in Addis Ababa (Ethiopia).

### 3. The UNCTAD–ICTSD project on intellectual property rights and sustainable development

287. The project that was launched in 2001 is intended to address the concerns voiced by developing countries with respect to the implementation of the TRIPS Agreement and new developments in the area of IP rights contained in multilateral treaties and regional and bilateral free trade agreements. UNCTAD and ICTSD publish a series of Issue Papers and Policy Briefs, and organize dialogues that examine the latest issues in intellectual property and sustainable development issues. The series of Policy Briefs, which were initiated at the end of 2008, address implementation issues related to the WIPO Development Agenda recommendations. The project aims at improving the understanding of the development implications of IP rights; facilitating informed participation in ongoing multilateral, regional and bilateral negotiations, as well as assisting national authorities with the implementation of international IP commitments and adoption of forward-looking national IP policies.

288. **Capacity-building and technical assistance:** UNCTAD is producing, upon request from beneficiaries, reports on the Development Dimension of Intellectual Property (DDIP). The objective of a DDIP report is to examine developing countries' and LDCs' policy, legal and institutional framework for IP rights, particularly as they relate to important development objectives such as innovation, technology, investment, competition, education and health.

289. In this context, UNCTAD in 2011 finalized its *DDIP Report for Indonesia on access to medicines, transfer of technology and competition*, in response to a request from the Directorate General of Intellectual Property Rights (DGIPR) in Indonesia. UNCTAD also finalized its draft *DDIP Report on Cambodia's copyright system*, which is currently awaiting approval from Cambodia's National Committee on Intellectual Property Rights. In May 2011, UNCTAD and ICTSD fielded a fact-finding mission to Egypt to initiate advisory work regarding the development of an intellectual property policy for Egypt, in response to a request from the National Intellectual Property Committee. In March 2011, UNCTAD received a request for advisory work to provide the Government of Nepal with recommendations on better aligning its patent law with important development objectives, in particular, ensuring access and benefit-sharing of genetic resources and related traditional knowledge; and greater access to medicines and technology transfer. Finally, at the end of December 2011, UNCTAD received a request from Indonesia's DGIPR to assist it with the elaboration of an IP strategy, following on from earlier advisory work on the Indonesia DDIP (see above).

290. **Research and policy advice:** In 2011, UNCTAD and ICTSD published *The Structural Changes in the Global Pharmaceutical Marketplace and Their Possible Implications for Intellectual Property* (Policy Brief No. 10). The objective of this publication is to stimulate further discussion, with a view to supporting the implementation of the WIPO Development Agenda. UNCTAD and ICTSD also published articles in the BRIDGES journal on TRIPS Council deliberations, with an emphasis on issues covering the relationship between the Convention on Biological Diversity and the TRIPS Agreement, technology transfer, access to medicine and LDCs.

291. **Consensus-building:** UNCTAD participated in a number of intergovernmental meetings aimed at furthering understanding of the development dimension of IP rights. In particular,

(a) In August 2011, UNCTAD participated in the Global Congress on Intellectual Property and the Public Interest, organized by American University's Washington College of Law and ICTSD, in Washington DC;

(b) As for Geneva-based activities, UNCTAD's IP Unit in October 2011 made substantive contributions to the WTO Workshop on Intellectual Property and Public Health as well as the WTO Symposium on LDC Priority Needs;

(c) UNCTAD organized a joint seminar with WHO and ICTSD on the fringe of the May 2011 World Health Assembly, where the organizations showcased the outputs of their joint activities;

(d) Staff of UNCTAD's IP Unit also participated in the Second and Third Intersessional Working Groups of the WIPO Intergovernmental Committee on IP and Genetic Resources, Traditional Knowledge and Folklore (IGC) in March 2011.

#### 4. IP implementation in Ethiopia

292. In the context of Ethiopia's negotiations on WTO accession, UNDP, in collaboration with the Ministry of Trade of Ethiopia in March 2011, invited UNCTAD to undertake a study on the potential impact of TRIPS implementation on Ethiopia's IP system, with the financial backing of the European Commission. Subsequently, UNCTAD conducted a fact-finding mission to Ethiopia in May 2011 and submitted a final report in December 2011. The report presented the potential impacts of TRIPS implementation for economic growth, technology transfer, education and health, considering the socioeconomic context of Ethiopia and recommendations for policy direction, including WTO accession negotiations.

293. **Impact/results:** UNCTAD policy research and analysis on intellectual property provide inputs to the domestic processes of the countries that request technical assistance and help them to introduce changes to policies, laws and practices, with a view to maximizing the strategic use of important flexibilities under the TRIPS Agreement. The DGIPR of Indonesia based its December 2011 request for the development of an IP strategy on the positive experience with UNCTAD's technical assistance provided under the DDIP Report (see above). Participants of a regional training course for judges on IP and public health in Ghana in January 2012 requested follow-up training courses at the national level. The *Reference Guide to Using Intellectual Property Rights to Stimulate Pharmaceutical Production in Developing Countries* was distributed to all participants and serves as the basis for the training material for future capacity-building activities. Finally, a total of 143 persons attended the joint BMZ–UNIDO–UNCTAD Conference on local pharmaceutical production in Africa held in Cape Town in April 2011. Participants included representatives of pharmaceutical companies and associations in Africa and other developing countries, Ministries of Health, Ministries of Industry and Trade, drug regulatory authorities, patent offices, judges associations, international organizations, civil society and academia from Bangladesh, Botswana, Burundi, Cambodia, Ethiopia, Ghana, India, Indonesia, Kenya, Mozambique, Nigeria, Rwanda, South Africa, Tanzania, Vietnam, Uganda, Zambia and Zimbabwe.

Table 8

#### Investment facilitation

<i>Project number</i>	<i>Short title</i>	<i>Starting date</i>	<i>Source of fund</i>
ALB/11/001	Enhancing regional trade and attracting new investment	2011–	UNDP

<i>Project number</i>	<i>Short title</i>	<i>Starting date</i>	<i>Source of fund</i>
ARG/0T/BAD <sup>a</sup>	Transparencia en los trámites de inversión en Lomas de Zamora (eRegulations)	2011–2011	Argentina
CMR/0T/BAC <sup>a</sup>	Facilitation des affaires au Cameroun (eRegulations Cameroun)	2011–2011	Cameroon, France
ETH/11/001	Ethiopia TRIPS Impact Assessment	2011–	UNDP
MOR/0T/7AI	Promotion des investissements dans la région de l’Oriental du Maroc	2007–	Morocco
UAE/0T/BAI <sup>a</sup>	UNCTAD Investment Events at the AIM 2011	2011–2011	United Arab Emirates
INT/9X/8A2	Investment guides and capacity-building for least developed countries	1998–	Multi-donor
INT/0T/3BH	Integrating IPR policies into sustainable development strategies	2003–	UK/DFID
INT/0T/6AT	Investment Gateway System	2006–	Multi-donor
GLO/0T/7BV <sup>a</sup>	Technical assistance and capacity-building in developing countries on the establishment of pharmaceutical production capacities	2007–2011	Germany
GLO/0T/ABG	Technical assistance in developing countries in creating prospects for the domestic private sector in implementing the TRIPS agreement	2010–	Germany
RAF/0T/BAA	Facilitation des affaires dans les pays de l’UEMOA (eRegulations UEMOA)	2011–	Luxembourg
RLA/0T/BAB	Facilitation des affaires dans les pays de la SIECA (eRegulations SIECA)	2011–	Luxembourg
ROA-2263 (AJ)	Enhancing the capacities of landlocked developing countries to attract FDI for the development and modernization of productive capacities	2011–	Development Account

<sup>a</sup> Projects that were “operationally but not financially completed” or “completed” in 2011.

## **IX. Cluster IX Enterprise development**

### **Lead division: Division on Investment and Enterprise (DIAE)**

294. The programmes under this cluster aim at an enhanced understanding and capacity of beneficiary countries to develop policies aiming at stimulating enterprise development.

## A. Entrepreneurship and small and medium-sized enterprise development: Empretec

295. *Development context.* Entrepreneurship is a vital component of economic growth and development. The creation of new businesses not only generates value added and fiscal revenues; it is also an essential ingredient for the development of a vibrant SME sector, which is the backbone of competitiveness, economic diversification, crisis resilience, innovation, employment creation and inclusive growth in any economy. Entrepreneurship and private sector development are fundamental factors which play a critical role in the achievement of the Millennium Development Goal of eradicating extreme poverty.

296. *Objectives/features:* UNCTAD developed an Entrepreneurship Policy Framework which aims to support developing country policymakers and those from economies in transition in the design of initiatives, measures and institutions to promote entrepreneurship. It sets out a structured framework of relevant policy areas, embedded in an overall entrepreneurship strategy which helps guide policymakers through the process of creating an environment that facilitates the emergence of entrepreneurs and start-ups, as well as the growth and expansion of new enterprises. The programme has initiated advisory services at national and regional level to promote entrepreneurship. In addition, at national level, Empretec – a capacity-building programme – inspires entrepreneurs in developing countries and countries with economies in transition to start, grow and develop their businesses, thereby fostering individual entrepreneurial capabilities; building institutional capacity at the country level; and encouraging employment creation, investment, and linkages between SMEs and TNCs.

297. *Outputs/results:* The Entrepreneurship Policy Framework is the result of the work of four sessions of the Multi-Year Expert Meeting on Enterprise Development and Capacity-Building on Science, Technology and Innovation. It focuses specifically on policies aimed at promoting the emergence of new entrepreneurs and facilitating new business start-ups in developing countries and transition economies. It aims to help policymakers formulate policies to promote entrepreneurship across all sectors and industries, independent of the level of innovation, and including normal profit-seeking ventures and those with social entrepreneurship objectives. Due to the practical “step-by-step” approach taken, the checklists of questions, and the methodology and indicators to measure policy effectiveness, combined with the availability on UNCTAD’s website of an online inventory of best practices in entrepreneurship development, it can be considered as a toolkit for policymakers for the formulation, implementation and measurement of entrepreneurship policies. In 2011, three workshops were held, in Ethiopia, Ghana and Morocco, generating an interactive dialogue with stakeholders. During the workshops, participants worked with the self-assessment tools provided to identify critical gaps in national entrepreneurial ecosystem, and feedback on the workshop methodology and tools was received. Evaluations received from participants rated the workshops as highly practical and very useful, with a particular emphasis on the “eye-opening” nature of adopting a systemic perspective to the issue of entrepreneurship development.

298. Since its inception in 1988, Empretec has been installed in 33 countries and has been assisting entrepreneurs through local market-driven business development centres (Empretec national centres). In 23 years of activity, over 244,000 entrepreneurs have attended more than 8,400 Empretec entrepreneurship training workshops (ETWs) and received follow-up support services from the centres. In 2011, Empretec consolidated its presence and started activities in new countries,

namely South Africa and the Russian Federation. A MOU has also been signed to initiate Empretec in India.

299. *Highlights of 2011 activities:*

**1. Implementing the Millennium Development Goals (MDGs)**

300. With its Empretec programme, UNCTAD continued its participation in two MDG Joint Programmes in Panama and Viet Nam, respectively named “Entrepreneurial network opportunities for poor families” and “Green production and trade to increase income and employment opportunities for the rural poor”.

301. In Panama, UNCTAD is part of a three-year MDG Joint Programme called Entrepreneurial Network Opportunities for Poor Families, which focuses on strengthening the enterprises of rural entrepreneurs working in associations in four provinces. UNCTAD’s role in this Programme is focused on capacity-building among the target beneficiaries. In 2011, the Joint Programme began its second year of implementation. UNCTAD continued its capacity-building activities for rural micro entrepreneurs, through its Empretec training courses as well as through new Business Challenge Workshops which were developed on specific topics, including team building, associativity and introduction to entrepreneurship. In 2011, six Empretec training courses and five Business Challenge Workshops were conducted. Through these activities, UNCTAD provided technical assistance to over 140 entrepreneurs, 60 per cent of whom were women, and 80 government officials working in the Ministry of Agricultural Development. At the same time, the transfer of the Empretec training methodology to local instructors successfully advanced. To date, four Empretec national instructors have been certified and two more began their process of certification in 2011, one of whom participated in a regional Business Challenge Workshop in Guyana as part of his training. One Empretec national instructor is undergoing training to become a “trainer of trainers” under the supervision of an international master trainer, and participated in a regional training-of-trainer course in Colombia. Several successful initiatives took place to contribute to the sustainability of the Empretec Programme in Panama. This included three joint Empretec workshops with strategic partners and one Entrepreneurship Forum featuring Empretec’s activities in rural Panama within the Joint Programme, which were attended by representatives of more than 60 entrepreneurship institutions from the Government, NGO and private sector.

302. In Viet Nam, UNCTAD is involved in a three-year MDG Joint Programme called Green Production and Trade to Increase Income and Employment Opportunities for the Rural Poor”, focusing on five value chains of the handicraft sector and targeting four provinces in northern Viet Nam. Viet Nam is the first Asian country where the Empretec programme was installed. In 2011, the second year of the MDG JP implementation, an intense load of activities was carried out. One Empretec Training Workshop and one Business Planning Workshop were delivered in each of the four targeted provinces of the programme, namely Nghe An, Hoa Binh, Thanh Hoa and Phu Tho, including around 80 handicraft producers. All workshops were successfully conducted in Vietnamese by the local team of trainee trainers, under the supervision of international Empretec master trainers. The translated and adapted materials of Empretec methodology were used during the training, for testing and further revision. UNCTAD also provided two additional Business Planning Workshops in Hanoi for previous beneficiaries on business strategic planning and financial planning, followed by the development of a Business Plan Competition. In 2011, three networking events were also organized in Hanoi and in the provinces for the local based “Empretec” – beneficiaries of the Programme. In addition, a series of Empretec Vietnamese

newsletters was prepared. Until now, four issues have been published, updating the activities of the Empretec community in Viet Nam for project beneficiaries and related stakeholders.

## **2. Empretec country activities - Africa**

303. Entrepreneurship Training Workshops (ETWs) kicked off in South Africa, where the Empretec programme was relaunched in partnership with the Small Enterprise Development Agency. In the last quarter of 2011, one Regional ETW in Pretoria and three national ETWs, respectively in Cape Town, Durban and Nelspruit, were organized with the assistance of international trainers from Brazil, Botswana, Ghana and the participation of a trainee trainer from Tanzania. The regional ETW, which took place in parallel with the annual Empretec Directors' Meeting, was a remarkable networking experience for six entrepreneurs from Botswana, Tanzania, Zambia, and Zimbabwe. As an outcome of networking events, during the networking events in South Africa, the following new ventures have been developed:

(a) A new joint film company has been established to record film festivals and distribute them in the United States;

(b) Regular exchanges have been organized with regard to youth initiatives, coordinated by Zambia;

(c) An Empretec-on-line Portal has been developed for "empretecos" to stay connected after workshops, share ideas and information: [empretecsa.africamotion.net](http://empretecsa.africamotion.net).

304. The four workshops were also a unique learning opportunity for two South African trainee trainers, who started their training as Empretec trainers.

305. Empretec activities continued in the United Republic of Tanzania, where 109 entrepreneurs attended four ETWs, thus bringing the total number of Tanzanian empretecos to well over 300 since the beginning of the programme. Workshops in Tanzania are no longer fully subsidized, and participants are requested to pay a registration fee ranging between \$30 and \$60. Whenever advertised, the workshop receives a number of applications which is usually two to three times the maximum number of places available, attesting to the strong demand for such training among local entrepreneurs. Five local trainee trainers continued their certification process towards certification as Empretec national trainers. One will be certified on the next workshop, while two others will likely reach full proficiency within three more workshops.

306. In Zambia, 60 entrepreneurs were trained in 2011, thus doubling the number of those trained since the inception of the programme and bringing the total to 120 people. Three trainee trainers continued their certification process towards the certification as Empretec national trainers and may be recommended for certification within three more workshops.

## **3. Empretec country activities – Latin America**

307. In 2011, the recently established Empretec Centres in Dominican Republic and Peru consolidated their programmes and trained 162 and 250 entrepreneurs, respectively. Furthermore, both centres initiated important alliances with other national institutions. Empretec Dominican Republic organized training courses adapted to micro entrepreneurs beneficiaries of the First Lady Office programme "Progresando", whereas IPAE–Empretec Peru participated in projects developed by the Ministry of Production and Ministry of Labour to support entrepreneurs.



308. In Ecuador, two new Empretec trainers were trained and certified during the four ETWs held in collaboration with Conquito. A fifth ETW, handled entirely by the two certified national trainers, was organized in March 2011.

#### **4. Empretec country activities – Romania and new countries**

309. The Government of Romania went on with the integration of Empretec into its national framework for assisting the SME sector and further increasing the quality and impact of the programme for the development of SMEs and entrepreneurship in the country. Besides the national Empretec centre in Bucharest, under the responsibility of the Agency for Implementing Projects and Programmes for SMEs (AIPPSME), four other territorial offices in Constanta, Iasi, Cluj-Napoca and Craiova were certified as Regional Empretec centres in Romania, providing more direct and effective support to entrepreneurs in other areas than the capital city. Eight ETWs were conducted in 2011 and, as a result, the community of certified participants (empretecos) in Romania expanded to 1,500. Seven local trainers were certified as Empretec national trainers.

310. Two new countries, Russian Federation and India, joined the Empretec network toward the end of 2011 with the formalization of two Memorandums of Understanding (MOUs) with UNCTAD. The first pilot Empretec workshop (ETW) in the Russian Federation was held in December 2011 and led by two experienced International Master Trainers from Brazil.

#### **5. Empretec Global Network activities**

311. The 2011 Annual Meeting of Empretec Directors, which took place in Pretoria (South Africa) from 18–21 October, was attended by Directors of 21 Empretec Centres from Africa, Latin America and the Middle East, as well as by representatives of UNDP South Africa. The issues of sustainability and assessment of Empretec impact on entrepreneurs and SMEs were the key topics discussed during the annual gathering. Efforts made in terms of networking and partnerships at all levels were also reviewed during the sessions, as well as such other topics as the Entrepreneurship Policy Framework, results orientation, strategy and long-term sustainability of the centres, and new products. During the meeting, the regional forums of Empretec Centres in Africa and Latin America emphasized the importance of regional grouping with regard to mutual cooperation and the sharing of good practices and experiences. It was also highlighted that regional forums would play a key role in establishing regional identities and promoting entrepreneurship in their respective regions.

312. Building networks and promoting cooperation at the regional level were the common denominators for a number of regional activities carried out in 2011, which involved 500 entrepreneurs and 18 countries in Africa and the Caribbean, aimed at strengthening Empretec centres in those regions, sharing knowledge, tools and best practices among the Empretec network, and organizing learning opportunities in the form of Training-of-Trainers (ToT), study tours and regional workshops.

313. UNCTAD announced the ten women selected for the Third Empretec Women in Business Award, an award delivered every two years to women who have been trained by national Empretec centres and who have excelled in developing innovative ideas, providing jobs and increasing income. The winners will be announced at the UNCTAD XIII quadrennial conference in Doha (Qatar) in April 2012. In addition to the Women in Business Award, five nominees for the “Micro-entrepreneur and Start-ups” category have been selected, and a winner will be announced during the year.

314. In the third week of November 2011, UNCTAD hosted the opening session of the Global Entrepreneurship Week (a world-scale initiative launched by the Kauffman Foundation for entrepreneurship aiming to give young people the confidence, skills and ambition to create sustainable enterprises that have a positive impact on their lives and communities), which for the first time took place in Switzerland as a joint effort. To mark the occasion, UNCTAD, WIPO and ILO invited a wide audience to address and promote the topic of sustainable entrepreneurship.

315. The keynote speech was delivered by the United States Ambassador to the Office of the United Nations in Geneva, followed by an interactive discussion with some of the most innovative Swiss entrepreneurs (e.g. PlanetSolar, a young enterprise that aims at circumnavigation of the globe in a boat entirely driven by solar energy) and students from the University of Geneva.

316. The number of requests coming from developing economies and economies in transition is still high (19), as well as requests for the provision of customized training programmes for specific target groups (e.g. exporters, farmers, women entrepreneurs, young graduates).

317. Information on the programme and its support services is regularly provided, upon request, to interested member States, and can also be found on the Empretec website – <http://www.empretec.net>.

318. **Impact:**

319. In Panama, a first impact evaluation of the MDP Joint Programme was conducted for three of the Empretec Training Workshops which were delivered in 2010 in two different provinces, with the aim of continually improving the training material for micro entrepreneurs and being able to share it with other centres. The findings were encouraging and reported a change in entrepreneurial behaviours, particularly with regard to the development of self-confidence in those interviewed. Among the business impacts, 100 per cent of the micro entrepreneurs reported an increase in customers and improved cost-flow management. Close to 20 per cent were able to obtain credit and close to 30 per cent increased the number of people working in their companies. Other business impacts reported included greater savings to purchase capital, the purchase of inputs on better terms, and an increase in revenues and production. Some of the measures they noted which helped them achieve this included registration of their costs and a focus on their most profitable products and/or services.

320. At the same time, in Viet Nam, the impact assessment of the first, second and third Entrepreneurship Training Workshops (ETWs) was finalized with very encouraging findings on reported changes in behaviours and business practices of trained entrepreneurs. Progress in terms of turnover has also been realized. The impact assessment of the four ETWs delivered in the provinces in 2011 was also conducted. The results show interesting developments related to the application by entrepreneurs in the provinces of new skills leading to the improvement of their business behaviours and performance. Bearing in mind the differences in geographical and economic contexts between entrepreneurs in Hanoi and those in the provinces, the findings reveal that the Empretec methodology is equally effective with different target groups, even though methodological material adaptations are needed to better fit local needs. For example, 58 per cent of participants who attended the Empretec workshop revealed that they introduced new products or services within four months from the end of the training. Some 53 per cent of participants planned to employ more staff in the following six months and more than 80 per cent of them expressed a positive outlook for their business performance in the coming six months, expecting

increased profitability. In all, 89 per cent of the Vietnamese empretecocos recognized that their businesses performed better thanks to their participation to the Empretec workshop.

321. ***Strengthening the Empretec network through South–South cooperation:*** Synergies and cooperation between centres were strengthened during 2011, not only with the involvement of international trainers in the activities aiming at building local capacity in recently established centres (Ecuador, Peru, South Africa, United Republic of Tanzania, and Zambia) but also in the promotion of knowledge sharing, through ToT workshops and regional events focussing on new training products. In 2011, 17 ToTs took place in different countries. A ToT workshop for Latin American Trainers was held in Colombia and hosted by the local Empretec centre: 16 trainers from Colombia, Venezuela (Bolivarian Republic of), Peru, Dominican Republic, Argentina, Panama and Guatemala attended the workshop, which was rated as a very fruitful opportunity to exchange experiences. Many of the activities that took place in ACP countries were financed by the European Union through a project aimed at strengthening the Empretec network, sharing knowledge and best practices, and promoting regional activities.

322. In the United Republic of Tanzania and in Zambia, for instance, a close and continued collaboration with established centres in Uganda and Zimbabwe has improved the capacity of the respective hosting institutions in both countries to organize training workshops, interview and screen potential participants, effectively assist the international trainers and to allow local trainees (five in Tanzania and three in Zambia) to progress towards certification as national trainers.

323. Interaction among Empretec centres in Latin America was also strengthened, leading to initial discussions for the creation of an Empretec Latin America Forum with the aim of supporting the establishment of a regional identity and the overall objective of promoting entrepreneurship in the entire region. Additionally, trainers from Argentina, Ecuador, Dominican Republic, Panama and Uruguay participated in activities carried out at regional level.

324. ***Knowledge-sharing and new products:*** Besides focused entrepreneurship training targeting young people, women entrepreneurs and micro entrepreneurs, respectively developed by Empretec centres in Uganda, Ghana and Panama and shared with the global network through regional initiatives, two new methodologies were successfully tested with the assistance of Empretec centres in Guyana and Benin: (a) a two-day networking workshop, addressed to both entrepreneurs and potential client institutions and partners of the Empretec centres; (b) a one-day workshop for networking events, whose objective is to enable entrepreneurs to engage in a dialogue and to work together, thus creating the conditions for learning and wisdom to emerge.

325. ***Selected impact indicators:*** SEBRAE, the Brazilian Empretec Centre, is the largest of the whole network. Since its inception in 1993, it has reached over 5,900,000 clients among micro and small enterprises, trained more than 160,000 entrepreneurs, built up a network of 7,707 trainers and consultants in 27 Brazilian States, and conducted 6,820 ETWs. Thanks to its wide outreach, the programme has had a real impact on the lives of Brazilian entrepreneurs and, as a consequence, on the country's economy. A survey conducted of SEBRAE's clients over a period of five years showed that mortality rates among SEBRAE's client SMEs are remarkably below the market average: 17 per cent against 27 per cent for one-year-old businesses, and 38 per cent against 64 per cent for six-year-old businesses.

326. In Jordan, the Empretec programme, over a period of 11 years of operations, has on average created 3.1 jobs per participant with a business idea, created 2.5 jobs per business

owner, enabled 68 per cent of participants to establish their own business after the ETW, and contributed to a 28 per cent growth in turnover in just eight months after the workshop.

327. Empretec centres in Argentina and Chile consolidated their collaboration with universities and other institutions active in the education sector. In Argentina, for example, the University of Buenos Aires, the country's largest university, offers an Entrepreneurship Programme, where students, as their first activity, attend an ETW. Empretec Chile created the programme FACTOR E!, which aims at strengthening the entrepreneurial behaviour of students aged 10 to 18 years. More than 200 teachers from 30 colleges have been trained to deliver the programme, and over 8,000 students have participated in the past two years.

328. Since the inception of the Empretec programme, the number of entrepreneurs who went through it and the size of Empretec National Centres have continued to grow year after year; more than 244,000 entrepreneurs had attended the Entrepreneurship Training Workshop by the end of 2011.

## **B. Business linkages**

329. *Development context:* The SME sector, recognized as the backbone of domestic economies in developing countries, has the potential to bridge the gap between large firms – representing a large share of FDI inflows – and the lower end of the domestic economy by generating jobs and more broad-based wealth distribution. However, this does not happen automatically and it requires effective and proactive intervention strategies. Pro-poor business models implemented through the establishment of sustainable business linkages between SMEs and large companies can provide a market for SMEs as well as opportunities for technology upgrading, business knowledge and management practices.

330. *Objectives/features:* The UNCTAD Business Linkages Programme is a multi-stakeholder initiative that turns linkages between SMEs and TNCs into sustainable business relationships. Business linkages between large firms and local SMEs help to distribute wealth and alleviate poverty, and aid smaller firms in integrating into the global economy. UNCTAD's Business Linkages Programme improves the performance, productivity and efficiency of local suppliers through training, mentoring, information exchange, quality improvements, innovation and technology transfer. UNCTAD also assists developing countries' governments and other stakeholders to build the enabling policy environment, and supports networks of business development and other service providers, based on the analysis of international experience and best practices.

331. *Outputs/impacts:*

332. In Argentina, where the project was launched in 2008, UNCTAD identified the National Development Bank of Argentina (Banco de la Nación) and the Empretec Foundation as main counterparts of the project. Two main sectors were selected as a priority: dairy and automotive. Project activities have focused on addressing these needs. In particular, in 2010 the Empretec Argentina Foundation organized a series of strategic planning and quality upgrading workshops for 25 automotive suppliers of Ford, Peugeot-Citroen SA and Fiat-IVECO. The demonstrated success of the pilot has attracted additional co-funding from project partners, including \$45,000 from Corporación Andina de Fomento. In 2011, the second phase of the Business Linkages initiative was launched with the aim of establishing business linkages in the Argentine electronics industry in Tierra del Fuego. In cooperation with national and regional government entities, including the Secretary of Economic and Fiscal Development of the province of Tierra del Fuego and the Federal Investment Council (*Consejo Federal de Inversiones*, CFI), the EMPRETEC Argentina Foundation developed a strategy to identify the scope for

import substitution concerning the production of electronic goods in the province of Tierra del Fuego. In light of the significant capital investment in the electronics industry, the business linkages initiative aims to strengthen local industrial capacity in Tierra del Fuego. Moreover, this creates scope for promoting investment in the national electronics industry and for replacing imports by gradually increasing competitiveness and including SMEs in other parts of Argentina in the value chain, for example in the area of R&D.

333. **Mozambique:** The programme, launched in 2008, identified the National Investment Promotion Centre and Enterprise Mozambique Foundation as the main counterpart of the project. Three priority areas of intervention were selected, namely sustainable tourism, agribusiness (barley growing for beer production), and mining. In particular, a pilot project has been implemented in the agribusiness sector, in cooperation with CDM Breweries (a subsidiary of SAB Miller of South Africa), which has a significant investment in Maputo, manufacturing a range of beers for the domestic market. The majority of beers for local sale are manufactured using barley as the base ingredient, but all the barley is imported (mostly from Europe). In order to expand and improve the 2009 campaign, UNCTAD, through Enterprise Mozambique Foundation, organized coordination meetings with local authorities and a series of technical workshops were held in order to evaluate the performance of the first Phase of the pilot project and to mobilize a new group of farmers in the Rotanda area. Participating farmers from Phase I gave valuable contributions on their perspectives and suggestions for improvement. As a result, 306 farmers applied for the 2010 barley campaign production (Phase II of the pilot project), of which 43 were chosen. In 2010, all 43 farmers were visited by the extension officers to ensure the quality of land and the availability of an irrigation system. Enterprise Mozambique Foundation provided the Farming as Business training to all 43 farmers, while a group of 20 potential leaders attended the Empretec training workshop, in view of setting up a farmers' association. At the end of the project, farmers could diversify their sources of income, learned how to become small entrepreneurs and run their farms as a business. Their annual income increased on average from \$300 to \$700. In the third pilot phase carried out in 2011, the project focused on two main objectives: increasing farmers' productivity, and extending the core group of trained farmers to at least 100 new farmers/hectares. In June, the barley was planted and all farmers were visited repeatedly by the extension workers and the local coordinator in Rotanda in order to facilitate an exchange of experience and best practices before and during harvesting time. As a result, this year's productivity was well above expectations and equally high among the whole farmers group, and in November 270 tons of barley were harvested, against the 200 tons planned. Additionally, most of the farmers were able to upgrade their production techniques, acquire more sophisticated tools and buy cattle for agricultural activities, thereby increasing their productivity by 150 per cent. At this point, the project is ready to be expanded to at least 1,500 rural farmers.

334. **Peru:** In 2011, 20 local suppliers of the Peruvian agribusiness company Camposol S.A. participated in a capacity training and consultancy programme in the areas of entrepreneurship, costs management and quality standards organized under the Business Linkages programme. Furthermore, Vale signed a letter of intent to collaborate in the development of a Business Linkages project in the north of the country. This two-year project will focus on the mining sector and will also involve the regional government of Piura and the Chamber of Commerce of Sechura. A project proposal has been sent to CIDA for funding.

335. **United Republic of Tanzania:** the Tanzania Investment Centre, which is implementing the Business Linkages programme in the country, continued its work plan to train suppliers to large companies participating in the linkage programme. Fifty entrepreneurs, owning small and medium-sized businesses in different economic sectors, attended two ETWs organized by Tanzania Investment Centre in 2011, which were aimed

at enhancing their understanding of business aspects like timely delivery, competitive pricing, quality, packaging, reliability and accessibility as essential for any sustainable linkage with large firms. Tanzania Investment Centre further developed a follow-up programme aimed at assessing the impact of such training for the participating SMEs. According to its findings, several entrepreneurs were able to quickly expand (for instance, a large telecom TNC supplier expanded from 3 to 20 regions) or grow their businesses (a supplier to Toyota was able to get a loan from a leading banking institution to buy two trucks).

336. **Uganda:** A full-fledged national business linkages programme was launched by Enterprise Uganda, UNCTAD's Empretec counterpart in Uganda, in June 2008. Three main areas of intervention were prioritized, namely telecommunications, automotive and agribusiness. To date, four large TNCs have signed up to be part of the project, namely, the South African telecommunications company MTN, Toyota Uganda, East African Breweries and the latest entrant, Nile Breweries Limited, a subsidiary of SABMiller. In 2011, four most promising and most committed farmer groups (approximately 600 individual farmers) were chosen among the local suppliers of Sorghum to Nile Breweries Ltd, in order to be trained and upgraded through a five-step integral business support service process. The programme has been evaluated as highly successful by the participating parties. As a result of the programme, the farmers increased their production volumes, increased sales, created jobs, improved their business efficiency and accessed credit from Stanbic Bank. Their business relation with Nile breweries has been improved as the local suppliers now understand the TNCs' corporate culture and have been supported to align their plans with the strategic direction of Nile Breweries.

337. The SMEs participating on the Business Linkage Programme have registered remarkable improvement in performance, with their average sales increasing by over 200 per cent and employment increasing by over 100 per cent within the two years in which the programme took place. 4W Car Care, an SME that participated in the programme under Toyota Uganda, has recorded even more significant growth in relative terms since the inception of the programme; it has continued to register increased sales by more than 500 per cent and its employees increased from 2 to 36 in 2011. Besides increased sales and the creation of jobs, the company has acquired new corporate clients.

338. **Zambia:** Three workshops were organized by the Zambia Development Agency, and in collaboration with the local ILO Office, as training components of the national Business Linkages programme. More specifically, the first two workshops targeted SMEs linked to two mining companies, Konkola Copper Mines and Mopani Copper Mines. The third one targeted small-scale sugarcane farmers working as suppliers to Zambia Sugar Plc, through their company, Kaleya Smallholders Company Limited. In 2011, Zambia Development Agency signed five linkage agreements with large corporate entities (National Housing Authority, Zambian Breweries, Konkola Copper Mines, Mopani Copper Mines, and Copperbelt Energy Corporation) at the presence of the Minister of Commerce, Trade and Industry. Besides the workshops, Zambia Development Agency was able to provide SMEs with technical assistance in quality, packaging and bar-coding of products, and on occupational health. A website featuring success stories and providing information about the National Business Linkages Programme has been launched (<http://zambiabusineslinkages.org.zm/>). Among the examples, the following business development took place:

(a) KD & M Enterprises of Chingola won a contract by Ministry of Education to supply a total of 4,100 desks;

(b) Amchile Enterprise Ltd of Luanshya was awarded a contract to undertake demolition works by Konkola Copper Mines at their IBU Nkana plant in Kitwe;

(c) MPALE Trading of Ndola was awarded a contract to supply DSTV Decoders to all Copperbelt Zambia Army officers on a cash as well as hire purchase basis;

(d) Da'Joy Manufacturers Co. Ltd of Ndola is an enterprise that manufactures wood briquettes which can be used in coal boilers and furnaces. Discussions have been initiated to integrate their production into the supply chain of Mopani and Konkola Copper Mines, the largest copper mines in the country.

### C. E-Tourism Initiative

339. *Development context:* Tourism is an information-intensive sector. The tourism value chain is heavily influenced by the digitization of tourism processes, from intermediaries' infrastructure to supplier integration, service transformation and distribution, and revenue management. The Internet is a key business driver to direct market destinations, fostering the inclusion of tourism providers that are still kept out of competition, reducing marketing costs and dynamically adapting tourism supply to the market. As a result, e-tourism (the use of ICTs in the tourism sector) is instrumental in the empowerment of local actors and the distribution of leadership in the tourism value chain. E-tourism enables those countries that are in a position to exploit it to bypass some of the stumbling blocks associated with more traditional tourism marketing and distribution channels, and offers tourism SMEs unprecedented opportunities to increase their competitiveness. It can also ultimately contribute to a country's autonomy with regard to the ways in which its tourism supply is organized, promoted and sold on the international market. The valid option is to adopt a strategy embedding around ICTs a large range of tourism companies including SMEs as well as the public sector, combining public intervention with private initiative from the start. To this end, Governments should adopt policies and take actions to gather, around the ICTs, the SMEs and other partners active in the tourism sector. Incentives should be put in place to encourage the pooling of resources, the development of public-private partnerships and strategic cooperation within the tourism sector.

340. *Objectives:* For communities with small enterprises, access to the market can be difficult or impossible. At present, in a number of developing countries, neither the national administrations in charge of the tourism sector nor the tourism sector at large have the necessary capacity and required infrastructure to create and implement a collaborative national platform for the joint promotion of their tourism resources. Similarly, the business relationships that the public and private sectors need to establish, to make these destinations visible, accessible and competitive in an increasingly online global market do not exist. UNCTAD's objective is to improve opportunities and capacities for SMEs and public authorities in the targeted countries to access and take advantage of the fast-growing Internet-based tourism market and to build solid long-term partnerships. Through capacity-building, UNCTAD helps local suppliers structure their products in such a way as to make them visible, accessible and competitive in the global marketplace. This could help destinations to take ownership of their brands and products in order to plough more revenues into the local economy. It implies efforts to develop the relevant human resources and encourage tourism-specific entrepreneurship, through sensitization and financial and technical support, especially for small enterprise development.

341. *Outputs:* Fully operational since December 2009, UNCTAD's e-tourism capacity-building tool aims at building local consensus on e-business tourism solutions and equipping public and private stakeholders with the behavioural, organizational and technological tools required for successful implementation of

suitable e-business models. In 2011, two e-tourism IT tools and applications training workshops were delivered in Mauritania (February 2011) and Senegal (June 2011) on the basis of a significantly enhanced training package. A subregional high-level round table was organized in Mali (July 2011), where participants from Benin, Burkina-Faso, Guinea, Mali, Mauritania, and Senegal discussed the e-tourism implementation lessons and best practices and plans for e-tourism advancement and subregional cooperation, notably with the West African Economic and Monetary Union, whose representative presented its efforts to examine possibilities for future cooperation and identify possible synergies and articulations. Country reports were presented and discussed. These discussions set the stage for an analysis shared by the participants on what should be a joint proposal for future work at the subregional level, focusing on cooperation between the private and public sectors, including the development and implementation of information and communication technologies. This action plan was developed on the basis of discussions and analysis during the seminars. In 2011, assistance provided included technical advice, provision of teacher's manuals and tools, support to multi-stakeholder dialogue and networking through the establishment and backing of local follow-up committees.

342. **Results:** Participants in the training workshops organized benefited from an operational, very practical and more technical approach based on a presentation of possible technologies and information systems solutions, such as different types of business models for e-tourism, the various systems and procedures related to implementation, and a very practical presentation of the prototype ETP platform and the Data Collector, free software developed by UNCTAD. Advice on e-tourism strategies has been provided by experts and up-to-date teaching material and software has been produced. An action plan has been developed in each participating country. A first version was developed at the end of each seminar conducted embodying the first lines of the necessary collaboration between public and private actors. After the seminars, these plans have been developed and detailed by the national monitoring committees representing the public and private sectors. Such committees were formally established in each country via ministerial decree.

343. **Impact:** On the basis of individual country reports presented at the subregional round table, a good level of knowledge can be inferred on the part of key actors and partners involved those who participated in seminars and workshops, but also those who were involved in the work of the monitoring Committees. These local actors have developed audits of their websites, and on this basis, proposed measures and plans for their improvement. The monitoring Committees are composed of experts working long term in a legitimate cooperation framework involving public and private stakeholders and supported financially, administratively and politically by the Government. In the longer term, this consensus-based scheme will make it possible to better trace the early routes to the development and implementation of a Destination Management System, but also the corresponding organizational structure: the Destination Management Organization.

#### **D. Corporate transparency, accounting and reporting**

344. **Development context:** Accounting plays an essential role in economic development. High-quality corporate reporting is key to improving transparency, facilitating the mobilization of domestic and international investment, creating a sound investment environment and fostering investor confidence, and promoting financial stability. A strong and internationally comparable reporting system facilitates international flows of financial resources while at the same time helping to reduce corruption and mismanagement of



resources. It also strengthens the international competitiveness of enterprises in attracting external financing and taking advantage of international market opportunities.

345. In the wake of financial crisis, continued efforts are being made to improve the quality of corporate reporting as an important part of measures aimed at strengthening the international financial architecture. In this regard, the implementation and application of internationally recognized standards, codes and good practices in the area of corporate reporting has been strongly encouraged as a reflection of the increasing pace of globalization and international economic integration. However, the effective adoption of such standards and codes remains a challenge for many developing countries and economies in transition, as they lack some of the critical elements of corporate reporting infrastructure – from weaknesses in their legal and regulatory frameworks to a lack of human capacity and relevant support institutions. In the face of these challenges, there is a need for a coherent approach to building capacity in this area, as well as for tools to measure and benchmark progress and identify priorities for further actions.

346. *Objectives/features:* The programme is geared to assisting UNCTAD member States in harmonizing their accounting practices with international requirements by developing guidance and sharing views and best practices, and by conducting research and providing technical assistance on issues of accounting, auditing, corporate governance and corporate responsibility through the annual sessions of the Intergovernmental Working Group of Experts on International Standards of Accounting and Reporting, workshops and round tables. It disseminates best practices through technical guidance on various aspects of corporate accounting and reporting.

347. *Output/results:* In 2011, UNCTAD continued its contribution to promoting best practices in the area of corporate reporting, including accounting, corporate governance disclosure and corporate responsibility – with a focus on capacity-building. In the aftermath of the financial crisis, capacity-building for high-quality corporate reporting has become more important than ever.

348. At the twenty-eighth session of ISAR, which was held in Geneva from 12–14 October 2011, the Group of Experts deliberated on a draft accounting development capacity assessment questionnaire that was developed by the UNCTAD–ISAR Consultative Group on Capacity-building and based on the previously developed UNCTAD–ISAR accounting development capacity-building framework. The Group of Experts also discussed integrated reporting and climate change-related disclosure, as well as corporate governance disclosure.

349. The twenty-eighth session of ISAR, in which 230 experts from 74 countries participated, provided member States with a platform for building consensus on developing a coherent and integrated approach to capacity-building in the area of corporate reporting. The Group of Experts concluded its deliberations with agreed conclusions. The session resulted in a policy guidance tool on accountancy development, including an accompanying measurement tool for accountancy development indicators.

350. In May and June 2011, UNCTAD conducted country round tables on capacity-building for high-quality corporate reporting with financial and in-kind support from the Association of Chartered Certified Accountants of the United Kingdom. The round tables took place in Brazil, Croatia, South Africa and Viet Nam. UNCTAD co-organized the events in the respective countries in cooperation with the Federal Council of Accounting of Brazil; the Ministry of Finance of Croatia; the South African Institute of Chartered Accountants; and the Ministry of Finance of Viet Nam. The round tables helped raise awareness of the challenges posed by the adoption and implementation of international reporting standards. Indeed, the discussion process itself proved to be extremely useful by bringing together key stakeholders to deliberate on an action plan towards accounting

infrastructure development. The events were organized in accordance with the agreement reached by member States at the twenty-seventh session of ISAR.

351. On 11 October 2011, on the eve of the twenty-eighth session of ISAR, the UNCTAD secretariat organized a technical workshop on the application of fair value measurement requirements and classification and measurement of financial instruments. The workshop enabled more than 150 participants to gain an in-depth understanding of recent accounting standards on fair value measurement and classification and measurement of financial instruments.

352. On 8 March 2011, UNCTAD and the International Accounting Education Standards Board organized a joint Accountancy Forum with a view to addressing the core considerations, requirements, and public interest benefits of a professional accountancy education programme. The event featured prominent speakers on issues of accounting education. UNCTAD-ISAR's Accounting Model Curriculum and its global impact were also featured at the Forum. ISAR's current work on capacity-building for high-quality corporate reporting was highlighted at the event. In particular, participants recognized the importance of accounting education for strengthening the human capacity pillar of ISAR's capacity-building framework. With regard to the challenges faced by developing countries when adopting the International Education Standards, participants underscored challenges with respect to translation of resources produced in English to other languages. Participants called for more cooperation among countries that have similar translation needs with a view to benefiting from economies of scale.

353. During the reporting period, UNCTAD continued its cooperation with a number of international and regional organizations and development agencies that work to promote better accounting, auditing, corporate governance and corporate responsibility disclosure practices. Following up on the Memorandum of Understanding that UNCTAD and the International Federation of Accountants signed in 2004, UNCTAD has been contributing to its committee and board meetings, including the Consultative Advisory Group of the International Auditing and Assurance Standards Board, the International Education Standards Board and the Professional Accountancy Organization Development Committee. In the area of environmental, social and corporate governance disclosure, UNCTAD continued to contribute to the work of the International Integrated Reporting Committee and developed a new informal working group on climate change-related reporting in partnership with the Organisation for Economic Co-operation and Development (OECD), the Climate Disclosure Standards Board and the Global Reporting Initiative.

354. The UNCTAD secretariat, in cooperation with Empretec-Peru, conducted a training workshop on accounting for SMEs in Lima (Peru) from 14–18 November 2011. UNCTAD developed the training material based on the Guidelines for Small and Medium-sized Enterprises – Level 3 Guidance (SMEGA level 3) issued by ISAR. The workshop attracted 25 participants, including SME owners and employees.

355. In 2011, the UNCTAD secretariat provided technical assistance in the area of corporate governance disclosure, guiding local partners on the assessment of corporate governance disclosure in the Russian Federation and in Trinidad and Tobago. UNCTAD developed its assessment methodology in this area based on the UNCTAD-ISAR Guidance on Good Practices in Corporate Governance Disclosure.

356. **Impact:** For more than 28 years, ISAR has been providing member States with guidance and toolkits on a number of corporate reporting topics. These ISAR products have had a positive impact in helping member States to implement widely recognized good practices in the areas of financial reporting and non-financial reporting, such as corporate governance, environmental issues, and corporate social responsibility. The relevance of the UNCTAD “Capacity-building framework for high-quality corporate reporting” as well as

of its related assessment and measurement methodology was enriched throughout 2011, via input received at national round tables conducted in several countries in different regions of the world. This policy tool on accountancy development, including an accompanying measurement tool for accountancy development indicators, provides significant guidance on the key components of capacity needed in accounting and reporting to ensure high-quality corporate reporting and on what is required to build such capacity based on international benchmarks and good national practices. A number of member States – including Brazil, China, Côte d’Ivoire, Croatia, Mexico, Russia, South Africa, and Vietnam – have volunteered to pilot-test these tools in their own jurisdiction. This would be an important step in helping member States, especially developing countries, to identify their main weaknesses with a view to focusing efforts on their improvement and being able to adopt and implement corporate reporting standards in a successful manner.

## E. Insurance Programme

357. **Development context:** Any trade or development activity first requires financing, and those providing the finance will insist that insurance be in place before funds can be provided. For most international trade and services activity, insurance is obligatory. One cannot ship goods, operate aircraft, open a hotel, or perform numerous other activities essential to trade without recourse to obligatory insurance. After banking, insurance services are usually the second largest component of countries’ financial services sectors, and enable economic agents to protect themselves against risk and safeguard national assets used in the processes of trade and development. Many developing countries, particularly in Africa, still lack affordable and reliable insurance services that meet the needs of a country’s economic agents. At the same time, insurance markets generate significant reserve funds that could be committed to a country’s enterprises through portfolio investment. The stability of insurance markets is key to profitable and viable investment and a determinant of developing countries’ level of progress.

358. **Objectives/features:** The aims of the Insurance Programme are to (a) help establish competitive and efficient insurance markets and improve access to insurance services for the majority of developing countries’ populations as well as their commercial sectors, so as to prepare developing countries for further liberalization of their financial services sectors; (b) provide technical support, advice, guidance and training for insurance supervisory authorities, particularly in the establishment of legal frameworks and supervisory practices geared to the development of sustainable competitive insurance markets; and (c) organize training seminars/workshops to improve understanding of the role of supervision and enhance the competence and technical abilities of the staff of supervisory authorities in developing countries.

359. **Outputs/results:** In 2011, the project “Strengthening SMEs’ development and access to financing and insurance in Morocco and Tunisia” was brought to a successful conclusion. This project aimed at helping the Moroccan and Tunisian financial and insurance sectors provide SMEs with affordable and well-tailored products and services.

360. During the project, ten (10) publications and training manuals were produced. These were: *Insurance Guide for Moroccan SMEs*, *Training Manual for Insurance Agents and Brokers*, *Market Research Survey on Perceptions and the Use of Insurance by SMEs*, *Technical Study to Develop an Index-based Insurance Product against Crop Loss due to Drought*, *Private Equity Guide for Institutional Investors*, *Private Equity Guide for Entrepreneurs*, “*How to Finance your Business - A Guide for Moroccan SMEs*”, *Manual for Transition of SMEs Towards the Formal Sector - Legal Issues and Procedures*, “*How to Assist SMEs in Migrating Towards the Formal Sector*”, and *Personal booklet for Migrating Towards the Formal Sector*.

361. In addition, a Conference on Private Equity and Venture Capital in Morocco – Journée du capital-investissement – took place on 12 May 2011. This was a one-day event aimed at taking stock of private equity and venture capital use in Morocco. It was organized jointly by UNCTAD and Association Marocaine des investisseurs en capital, and was attended by high-level corporate executives, institutional investors, representatives of major international consulting firms, banks, insurance companies and government officials.

362. In the project area of capacity-building, UNCTAD organized 21 capacity-building workshops on migration of SMEs to the formal sector in Morocco. These were organized in cooperation with the Union générale des entreprises et professions in different regions throughout Morocco, to help SMEs migrate from the informal to the formal sector. The workshops discussed the benefits of migration and offered concrete steps to be undertaken in order to migrate and, among others, access finance and insurance services. In this connection, the Booklet for migrating toward the formal sector was distributed to those SMEs that decided to migrate. The target audience included some 2,000 informal sector SMEs.

363. The trainers who conducted the above workshops were trained in the related ToT workshops. The two UNCTAD publications: *Manual for Transition of SMEs Towards the Formal Sector - Legal Issues and Procedures*, and “*How to Assist SMEs in Migrating Towards the Formal Sector*” were utilized to train trainers and were later used for the above training of entrepreneurs.

364. At the African Insurance Organization’s annual general meeting, a decision was taken to provide further assistance to the African Centre for Disaster Risk in Casablanca (Morocco). The annual general meeting reviewed and approved the Centre’s last year business plan and budget, and discussed further steps to be undertaken in order to strengthen the Centre and provide it with necessary resources. In this connection, assistance was provided by UNCTAD to the Centre within the context of the Morocco project by preparing the Technical Study to develop an index-based insurance product against crop loss due to drought.

365. In 2011, UNCTAD continued to look for ways of identifying funding for the five African projects developed jointly with the African Insurance Organization in the area of insurance in Africa. The five projects are budgeted at around \$6.5 million, and are being presented for funding to potential donors.

Table 9

**Enterprise development**

<i>Project number</i>	<i>Short title</i>	<i>Starting date</i>	<i>Source of fund</i>
PAN/0T/9BK	Red de oportunidades empresariales para familias pobres (EMPRETEC)	2009–	One UN
ROM/0T/1CZ	Empretec phase I – Romania	2002–	Romania
VIE0T9BM	Green Production and Trade to Increase Income and Employment Opportunities for the Rural Poor	2009–	One UN
INT/0T/7CA	Empretec networks to promote entrepreneurship and enterprise development	2007–	Spain
INT/0T/BAP <sup>a</sup>	Empretec networks to promote entrepreneurship and enterprise development	2011–2011	EC

<i>Project number</i>	<i>Short title</i>	<i>Starting date</i>	<i>Source of fund</i>
RAF/9X/43J <sup>a</sup>	Développement de marchés des assurances compétitifs	1994–2011	Luxembourg
RAF/0T/8AJ <sup>a</sup>	Strengthening SMEs' development and access to financing and insurance in Morocco and Tunisia	2008–2011	Spain
ROA-2180 (L6) <sup>a</sup>	Strengthening SMEs competitiveness in the tourism sector of six African developing countries of the ECOWAS sub-region	2008–2011	Development Account

<sup>a</sup> Projects that were “operationally but not financially completed” or “completed” in 2011.

## **X. Cluster X Globalization and development strategies**

### **Lead division: Division on Globalization and Development Strategies (GDS)**

366. The programmes under this cluster aim at contributing to the achievement of the expected accomplishments of the strategic framework related to increased understanding of the global economic environment and of policy choices at the national and international levels, improved empirical and timely statistics, and in the case of the occupied Palestinian territory, improved policy and institutional capacities and enhanced international cooperation for the recovery and sustained development of the economy.

#### **A. Macroeconomic and development policies: Technical support to the Intergovernmental Group of Twenty-Four on International Monetary Affairs and Development (G-24)**

367. The UNCTAD Project of Technical Assistance to the Intergovernmental Group of 24 (G-24), operational for the past decade, is currently inactive because of lack of funds. The programme was previously funded by the Canadian Government through Canada's International Development Research Centre (IDRC). Funding by IDRC ended in 2010 and UNCTAD identified, together with the G-24 Secretariat, alternative sources of funding to allow minimal operational support to the G-24. One G-24 member, the Government of the Islamic Republic of Iran, has pledged funds to enable UNCTAD to resume its technical support. However, owing to the current situation, it has not been possible to ensure transfer of the pledged funds, though the UNCTAD secretariat continues its efforts, so far unsuccessful, to resolve this problem.

#### **B. Promoting responsible sovereign lending and borrowing**

368. *Development context:* Lack of globally agreed rules and regulations guiding sovereign financing have contributed to many instances of irresponsible sovereign borrowing and lending to sovereigns. There was actually unprecedented risk-taking by lenders and borrowers during the boom years before the crisis, with responsibility

and accountability missing on both sides. Responsible behaviour by sovereign lenders and borrowers is the first line of defence against debt crisis and is crucial to the promotion of sustainable and good-quality finance. A set of principles that could fill this gap in the rules that guide sovereign financing would constitute a public good benefiting both sovereign lenders and borrowers.

369. **Objectives/Features:** The project financed by Norway and China aims at urging the parties involved in sovereign debt contracting to adopt behaviour and decisions that are consistent with best practices and good standards. In this vein, the project seeks to increase the level of responsibility for both sovereign borrowers and their lenders. Its outcome could help prevent sovereign debt crises and foster growth and development. Project activities range from academic research on the rationale and implications of the principles to raising awareness, disseminating and fostering consensus around them.

370. **Output:** Action undertaken so far has contributed to the formulation of the draft Principles launched in Doha on the occasion of UNCTAD XIII. This version is the outcome of a consensus-building process which has seen a substantial number of States supporting the Principles at regional consultative meetings in Africa, Asia and South America. At the United Nations General Assembly level, UNCTAD's mandate on external debt was reinforced in February 2011, when member States supported the pursuit of "ongoing discussions within the framework of the initiative of the United Nations Conference on Trade and Development to promote responsible sovereign lending and borrowing".

371. **Results:** Most member States and stakeholders involved in sovereign debt contracting have now been made aware of the initiative and have contributed to refining the principles, either through interactions in regional consultative and expert group meetings or through bilateral consultations. Moreover, the Principles have been discussed at the Paris Club on numerous occasions. Member States are demonstrating increased interest in the progress of the initiative, in light of the current debt crisis but also because a large number of them consider that they already implement these principles and want to set an example. The project provides a forum of discussions in which member States will have the opportunity to not only endorse the principles but also seek assistance on their implementation on a voluntary basis.

### C. Special programme: UNCTAD assistance to the Palestinian people

372. **Development context:** The development context of the occupied Palestinian territory (OPT) continued to be complex and peculiar, given the prolonged occupation conditions on the ground that severely limits Palestinian economic prospects nationally, regionally, and internationally. The Palestinian economy in 2011 also suffered a great deal of fiscal retrenchment as a result of uncertainty surrounding the release of Palestinian revenues rooted in Israeli control over the tax and customs clearance revenue that it collects on behalf of the Palestine Authority (PA), unfavourable economic conditions, and the slow flow of donor funds. The situation in 2011 deteriorated further with a serious humanitarian impact. The forced displacement of Palestinian families and the destruction of homes and other property in the OPT, including East Jerusalem, continued. These demolitions deprive people of their homes, their main source of physical and economic security, in addition to disrupting their livelihoods, reducing their standards of living and undermining access to basic services, such as water and sanitation, education and health care.

373. Economic growth in the OPT continues to be unsustainable, reflects a recovery from a low base, and is mainly driven by donor aid rather than a rebounding private sector, which remains stifled by restrictions on access to natural resources and markets.

Unemployment remained high, and poverty and food insecurity, especially in Gaza, continue to be alarming. The estimated 10 per cent GDP growth in the first half of 2011 was driven by exceptionally high growth of 28 per cent in Gaza – mainly led by the construction works aimed at rebuilding the property destroyed by the Israeli military operation in December 2008–January 2009.

374. The ongoing blockade of the Gaza Strip, in particular, resulted in increasing reliance on the “tunnel economy”, which expanded during 2011. Indeed, despite a relative easing in the movement of goods through the Israeli-controlled border crossings, the import of basic construction materials thus consolidated the tunnel economy’s position as the main driver of economic activity. Its role is so overwhelming that established legitimate businesses have had to adapt to it to some extent. Yet the tunnel economy is not a substitute for lifting the blockade and movement restrictions, because it drives much of Gaza’s economic activities underground and undermines business viability via much higher transportation costs and exposure to danger by taking risks to make ends meet.

375. Long-term development prospects remained grim. Restrictions not only increase prices of basic staples such as vegetables, fruits, and sugar, but also continue to obstruct wider agricultural development as well as urban and rural economic and spatial planning.

376. **Objectives/features:** Drawing on its intimate knowledge of the Palestinian economy garnered from 27 years of sustained support to Palestinian development efforts, research and policy analysis, UNCTAD in its work seeks to strengthen the institutional capacities of the Palestinian Authority (PA) and to support the Palestinian private sector using a selective and flexible mode of operation to respond to the evolving needs of the Palestinian people, despite funding shortfalls and difficult field conditions. UNCTAD’s multi-faceted programme of technical assistance to the Palestinian people draws on the experience of UNCTAD as a whole, and is carried out in close cooperation with the PA, the Palestinian private sector, civil society organizations, United Nations agencies and other international agencies. The programme emphasizes the interrelated treatment of trade, finance and enterprise development, with technical assistance activities grouped within four clusters: (a) trade policies and strategies; (b) trade facilitation and logistics; (c) finance and development; and (d) enterprise, investment and competition policy.

377. **Outputs:** By achieving major accomplishments under three previous projects, UNCTAD has played a pivotal role in building and modernizing Palestinian customs capacity since 1999. UNCTAD’s contribution featured the introduction of its Automated System for Customs Data Analysis (ASYCUDA) and the provision of extensive training to PA functional and IT staff as well as private sector agents. As a result, Palestinian customs are able to implement new customs procedures, enhance customs controls, significantly enhance revenue collection, and interface with the Israeli customs system more effectively. In close coordination with the PA, UNCTAD developed a project document for a new intervention to consolidate previous achievements and completely hand over the system to the PA. The EC agreed to fund the new technical cooperation project, which is expected to commence in mid-2012.

378. Building on UNCTAD’s past contributions to Palestinian private sector institution-building and the establishment of the Palestinian Shippers’ Council (PSC), UNCTAD signed a \$2.1 million Grant Agreement with the Canadian International Development Agency (CIDA) to finance a technical cooperation project entitled “Developing Palestinian Trade Facilitation Capacity”. Project implementation commenced in April 2011. The goal is to build the knowledge base of Palestinian shippers (exporters and importers) by consolidating the institutional capacity of the PSC; increase shippers’ awareness of internationally recognized best practices on trade facilitation; and strengthen national capacities for providing training and advisory services to Palestinian shippers and policymakers in the area of trade facilitation.

379. In 2011, UNCTAD and the Palestinian Central Bureau of Statistics (PCBS) signed a Memorandum of Understanding to strengthen the PCBS' economic modelling and forecasting capacity and to enhance the PA's capacity for producing, evaluating and interpreting economic, demographic and labour indicators. Within this context, in 2011 UNCTAD conducted a one-week training programme for staff from the PA and PCBS on its macroeconomic model of the Palestinian economy and transferred the model to the PCBS. The model will be used to produce the PCBS official economic forecasts. Another goal of this activity is to enhance the PA's ability to formulate alternative economic policies.

380. In early 2011, UNCTAD completed the implementation of the Development Account, sixth tranche, "Promoting Subregional Growth-oriented Economic and Trade Policies towards Achieving the MDGs in Arab countries", which benefits the OPT and four other Arab countries. Project activities provided a platform for the exchange of ideas and experiences among policymakers from participating economies, UNCTAD staff and experts. The project studies and discussions, conducted with Millennium Development Goals 1 and 8 in mind, have led to publication of a book on pro-poor trade and growth strategies, infrastructure and institutions to facilitate regional integration and harmonization of trade statistics. The Arabic version of the book will be published in February 2012 and the English version in May 2012.

381. Moreover, in 2011, UNCTAD hosted Palestinian diplomats and briefed them on the United Nations system in Geneva. This was in cooperation with the United Nations Division for Palestinian Rights, and part of an annual programme for PA diplomats to deepen their knowledge of the United Nations system. The training covered UNCTAD's scope of work, including Trade and Development Board meetings, as well as the work of other United Nations agencies in Geneva.

382. **Results:** (1) Enhanced PA and PCBS capacity in producing, analysing, evaluating and interpreting demographic, economic and labour data to guide the formulation and implementation of socioeconomic policies. PCBS now uses an UNCTAD economic model for the production of its official economic forecast. (2) A new three-year trade facilitation technical cooperation project "Developing Palestinian Trade Facilitation Capacity" was launched in April 2011; two workshops were held during the reporting period, with more than 70 people receiving training on trade facilitation; and a study on the constraints of the Palestinian trade facilitation was commissioned. (3) The policy experiences and findings of the project on "Promoting subregional growth-oriented economic and trade policies towards achieving the MDGs in Arab countries" will be published in a book entitled *Economic and Development Policies in the Arab World*. The Arabic version will be published by Al Faris House and the English by Routledge Publishing. The book focuses on pro-poor economic, trade and regional integration strategies in five Arab countries including the OPT and makes specific policy recommendations for achieving Millennium Development Goals 1 and 8. It includes a detailed study on Palestinian external trade, along with a wide range of trade indices and quantitative indicators that are essential for sound Palestinian trade policymaking. (4) UNCTAD training has deepened the knowledge of Palestinian diplomats of the United Nations system in Geneva, which led to improving the PA's capacity to deal more effectively with the international community and harnessing the resources it provides to support Palestinian development.



Table 10  
**Globalization and development strategies**

<i>Project number</i>	<i>Short title</i>	<i>Starting date</i>	<i>Source of fund</i>
GLO/0T/AAM <sup>a</sup>	Mapping a seismic shift	2010–2011	Foundations
GLO/0T/ABH <sup>a</sup>	The financialization of commodity markets	2010–2011	Austria
INT/8X/90F	Studies for the Group of 24	1989–	Multidonors
INT/0T/4AK	Preparation for the UNCTAD XI High-Level Interactive Round Table on Trade and Gender	2004–	Canada
INT/0T/8CF	Promoting responsible sovereign lending and borrowing	2008–	Norway
INT/0T/BBF <sup>a</sup>	The South and the new paths of development in the 21st century	2011–2011	Rockefeller Brothers Fund
INT/0T/BBQ <sup>a</sup>	In conjunction with Project ID TBBF – The South and the new paths of development in the 21st century	2011–2011	UNDP
ROA-2159 (N6) <sup>a</sup>	Promoting subregional growth-oriented economic and trade policies towards achieving the MDGs in Arab countries of West Asia and North Africa	2008–2011	Development Account
ROA-1245B (AE)	Building capacities in Asia Pacific region to address financial implications of external shocks and climate change mitigation through innovative risk-management instruments	2009–	Development Account

<sup>a</sup> Projects that were “operationally but not financially completed” or “completed” in 2011.

## **XI. Cluster XI** **Strengthening the debt management capacity of developing countries**

### **Lead division: Division on Globalization and Development Strategies (GDS)**

383. The programme in this cluster encompasses the activities of the Debt Management and Financial Analysis System (DMFAS) programme in support of promoting economic policies and strategies at national, regional and international levels that are supportive of sustained growth, inclusive and sustainable development, employment creation, and hunger and poverty eradication in developing countries.

## A. The Debt Management and Financial Analysis System (DMFAS) programme

384. *Development context:* Effective debt management is an intrinsic part of sound public financial management and overall good governance. Active public debt management is also an important tool for ensuring that countries maintain sustainable levels of debt, in pursuit of their broader development objectives.

385. Debt management remains a challenge for most developing countries. In order to attain sustainable debt levels and to use debt instruments as an efficient tool for development, prudent debt management and the availability of reliable and timely debt data are essential. Many governments lack the appropriate institutional, human and technical capacity for handling public resources and liabilities more effectively.

386. Among the key challenges faced by developing countries in managing debt are dealing with high staff turnover and the updating of skills, organizational procedures and information management systems in order to keep pace with the dynamic changes in global finance and public financial management practices.

387. The recent crisis has emphasized the critical role that effective debt management plays in achieving debt sustainability in developing countries and has reinforced the continued relevance and need for the DMFAS programme's work. The availability of reliable and timely debt data is essential for prudent risk analysis and the elaboration of government strategies aimed at ensuring sustainable debt levels.

388. The DMFAS programme is committed to providing sustained support for development. Over a period of nearly 30 years, it has supported the changing debt management needs and challenges of 106 institutions in some 69 countries. Originally established as a means of helping countries build good external debt databases, the programme's scope has gradually widened to assisting countries in managing public domestic as well as private external debt. It has also expanded in terms of the debt management functions it supports, from debt recording to assisting countries with debt data validation, debt statistics, debt portfolio review, basic debt analysis, and the production of data critical to risk analysis, debt sustainability analysis and strategy formulation.

389. The DMFAS programme's role in helping developing countries strengthen their debt management can be seen against the background of major UNCTAD conferences, including the 2011 UNCTAD Debt Management Conference, along with numerous United Nations resolutions on debt and development, the 2009 Conference on the World Financial and Economic Crisis and Its Impact on Development, the Monterrey Consensus, the Doha Declaration on Financing for Development, the Millennium Development Goals, and other internationally agreed development commitments.

390. United Nations General Assembly resolution 65/144: "External debt sustainability and development" (adopted 20 December 2010): (para. 31): Invites the United Nations Conference on Trade and Development, the International Monetary Fund and the World Bank, in cooperation with the regional commissions, development banks and other relevant multilateral financial institutions and stakeholders, to continue and intensify cooperation in respect of capacity-building activities in developing countries in the area of debt management and debt sustainability; (para 33): Acknowledges that timely and comprehensive data on the level and composition of debt are a condition necessary for, inter alia, building early warning systems aimed at limiting the impact of debt crises, calls for debtor and

creditor countries to intensify their efforts to collect data, and calls for donors to consider increasing their support for technical cooperation programmes aimed at increasing the statistical capacity of developing countries in that regard”.

391. In the Accra Accord, specific reference is made to the programme’s work in paragraph 40, in which it states that “UNCTAD should continue to provide technical assistance and support for developing countries in building national capacities through the DMFAS programme”. In paragraph 32, the Accord further states that “debt sustainability is essential for underpinning growth and, with effective debt management, important to efforts in achieving national development goals”.

392. The DMFAS Advisory Group is one of the key entities of the DMFAS programme’s governance structure and was created to advise the Secretary-General on a range of issues related to DMFAS management. The latest Advisory Group Meeting took place in November 2011. It noted in its conclusions the positive outcomes from the completed 2007–2010 Strategic Plan and considered the new 2011–2014 Strategic Plan as relevant and responsive to clients’ needs. Participants praised the results of the meeting and stated that it was very useful for contributing to the Programme’s planning, networking and learning about best practices.

393. **Objectives/features:** The aim of the DMFAS programme is to help developing countries and countries with economies in transition build their debt management capacity, in support of good governance, development and poverty reduction.

394. By working directly with the countries, along with international and regional organizations involved in debt, the programme identifies best practices in debt management and translates them into specialized products and services. These are shared with countries through technical cooperation projects and through international and regional conferences and workshops. DMFAS products and services are global public goods.

395. The programme provides countries with the following: (a) capacity-building through the provision of a specialized DMFAS system designed to meet the operational, statistical and analytical needs of debt managers and bodies involved in developing public debt strategies, and training in its use; (b) capacity-building through the programme’s advisory services, including needs assessments and advice on technical, administrative, and institutional debt management issues, and assistance in software installation and maintenance; (c) capacity-building in debt management skills, including through the programme’s modules on debt data validation, statistics and debt portfolio analysis.

396. **Outputs/description of activities:** The DMFAS programme supported capacity-building in debt management at the national, regional and international level throughout the year, through the organization of on-the-job training, national and regional workshops, study tours and interregional seminars, as well as through needs assessments and project evaluation missions.

397. In addition to ongoing permanent support provided to countries via its central operations, the DMFAS programme managed 34 operational projects at the country level. New project agreements were signed in 2011 for 13 countries, namely Burundi, Democratic Republic of Congo, Georgia, Guinea Bissau, Honduras, Indonesia, Iraq, Madagascar, Philippines, Rwanda and Uganda, as well as two new DMFAS countries (Armenia and Lao PDR).

398. The new projects signed in 2011 are aimed at installing DMFAS Version 6 in the above-mentioned countries, except in Guinea Bissau and Vietnam, where DMFAS Version 5.3 was installed. They also included relevant functional training

for the installation, use and maintenance of the DMFAS system as well as advanced analytical training courses.

399. The programme continued to pay particular attention to the needs of heavily indebted poor countries (HIPC). Half of all countries that were qualified, eligible or potentially eligible for the HIPC initiative were DMFAS clients. In addition to training and advice in debt management, and the provision of a system containing features linked to HIPC relief, the programme's assistance in helping countries to build comprehensive debt databases actively boosts their potential for reaching completion point.

400. In 2011, the programme continued its support to governments in linking debt management to other government financial management systems. It also continued to explore linking DMFAS with aid management systems.

401. The year 2011 saw the continued successful implementation of the major new releases of UNCTAD's DMFAS software – DMFAS 6. This web-enabled version of the software caters to the latest institutional and operational needs of government debt management offices and offers comprehensive coverage of all types of debt instruments. By the end of 2011, DMFAS 6 was being actively used by Armenia, Dominican Republic, Egypt, Georgia, Guatemala, Paraguay, Philippines and Uganda.

402. Extensive support to all DMFAS system users, including assistance and advice on a wide range of functional and technical issues, was made available by the DMFAS Helpdesk to all DMFAS system users throughout the year. The Helpdesk responded to a total of 650 DMFAS user requests.

403. The programme also continued to intensify its collaboration with other providers of technical assistance in debt management. Collaboration included the regular sharing of information on technical assistance activities, such as mission schedules and reports, the organization of joint workshops, participation in each other's events (including the provision of resource persons) and contribution to and support for each other's activities. In particular, in 2011 this included active collaboration with the Debt Management Facility of the World Bank and the International Organization of Supreme Audit Institutions. Within UNCTAD, the DMFAS programme and the Debt and Finance Analysis Unit (its sister unit within the Debt and Development Finance Branch) maximized synergies between their respective areas of work. This included input to debt and technical assistance reports, and close collaboration in the organization of the Debt Management Conference, in the implementation of United Nations Development Account projects and the development and delivery of the DMFAS programme's capacity-building module in debt portfolio analysis.

404. **Results:** In 2011, 81 per cent of all DMFAS country beneficiaries since the launch of the programme in 1981 continued to use the DMFAS system for the management of their day-to-day debt. Almost all have reached the capacity level of maintaining a regularly updated and validated database and are able to use it for monitoring and internal reporting, and nearly three-quarters have reached the level of using the DMFAS system for external reporting and statistical purposes. Nearly all DMFAS clients expected to report to the World Bank's Debtor Reporting System were doing so, and almost two-thirds (62 per cent) of DMFAS countries were reporting to the IMF–World Bank's Quarterly External Debt Statistics (QEDS) database. In addition, two-fifth (20 of 49) of those invited to participate in the IMF–World Bank's Public Sector Debt Statistics (PSD) database in 2010 agreed to participate, with one-third (16) already doing so. Thanks to the DMFAS system, the

majority of DMFAS clients have been able to maintain comprehensive and reliable databases, contributing to good governance and transparency.

405. In 2011, half of all countries (20) with HIPC status were DMFAS beneficiaries. DMFAS clients included 20 least developed countries, 17 landlocked developing countries, and three small island developing States.

406. In 2011, 112 national and regional capacity-building missions were organized by DMFAS. These included on-the-job training, national and regional workshops, study tours, and needs assessment and project evaluation missions. Over 500 debt officials benefited from this capacity training, which strengthened their debt management procedures, reporting and analytical skills. Clearly identifiable outputs from capacity-building workshops included the production of one debt portfolio review in Nicaragua, two data validation calendars in Congo and Zambia and a debt statistics bulletin in Angola and Mali.

407. By the end of the year, DMFAS 6 was being implemented in 13 countries and 15 institutions: Armenia, Argentina, Burundi, Dominican Republic, Egypt, Guatemala, Panama, Paraguay, Philippines, Rwanda, Georgia, Uganda and Venezuela. Future DMFAS 6 installations in other DMFAS client countries are also being discussed in additional countries.

408. In 2011, one new country installed the DMFAS 5.3 system (Lao PDR) and nine countries updated their current database to a newer version (DMFAS 5.3 in Vietnam and DMFAS 6 in Armenia, Dominican Republic, Egypt, Georgia, Guatemala, Paraguay, Philippines and Uganda). Thirteen countries currently link DMFAS with other financial management systems, with some upgrading their links to DMFAS version 6.

409. The 2011 Donor Consultation Meeting, held in conjunction with the Advisory Group Meeting in November 2011, expressed its satisfaction with the strategic plan for 2011-2014. The results of this meeting demonstrated a high level of satisfaction from donors with the progress made during the first year of implementation of the Programme's four-year strategic plan that started in 2011. However, it was understood that full achievement of the plan would be dependent on available funding. The Programme was recommended as one where donors saw results and were ensured of a good return on their development funding. Participants encouraged new donors to join the Programme's community of donors. In 2011, the DMFAS donors included the European Commission, France, Germany, Ireland, Italy, the Netherlands, Norway, and Switzerland.

Table 11

**Strengthening the debt management capacity of developing countries**

<i>Project number</i>	<i>Short title</i>	<i>Starting date</i>	<i>Source of fund</i>
ANG/OT/9AJ	Instalación del SIGADE 5.3 y capacitación avanzada para la gestión de la deuda con enlace a sistemas integrados	2009–	Angola
ARG/OT/8BL	Strengthening public debt management capacity in Argentina	2008–	Argentina
ARG/OT/8BU <sup>d</sup>	Fortalecimiento de la capacidad de gestión de la deuda pública de la Provincia de Buenos Aires	2008–2011	Argentina

<i>Project number</i>	<i>Short title</i>	<i>Starting date</i>	<i>Source of fund</i>
ARM/0T/BAS <sup>a</sup>	Implementation Services of DMFAS Version 6 for public debt management	2011–2011	World Bank
BDI/0T//0AN <sup>a</sup>	Renforcement des capacités de gestion de la dette	2000–2011	Burundi
BDI/0T//BAT	Renforcement des capacités de gestion de la dette de la Direction de la Trésorerie	2011–	EC
CAF/0T/7AJ <sup>a</sup>	Renforcement des capacités de gestion de la dette à la Direction de la Dette	2007–2011	African Development Bank
DOM/0T/AAT <sup>a</sup>	Fortalecimiento de las capacidades de Gestión de la deuda Pública de la Republica Dominicana	2010–2011	World Bank
EGY/0T/9AG	Strengthening public debt management	2009–	Egypt
ETH/0T/4AN <sup>a</sup>	Capacity-building in debt and financial management	2004–2011	Ethiopia
GBS/11/001	Renforcement des capacités de gestion de la dette	2011–	UNDP
GEO/0T/BAR <sup>a</sup>	Strengthening public debt management	2011–2011	Georgia
GUA/0T/AAD <sup>a</sup>	Fortalecimiento de la capacidades para la gestión de la deuda	2010–2011	Inter-American Development Bank
HAI/0T/8AX <sup>a</sup>	Renforcement des capacités de gestion de la dette du Ministère de l’Economie et des Finances et de la Banque de la République d’Haïti	2008–2011	World Bank
HON/0T/4AH <sup>a</sup>	Fortalecimiento de las capacidades para la gestión de la deuda en Honduras	2005–2011	Honduras
INS/8X/8DS <sup>a</sup>	Implementation of DMFAS Version 5.2	1998–2011	Australia
INS/0T/7AG <sup>a</sup>	Enhancing external debt Recording and management in Indonesia	2007–2011	Australia
INS/0T/ABB	Strengthening public debt management	2011–	Switzerland
LAO/0T/AAV	Implementation of DMFAS 5.3	2011–	World Bank
NIC/0T/4BW <sup>a</sup>	Capacity-building in debt management in Nicaragua	2006–2011	Inter-American Development Bank
OMA0T9AD	Strengthening public debt management	2009–	Oman
PAN/0T/9AA	Fortalecimiento de las capacidades para la gestión de la deuda en Panama	2009–	Panama
PAR/0T/AAV	Control y administración de la deuda pública	2011–	Paraguay

<i>Project number</i>	<i>Short title</i>	<i>Starting date</i>	<i>Source of fund</i>
PHI/0T/9BI <sup>a</sup>	Capacity-building in debt management within the Bureau of the Treasury of the Philippines	2009–2011	Philippines
PHI/0T/ABK	Strengthening debt management in the Bureau of the Treasury	2011–	Philippines
PRC/0T/AAQ <sup>a</sup>	Capacity-building in debt management within the Caisse Congolaise d'Amortissement	2011–2011	Congo
RWA/0T/6BO <sup>a</sup>	Integrated support project to MINECOFIN – DMFAS update and training	2006–2011	UNDP
RWA/0T/BBC	Implementation Services of DMFAS Version 6	2011–	Rwanda
SUD/0T/4BG <sup>a</sup>	Capacity-building in debt and financial management	2004–2011	Norway
TOG/0T/8AN	Renforcement des capacités de gestion et de production de statistiques de la dette à la Direction de la dette publique	2008–	African Development Bank
UGA/0T/AAW	Strengthening of debt management capacities at the Ministry of Finance, Planning and Economic Development	2011–	Uganda
VEN/0T/5AC	Proyecto para la implementación del SIGADE 5.3 y los enlaces con los sistemas de análisis e integración financiera (SIGECOF II)	2005–	Venezuela
VIE/0T/8BC <sup>a</sup>	Public financial management reform project - Component 3B - DMFAS	2005–2011	World Bank
YEM/0T/7BO <sup>a</sup>	Strengthening debt reporting and institutional integration in debt management	2007–2011	Yemen
ZAI/0T/4CB <sup>a</sup>	Renforcement des capacités de gestion de la dette à l'office de gestion de la dette publique	2004–2011	Democratic Republic of the Congo
ZAM/9X/9DL	Implementation of DMFAS 5.1	1999–	Zambia
ZIM/9X/9DN	Implementation of DMFAS 5.1	1999–	Zimbabwe
RAF/0T/9AV <sup>a</sup>	Renforcement du Pôle Afrique de l'Ouest du Programme SYGADE de la CNUCED	2009–2011	France
INT/9X/542 <sup>a</sup>	Strengthening the debt management capacity of developing countries	1995–2011	Switzerland
INT/0T/2AO	Strengthening the debt management capacity of developing countries	2002–	Multi-donor
INT/0T/9BJ	Support to DMF activities organized by The World Bank	2009–	World Bank

<i>Project number</i>	<i>Short title</i>	<i>Starting date</i>	<i>Source of fund</i>
INT/0T/9BL <sup>a</sup>	Support to International Organization of Supreme Audit Institutions activities	2009–2011	Norway
ROA-2245(R7)	Strengthening capacity for effective asset and liability management in national debt management offices	2011–	Development Account

<sup>a</sup> Projects that were “operationally but not financially completed” or “completed” in 2011.

## **XII. Cluster XII**

### **Transport and trade facilitation**

#### **Lead division: Division on Technology and Logistics (DTL)**

410. The projects under this cluster provide technical assistance and capacity-building in the fields of trade logistics, and customs automation through ASYCUDA.

#### **A. Trade logistics**

411. *Development context:* The importance of trade logistics as a catalyst of growth and development cannot be overemphasized. A supportive transport policy framework and trade facilitation measures enable growth in merchandise trade volumes, attract foreign direct investments and increase export capacities. Together, these elements help lower transport and trade costs and improve trade competitiveness and growth.

412. Research and analytical work in the field of transport and trade facilitation is crucial to help developing countries effectively address the many challenges that hinder their trade and competitiveness, including insufficient and inadequate transport infrastructure and services. Insight gained is widely disseminated, including through guidance, advice and training to benefit developing countries in strengthening their policy and operational capacities in the field of transport and trade facilitation. UNCTAD’s technical cooperation activities in the areas of transport and trade facilitation seek to establish a favourable domestic environment for international trade transactions. Relevant activities include modernization of customs procedures through customs automation, in particular through the Automated System for Customs Data – ASYCUDA.

413. *Objectives:* The contribution of UNCTAD’s technical cooperation programme in the field of trade logistics aims at addressing the persistent and emerging challenges facing developing countries, in particular, the geographically disadvantaged and most vulnerable regions such as the landlocked developing countries (LLDCs), small island developing States (SIDS) and the least developed countries (LDCs). In 2011, areas of priority included transport costs and their determinants, transit transport, access to efficient and reliable transport systems, energy efficiency and environmental sustainability in transport, impacts of climate change on transport and related adaptation requirements, transport law and the regulatory framework underlying transport and trade, and implementation of trade facilitation reforms and customs automation.



414. **Outputs:** In 2011, UNCTAD cooperated on a number of occasions with other organizations in managing seminars, workshops, training courses and national projects.

**1. Trade and Transport Facilitation Project (TTFP-II) in Pakistan**

415. During 2011, UNCTAD continued to provide advisory services to the Government of Pakistan, under the World Bank-financed Trade and Transport Facilitation Project II, in the area of trade and transport facilitation. Under the project, an ongoing activity provided ad hoc support to the Pakistan Mission in Geneva in the WTO trade facilitation negotiations. UNCTAD organized broader capacity-building activities; provided technical assistance in the alignment of trade documents to the United Nations Layout Key; and supported implementation of the Afghanistan Pakistan Transit Trade Agreement.

**2. Technical assistance and advisory services in Africa and Asia to support effective participation in negotiating bilateral, regional and multilateral trade facilitation arrangements**

416. For many countries in Africa and Asia, especially the least developed and geographically disadvantaged landlocked countries, trade facilitation is critical. Under the 7th Tranche of the United Nations Development Account, the UNCTAD project “Strengthening capacities of developing countries in Africa and Asia to support their effective participation in negotiating bilateral, regional and multilateral trade facilitation arrangements” commenced in 2011. The project will run over 32 months, initially focusing in greater depth on six countries: Tanzania, Uganda and Rwanda in East Africa, and Bangladesh, Nepal and Bhutan in South Asia, i.e. one transit and two landlocked countries in each region. In addition, Burundi and Kenya in East Africa, and India in South Asia, will be included in regional and interregional activities. These countries have committed themselves to an increasing number of bilateral, regional and multilateral trade facilitation initiatives. The effective management of these commitments and their alignment with national development objectives are critical to the success of trade facilitation.

**3. Capacity-building in developing countries to support their effective participation in the WTO negotiations process on trade facilitation**

417. As of May 2011, around 489 RTAs, counting goods and services notifications separately, had been notified to the GATT/WTO. After several years of positive progress, the negotiations have reached the stage of a draft text for a future WTO trade facilitation agreement. Many see this agreement as a source of significant benefits to the world trading community.

418. In November 2011, UNCTAD published a study entitled *Trade Facilitation in Regional Trade Agreements* (UNCTAD/DTL/TLB/2011/1), which analyses customs and other trade facilitation measures contained in 118 regional trade agreements currently in force in Africa, Asia, the Americas and Europe as well as agreements concluded across other regions. These scrutinized provisions in RTAs refer to the publication and administration of trade-related rules, customs procedures and freedom of transit.

419. Throughout 2011, the WTO negotiations on trade facilitation continued to be among the most important features of international trade facilitation efforts. During the year, UNCTAD worked closely with various agencies such as United Nations regional commissions – ESCAP, ESCWA and ECLAC; regional organizations – ALADI, OECS, SIECA, UEMOA; and regional development banks – ADB, AfDB,

IsDB in order to find regional solutions to trade and transport facilitation challenges. It is also worth noting that UNCTAD brought together key regional trade facilitation stakeholders in all of the G77 regional groups.

#### **4. Advisory service on policy and legal issues in the field of transport**

420. UNCTAD continued to provide legal advice and guidance on a wide range of issues and developments affecting the transport and trade of developing countries. As required and on an ad hoc basis, detailed and comprehensive responses were provided, both in writing and orally, to address requests and inquiries received from various governmental and intergovernmental entities as well as non-governmental organizations. Expert legal advice and guidance were provided in relation to an array of substantive legal issues and international legal instruments. These included in particular: (a) the Rotterdam Rules, 2008; (b) the International Convention on Arrest of Ships, 1999; (c) the United Nations Convention on International Multimodal Transport of Goods, 1980; (d) The International Maritime Solid Bulk Cargoes Code; (e) The International Maritime Dangerous Goods Code; and (f) the International Convention for the Control and Management of Ships' Ballast Water and Sediments, 2004.

421. Equally, policy guidance and information, including in particular documentation and data, were provided in response to requests received. Relevant areas of coverage included developments in international seaborne trade, shipping services, freight costs, sustainability in shipping, marine ecotourism as well as climate change impacts on transport and related adaptation requirements. Beneficiaries included public and private sector entities from both developed and developing countries, in particular national policymakers, international and national industry associations and their membership, academia and consultancy firms as well as other agencies within the United Nations system.

#### **5. Other capacity-building activities in transport and trade facilitation**

422. UNCTAD launched a new project in cooperation with the Palestinian Shippers' Council to facilitate transport and trade in Palestine. The project is funded by the Canadian International Development Agency (CIDA) and aims to strengthen the capacity of the PSC to serve as focal point for the promotion of shippers' interests and facilitation of their trade and transport-related activities.

423. One output of the project is a client-orientated service portfolio for the PSC, developed with input from the shipping community. Interviews, workshops and questionnaire-based needs assessments have been carried out by the project team to identify the most critical services required by Palestinian shippers. These include research, policy advocacy, training, networking and strategic partnerships as well as legal advice.

424. UNCTAD continued its activities in capacity-building programmes and training of delegates, students and representatives from the public and private sector in transport-related issues. It also participated at regional conferences to give advice on best practices in the field of transport and logistics. These meetings included among others (a) the Second Operational Meeting of the Parliamentary Assembly of the Mediterranean Panel on External Trade; (b) Investments in The Mediterranean; (c) the Third Session of the UNECE Team of Specialists on Public-Private Partnerships; and (d) the ECO Conference on Logistics and Transit Facilitation in the ECO Region.

425. UNCTAD continued to participate actively in global collaborative initiatives and events organized by a range of entities. These included the African Development Bank, Asian Development Bank, Commonwealth Secretariat, UNECE, ESCAP, International Federation of Freight Forwarders Associations, Freight and Logistics Leaders Forum, International Association of Maritime Economists, Intertanko, Islamic Development Bank, International Organization for Standardization, International Transport Forum, Ministry of Transport in Abu Dhabi, National Board of Trade in Sweden, OECD, United Nations Special Programme for the Economies of Central Asia, World Customs Organization, as well as academic institutions, such as the World Maritime University, the École polytechnique fédérale de Lausanne and a consortium of European Universities from the United Kingdom and Spain.

426. UNCTAD also continued to provide support to Geneva-based delegations by providing advice on substantive issues of the trade facilitation negotiations, including transit and general aspects of the WTO negotiating process.

427. **Results and impact:** The impact of UNCTAD's technical assistance and capacity-building support activities in the field of transport and trade facilitation can easily be measured by the progress achieved by an increasing number of developing countries in addressing the persistent challenges facing their transport systems and trade operating frameworks. This in turn, helps improve the ability of these countries to effectively participate in the global trading networks and supply chains.

428. In the context of the WTO negotiations, one area of the WTO Doha Development Round which has significantly progressed has been the draft text towards a future multilateral WTO Trade Facilitation Agreement. Under the framework of the Doha Development Agenda, the Members of the World Trade Organization (WTO) have since 2004 been engaged in the negotiation of multilateral trade facilitation rules which would clarify and improve existing Articles V, VIII and X of the General Agreement on Tariffs and Trade 1994 (GATT).

429. Discerning technical assistance programmes with a distinctive adaptation to national requirements, with a long-term presence in the field, such as the ones carried out in Pakistan and Palestine, have a prominent impact in the form of sustainable changes in institutional structure and administrative performance affecting international trade and transport operations in a highly positive way.

## **B. The ASYCUDA programme**

430. **Development context and objectives/features:** The ASYCUDA (Automated System for Customs Data) programme, now present in over 90 countries, is the largest technical cooperation programme within UNCTAD. Its main objective is the modernization of customs operations, using information technology to enhance the capability of customs administrations for speeding up and simplifying the goods process of clearing goods.

431. It is Internet-based and uses the most advanced tools provided by modern technology. The system is designed for managing the whole customs clearance process, from (and prior to) the arrival of the goods, up to their ultimate release for home use after payment of duties and taxes. The system includes advanced risk-management/selectivity capabilities and very strong anti-corruption features.

432. **Outputs:** 2011 counted more than 58 ASYCUDA operational technical assistance projects, including 14 regional/inter-regional projects.

433. The latest countries using ASYCUDA Version 2 have now migrated to ASYCUDA++ or directly to ASYCUDAWorld, bringing to a close the first long era of ASYCUDA Version 2 projects which have lasted for thirty years. Activities for the implementation of the migration to ASYCUDA++ continued in Afghanistan, Botswana, Cameroon, Gambia, Guinea, Guinea-Bissau, Malawi, Nigeria and Sierra Leone.

434. The latest release of the system, ASYCUDAWorld, is operational in Albania, Cambodia, Côte d'Ivoire, Curacao, Dominica, Georgia, Haiti, Jordan, Lebanon, Moldova, Nicaragua, Palestine, St Lucia, Trinidad and Tobago and Zimbabwe which cover the full customs clearance process. Implementation activities for ASYCUDAWorld (prototype building, roll-out, system consolidation, system extension) started or continued in Anguilla, Belize, Caribish Nederland, Republic of Congo, Djibouti, El Salvador, Gibraltar, Grenada, Iran, Kosovo, Liberia, Libya, Mali, Montserrat, Rwanda, Sao Tomé and Príncipe, Sri Lanka, Sudan, Tunisia, Turks and Caicos Islands, and Venezuela (Bolivarian Republic of).

435. In the Asia and Pacific region, the work of the programme focused on the live deployment of ASYCUDAWorld in Lao PDR and Sri Lanka. Concurrently, the Regional Office in Kuala Lumpur continued to provide technical support to other ASYCUDA user countries in the region to promote the work of the ASYCUDA programme and to maintain its online presence. Backstopping for the Pacific subregion was delivered through the ASYCUDA Support Mechanism for the Pacific based in Fiji, which has now celebrated its 10th anniversary.

436. In 2011, projects were signed for the migration to ASYCUDA World in Cameroon, the Democratic Republic of the Congo, Suriname and Afghanistan. In these countries, the objectives of the project will be to roll out ASYCUDA ++ in all customs offices to ensure full coverage and to progressively migrate to ASYCUDAWorld in order to enhance the use of risk management and to selectivity and more globally, enhance the capabilities of the Afghan Customs Department.

437. The ASYCUDA Central Team continued research and analysis activities for extending the system functionality in order to embrace the concept of a Single Window for International Trade. The Single Window will allow the connection of other government agencies to the customs system for the electronic exchange of data and the common processing of documents, providing a basis for the implementation of e-customs and e-government. The Single Window will also open for the trade community in order to have access to a paperless environment.

438. **Results:** The results and impact of the ASYCUDA projects can be assessed by various institutional and trade facilitation benchmarks, including increased revenue, improved trade facilitation, shorter clearance times and availability of timely and reliable trade statistical data. The consistent enforcement of customs and related legislation nationwide and the automatic calculation of duties and taxes result in the increase of State budget revenue, while reliable and timely trade and fiscal statistics assist Governments in planning their economic policy.

439. It is likely that ASYCUDAWorld will have a major impact on e-business and e-government transactions, making international trade simpler and cheaper while opening international markets up to enterprises from developing countries.

440. The willingness to change and the commitment and full support from the highest governmental authorities are key success factors for the customs modernization projects.

Table 12  
**Transport and trade facilitation**

<i>Project number</i>	<i>Short title</i>	<i>Starting date</i>	<i>Source of fund</i>
AFG/0T/4CE <sup>a</sup>	Emergency customs modernization and trade facilitation project in Afghanistan	2004–2011	World Bank
AFG/0T/BBD	Implementation of ASYCUDA	2011–	Afghanistan
ALB/0T/7BF <sup>a</sup>	Implementation of ASYCUDA World in the Customs Department	2007–2011	Albania
ALB/0T/BBA	Implementation of the excise management & control function in the Albanian Customs IT System	2011–	Albania
BDI/0T/ABD	ASYCUDA technical assistance and support	2011–	United Kingdom
BZE/0T/7BU	ASYCUDA	2007–	Belize
CAF/0T/3AX <sup>a</sup>	Migration au système SYDONIA++	2005–2011	Central African Republic
CHD/08/001 <sup>a</sup>	Appui au PAMFIP, Renforcement des capacités de la douane	2008–2011	UNDP
CMR/0T/6AB <sup>a</sup>	Soutien à l'administration des douanes	2006–2011	Cameroon
DJI/0T/AAS	ASYCUDA World technical assistance and support	2011–	Djibouti
DMI/0T/7BY <sup>a</sup>	ASYCUDA	2007–2011	Dominica
DRC/0T/9AN	Implementation of ASYCUDA	2009–	EC
EUR/0T/AAZ	Implementation of Asycuda in Kosovo customs	2011–	Kosovo Customs
GAM/0T/8BH <sup>a</sup>	Migration of ASYCUDA system from Version 2.7 to ASYCUDA++ Gambia	2008–2011	Gambia
GBS/0T/8BI	Migration des douanes a SYDONIA++	2008–	African Development Bank
GIB/0T/9AM	Implementation of ASYCUDAWorld	2009–	Gibraltar
GRN/0T/AAP	ASYCUDAWorld Grenada	2010–	World Bank
GUI/0T/4AR <sup>a</sup>	Migration au système SYDONIA++	2004–2011	Guinea
HAI/0T/5AM <sup>a</sup>	Mise en place de SYDONIA World à l'Administration générale des douanes	2005–2011	Haiti
IRA/05/755 <sup>a</sup>	Implementation of e-Customs ASYCUDAWorld in Iran (Islamic Republic)	2005–2011	UNDP
IVC/0T/4BV <sup>a</sup>	Implémentation de ASYCUDAWorld en Côte d'Ivoire	2005–2011	Côte d'Ivoire

<i>Project number</i>	<i>Short title</i>	<i>Starting date</i>	<i>Source of fund</i>
JOR/0T/6AE <sup>a</sup>	Implementation of ASYCUDA World in Jordan	2006–2011	Jordan
JOR/0T/AAB <sup>a</sup>	Creation of the Regional Centre of Excellence in the AQABA Special Economic Zone	2011–2011	Jordan
LAO/0T/9AE	Computerization of customs procedure and data	2009–	World Bank
LEB/0T/5BK	Implementation of ASYCUDA World in Lebanon	2005–	Lebanon
LIB/0T/8AP	Implementation of ASYCUDA World in the Libyan Customs Directorate	2008–	Libyan Arab Jamahiriya
LIR/0T/8CD	ASYCUDA World Project in Liberia	2008–	Liberia
MAG/0T/2BY <sup>a</sup>	Migration to ASYCUDA++ system	2003–2011	Madagascar
MAU/0T/5BD	Migration des Douanes mauritaniennes à la version++ du SYDONIA	2005–	Mauritania
MDV/08/001 <sup>a</sup>	Support to Maldives Customs Service to upgrade ASYCUDA	2008–2011	UNDP
MLI/0T/9BF <sup>a</sup>	ASYCUDA World technical assistance and support	2009–2011	Mali
NAM/0T/2AI <sup>a</sup>	Migration to ASYCUDA++	2002–2011	Namibia
NEP/0T/6BR <sup>a</sup>	Consolidation of customs automation	2006–2011	Asian Development Bank
NIR/0T/5AB <sup>a</sup>	Implementation of ASYCUDA++ in the Nigerian Customs Service	2005–2011	Nigeria
PAK/0T/8AK	Trade and Transport Facilitation Project (TTFP-II)	2008–	World Bank
PAL/0T/7AV <sup>a</sup>	Implementation of ASYCUDA World in Palestine	2007–2011	EC
PAL/0T/BAL	Capacity development for facilitating Palestinian trade	2011–	Canada
PHI/0T/8AB <sup>a</sup>	Implementation of UNCTAD's DMFAS system within the Bangko Sentral ng Pilipinas	2008–2011	Philippines
RWA/0T/2BX <sup>a</sup>	Migration to ASYCUDA++	2003–2011	United Kingdom
RWA/0T/BBE	Customs management and electronic single window system	2011–	Rwanda
SIL/0T/8AA <sup>a</sup>	Implementation of ASYCUDA++ in Sierra Leone	2008–2011	United Kingdom
SRL/0T/7BL	ASYCUDA World in Sri Lanka	2007–	Sri Lanka

<i>Project number</i>	<i>Short title</i>	<i>Starting date</i>	<i>Source of fund</i>
STP/0T/9AB <sup>a</sup>	ASYCUDA Project	2009–2011	United States
SUD/0T/8BG	ASYCUDA Project	2008–	Sudan
SYR/0T/4BP	ASYCUDA implementation in the Syrian Arab Republic	2005–	Syrian Arab Republic
TOG/0T/2AN	Migration to ASYCUDA++	2002–	Togo
TRI/0T/1BW	Simplification of customs procedures and data using ASYCUDA++	2004–	Trinidad and Tobago
TUN/0T/7AT <sup>a</sup>	Coopération pour la modernisation et l'automatisation des procédures douanières	2007–2011	Tunisia
UGA/0T/1AP <sup>a</sup>	Migration to ASYCUDA ++ Customs Modernization Programme	2001–2011	Uganda
YEM/0T/8BT <sup>a</sup>	ASYCUDAWorld Project in Yemen	2008–2011	Yemen
ZIM/0T/7AC	Implementation of ASYCUDAWorld in Zimbabwe	2007–	Zimbabwe
INT/9X/89S <sup>a</sup>	Support for Asycuda implementation activities	1989–2011	Multi-donor
INT/9X/31Y	Introduction of multimodal transport and microcomputer software programmes	1993–	Multi-donor
INT/0T/4CO	Capacity-building in developing countries and least developed countries to support their effective participation in the WTO negotiations process on trade facilitation	2004–	Multi-donor
INT/0T/9BD	Integration and piloting of ASYCUDA/CLIENT Export System	2009–	Netherlands
INT/0T/AAL	Integration and piloting of ASYCUDA/TIR System	2010–	International Road Transport Union
RAF/0T/2AG <sup>a</sup>	Migration to ASYCUDA system from Version 2.7 to ASYCUDA++ in ECOWAS	2002–2011	ECOWAS
RAF/0T/6BC	Establishment of the SEATAC	2006–	Norway
RAF/0T/8AL	Strengthening ASYCUDA implementation in Southern and Eastern Africa	2008–	Botswana
RAF/0T/8AT <sup>a</sup>	Interconnexion des douanes d'Afrique Centrale	2008–2011	EC
RAS/0X/0DX	ASYCUDA implementation and support in the Asia/Pacific region	2000–	Multi-donor
RAS/0T/1DA	ASYCUDA support mechanism for the Pacific	2002–	Japan

<i>Project number</i>	<i>Short title</i>	<i>Starting date</i>	<i>Source of fund</i>
RLA/0T/3AD	ASYCUDA regional support for the Americas	2003–	National governments
RLA/0T/8BO <sup>a</sup>	Implementation of ASYCUDAWorld in the Customs Administrations of Anguilla, Montserrat, and the Turks and Caicos Islands	2008–2011	European Commission
RLA/0T/ABC	Implementation of ASYCUDAWorld in Belastingdienst/Bes Islands	2010–	Netherlands
ROA-2672 (AU)	Strengthening capacities of developing countries in Africa and Asia to support their effective participation in negotiating bilateral, regional and multilateral trade facilitation arrangements	2011–	Development Account

<sup>a</sup> Projects that were “operationally but not financially completed” or “completed” in 2011.

### **XIII. Cluster XIII ICT policies and applications for development**

#### **Lead division: Division on Technology and Logistics (DTL)**

441. This cluster of activities supports research, analysis and capacity-building in developing countries, with regard to policymaking in the field of information and communications technologies (ICTs) and their economic applications. A multi-donor and multi-year trust fund on ICT Policies for Development supports UNCTAD’s technical assistance activities in this area: INT0T9AS.

#### **A. ICT policies for development**

442. *Development context:* Through the outcome of the World Summit on the Information Society (WSIS), the international community recognizes the need to address the digital divide between developed and developing countries in access to and use of ICTs, including with regard to economic and business aspects. ICTs have considerable potential to enhance the competitiveness of enterprises in developing countries, provide better access to markets, generate new opportunities for economic diversification, create jobs, and reduce poverty. Accordingly, ICT policies have been incorporated into the national development strategies and policies of many developing countries.

443. UNCTAD works to promote ICTs and e-business for development, through technical cooperation in the areas of ICT measurement and cyberlegislation. UNCTAD helps by building the capacity of countries to produce information economy statistics that will enable them to formulate and implement evidence-based ICTs for development policies. It also assists countries in harmonizing their legal frameworks and creating an enabling environment for electronic and mobile commerce. UNCTAD furthermore undertakes ICT Policy Reviews on request (see [www.unctad.org/ecommerce](http://www.unctad.org/ecommerce)). In addition, UNCTAD is a vice-chair and an active contributor to the work of the United Nations Group on the Information Society as well as a co-organizer of the annual WSIS Forum.



444. **Objectives/features:** UNCTAD aims to strengthen the capacity of developing countries to use ICTs for pro-poor economic growth, productivity and development, to formulate and improve ICTs for development strategies, and to assess the results of these policies by developing appropriate mechanisms for monitoring and evaluation, including via the production of internationally comparable statistical indicators.

445. **Output:** Extrabudgetary funding from the trust fund contributed to the preparation and dissemination of the *Information Economy Report 2011: ICTs as an Enabler for Private Sector Development (IER2011)* ([www.unctad.org/ier2011](http://www.unctad.org/ier2011)). *IER11* benefited from several background papers prepared by leading experts and partly financed by the trust fund. In May 2011, a peer review seminar was organized to discuss draft chapters for the Report. The Report was released on 19 October 2011 and presented to journalists and other interested stakeholders via launching events in 17 cities around the world, often in collaboration with other United Nations agencies. In addition, the Report was presented at special research and policy events dealing with ICTs and private sector development, such as the e-Asia Conference in Dhaka (December 2011), the 15th anniversary of the International Institute for Communication and Development in the Hague, a workshop with GIZ in Bonn, and a joint seminar with the Aspen Network of Development Entrepreneurs in Washington DC. Work on *IER12* commenced in the autumn of 2011.

446. As part of UNCTAD's assistance to developing countries in the area of ICT measurement, a training course was organized on the production of ICT statistics on the information economy for countries in the Arab region. The course was run in collaboration with the International Telecommunication Union (ITU) and the Arab Institute on Training and Research in Statistics in Amman (Jordan) in June 2011. It benefited 21 participants from the Arab region who are responsible for producing official statistics on the information economy in their respective countries. This was the seventh such regional training course delivered by UNCTAD.

447. More training and other forms of technical assistance are required in this field, however. Many developing countries have yet to carry out their first national survey on the size of the ICT production sector or the intensity and modalities of ICT use by their enterprises. In view of its mandate and experience, UNCTAD is well placed to provide developing countries with ad hoc technical assistance in measuring ICT. Moreover, given the high pace of change in the ICT landscape, there is an ongoing need to develop and refine the set of core indicators agreed upon by the Partnership on Measuring ICT for Development. For example, there are requests from member States to develop statistical standards for the measurement of trade in ICT services and ICT-enabled services. Increased extrabudgetary funding will be required in order to meet the needs for methodological improvements as well as for capacity-building.

448. UNCTAD also continued its collaboration with other parts of the United Nations system. UNCTAD contributed to an Expert Group Meeting held in Beirut on "Standardizing information society measurements in the ESCWA region" (December). The work on measuring ICT was addressed in the context of several international meetings in New York (United Nations Statistical Commission), Paris (WPIIS Meeting), Geneva (WSIS Forum) and Port Louis (World Telecommunication/ICT Indicators Meeting).

449. With regard to technical assistance related to the project on ICT and Law Reform, UNCTAD's activities served to build capacity of relevant stakeholders, preparing cyberlaws and facilitating increased regional harmonization of cyberlegislation. The focus in 2011 was on projects in Africa and Latin America with

the support of the Governments of Finland and Spain. Technical cooperation activities were undertaken in cooperation with United Nations regional commissions, UNCITRAL and regional secretariats.

450. In Africa, as part of assistance provided to the East African Community (EAC) since 2007 for the harmonization of cyberlegislation in the five Partner States, three events were organized in cooperation with the EAC Secretariat in 2011. Two regional meetings of the EAC Task Force on Cyberlaws (Kenya and United Republic of Tanzania) took stock of progress made by the EAC Partner States in implementing Framework Phase I and discussed and endorsed the EAC Legal Framework for Cyberlaws (Phase II). Framework II deals with issues of competition, intellectual property rights, taxation and information security. Moreover, a briefing for Kenyan MPs was organized together with the Commission on Communications of Kenya (Mombasa, Kenya) to facilitate the enactment of laws. The briefing supported the efforts of the Kenyan Government to advance on cyberlaw reforms, in particular given the increasing use of mobile phones within the country for financial transactions.

451. A draft UNCTAD study on Mobile Money in the East African Community was presented at the occasion of the EAC Regional Meeting in Zanzibar, Tanzania and is due to be published in 2012. It draws on lessons across the EAC and makes policy recommendations to leverage mobile money for inclusive development, including in support of small businesses across the EAC.

452. In May 2011, UNCTAD participated in the UNECA Workshop on Legal and Regulatory Framework for the Knowledge Economy held on the fringe of the Second Session of the Committee on Development Information Science and Technology (CODIST II).

453. In Latin America and the Caribbean, activities continued to be conducted in partnership with UNCTAD's TrainForTrade programme. A Workshop on Legal Aspects of e-commerce was organized in La Paz on further harmonization in the region (Bolivia, February 2011) following a distance delivery of the training course on Legal Aspects of e-commerce for 210 participants from 19 SELA (Latin American and Caribbean Economic System) member countries in November 2010. A new edition of that course was delivered in October–November 2011, for another 192 participants from 17 countries with the cooperation of SELA and the support of Spain.

454. The Study on Prospects for Harmonizing Cyberlaws in Central America (funded by Spain) launched in 2010 was translated into English and was made available on the UNCTAD website in January 2012 (see [http://www-dev.unctad.org/en/docs/dtlstict20093\\_en.pdf](http://www-dev.unctad.org/en/docs/dtlstict20093_en.pdf)).

455. At the global level, UNCTAD continued to coordinate its activities in the field with UNCITRAL and participated in the UNCITRAL Colloquium on Electronic Commerce in February 2011 (New York). The Colloquium focused on legal issues relating to electronic transferable records, identity management and mobile commerce, and discussed recent developments in the area of cross-border electronic single window facilities.

456. UNCTAD's first ICT Policy Review (as per para 160 of the Accra Accord) was successfully presented to member States in October 2011. The Government of Egypt was represented by a high-level delegation headed by H.E. Mohamed Salem, Minister of Communications and Information Technology. Over 35 member States, private sector representatives and international organizations participated in the event. The Review was prepared in cooperation and with the support of the Egyptian

Ministry of Communications and Information Technology and the UNDP Office in Cairo. It evaluates the main achievements and remaining challenges in key ICT areas. In addition, it provides valuable inputs into the Ministry's next national ICT strategy, including best practices from other countries and concrete recommendations aimed at making ICT policies more demand-driven and inclusive.

457. **Results:** *IER11* helped to raise awareness among relevant stakeholders about ways of using ICTs to promote private sector development (PSD), including women's entrepreneurship. The Report generated considerable interest in the media, the research community and the business world. More than 100 articles were noted by UNCTAD's press unit. Several radio and TV interviews were also conducted in national and international media. The Report provided concrete policy advice to governments and development partners. Its recommendations have attracted interest from several donor agencies and national governments. The peer review meeting organized in Geneva brought new insights, experiences and viewpoints from different countries and institutions working in the area of ICT and PSD and helped ensure that analysis was state-of-the art. Presentation of the Report at various academic and policy-oriented conferences provided an opportunity for networking between UNCTAD and the wide community of ICT experts. Such outreach activities are essential for the Report to have an impact on the international policy dialogue related to ICT4D and for creating a bridge between the ICT4D and the PSD community.

458. In the case of measuring ICT, UNCTAD continued its leading role in the Partnership on Measuring ICT for Development – as part of its Steering Committee (which UNCTAD chaired from July-December), as leader of its Task Group on Capacity-Building, and as a member of its Task Group on Impacts.

459. In 2011, the training course took place at an opportune moment for many Arab countries, as the need for sound and internationally comparable statistics on the use of ICT by business is essential to support policymaking. The evaluation showed a high level of satisfaction among participants, with 89 per cent rating the quality of the course as good or very good. The course also served the goal of increasing the visibility and of the importance of ICT measurement in the region. Prior to the course, only six Arab countries had collected data on the information economy.

460. The training course and UNCTAD's participation in various international meetings allowed for the strengthening of networks of experts on ICT measurement in different regions of the world. These networks can be tapped in the future to further disseminate ICT measurement core indicators and methodologies, which are necessary to design internationally comparable ICT statistics. It is also hoped that the presence in these countries of a focal point that is familiar with the core indicators devised by the Partnership will help to raise awareness in countries of the importance of producing internationally comparable statistics on ICT in business, as well as assist UNCTAD in collecting national data. Finally, these networks provide a pool of expertise that can be used for further training and dissemination activities at the country level, for example through distance learning and training of trainers.

461. Thanks to UNCTAD's capacity-building activities in the area of measuring ICT, there has been an improvement in the availability and quality of ICT indicators related to the use of ICTs by enterprises. The number of developing countries conducting surveys of ICT use by enterprises is increasing, and the quality of the data supplied is improving. In 2011, Cameroon, Costa Rica, Ecuador and El Salvador were among the developing countries that responded to UNCTAD's annual survey for the first time.

462. An external evaluation of the entire programme on ICTs and Law Reform was completed in 2011 (see [http://www.unctad.org/en/docs/webosg2011d1\\_en.pdf](http://www.unctad.org/en/docs/webosg2011d1_en.pdf)). Undertaken at the request of Finland, it documented the results and lessons learned in the implementation of the project, and made recommendations for further strengthening the work of UNCTAD in the area. The evaluation concluded that the project had been pioneering the introduction of the legal dimension of ICTs to its beneficiaries and initiating cyberlaw reform and harmonization processes. Through the project, draft cyberlaws have either been enacted or prepared for government endorsement in Cambodia and the Lao People's Democratic Republic, as well as in EAC Member States. The mix of legal advice and training, backed by awareness-raising and institutional capacity-building, built the confidence and commitment of project partners to achieve compliance with international ICT standards as part of their efforts towards graduation from LDC status. Ownership by the project's partners, especially where there is knowledge of the legal issues at stake in ICT for development, was instrumental in keeping up the momentum for cyberlaw reform.

463. In the EAC, Governments have shown strong determination to advance on cyberlaw reforms, partly in response to the increased use of mobile phones for business and financial transactions. The EAC Secretariat and EAC members of the Task Force on Cyberlaws expressed their appreciation for UNCTAD support in the preparation of the Framework for Cyberlaws, Phase II, which the EAC Secretariat is due to examine and adopt at its next session in March 2012. At the national level, several EAC countries made considerable progress during 2011.

464. EAC countries have requested further assistance with capacity-building in the area of cyberlaws for different categories of stakeholders, including MPs, judges and policymakers.

465. Egypt has indicated an interest in further support from UNCTAD to follow up on some of the recommendations made in the ICT Policy Review.

Table 13

**ICT policies and applications for development**

<i>Project number</i>	<i>Short title</i>	<i>Starting date</i>	<i>Source of fund</i>
EGY/09/001 <sup>a</sup>	National ICT policy review for Egypt	2009–2011	UNDP
INT/0T/9AS	ICT policies for development	2009–	Common Fund For Commodities

<sup>a</sup> Projects that were “operationally but not financially completed” or “completed” in 2011.

## **XIV. Cluster XIV Cross-divisional training and capacity-building**

### **Lead division: Division on Technology and Logistics (DTL)**

466. *Development context:* The need to secure developing countries' beneficial integration into the globalized world economy can be satisfied only if these countries build resources, knowledge and skills that will allow them to achieve their development objectives. In this context, UNCTAD seeks to develop local capacities for trade as a key to growth and development.

467. *Objectives/features:* This cluster is instrumental in the achievement of the objectives of subprogramme 4 (Technology and Logistics) of the UNCTAD section of the United Nations Strategic Framework for the period 2010–2011. The programmes under this cluster, namely TrainForTrade, the Virtual Institute, and the Course on Key International Economic Issues, aim to enhance sustainable local capacity in the fields of trade, finance, investment, tourism and other interrelated areas and their links with development, as well as local teaching and research capacities on trade and development in academic institutions in developing countries and countries with economies in transition. They do so through technical assistance and cross-divisional capacity-building, focusing on human resources development, training, networking and academic support. The mandate for these programmes is confirmed by para 162 of the Accra Accord.

#### A. TrainForTrade programme

468. *Outputs:* The TrainForTrade programme contributes to capacity development through the transfer of international trade-related knowledge in developing and least developed countries (LDCs). Its strategy is based on the three-programme approach:

1. Programme on international trade, investment and finance;
2. Programme on sustainable tourism for development; and
3. Port training programme.

469. Four areas of activities are developed under each programme:

1. Support to individuals (human resources development);
2. Support to training institutions to generate knowledge, taking into consideration local needs;
3. Support to governmental institutions, including policy formulation; and
4. Network for knowledge-sharing and multiplier effects.

470. In 2011, in the field of technical cooperation, TrainForTrade has continued delivering face-to-face and distance-learning courses in cooperation with other UNCTAD programmes. A total of 14 face-to-face and distance-learning workshops benefited 911 trade operators (of whom 285 were women) from 37 developing countries, including 10 least developed countries.

471. TrainForTrade worked in collaboration with the regional organization for the Latin American and Caribbean Economic System (SELA), whereby 192 trainees from 17 Latin American and Caribbean countries followed distance-learning courses on legal aspects of ecommerce. The follow-up of this event will be organized in 2012. Meanwhile, four ToT courses, including distance learning techniques, were organized for 94 African, Asian and Latin American trade operators (including 14 women). As a capacity-building result, 264 trainees (53 women) were trained by local trainers all around the world, representing 31,680 hours of local courses delivered in 2011.

472. *Course development:* With strong expertise in training and methodological skills, the TrainForTrade programme developed and updated training packages to respond to the specific needs of beneficiary countries according to their local environment. Face-to-face and e-learning packages have been developed on international investment dispute prevention policies, sustainable tourism for development and trade policies for economic diversification. Furthermore, several other courses have been updated and some elements adapted, such as the Modern

Port Management training package, which was updated in English, Spanish, French with Portuguese and e-learning components added.

473. *Course Delivery:* Hybrid2 Learning is an e-learning approach combining group training with distance learning led by local technical tutors used by the UNCTAD TrainForTrade Programme. The Hybrid2 approach aims to integrate the advantages of face-to-face training into distance learning while eliminating the need for an expert to be physically present. This e-learning course is followed by a face-to-face delivery at a local or regional level. This increased the exchanges among participants and raised the level of face-to-face seminars. In specific cases, e-learning was used to replace experts that could not travel in the beneficiary country.

474. The forum is indeed a very powerful element in the TrainForTrade e-learning platform: for instance, more than 6000 messages were exchanged in one month during the yearly basic course on Legal aspects of e-commerce delivered for Latin America and Caribbean.

475. *Increased cooperation on e-learning:* TrainForTrade cooperates with OCHA with regard to e-learning activities (including five courses) to share experiences and strengthen the skills of the two agencies in this area. UNOG/SDLS collaborate on e-learning through a dedicated platform that is currently shared by TrainForTrade and SDLS, especially with regard to the use of United Nations languages (where more than 1000 participants were registered). Increasingly, TrainForTrade is recognized as a key player in distance learning tools by Geneva-based organizations and is being sought to play a pivotal role in the soon-to-be established community of practice.

## **1. Training programme on international trade and investment**

476. TrainForTrade has been supporting requests and projects aimed at strengthening local capacities of trade and investment actors and of training institutions, and fostering developing countries' ownership of knowledge in the field of trade and investment.

477. In Angola, the four-year TrainForTrade project funded by the European Commission successfully completed the activities of the direct implementation phase, which came to an end on 31 December 2011. The National Steering Committee validated the work plan for Year 4 at its annual meeting in March 2011. The TrainForTrade activities planned and implemented in 2011 focused mainly on issues concerning consumer protection, international investment agreements and dispute prevention policies, sustainable tourism (see point 2) and modern port management (see point 3):

478. In collaboration with the Competition and Consumer Policies Branch, TrainForTrade organized an awareness-building workshop and worked on drafting the regulations for Angola's Consumer Protection Law with the cooperation of the National Institute of Consumer Protection, the National Bank of Angola, the Ministry of Commerce, Angola's Economic Policy, the Association of Consumer Defence (ADECOR), the Ministry of Justice and the Angolan Ombudsman's office. The proposal was then presented to 100 National Assembly members and 40 representatives of Angola's Institute for Consumer Protection. Another workshop held in November 2011 and attended 53 national consumer protection agents (of whom 28 were women) was designed to help them anticipate the challenges they will face when applying the new regulations.

479. Building on the Workshop on International Investment Agreements (2008) and the 2010 publication entitled *The Legal Framework of Private Investments in the Republic of Angola*, a course was developed with the Investment Policies Branch of UNCTAD's Division on Investment and Enterprise (DIAE) to reinforce the capacity of the Angolan Government to prevent and resolve disputes between investors and the State. A total of 26 participants from the Ministries of Commerce, Economy, Finance, Foreign Affairs, Oil, Industry as well as the Angolan National School of Commerce, the Chamber of Commerce and Industry, and the University of Lusíada benefited from the corresponding e-learning and face-to-face sessions on dispute prevention policies.

480. The TrainForTrade programme continued its cooperation with regional integration organizations. In 2011, thanks to the contribution of the Kingdom of Spain and the partnership of the Latin American and Caribbean Economic System Secretariat (SELA), a second (first one in 2010) training course was organized in La Paz (Bolivia) from 15–18 February. This face-to-face Regional Workshop on Cyberlegislation addressed representatives from 13 SELA member countries. Participants favourably evaluated the organization and outcomes of the meeting. Among others, participants highlighted the importance of continuing with capacity-building activities in the field of cyberlegislation and suggested incorporate new developments in the region into a study on Prospects for Harmonizing Cyberlegislation. A new edition of the distance learning course on Legal Aspects of e-commerce was delivered from October 31–27 November 2011, for 192 participants from 17 countries with the cooperation of SELA and the support of the Kingdom of Spain.

481. TrainForTrade also participated in the Western and Central African Enhanced Integrated Framework workshop that was held in Bamako in December 2010 in order to jointly assess training and capacity-building needs with representatives from the Central African Republic, Chad, Gambia, Mauritania, Niger and Sierra Leone.

## **2. Training programme on sustainable tourism for development**

482. In 2011, TrainForTrade continued its capacity-building activities on sustainable tourism. It particularly focused on developing national and local training capacities by rolling out plans at the decentralized level. TrainForTrade worked on equipping selected decision-makers with the necessary skills to strengthen the beneficial effects that tourism can generate.

483. In Angola, a workshop took place in Huambo province (September 2011) and was co-delivered by local instructors, which had first participated as students in the previous TrainforTrade workshop. They then travelled to Benguela in September 2011 to deliver a second workshop, this time as the lead instructors. This marked a definitive step towards transferring project ownership to the Angolan counterparts and ensuring project sustainability.

484. A national study on sustainable tourism, with a particular focus on the province of Benguela, identified the sector's strengths, weaknesses, challenges and opportunities, and provided four innovative ideas for sustainable tourism projects. It was drafted by a national tourism expert, who had graduated from the first seminar in 2009, in collaboration with an international consultant.

485. A study tour was organized in Mozambique for two Angolan government officials working in the field of tourism. The goal was for the Angolan delegation to meet with tourism professionals in Mozambique and learn from their experiences, in order to help facilitate the emergence of innovative ideas for sustainable tourism projects in Angola. At the end of the study tour, the participants presented three

project proposals to sustainably improve the organization of the tourism sector in Angola. These proposals, based on the experiences they saw in Mozambique, were endorsed by the tourism actors during a feedback seminar.

486. In Cambodia, and at the request of the Ministry of Tourism, UNCTAD/TrainForTrade developed a pilot training activity. The seminar was organised in Phnom Penh from 21–25 February 2011. The 24 provincial Directors of Departments of Tourism, along with representatives from the Ministry of Tourism participated in the training session. Based on the knowledge acquired, participants formulated four types of recommendations for concrete implementation in their provinces on site management, destination management, capacity-building and institutional cooperation. The Cambodian experience was recorded and formatted in a documentary film.

487. TrainForTrade participated in a workshop held in Kampala (Uganda) in November 2011 with 50 tourism stakeholders in order to define priority actions to be implemented for achieving inclusive development of tourism in Uganda. TrainForTrade facilitated the Working Group on Sustainable tourism development: Capacity-building, which resulted in the formulation of three priority areas and seventeen actions. The participants recognized the potential of TrainForTrade as a partner for capacity development in the country and asked the programme to prepare proposals in that regard. The activity was carried out in cooperation with the Government of Uganda – Ministry of Tourism, the International Trade Centre (ITC) and UNDP – Uganda. It was based on an opportunity study carried out by ITC at the request of the Government of Uganda.

488. TrainForTrade continued to play an active role in the UNCTAD Task Force on Sustainable Tourism for Development. It participated in the first workshop of the Steering Committee on Tourism for Development (SCTD, nine United Nations agencies), organized from 18–20 October 2011 in Geneva. As a result of this workshop, several countries expressed an interest in working with TrainForTrade. Coupled with the continuous support and advisory services work undertaken by the programme throughout the year, project proposals on sustainable tourism were initiated and are currently under discussion with the following countries: Benin, Bhutan, Burundi, Cambodia, Comoros, Gabon, Guinea, Lao PDR, Lesotho, Malawi, Maldives, Mali, Mauritania, Nepal, Senegal, Sierra Leone, Tanzania, Uganda and Zambia.

### **3. Port training Programme**

489. This programme is a solid example of capacity-building, focusing on the successful development of local trainers' capacities to train their staff. In 2011, 1680 hours of delivery were provided by local instructors trained by the TrainForTrade capacity development projects, representing more than 180,611 hours of individual delivery locally.

490. The French-speaking African Port members of the TrainForTrade Port Training Programme organized new training cycles of the Modern Port Management Course for the port communities of Cotonou (Benin), Douala (Cameroon), Dakar (Senegal), and Djibouti. The port of Libreville (Gabon) started its fourth cycle after seven years on hold. In addition, a ToT seminar was held in Marseille (France) for the port members of the network and new potential port members in collaboration with the port of Nantes and Valencia. A module on computerization and human resources development was delivered in the port in Cotonou and Dakar, while a workshop on TrainForTrade methodology was held in Douala (Cameroon) for representatives of the French-speaking port network.



491. In the Portuguese-speaking network, TrainForTrade delivered Modules 7 and 8 of the Modern Port Management Course in Angola (within the framework of the project financed by the EU). This brought to completion the instruction portion of the course, which began in 2009 and totalled 240 hours. Twenty-four middle managers passed the exams of the said Modules, completing all eight Modules.

492. In cooperation with the Dublin Port Company and Irish Aid, TrainForTrade launched the second cycle of the Port Training Programme in four pilot countries (Ghana, Indonesia, Maldives, and Tanzania) and in a new beneficiary country (Namibia). The first three modules of the Modern Port Management Course were delivered in each of the pilot countries of the network, namely, Ghana (Ghana Ports and Harbours Authority), Indonesia (PT. Pelabuhan Indonesia), the Maldives (Maldives Ports Limited) and Tanzania (Tanzania Ports Authority). For the new member, Namibia Ports Authority, an implementation mission was carried out to analyse all aspects related to implementation of the Programme, which is expected to begin in February 2012. TrainForTrade also organized the first Training of Trainers (Module 1 to Module 4) for senior managers and local instructors of the English-speaking Port Communities in Dublin, Ireland from 18–27 October 2011. The workshop was a great success with all 24 senior managers from port communities in Africa, Asia and Latin America who graduated from the course, providing a larger pool of trainers in their respective countries (Ghana, Indonesia, Namibia, Peru, Tanzania, and Sri Lanka). Finally, Irish Aid and UNCTAD signed an agreement on 11 November 2011, reaffirming Ireland's commitment to finance the Programme for the second cycle of 2011–2013.

493. In Latin America, TrainForTrade successfully launched and delivered the second cycle of the Port Training Programme in Guatemala and Peru. The training courses were organized with the cooperation of the Comisión Portuaria Nacional in Guatemala and with the Autoridad Portuaria Nacional in Peru. National instructors from both countries, trained by TrainForTrade, were in charge of course delivery with the support of experts from the Spanish Port Authorities of Valencia and Gijón.

494. The Spanish-speaking network was reinforced in 2011 not only by the active mechanism of collaboration between the ports in Latin America and the Spanish Port Authorities, but also by the signing of the Memorandum of Understanding between UNCTAD and Puertos del Estado (the specialized agency that coordinates the port authorities in the Spanish port system). The MOU strengthened the spirit of the previous MOUs signed in 2007 with the Port Authorities of Valencia and Gijón and represents a further step in the cooperation between UNCTAD and the Spanish port authorities.

495. **Impact:** The impact of the activities conducted in 2011 by the Human Resources Development Section/TrainForTrade is evaluated at different levels before, during and after the events relating to technical assistance and advisory services. Needs assessments and fact-finding missions are conducted in close collaboration with the national stakeholders through different mechanisms that foster national appropriation (e.g. National Steering Committees). During the activities, several questionnaires are administered and direct feedback from participants is collected for analysis. After the events, other types of benchmarking are used to measure the level of stakeholder commitment to and participation in follow-up of recommendations. For instance, the replication mechanism was very successful in the Port Training Programme. It was measured by looking at the number of former participants whose role in the programme has increased by becoming instructors and who are therefore taking more responsibility in their own structure at the level of senior management. Other good indicators of the impact of the Programme in the

field are the validation of the dissertation by international and regional port experts, and its relevance to the value-added chain in the port community. Another example of impact can be found in the Angola project financed by the European Commission: following the workshops on consumer protection and their associated recommendations, the Association of Consumer Defence pursued efforts to build awareness of this crucial subject at the level of the National Assembly.

## **B. Course on key issues on the international economic agenda**

496. *Outputs:* The course on key issues on the international economic agenda, or Paragraph 166 course, is delivered in two forms: three-week regional courses and short (half-day) courses for diplomats in Geneva.

497. The regional courses continued to enhance knowledge and understanding of contemporary economic issues among trade policy officials and finance and investment experts involved in trade and development issues. A particular focus was on the development of appropriate trade-finance-investment policies that produce development gains and meet the development objectives of participating countries. Ways to attract and embed FDI and to determine how it can benefit SMEs through linkages are also built into the curricula. Science, technology and innovation issues and the necessary trade logistics required to facilitate trade are also raised and discussed in the curricula. Trade negotiations that impact directly on the benefits of trade and consequently development remain an essential part of the programme.

498. During the design phase, UNCTAD collaborated with the United Nations regional commissions and national experts to ensure a rich, coherent programme on trade, finance, investment, technology and development. Detailed case studies and lessons learned from previous policy decisions were successfully integrated into the course, and emphasis was placed on policy design, policy coherence and implementation.

499. In 2011, two regional courses were organized in Medellín (Colombia) for Latin American and the Caribbean (July 2011) and in Singapore (November–December 2011) for the Asia–Pacific region for a total of 48 participants from 30 countries, including 9 LDCs. A third course for the African region had to be postponed due to events in Egypt in January 2011; the secretariat is endeavouring to deliver the course in 2012.

500. The short courses continued to update Geneva-based diplomats on the most recent issues and developments on the international economic agenda. Six such courses were offered in the spring and autumn sessions of 2011, in cooperation with relevant UNCTAD divisions. A total of 130 delegates from 51 permanent missions of developing, transition and developed countries and three international organizations participated in the spring series, while 90 participants from 75 permanent missions and 15 international organizations attended the autumn term. Contemporary economic issues continue to be the core of the curricula for these courses such as science, technology and innovation for development, food security and agricultural commodity markets, reform of the international financial architecture, sovereign debt and debt crisis and governance, development and LDCs.

501. *Key highlights:* The evaluations of the regional courses on key issues on the international economic agenda showed that participants appreciated the integrated approach to development taken by UNCTAD in designing a programme that looks at development from the multiple perspectives of trade, finance, investment and

technology, and that illustrates how appropriate policies can contribute to economic growth and the development process in general.

502. Several participants in the Latin American and Caribbean course reported that they had a broader vision of economic issues and had gained new knowledge and a useful framework to help them take integrated decisions that are positive for the development of their countries; others indicated that while the focus may be on trade, the whole policy framework is equally important for understanding the dynamics of the international economic environment and its complexities and the significance of the negotiations process in that regard. Many reported that they had a broader vision of the different development policies in Latin America and understood better the peculiarities of each country and how they had learnt about fiscal measures and commercial policies in the region and their applicability and impacts in different countries and also how they had learnt the required tools to participate in economic negotiations. Several indicated in particular that they better understand the implications of development, particularly from the perspective of incoming foreign direct investment, the changing nature of international investors and the impact of the economic crisis over developing countries. Some also mentioned issues related to industrial policy and trade facilitation as being useful in the reform of their industrial sector. Many participants appreciated the various exercises that were developed in the different modules and also mentioned that the simulation exercise was very important for their learning, as it helped encourage debate on how best to approach economic negotiations with an eye to the development context. There was also acknowledgement of the high quality of the UNCTAD and regional experts and the unique learning environment of the course.

503. Many participants in the Asia-Pacific course provided similar feedback, with several indicating that the course had provided theoretical and practical aspects in understanding development and explaining how the course had brought them up to date on recent events with regard to trade, investment, development and other sectors. Others commented that the course firmly placed the development of developing countries at the core of its programme. Various development issues in the international economic agenda were covered and the experience of successful countries was well integrated into the curriculum, making theories more understandable and realistic. There was much learning that took place as to how diversified developing countries are learning from each other and why some countries have succeeded. Others commented on the different paths available to make progress, especially in development. They particularly appreciated how the curricula provided a broader and deeper understanding of the main economics issues and that it made them change the way they thought about seeking new dimensions of economic development. Participants also commented positively on the preparations, research and readings they had to undertake before attending the course and how the exercises in the different modules were designed to build on previous lessons learnt in other modules aimed at improving their economic policy design and coordination. The final simulation exercise was for many a very useful case study that reflected the reality of their work on trade and development.

504. Concerning the overall organization of the course, and as mandated by the Advisory Body, the secretariat issued a call for proposals for multi-year venues, in order to help to diversify the financial resource base and therefore reduce costs; as well as raise the predictability of the conditions of delivery of the regional courses and attest to the value attached by member States to the programme. The secretariat received positive responses from Mauritius and Oman, which were awarded multi-year venue status by the Advisory Body for regional courses there between 2012 and 2017.

505. The short courses also generated many positive commentaries from participants, particularly where several indicated that the courses raised their awareness of contemporary issues that rank high in the economic agenda; that the topics covered were excellent and relevant to their work; that a holistic approach was taken; and that the resource persons made the course lively and relevant to contemporary issues.

506. *Impact:* The impact of the regional courses is measured through the six-month post-course evaluation that is sent to both participants and their supervisors. In the report, the impacts achieved by the programme in the Beirut and Baku courses in 2010 are highlighted. There is acknowledgement by participants and their supervisors that there has been an improvement in participants' knowledge of international economic affairs and good application of the knowledge, skills and tools learnt at the course through the preparation of reports on foreign trade and trade policy issues. Others indicate the sharing and dissemination of the knowledge with colleagues. Participants also state that they are better integrated into their organizational structures and the political strategies of their Ministries/Departments through decision-making on trade-related areas, policy formulation and writing of white papers. Here, several stress the value of the lessons learnt in policy coordination and coherence and a better understanding of their own Ministry/Department functions, while others indicate involvement in WTO Chair programmes and more responsibilities within their Ministries/Departments.

### C. The Virtual Institute on Trade and Development (Vi)

507. *Outputs:* The Virtual Institute continued to work with universities in developing and transition countries to strengthen their teaching and research capacities on trade and development, and increase the policy relevance of their work. It also engaged in disseminating UNCTAD's research and facilitating the exchange of information among member States. A detailed report on Vi activities in 2011 is available at <http://vi.unctad.org/files/reports/2011.pdf>. During the period under review, the Virtual Institute received financial support from the Governments of Finland, Japan, Norway and Spain. At the end of 2011, it was also selected by UN-DESA to implement a Development Account project aimed at combining training for academics with applied research on trade and poverty issues of relevance to policymaking in participating countries.

508. Vi university membership increased by 16 per cent in 2011, as nine new universities, from Azerbaijan, Benin, Brazil, China (People's Republic of), Colombia (2), the Czech Republic, Ethiopia and Zambia joined the Vi, expanding the university network to 64 institutions in 36 countries. In December, following the decision of the Secretary-General of UNCTAD to streamline the organization's work with academia (universities and research institutes), the Vi was tasked with integrating UNCTAD's Global Network of Development Think Tanks into its membership. By the end of 2011, two Global Network of Development Think Tanks members, from Bangladesh and Belgium, had registered as Vi think tank members.

509. The Vi made every effort to continue offering its members a "menu of services" that would allow members from all regions to participate in its activities. While capacity-building activities, in particular for LDCs, were initially the main focus of the Vi, the thrust have gradually moved towards dissemination of UNCTAD's research and the support to academic networking, in response to downsizing and changes in profiles of staff on the Vi team.

510. In the area of support to teaching, the Vi provided curriculum advice to universities in Colombia on the development of a trade-related Master's programme. At the request of its member in Tanzania, the Vi developed short introductory teaching materials on multilateral trade negotiations and assisted the university in developing a teaching module on the country's trade policy and foreign trade performance. The Vi also supported a local adaptation of its teaching material on competitiveness and development to the national context of the member university in Uganda, with production of these materials funded by the Government of Finland. Furthermore, the Vi organized five 1-2 week study tours with tailored training programmes at UNCTAD, Vi partner institutions (WTO, ITC, WIPO, ICTSD, IOM and the South Centre) and permanent missions for 151 students (including 94 women) from the Caribbean, China (People's Republic of), Colombia, the Russian Federation and Tanzania, as well as three shorter sessions for its members in China (People's Republic of), Germany and the Russian Federation.

511. In the area of professional development for academics, the Vi organized one interregional professional development workshop on tools and methods for trade and trade policy analysis for 22 academics (including 5 women and 12 participants from LDCs) from 20 African and Asian countries. The workshop, delivered in cooperation with UNCTAD's Division on International Trade in Goods and Services and Commodities, WTO and ITC, produced recommendations on Research-based policymaking: Bridging the gap between researchers and policymakers, based on a brainstorming session between participants and policymakers from permanent missions in Geneva. In response to specific requests for strengthening teaching and research capacities at member universities, the Vi also held three specialized national workshops on international investment law, industrial policy, and panel data applied to international trade, for 85 academics (including 18 women) from Ethiopia, Tanzania and Uganda. These workshops were delivered in cooperation with UNCTAD's Division on Investment and Enterprise, the Division for Africa, LDCs and Special Programmes and the Division on International Trade in Goods, Services and Commodities. Four academics, from Cameroon (2), the Russian Federation and Senegal participated in the sixth round of the Vi fellowship programme at UNCTAD. All these capacity-building activities, except the fellowship for the Russian academic, who used her own financial resources, were funded by the Government of Finland. Capitalizing on its experience, the Vi also published a study on capacity-building for academia in African LDCs, with financial support from the Government of Finland.

512. In the area of cooperation among the members of the Vi university network, researchers from Vi member universities in India and Russia, with funding from the Government of Japan, finalized a joint research project on carbon emissions, benefiting from a peer review by UNCTAD's Division on International Trade in Goods and Services and Commodities. The Vi also used its networking capacity to facilitate North-South and South-South cooperation projects among its members. Within the framework of joint support to Vi LDC members, the Vi and the University of Applied Sciences Berlin, using funds from the Government of Finland and the Government of Germany, sponsored a workshop in Uganda on economic challenges and opportunities for LDCs. With funding from the Government of Finland, the Vi supported South-South cooperation in teaching, making it possible for a lecturer from Ethiopia to deliver a course on Intellectual Property Rights to International Trade Master's students in Tanzania. The Vi also facilitated and cosponsored the studies of a candidate from its member university in Ethiopia in the Master's programme in International Economic Law and Policy of Vi's Spanish member, the University of Barcelona. Following a successful pilot delivery of a 10-week online

course on legal instruments of international economic relations and regional cooperation in 2010, the Vi, in cooperation with the Fundación CEDDET (Spain) and the University of Barcelona, co-organized a second delivery of the course in 2011, with funding from the Government of Spain. Thirty-three members of the Vi network (including 10 women) from 25 developing and transition countries successfully completed the course.

513. In the area of dissemination and information exchange services, the Vi website continued to provide access to teaching resources, including more than 1,000 UNCTAD papers and studies, to 2,552 individuals from 157 countries. In 2011, the Vi developed 17 new multimedia teaching resources for its members, which generated a total of more than 6,300 hits. The Vi also provided members with nearly 1,700 UNCTAD publications, as well as a DVD with its multimedia teaching resources, to enrich their libraries. It also organized 10 videoconferences disseminating the findings of UNCTAD flagship reports (*Creative Economy Report*, *IER*, *TDR* and *WIR*) to more than 500 university students, lecturers and researchers in Brazil, Jordan, Peru and the Russian Federation. The “News” section of the site was kept active, with 64 news items published in 2011. Four quarterly Vi electronic newsletters were produced and distributed to nearly 4,700 recipients. In addition to disseminating research by virtual means, the Vi was also instrumental in organizing face-to-face presentations of UNCTAD research by experts from the Division on Investment and Enterprise (a presentation on FDI for a university in Russia) and the Division on Globalization and Development Strategies (a presentation on international finance and globalization for a university in Jordan). Vi member universities further organized official launches of UNCTAD flagship reports in their countries (*WIR* in Senegal, *IER* in Cameroon and Colombia). Finally, the Vi served as an information broker for its members, circulating information about their events, calls for papers, courses, degree programmes, etc.

514. **Results:** The Virtual Institute contributed to enhanced teaching and research of trade and development issues at member universities and increased policy orientation of their work by providing support for the development of both individual and institutional capacities in this area.

515. In terms of its impact on the professional capacities of individuals (i.e. academics and students), the Vi:

(a) Provided university students and staff at member universities with up-to-date teaching resources and materials on topical international economic issues and related national policies, which are relevant for/adapted to the specific contexts of their countries. The teaching materials developed in 2011 for Tanzania and Uganda were used in teaching various courses of the International Trade Master’s at the member university in Tanzania, as well as the International Business Master’s in Uganda. Vi member universities also continue to report the use in their teaching of earlier Vi teaching materials and resources.

(b) Enhanced academics’ research skills, the policy orientation of their work, and their capacity to teach topical international trade and development issues through professional development workshops, Virtual Institute fellowships, and the participation in local adaptation of Vi teaching materials or joint research among Vi members. For instance, Vi 2010 fellowships resulted in the publication of a book chapter by a fellow from Ethiopia and a presentation of research findings at a conference by a fellow in Colombia, while those of 2011 led to the finalization of three research papers by fellows from Cameroon and Colombia, the development of a methodology for evaluating the efficiency of competition authorities by a fellow from Cameroon, and a conference presentation by another Cameroonian fellow. In a similar vein, knowledge from professional development workshops was integrated into investment law courses at several universities in Ethiopia. It

also helped academics in Tanzania conduct research related to the revision of the country's trade policy for the Ministry of Industry and Trade, and the national strategy for harnessing the benefits of regional integration for the President's Office Planning Commission, and allowed the academics from Uganda to develop two research papers and strengthen their teaching of quantitative techniques in undergraduate and graduate courses of economics, economic policy management and international business. The recommendations on linking research with policymaking served to support a presentation by a workshop participant, Apronius Mbilinyi, of Tanzania's Economic and Social Research Foundation, at the November 2011 Dialogue on the Use of Research-Based Evidence in Policy Process and Practices in Tanzania, attended by representatives of research institutions, universities, government officials, the private sector and the media.

(c) Improved students' knowledge of international economic issues and understanding of policymaking processes through interaction with international experts from UNCTAD, WTO, ITC and other organizations, as well as the representatives of permanent missions, during Vi study tours and videoconference presentations by UNCTAD staff. This helped the students be better prepared to deal with practical trade and economic policy issues in their future careers.

516. In terms of institutional impact, the Virtual Institute:

(a) Through targeted professional development activities for academics, contributed to the establishment of larger teams of lecturers/researchers at universities which have strengthened their trade-related competencies and skills and are now involved in teaching and researching these issues. On average, six staff members per university are currently involved in the Virtual Institute;

(b) Contributed to the enhancement of undergraduate and graduate programmes and courses on trade and development issues, and the strengthening of research teams working on trade and development issues at member universities. As detailed above, a number of university courses were enriched, and policy-oriented research projects were finalized by academics from Vi member universities.

(c) Supported academic cooperation (both South–South and North–South) and the creation of a community of practice in trade teaching and research among its university members through joint projects, South–South teaching, and other forms of cooperation, and contributed to the strengthening of their capacity to interact, share and cooperate across different countries and cultures.

Table 14

**Cross-divisional training and capacity-building**

<i>Project number</i>	<i>Short title</i>	<i>Starting date</i>	<i>Source of fund</i>
ANG/0T/7AP <sup>d</sup>	TrainForTrade	2007–2011	EC
BEN/0T/8BR <sup>a</sup>	TrainForTrade, PADEX Project, Component II	2008–2011	ITC
GUI/0T/8AF <sup>a</sup>	Renforcement des capacités de la Guinée en matière de commerce international à travers la formation	2008–2011	France
INT/0T/4AB	Mise en place d'un projet de renforcement des capacités de formation portuaire pour les pays en développement	2004–	Developing country ports
INT/0T/5BS <sup>d</sup>	TrainForTrade – Portuaire de Valence	2005–2011	Spain

<i>Project number</i>	<i>Short title</i>	<i>Starting date</i>	<i>Source of fund</i>
INT/OT/6AP	Trust Fund for the UNCTAD Virtual Institute on Trade and Development	2006–	Multi-donor
INT/OT/6AR	TrainForTrade Trust Fund	2006–	Multi-donor
INT/OT/7BR	UNCTAD/TrainForTrade Port Training Programme for English-speaking developing countries	2007–	Ireland
RAS/OT/2CK <sup>a</sup>	Capacity-building in the field of training for international trade (TrainForTrade)	2002–2011	France
RLA/OT/6BJ	Appui aux activités de formation UNCTAD–ALADI	2006–	Spain
ROA-2284 (AR)	Strengthening capacities for policy-oriented analysis of key global development challenges at developing country universities	2011–	Development Account

<sup>a</sup> Projects that were “operationally but not financially completed” or “completed” in 2011.

## **XV. Cluster XV Science, technology and innovation**

### **Lead division: Division for Technology and Logistics (DTL)**

517. The programmes under this cluster seek to support (a) capacity-building in developing countries with regard to the design and implementation of effective national systems of science, technology and innovation, and to support technology transfer; and (b) South–South cooperation in science and technology.

#### **A. Science, Technology and Innovation Policy (STIP) review**

518. **Development context:** Technological upgrading in the productive sector is a necessary condition for long-term growth, development and improvement of living standards. Science, technology and innovation (STI) also have major contributions to make to the achievement of social and environmental goals such as improving access to health and education, managing natural resources, addressing climate change, preserving biodiversity, and broadening the range of options available to people in terms of general quality of life. As knowledge-based and technology-intensive processes generate an increasing share of added value, developing countries need to upgrade their capacity to generate and absorb knowledge and technology and related capacities. Developing countries need to continuously fine-tune their STI-related policies across all sectors of the economy, in order to provide an enabling environment for technological upgrading and catch-up, and also to support innovative development at both the enterprise and government levels.

519. **Objectives/features:** The product of an interactive process with the Government, the STIP reviews are designed to assist developing countries in assessing the effectiveness of their STI-related policies and adjusting their policies and institutions in order to build a national STI framework that is conducive to technological growth and innovative development. STIP reviews include an analysis of the country’s strengths, weaknesses, opportunities, and threats to development.



Typically, STIP reviews also include several chapters that provide an analysis of STI in selected sectors or a specific technology area. Such sectoral studies allow the identification of key STI issues that affect the competitiveness of industries and sectors where local firms can most improve their competitiveness. They also document the country's existing or potential windows of opportunity to optimize technology transfer flows. The overall outcome of a STIP review allows the identification of the different elements – legal instruments, policies, measures and practices – that make up their current STI framework and pinpoints systemic and structural weaknesses and strengths. On this basis, STIP reviews evaluate the STI-related components of sectors of national priority and provide policy options and recommendations.

520. **Outputs and impact:** Efforts to support capacity-building in Latin American countries with regard to the design and implementation of effective national systems of science, technology and innovation in the context of a project funded from the United Nations Development Account are nearly completed. The project has supported work in three countries: Peru, the Dominican Republic and El Salvador. Such activities are being carried out in full partnership with UNECLAC. It is expected that the project will be fully implemented by the end of May 2012.

521. While the impact of policy and institutional changes on the performance of national innovation systems are felt only in the medium and long term, as the capacity of firms to engage in technological learning and upgrading, leading to more innovative activities, improves gradually over time, a certain amount of change is already discernible in those countries where STIP reviews have been undertaken. For example, the recommendations of the STIP reviews in Peru and El Salvador have informed the debates among STI actors concerning priority investment in STI, organizational changes in STI institutions and the relationship between STI policy and other development policies in the two countries where the final documents had been published at the time of preparation of this Report.

522. The STIP review of Peru was officially presented at three national stakeholder workshops held from 4 to 7 October 2011 in Lima, Iquitos and Arequipa. High-ranking officials from several ministries, including the Minister of Foreign Affairs, the Vice-Minister of Production and the President of the National Science and Technology Council, participated in the event in Lima, while the President of the Regional Government of Loreto chaired the event in Iquitos. Overall, more than 250 people from the private, academic and public sector participated in the events connected with the presentation of the report of the STIP review of Peru. The analysis and recommendations of the STIP review provided a basis for a very lively discussion about the role of STI in the country's future development strategies and the various options that could be considered in that regard. In addition to the more general aspects of STI policy, the report and the debates during its presentation also addressed the potential and challenges of STI in three specific sectors, namely biotechnology, nanotechnology and ICTs. Strong positive feedback regarding the quality and relevance of the report was provided by a wide range of stakeholders. The STIP review process, including the substantive discussions in the preparation phase as well as its dissemination during the national workshops, has resulted in increased interest across different government ministries, private sector actors and academics in reinforcing science, technology and innovation policies in Peru. Specific proposals for follow-up activities have been prepared and are under discussion with the Peruvian authorities.

523. The STIP review of El Salvador was officially presented in San Salvador on 23 November 2011. The report was finalized taking into account the feedback

received on an earlier draft presented at a national stakeholders' workshop on 29 March 2011. The diagnosis and recommendations of the report have already fed into public policy design processes. These include the elaboration of the National Industrial Policy and a National Innovation, Science and Technology Policy and proposals for a World Bank loan and an IADB loan related to the promotion of STI in the country. The Government of El Salvador also recently put in place a number of programmes that address several of the recommendations included in the report (e.g. increased public investment in STI).

524. In the Dominican Republic, a first draft was sent for comments to the national counterpart in February 2011. A national workshop to obtain stakeholder feedback on this document was held in September 2011. The draft was revised on the basis of the workshop outcome, and the final draft was submitted in January 2012.

525. There are still a number of outstanding requests to conduct STIP reviews that have not been met because of funding shortfalls. Efforts have been made in this regard to seek funding from extrabudgetary resources. New projects will be undertaken following a new, more structured methodological framework that was developed in 2011 on the basis of the experience gained over recent years. The framework also draws on exchanges of experiences within a network of STI experts and policymakers who have been involved in STIP reviews and an ad hoc expert meeting held in December 2010. The corresponding document, *A Framework for Science, Technology and Innovation Policy Reviews*, UNCTAD/DTL/STICT/2011/7 ([www.unctad.org/en/Docs/dtlstict2011d7\\_en.pdf](http://www.unctad.org/en/Docs/dtlstict2011d7_en.pdf)), sets out the theoretical basis for the STIP Review programme, the major aspects of the implementation process of STIP reviews, and their expected short- and medium-term outcomes. Expected benefits of the elaboration of a formal framework for this technical cooperation programme include the facilitation of medium- and long-term follow-up work in support of STI capacity development. The framework will also help with fund-raising activities to ensure programme sustainability.

## **B. Network of centres of excellence on science and technology**

526. *Development context:* Efforts by developing countries to bridge the technology gap and build national STI capacities can benefit significantly from enhanced scientific networking and from improved access to the STI capabilities existing in other developing countries.

527. *Objectives/features:* The Network of Centres of Excellence was established in late 2005, with the support of the Italian Government, to build on the resources of a number of outstanding scientific and technological institutions in developing countries, using them as regional hubs of learning and training on science and technology applications. The training courses organized by the Network of Centres of Excellence enable scientists and engineers from developing countries, especially from Africa, to update their professional expertise in modern scientific environments. They also strengthen professional linkages within the scientific community and facilitate the mobility of science and technology professionals.

528. *Outputs:* In 2011, no training courses were organized due to a lack of funding.

529. The in-depth evaluation of UNCTAD's programme on science and technology for development (TD/B/WP/234) reported that the Network of Centres of Excellence was considered a successful project by those interviewees who had been involved in

it. The project is currently on hold and further implementation after the initial period (2005–2010) will be contingent upon the availability of new funding.

Table 15

**Science, technology and innovation**

<i>Project number</i>	<i>Short title</i>	<i>Starting date</i>	<i>Source of fund</i>
INT/0T/6AD <sup>a</sup>	Network of centres of excellence in new and emerging technologies in developing countries	2006–2011	Italy
INT/0T/7CB	Special trust fund for activities related to the Commission on Science and Technology for Development with regard to WSIS follow-up	2007–	Switzerland
ROA-1356A (AC)	Strengthening science, technology and innovation policies for development in Latin America	2009–	Development Account

<sup>a</sup> Projects that were “operationally but not financially completed” or “completed” in 2011.

## **XVI. Cluster XVI Productive capacities in landlocked developing countries, small island developing States and structurally weak, vulnerable and small economies**

### **Lead division: Division for Africa, Least Developed Countries and Special Programmes (ALDC)**

530. The programmes under this cluster focus on activities that promote economic restructuring, respecialization and productive capacity-building in least developed countries (LDCs), landlocked developing countries (LLDCs), small island developing States (SIDS) and other structurally weak, vulnerable and small economies, taking into account the implications of these countries’ structural and geographical handicaps with regard to the nature and structure of competitive economic activities and the composition of external trade.

#### **A. LDC Trust Fund**

531. **Objectives:** The objective is to provide support through technical assistance activities to LDCs in the implementation of the agreed programme of action and to facilitate their development efforts and their beneficial integration into the world economy in the areas within UNCTAD’s mandate. Activities are in line and consistent with the decisions adopted at UNCTAD XII. The secretariat also takes into account the commitment to contribute towards the achievement of the Millennium Development Goals (MDGs).

532. **Development approach:** Contributing to strengthening national policymaking capacities through launching more widely and disseminating more proactively the findings of policy analysis and research work and through training and policy dialogues with policymakers and academia in the countries concerned and the international community.

533. Building a network of researchers and policymakers at the national levels and international experts to promote exchanges of views and experiences on policy and practical programmes and projects relevant to the development needs of the countries.

534. **Activities:** The Trust Fund enabled the commissioning of research inputs for the LDC Report 2011, facilitated the dissemination of the Report's findings to LDCs and provided for coaching support to academics in LDCs. In addition and also with a view to assisting these countries in the preparation for the Fourth United Nations Conference on LDCs which was held in Istanbul (Turkey) from 9–13 May 2011, research inputs were provided on areas where such measures are absent or incipient (international commodity policy, transfer of technology, climate change mitigation and adaptation).

535. The Least Developed Countries Report 2011 entitled *The Potential Role of South–South Cooperation for Inclusive and Sustainable Development* benefited from the research inputs commissioned under the Trust Fund. The 2011 LDC Report reviews the economic performance of LDCs over the last decade and provides an outline of possible new development paths, focusing in particular on the potential role of leading Southern economies in catalysing long-term sustainable development and structural transformation in LDCs. The alternative development path aims at inclusive catch-up growth via development of productive capacities, with an emphasis on the potential benefits that can be derived from deeper engagement with Southern partners. The Report takes a long-term perspective on the role of trade, investment and technology transfer from the South in generating endogenous change and structural transformation in the LDC economies. It argues that as LDCs emerge from the current crisis, cases of South–South-driven change and transformation are slowly emerging, and with appropriate policies of LDCs and their Southern partners, can lead to further structural change and diversification.

536. The LDC Report was launched in the following LDCs: Bangladesh, Ethiopia, Lesotho, Rwanda, and Zambia. The launch also targeted several developed countries which are active as development partners of LDCs: Belgium, France, Sweden, Switzerland and the United Kingdom. Finally, the Report was launched in India and South Africa, and was subsequently presented in China. These are large, dynamic developing economies that are important Southern trade and development partners of LDCs.

537. **Results:** With the LDC Report 2011, UNCTAD was able to enhance the quality of its analytical and policy-related work by drawing on both in-house capacities and the expertise of leading international specialists on issues related to the role and significance of South–South cooperation for inclusive and sustainable development in LDCs. Feedback on the LDC Report 2011 has been very positive. The Least Developed Countries Report 2011 once again enjoyed wide press coverage. To date, some 84 press articles have been published on the LDC Report in the press of LDCs and other developing countries, as well as of developed countries.

538. The LDC Report series enriches the debate among policymakers from LDCs and their development partners within UNCTAD's intergovernmental bodies. The Report's findings are also reflected in the outcomes of global conferences addressing issues of relevance to LDCs. For example, the Istanbul Programme of Action for LDCs for the decade 2011–2020 emphasis the role of productive capacities in LDC development by mentioning this concept no less than 22 times. UNCTAD has been advancing thinking on the pivotal role of the development of productive capacities in the development process of the LDCs and the need for a paradigm shift in development strategies and policies in the LDC Report series for several years.

539. As a follow-up to the professional development workshop on Natural resources and economic development (Tanzania, July 2010) which was based on two teaching modules (on mining and economic development, and on oil/gas and economic development) prepared under the project, participating academics were invited to submit research proposals on topical issues for their countries. The authors of the proposals selected (on the economic impact of mining in Western Africa) received small financial grants, as well as coaching support from an international expert in the area of their research, to pursue their projects.

## 1. Capacity development activities

540. The Division organized and contributed to several activities, including training, dissemination and outreach events, aimed at enhancing national capacity in LDCs. Several of these events were linked to the Fourth United Nations Conference on the Least Developed Countries (LDC-IV).

541. Capacity development activities included:

(a) UNCTAD Regional Workshop on Productive Capacities, Economic Growth and Poverty Reduction in Asian LDCs: On Route to the UN LDC-IV Conference (Kathmandu, Nepal, 22–24 March 2011). Workshop participants were 30 senior government officials from Asian LDCs;

(b) UNCTAD Regional Workshop on Productive Capacities, Economic Growth and Poverty Reduction in African LDCs: On Route to the UN LDC-IV Conference (Addis Ababa, Ethiopia, 13–15 April 2011). Workshop participants were 50 senior government officials from African LDCs and Haiti;

(c) Presentation on “Innovative uses of development aid and STI promotion in least developed countries”, at the Preparatory Event for LDC-IV, Science, Technology and Innovation: Setting Priorities and Implementing Policies for LDCs (Istanbul, Turkey, 7 February 2011);

(d) Special Event “Commodity dependence and the impact of the multiple global crises on LDCs” (Istanbul, Turkey, 8 May 2011). This event held at the LDC-IV Conference attracted more than 90 participants from LDCs and their development partners, as well as from United Nations agencies, civil society and the private sector. Participants deliberated on the findings of several case studies highlighting the potential contribution of horticultural exports. Based on lessons and policy conclusions from the studies, recommendations were adopted for action at the national, regional and global levels. The debate was mirrored in the LDC-IV outcome document, which inter alia encouraged LDCs to adopt a more holistic policy approach that takes into account the function of commodities in economic growth and poverty reduction and defines a long-term vision on how to link the commodity sector to national development strategies;

(e) Special Event “Tourism for Sustainable Development and Poverty Reduction” (Istanbul, Turkey, 10 May 2011). This LDC-IV event brought together representatives from LDCs, including 15 Ministers of Tourism, various United Nations agencies and donor countries to debate the contribution of tourism to sustainable development in LDCs. The gathering, which was the first public appearance of the United Nations Steering Committee on Tourism for Development, manifested the increasing relevance of tourism in the development agenda, particularly for LDCs, and represented a clear commitment of the United Nations system to make tourism work for development;

(f) Workshop “Industrial development and globalization in Africa” (Dar es Salam, Tanzania, 14–22 May 2011). The event drew 27 participants from the public and private sectors. Its main objectives were to enhance understanding of the theoretical

underpinnings of the role of industrial development in economic development; to examine the practice of industrial policy in the African context; and to situate industrial policy in the regional and international contexts;

(g) Workshop “Policy to enhance domestic financial resources mobilization”, (Maseru, Lesotho, 11–12 July 2011). The event brought together some 30 participants from the public and private sectors and had as its main objective the dissemination of the findings of the *UNCTAD Policy Handbook on Enhancing the role of domestic financial resources in Africa’s development*. Participants indicated that the workshop was timely, given that Lesotho is in the process of developing a National Strategic Development Plan and will launch a partial credit guarantee scheme. There was recognition that the issues of remittances and capital flight are very important for the country. Discussions also centred on the role of development banks and microfinance institutions which are non-existent at present in Lesotho, the need for a development-oriented financial sector; and ways of improving access to finance and increasing formal financial sector intermediation.

## **B. Activities related to landlocked developing countries (LLDCs)**

542. For several years, UNCTAD has provided advisory services to the tripartite transit traffic agreement among the People’s Republic of China, Mongolia and the Russian Federation. In January 2011, UNCTAD substantively backstopped a consultation meeting among government representatives of the three countries. However, progress in this process is very slow and subject to political decisions of the negotiating governments which are beyond UNCTAD’s control.

543. Implementation of the project “Enhancing the capacities of landlocked developing countries to attract FDI for the development and modernization of productive capacities” begun in 2011 financed by the Development Account. The project aims at enhancing the capacity of policymakers and investment practitioners in ten landlocked developing countries (LLDCs) in Africa and Asia for designing policies and practical measures to attract the FDI needed for the development and modernization of productive capacities in line with national development priorities and geographical constraints.

544. Mali requested an analysis of the possible costs and benefits involved in joining the Economic Partnership Agreement (EPA) with the EU. In response, a cost/benefit analysis was carried out which identified the following four case scenarios: (i) joining the EPA as part of the regional West African grouping; (ii) joining the EPA through a bilateral agreement, as was done by other countries in the region; (iii) creating an EPA between the EU and the non-LDC countries; (iv) not signing an EPA. The full analysis was contained in the analytical paper titled “Enjeux et effets des APEs sur le Mali”. This assistance will also enhance the Trade Ministry’s negotiating capacity, by providing full information on the costs and benefits that such a partnership could involve.

545. In addition, advisory services were provided to the Government of Lao PDR in support of its vision and strategy to achieve structural progress toward thresholds of graduation from Least Developed Country (LDC) status by the end of the 2011–2020 decade. This work, which is steered at country level by the United Nations Resident Coordinator, consisted of explaining how the situation of the country under the LDC criteria evolved over time, and presenting the various scenarios under which progress toward graduation borders could take place in Lao PDR. The country has demonstrated structural change to some extent, despite the geographical handicap of being landlocked. A national seminar on the same subject, with UNCTAD’s participation, is planned to take place in the country in 2012.

### C. Activities related to small island developing States (SIDS)

546. In 2011, technical cooperation activities in favour of SIDS focused on supporting two least developed SIDS (Tuvalu and Vanuatu) in their preparations for the 2012 review of the list of LDCs.

547. The Committee for Development Policy has considered both countries potential cases of graduation from LDC status since 2006. The two Governments needed assistance from UNCTAD in their continued efforts to understand the implications of a loss of LDC status. A mission to both countries was undertaken in June 2011. It enabled UNCTAD to provide policymakers with advisory services on: (i) the short-term implications of pre-eligibility for graduation (with the possibility of a loss of LDC status before the end of 2015); and (ii) the most desirable approach to a “smooth transition” in case either of the two States would have to be prepared to lose LDC treatment. The same mission resulted in the updating of the two vulnerability profiles, an exercise mandated for the benefit of the Committee for Development Policy. Findings revealed some elements of structural progress (notably as a result of tourism-related growth) in Vanuatu, and highlighted the extreme economic and environmental vulnerability of Tuvalu, a country unable to demonstrate structural transformation, therefore a fallacious graduation case from UNCTAD’s viewpoint.

548. An expert group meeting on “Addressing the vulnerabilities of small island developing States (SIDS) more effectively” was held in Mauritius on 5–6 December 2011. The event, organized in cooperation with the Indian Ocean Commission, brought together 17 experts and some 20 other participants. Their deliberations focused on what improved and additional measures might be needed to more effectively address the unique and particular vulnerabilities and development needs of small island developing States. The meeting adopted a series of recommendations on development financing, trade policy, technical assistance and systemic action in relation to the question of SIDS status.

Table 16

#### Productive capacities in LLDCs, SIDS, and structurally weak, vulnerable and small economies

<i>Project number</i>	<i>Short title</i>	<i>Starting date</i>	<i>Source of fund</i>
INT/9X/77J	Trust Fund for Least Developed Countries: core project	1997–	Multi-donor
ROA-2184 (N5) <sup>a</sup>	Developing local capacities for the identification of growth opportunities through resource mobilization	2005–2011	Development Account

<sup>a</sup> Projects that were “operationally but not financially completed” or “completed” in 2011.

## **XVII. Cluster XVII**

### **Strengthening support for trade mainstreaming into national development plans and/or poverty reduction strategy papers in LDCs in the context of the Enhanced Integrated Framework**

#### **Lead division: Division for Africa, Least Developed Countries and Special Programmes (ALDC)**

549. UNCTAD's assistance under this cluster proactively focuses on tailored support for LDCs' efforts to formulate a trade policy framework as a basis for identifying and sequencing trade priorities. This assistance aims at capacity-building for in-country implementation of the EIF.

#### **A. Enhanced Integrated Framework (EIF)**

550. In 2011, UNCTAD continued to participate actively in the operationalization and implementation of the Enhanced Integrated Framework (EIF). Since the majority of LDCs have now completed a diagnostic trade integration study (DTIS), particular attention was given on how the DTIS updating should be carried out and several aspects of the DTIS template were discussed in order to better tailor it to the needs of the LDCs. In this context, UNCTAD elaborated with the Government of Gambia the terms of references for the DTIS updating that was approved and funded after submission by the Gambia Government to the EIF Secretariat. Following the approval, UNCTAD and the Gambian Government initiated implementation. The terms of reference (TORs) of the DTIS updating were also drafted with the Government of Mozambique for submission to and approval by the EIF Secretariat.

551. In the preparation of the TORs for the DTIS updating, particular attention was given to the need to conduct a deeper analysis of the mechanisms of trade and investment policymaking. UNCTAD was represented at the EIF regional Southern Africa workshop in Maseru (Lesotho) on 15–18 February organized by the EIF secretariat to raise awareness of the EIF process and to help strengthen ownership. UNCTAD made a presentation and initiated contacts with a number of LDCs delegations to assist them in implementing the EIF.

552. On 30 August–1 September 2011, UNCTAD organized a workshop in Port-au-Prince (Haiti) to strengthen the technical and institutional abilities of the Haitian Government in the trade field. The event was attended by some 60 participants, who shared their expertise and experiences on facilitating trade mainstreaming into national development plans and strengthening technical and institutional capacities in the area of trade. It was successful in revamping EIF activities in Haiti and in establishing UNCTAD's role in the EIF implementation phase. Subsequent discussions have been held on the possible roles that UNCTAD could play in the DTIS updating.

553. A number of consultations have taken place with different countries on formulations of Tier 2 projects, namely Cambodia, Congo DRC, Sao Tome and Principe and on DTIS updating, namely Benin, Chad, Malawi and Senegal. Two draft Tier 2 projects have been prepared on trade policy assistance for Congo DRC and Guinea-Bissau.



554. In the case of Cambodia, a project document has been finalized to be funded from the multi-donor trust fund established at national level to implement the action matrix.

## **B. Trade mainstreaming project**

555. In addition to contributing to the above-mentioned activities under the Integrated Framework, activities under the “Mainstreaming LDCs into the Global Economy” project continued in 2011 and are summarized below.

556. Under the joint work plan with TradeMark Southern Africa, the Mainstreaming project continued to assist LDCs with implementation of quota-free negotiations and related rules of origin in the context of non-agricultural market access negotiations and agricultural trade negotiations. In this context, several briefings and technical meeting were prepared and consultations meeting were held.

557. A revised proposal on rules of origin under the Duty-Free Quota-Free initiatives has been drafted in consultation with the LDCs group. The proposal was submitted to the WTO secretariat for circulation among WTO member States.<sup>6</sup>

558. Intensive technical assistance and training has been provided to the Tripartite Secretariat composed by officials of EAC, COMESA and SADC for the drafting and finalization of the Free Trade Area Agreement and relevant legal texts. These texts will form the basis for starting negotiations on the establishment of the Tripartite Free Trade Agreement among the 26 countries which are members of EAC, COMESA SADC, as agreed at the Second Tripartite Heads of State and Government Summit held on 12 June 2011 in Johannesburg (South Africa).

559. During 2011, UNCTAD, in collaboration with TradeMark Southern Africa, has started to prepare the necessary templates for tariff negotiation expected to begin in 2012. The aim of these activities, as in the past year, was to support the Tripartite Task Force in its efforts to coordinate and develop common strategies and policies aimed at achieving better integration and coordination among the three regional economic committees.

560. In April 2011, UNCTAD organized a national workshop in Cambodia on the new EC rules of origin and conducted factory visits to assist producers in better understanding the new requirements. In addition, UNCTAD participated in the Eight Meeting of the ACP Group of Experts on Rules of Origin on 26–28 September 2011.

## **C. Market access and trade laws for LDCs**

561. The objective of the project is to increase utilization of market access initiatives in favour of LDCs by supporting rural communities’ exports and the supply capacity of traditional products through the trading opportunities provided by the multilateral trading system such as geographical indications, designation of origin and better compliance with sanitary and phytosanitary requirements. Initial contacts have been established with FAO to coordinate field activities and other contacts have been established with NGOs. A work programme has been agreed with the Intellectual Property Institute of Mozambique to develop the necessary

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<sup>6</sup> See WTO document TN/CTD/W/30/Rev.2 of 24 June 2011.

requirements and documents for the submission of three products for registration of geographical indications.

562. A mission has also been carried out in Cambodia to identify further products to be registered as geographical indications.

Table 17

**Strengthening support for trade mainstreaming into national development**

<i>Project number</i>	<i>Short title</i>	<i>Starting date</i>	<i>Source of fund</i>
COI/0T/9AR <sup>a</sup>	Programme de renforcement des services du commerce et de l'investissement	2009–2011	UNDP
MLI/0T/8AW <sup>a</sup>	Elaboration de la politique commerciale du Mali	2008–2011	Mali
SIL/08/001 <sup>a</sup>	Integrated Framework Trade Policy Project: Improved trade policy capacity in Sierra Leone	2008–2011	UNDP
INT/0T/3BY	DCS: pre- and post-diagnostic trade integration study (DTIS) capacity-building	2003–	Finland
INT/0T/4AY <sup>a</sup>	Integration of LDCs, landlocked and island countries in the global economy	2004–2011	Italy
INT/0T/5BP <sup>a</sup>	Mid-term review of progress in implementation of the Programme of Action for LDCs for the Decade 2001–2010	2005–2011	Austria, Norway
INT/0T/AAK	Market access and trade laws for LDCs	2010–	Italy
INT/0T/ABI	Economic crises and commodity-dependent LDCs: Mapping the exposure to market volatility and building resilience to future crises	2010–	Common Fund For Commodities

<sup>a</sup> Project that had been “operationally but not financially completed” or “completed” in 2011.

## **XVIII. Cluster XVIII**

### **Executive direction and management and support services**

#### **Lead entities: Office of the Secretary General (OSG), Technical Cooperation Service (TCS) and Resources Management Service (RMS)**

563. Activities under this cluster include support services projects from which all divisions benefit, as well as projects under the direct responsibility of the Office of the Secretary-General. Trust fund projects in support of activities for cooperation and outreach with civil society and for activities carried out in the areas of gender and trade are also included in this cluster.

## A. Strengthening results-based management of UNCTAD programmes

564. In 2011, this trust fund enabled the conduct of several activities aimed at strengthening accountability and lessons learning of the secretariat. This involved in particular the publication of the results-oriented UNCTAD Annual Report, the conduct of two external evaluations that were considered by member States at the Working Party and the annual session of the Trade and Development Board, and contributions to inter-agency initiatives on evaluation through the United Nations Evaluation Group. Brief summaries of these activities follow.

### 1. UNCTAD Annual Report

565. UNCTAD's Annual Report describes the results achieved through its activities as a knowledge-based institution and as an intergovernmental body of the United Nations family. It also takes stock of the activities carried out during the previous year and indicates the progress achieved in the fulfilment of UNCTAD's mandate. The report contributes to enhanced and effective communication about UNCTAD and its work, in accordance with paragraph 187 of the Accra Accord, and the communications strategy adopted by the TDB in 2009. In particular, the 2011 report was designed to promote UNCTAD's new graphic identity and branding, consistent with the communications strategy aimed at enhancing UNCTAD's overall recognition, coherence, and credibility, and to contribute to enhancing the impact of the specific information and advice delivered by UNCTAD's divisions and units.

566. The annual report of UNCTAD has consistently received positive feedback from readers since it adopted a results-oriented approach in 2006.

### 2. External evaluations of UNCTA's programmes of work

567. Following the decision by the Trade and Development Board in 2009, with the support of this trust fund, UNCTAD conducted two external evaluations for consideration by its member States in 2011:

(a) An in-depth evaluation of UNCTAD's programme on science and technology for development; and

(b) An independent evaluation of UNCTAD's programme of assistance to the Palestinian people.

#### *In-depth evaluation of UNCTAD's programme on science and technology for development*

568. The objective of this evaluation was to analyse and document the results and lessons learned from the implementation of activities that address UNCTAD's mandates in this area and to provide recommendations aimed at strengthening this area of work. In particular, the evaluation assessed the relevance, effectiveness (including impact), efficiency and sustainability of work implemented by the Science, Technology and ICT programme based on the mandates given by member States, in particular, the Accra Accord mandates.

569. At the fifty-ninth session of the Working Party on the Strategic Framework and the Programme Budget, member States considered the report of the evaluation team. Several delegations expressed their appreciation to the independent evaluation team for its report and to the Government of Norway for its financial support for the evaluation. They also reiterated the importance they attached to the evaluation process in UNCTAD, and recognized evaluations as a very effective tool for member States to be well-informed about and to provide substantive guidance to the direction of the programmes.

570. There was, however, also some concern with a recommendation that member States felt had implications for UNCTAD's Accra Accord mandate. Further discussion of the recommendations will take place at the next Working Party on technical cooperation in the second half of 2012. Nonetheless, as a result of the evaluation, the secretariat began reflections on how its work could be enhanced, to enable the delivery of better results.

*Independent evaluation of UNCTAD's programme of assistance to the Palestinian people*

571. The objective of this evaluation was to analyse and document the results and lessons learned from programme implementation and to provide recommendations aimed at strengthening the work that UNCTAD undertakes to benefit the Palestinian people. More specifically, the evaluation:

- (a) Made recommendations, to suggest, inter alia, adjustments to the programme structure, the portfolio of activities, and the way the three main areas of its work could complement each other;
- (b) Identified the programme's main constraints and challenges and made recommendations as to how they could be addressed; and
- (c) Highlighted what has been successful and can be replicated elsewhere.

572. At the fifty-eighth annual session of the Trade and Development Board, member States considered the report of the evaluation team. Delegations expressed their appreciation to the evaluator for his thorough report, and to the Government of Norway for funding the evaluation.

573. Following active discussion of the report and its recommendations, the secretariat has been asked to reflect the recommendations contained in the report, as well as the Trade and Development Board's deliberations, in its continuing implementation of the Accra Accord. The secretariat is in the process of considering if and how the recommendations can be implemented, to enhance its delivery on its mandates.

**3. Strengthening the evaluation function within the United Nations system through inter-agency initiatives in the context of the United Nations Evaluation Group**

574. With the support of the trust fund, UNCTAD has been able to contribute actively towards efforts to strengthen the evaluation function within the United Nations system, in particular through its participation in the inter-agency United Nations Evaluation Group (UNEG).

575. During 2011, UNCTAD continued to contribute to three task forces within UNEG:

- (a) The Impact Evaluation Task Force within UNEG that is developing UNEG guidance material on conducting impact evaluations within the United Nations system;
- (b) The Task Force on Evaluation of Normative Work, which is developing guidelines on the conduct of such evaluations; and
- (c) The Task Force on joint evaluations, that was working on the development of guidance material on UNDAF evaluations.

576. With regard to the guidance on impact evaluations, the work undertaken by UNCTAD through UNEG in this regard will lead to the development of guidelines to cover the issues of the role of impact evaluation in the overall monitoring and evaluation system; timing, management, design and conduct of impact evaluations;

and impact evaluations of normative and institutional support work. Such guidance addresses the mounting calls from donors, beneficiaries and other stakeholders for impact evaluations in order to better determine the outcomes of interventions delivered by United Nations system agencies. The guidance documents will be published in 2012.

577. With regard to the guidance on the evaluation of normative work, this is aimed at establishing a common definition of normative work for use in evaluation, and promoting better understanding of the linkages between normative and operational work. The UNEG guidelines will include good practices and tips to overcome common challenges, including a special section on impact pathways already developed by some organizations for the analysis of different forms of normative work. The guidance document will be published in 2012.

578. With regard to the guidance on UNDAF evaluations, UNCTAD contributed to the drafting of a “Frequently Asked Questions (FAQ)” document that was published by UNEG in 2011, in collaboration with United Nations Development Operations Coordination (UNDOCO). The document aims to provide answers to questions that are often received regarding various aspects related to United Nations Development Assistance (UNDAF) evaluation. The document responds to several resolutions by the United Nations General Assembly in the Triennial Comprehensive Policy Review (TCPR) of Operational Activities of the United Nations development system, and will go some way towards enabling better assessments of the contributions of UNDAFs to national development and the achievement of the internationally agreed development goals, including the Millennium Development Goals.

**4. Contribution of UNCTAD to System-wide coherence - Support to inter-agency activities carried out by UNCTAD as lead agency of the United Nations Inter-Agency Cluster on Trade and Productive Capacity - including Training of United Nations Resident Coordinators and economic advisors**

*Contribution within the cluster at the United Nations System level*

579. A special event on Trade and productive capacity was organized by the cluster for the Fourth United Nations Conference on the Least Developed Countries (LDC-IV) Istanbul, on 9 May 2011. On the occasion of the event, a concept note prepared by the cluster on The role of trade and productive capacity in promoting inclusive and sustainable development in the Least Developed Countries was prepared for member States for discussion in the presence of a number of heads of agencies. With the support of Norway, funds available allowed UNCTAD to have the paper translated into French and to participate in the event. The paper argues that, in order to achieve progress towards the MDGs in LDCs, greater emphasis should be put on supporting sustained economic growth by backing the development of productive capacity (UNCTAD/TC/2011/1).

580. Thanks to the resources in the fund, UNCTAD continued to participate actively in discussions in the United Nations Development Group (UNDG) on issues relative to system-wide coherence. Cluster members increasingly exchange views and coordinate their positions in UNDG meetings and Working Groups. On several occasions in 2011, common positions were adopted in these UNDG bodies among UNIDO, FAO, UNCTAD, ITC and the regional Commissions. This is particular true for issues regarding the new financial rules governing UN-wide multi-donor trust funds (MDTFs) and joint programming mechanisms (JPMs) as well as issues related to changes in management practices at the country level derived from the system-wide coherence reforms. The cluster was also invited to provide inputs on lessons

learned by the One United Nations initiative and the system-wide coherence process with a view to the meeting held in Uruguay on 8–10 November 2011.

581. A representative of UNCTAD, as a member Organization of HLCM, attended the Twenty-first Session of the High-Level Committee on Management (held at UNESCO Headquarters, Paris in March 2011) which covered a spectrum of administrative and management issues across the United Nations system. Such issues included staff security and safety; increase in the mandatory retirement age; improved efficiency and effectiveness of the United Nations system; human resources, procurement, finance and budget, information and communication technology. The Session also held a dialogue with staff federations.

582. *Training of Resident Coordinators – Geneva, February 2011*: A special session of the cluster for the 16 new United Nations Resident Coordinators was organized in Geneva, on 23 February 2011, in the context of the induction programme prepared by the UNDG secretariat (Development Operations and Coordination Office - DOCO). The event, entitled MDG1: Focus – Poverty eradication through decent work, trade and development, was attended by representatives of ILO, UNIDO, UNECE and UNCTAD.

*Cluster operations at the country level*

583. *Palestinian Authority*: UNCTAD led a Cluster Mission in February 2011 (i) to discuss with the Palestinian Authority and private sector, donors and United Nations agencies in the field the introduction of the cluster on trade and productive capacity in the occupied Palestinian territory; (ii) to follow up with the Ministry of National Economy and PSC Board of Directors on the processing of the new project on building the Palestinian trade facilitation capacity; and (iii) to discuss with potential researchers/consultants an outline for a new UNCTAD policy paper on Palestinian economic development. This was an inter-agency mission with input from ESCWA, UNIDO and ITC.

584. *Lesotho*: The cluster coordinates the assistance that its members are providing in Lesotho. In February and June 2011, UNCTAD led a mission (i) to prepare the ground for the workshop on mainstreaming trade in the United Nations Development Assistance Framework (UNDAF); (ii) to discuss follow-up activities for the Lesotho Joint Programme on Economic Growth; (iii) to participate in the Enhanced Integrated Framework Regional Workshop; and (iv) to participate in the 2011 Annual Retreat of the United Nations Country Team. The mission followed up on the Joint Programme of the Cluster on Economic Growth implemented with UNDP, ILO and ITC. The Programme aims at making a concerted effort to strengthen existing businesses, especially at the SME level, as well as providing skills training for entrepreneurs. The Joint Programme is being financed through the Lesotho One United Nations Fund, which should be available shortly.

585. *Haiti*: In August–September 2011, UNCTAD led a cluster mission to follow up on the proposals of the United Nations Cluster on Trade and Productive Capacity discussed with the Government of Haiti in October 2010; with a view to (i) updating the Haitian views and needs on those proposals at the technical level; (ii) taking advantage of the presence of participants at the EIF workshop (national entities as well as international donors) to inform them about those proposals on trade-related matters and the potential role of the cluster in Haiti; (iii) holding consultations with the Dominican authorities that are the counterpart of the UNCTAD proposal on the binational project on FDI at the Haiti/Dominican Republic border.

586. Funded by a Development Account project entitled Integration of the trade dimension in United Nations Development Assistance Frameworks (UNDAFs), UNCTAD organized two workshops on integrating the trade dimension with the aim of raising awareness of the important role that trade can play in development plans in general and in the UNDAFs in particular. A national workshop was held in Lesotho in May and a regional workshop in Mali in November. In Mali, government representatives from the following countries participated: Cameroon, Democratic Republic of Congo, Djibouti, Guinea Bissau, Mali and Togo. As a result, trade and related areas will feature prominently in the next UNDAFs for Lesotho and Mali covering the period 2013–2017. It is foreseeable that an impact will also show up in the development plans of the other participating countries.

587. **Lao People's Democratic Republic:** Following the establishment of the Inter-Agency Cluster on Trade and Productive Capacity, the Swiss State Secretariat for Economic Affairs (SECO) selected the Lao People's Democratic Republic as a pilot country for the implementation of a trade-related technical assistance programme with the cluster. SECO is funding a three-year project entitled "Enhancing sustainable tourism, clean production and export capacity in the Lao People's Democratic Republic" to the tune of \$4.04 million. Four agency members of the cluster are implementing the programme, namely ILO, ITC, UNCTAD and UNIDO, with the project trust fund to be managed by UNOPS. The main objective of the project is to develop an overall competitive tourism industry while strengthening the organic agriculture and handicraft (especially silk) industries in order to achieve a spillover effect on those sectors through backward linkages and improving the export volume and quality of the above-mentioned sectors, thereby positively impacting poverty in targeted provinces of the Lao People's Democratic Republic.

588. This innovative initiative offers the Government of the Lao PDR new opportunities to benefit from United Nations expertise through a "single window" and in a coordinated manner. It is hoped that this pilot project will demonstrate the efficiency of a multi-agency project and represent a milestone for the design of future similar initiatives. SECO has announced the launch of the same type of assistance programme in the United Republic of Tanzania, which has been selected as the second country to benefit from this initiative. Activities in that country are expected to start in mid-2012.

## **B. Gender mainstreaming in trade policies**

589. **Development context:** Globalization and trade liberalization generate complex and often contradictory effects on women's access to employment, livelihood and income and ultimately on the household. In some cases, trade liberalization has been associated with rising employment and entrepreneurial opportunities for women. In other cases, it has exacerbated existing gender inequalities and worsened women's economic and social status. Yet trade policies have long been gender-blind.

590. Mainstreaming gender into trade policy means assessing the impacts of trade policies on the well-being of men and women and ultimately on the household. Such an assessment will help in (i) better understanding the specific challenges and opportunities that women face from market liberalization; (ii) designing and implementing complementary policies aimed at maximizing opportunities for women; and (iii) facilitating the transition of women to a more competitive market structure.

591. **Objectives/features:** UNCTAD's activities in this area are aimed at building the human and institutional capacities of key national stakeholders – policymakers and trade negotiators – to mainstream gender into trade policy. The ultimate objective is to make trade instrumental to the achievement of gender equality and women's economic empowerment.

592. UNCTAD's comprehensive work in this area is funded through the Development Account and resources provided by Norway for activities in Lesotho and Angola.

593. It includes:

(a) Analytical work (country case studies on the linkages between trade, gender and development);

(b) National workshops/training modules (a high-level validation workshop, a trade and gender policy workshop geared to trade policymakers/policy staff, and a technical workshop targeted at data collection and analysis staff); and

(c) Awareness-raising among donors, policymakers and decision-makers on the need to mainstream gender into trade analysis.

594. **Outputs:** The main achievements during the period under review are the following:

#### **1. Analytical work**

595. Through the reporting period, three country case studies on the gender effects of trade were completed. The first study, entitled *Who is benefiting from trade liberalization in Bhutan? A gender perspective*, was published in March 2011. Moving from a quantitative approach, the study seeks to assess who would benefit from trade liberalization/facilitation in Bhutan and, in particular, analyse whether there is a gender bias in the gains from trade. A second study in the series – *Who is benefiting from trade liberalization in Cape Verde? A gender perspective* – was prepared and published in December 2011. The report looks at food prices, remittances and tourism as important transmission channels through which trade policies affect gender relations in Cape Verde. A third country-case study – *Who is benefiting from trade liberalization in Lesotho? A gender perspective* – was completed and peer-reviewed and is expected to be published in 2012. The study critically assesses the gender implications of Lesotho's trade-led productive transformation, with a focus on the apparel sector. Preliminary activities, mainly data collection and information gathering, were initiated in relation to the country case study of Angola that will be carried out in 2012.

596. As the Task Manager of the United Nations Inter-agency Task Force on Gender and Trade (IANWGE), UNCTAD spearheaded a Resource Paper on "Gender equality and trade policy". The paper reflects the collective views of the United Nations system on the issue and is meant to enhance policymakers' understanding of how to ensure that men and women benefit equally from trade.

#### **2. National workshops/training modules/fact-finding missions**

597. A national workshop was held in Thimphu (Bhutan) on 18 May 2011. The objective of the workshop was threefold: (i) to present and discuss the findings of the study prepared by the UNCTAD secretariat on the redistributive effects, particularly across gender, of trade liberalization/facilitation in Bhutan; (ii) to explore different policy options towards maximizing the social inclusiveness of trade liberalization in Bhutan, with a focus on women; and (iii) to indicate methodological challenges and



discuss measurement frameworks and indicators for assessing the gender ramifications of trade policies in Bhutan. Bilateral consultations between UNCTAD officers and representatives from several Ministries in Bhutan followed the national seminar. They were aimed at exploring ways and means of implementing the recommendations presented in the study.

598. A fact-finding mission was carried out in Maseru (Lesotho) between 29 November 2011 and 2 December 2011 by a team of two UNCTAD staff members. The mission was conducted to gather “real-life” information and gain more in-depth and accurate insights into the gender effects of trade policies in Lesotho.

### 3. Awareness-raising among donors, policymakers and other stakeholders

599. On the occasion of LDC-IV, UNCTAD and UN Women jointly organized a Special Event on “Making trade work for women in LDCs” (Istanbul, 11 May 2011). The event provided an opportunity to showcase the positive role that trade may play towards the economic empowerment of women in LDCs and highlight the many challenges women face, through the presentation of country case studies conducted by UNCTAD and UN Women in a number of LDCs.

600. To celebrate the 100th anniversary of International Women’s Day, UNCTAD organized a panel discussion on enhancing women’s access to education, science and technology for economic growth and development. Speakers (policymakers and civil society representatives) and participants shared their thoughts, experiences and best practices in this field.

601. UNCTAD worked jointly with other United Nations entities to mainstreaming gender into macroeconomic policy. It participated in the fifty-fifth session of the Commission on the Status of Women (New York, February 2011) and in the Conference on Women’s Economic Empowerment, organized jointly by UN Women and the Canadian International Development Agency (Ottawa, 3–5 October 2011). UNCTAD outreach activities also included initiatives and awareness-raising work within IANWGE (Resource Paper on gender equality and trade policy) and the United Nations Inter-Agency Task Force on Rural Women (fact sheet on rural women).

602. **Results:** The policy recommendations included in the country case study of Bhutan informed the concept note for the Diagnostic Trade Integration Study (DTIS) of Bhutan under the Enhanced Integrated Framework for Trade-Related Technical Assistance to Least Developed Countries (EIF).

603. As an outcome of the national workshop in Bhutan, some 20 officers from different Ministries/Departments were trained in policy challenges and measurement frameworks for assessing the gender effects of trade. Participants included government officials from the Ministry of Economic Affairs, the Ministry of Agriculture and Forests, and the Ministry of Foreign Affairs; the Royal Government of Bhutan; staff of related/autonomous bodies (National Biodiversity Centre; National Commission for Women and Children; Respect, Educate, Nurture and Empower Women; Centre for Bhutan Studies); representatives of the United Nations country team and international experts (UNDP, UNICEF, Asian Development Bank).

604. In drafting the country case studies, significant efforts were made to identify suitable counterparts who would favour synergies and complementarities with key stakeholders within the country. The selected national counterparts proved to be an effective catalyst in involving other key institutions, including national statistical offices. A collaborative partnership is being established among these

institutions/persons, within and across the selected countries, to build an expert and knowledge-sharing network on trade and gender.

605. Awareness-raising activities helped enhance the political profile of the trade-gender linkage debate and deepen policymakers' understanding of the trade-gender link.

### C. The Rise of the South

606. *Development context:* Many developing economies have weathered the current global crisis better than the leading industrial economies. Coming on top of a decade when many parts of the developing world grew at a much faster pace than the advanced economies, this has reinforced the idea that developing countries are rapidly closing long-standing economic and social gaps and can be already regarded as a new engine of global growth. Exceptionally favourable international economic conditions, however, made a major contribution to the general acceleration of growth in the South. These conditions were shaped mainly by policies in the advanced economies that have proved unsustainable.

607. Consequently, developing countries will need themselves to make appropriate macroeconomic adjustments in the light of shifting global conditions and to reconsider their development strategies in order to gain greater autonomy in growth and become major players in the global economy.

608. *Objectives/features:* UNCTAD's activities in this area are aimed at developing the proper theoretical framework to analyse the challenges of developing countries in the wake of the global crisis, including big emerging economies such as Brazil, India, China and South Africa (BICS), and providing timely policy recommendations on macroeconomic management and structural problems.

609. UNCTAD's work in this area is funded through resources provided by UNDP and the Rockefeller Brothers Fund.

610. It includes:

- (i) Analytical work on the growth perspectives of developing countries;
- (ii) International workshop among leading development economists;
- (iii) Dissemination among policymakers and decision-makers of core ideas and policy suggestions.

611. *Outputs:* The main achievements during the period under review are the following:

- (i) Completion of a series of working papers on the rise of the South and the opportunities of economic integration among developing countries and major emerging economies. The papers cover the following areas: The global macroeconomic impact of the emergence of the South and prospects for the future; The role of industrial policies in supporting the expansion of productive capacity in the South, technology transfers, and South–South integration; Monetary, financial and exchange rate policy coordination among developing countries; and Changes in the composition of global trade flows during the last two decades, the role of global, North–South and South–South trade agreements, and the scope for further South–South trade integration.
- (ii) Joint organization with the South Centre of an international workshop on “The Rise of the South and the New Opportunities and Challenges for

Development”, held in Geneva on 21–22 November 2011. The participants articulated a broad South–South agenda to build productive capacities across the developing world able to underpin inclusive and sustainable development paths over the coming decade and beyond;

(iii) Progress towards the publication of a report on South–South economic integration and cooperation. The report will try to address the key question raised by Sir Arthur Lewis more than thirty years ago, and revived after the recent global crisis, on whether and how the South could grow faster when its traditional markets in the North are set for a sharp downturn. The report will offer policy suggestions to establish coherence across trade, financial and technology flows among developing economies.

612. The series of working papers furthered understanding of the forces behind the economic performances of the last decade and of the main constraints on sustained economic growth in the developing world. The workshop on “The Rise of the South and the new opportunities and challenges for development” helped define an agenda to foster sustainable and inclusive development in developing countries and major emerging economies. The report will propose a complete and accessible analysis of the critical economic juncture to which developing economies are exposed and offer policymakers and decision-makers recommendations on domestic policies and multilateral arrangements.

#### D. Civil society

613. **Development context:** UNCTAD XI and UNCTAD XII acknowledged the positive contribution that non-governmental actors make to the work of UNCTAD and its member States. The São Paulo Consensus, adopted at UNCTAD XI, called for making the participation of civil society more systematic and better integrated with the activities of the organization. The Accra Accord, adopted at UNCTAD XII, reiterated these calls by calling on UNCTAD to enhance its work with civil society and the private sector and to encourage greater participation by them in UNCTAD’s activities. Further, the communications strategy adopted by UNCTAD member States in October 2009 provides specific recommendations aimed at fully harnessing the potential role of civil society as advocates and multipliers of UNCTAD’s messages.

614. **Output:** In June 2011, UNCTAD organized the third Annual Public Symposium in collaboration with the United Nations Non-Governmental Liaison Service (UN-NGLS). The event was intended to build on the success of the first two editions by broadening the views and perspectives of multiple stakeholders on topics which dominated the global political agenda in 2011 and beyond. A strengthened partnership with civil society and other development actors contributed to enriching the debate on current and emerging issues of global interest and in particular on the way forward to UNCTAD XIII. Over 250 participants from a wide range of stakeholders, including civil society organizations, member States, international organizations, the private sector, trade unions, academia and the media attended the event. The financial contribution of the Government of Austria helped secure the participation of 12 members representing civil society from developing countries.

615. **Results:** Feedback received from participants on the quality of the event was once again extremely positive. UNCTAD Public Symposia can today be considered a well-established, high-quality event that should feature as a regular item on the organization’s calendar. The Public Symposia have contributed to furthering knowledge and skills of civil society in developing countries. The interaction and involvement of civil society in the work of UNCTAD further builds

trust and enhances cooperation, thereby promoting effective implementation of UNCTAD's mandate.

## E. Advisory services

616. As reported in previous years, UNCTAD technical cooperation is supported not only by project-specific funds but also from another source – namely section 22 of the United Nations programme budget.

617. Under section 22 of the United Nations programme budget, UNCTAD received, for 2011, an allotment for general temporary assistance, together with travel, and individual fellowship funds. These resources were devoted to five main areas: (a) globalization and development; (b) issues related to international trade in goods and services, and commodities; (c) investment, enterprise development and technology; (d) services infrastructure for development and trade efficiency; and (e) least developed countries. Interregional advisers undertook 12 missions in 2011.

Table 18

### Executive direction and management and support services

<i>Project number</i>	<i>Short title</i>	<i>Starting date</i>	<i>Source of fund</i>
BHU/0T/9BH	MOU for UN Bhutan Country Fund using pass-through Fund Management	2009–	UN Bhutan Fund
CVI/0T/9AL	Delivering as one, Cape Verde	2009–	OneUN
LSO/0T/AAF <sup>a</sup>	Enhancing Lesotho's capacity to mainstream gender into trade policy	2010–2011	Norway
LAO/0T/BAJ	Enhancing sustainable tourism, clean production and export capacity in Lao	2011–	UNOPs
MOZ/0T/9AZ <sup>a</sup>	Delivering as one, Mozambique	2009–2011	OneUN
RWA/0T/8BN	Delivering as one, Rwanda	2008–	OneUN
RWA/0T/BAO	Delivering as one, Rwanda project, economic growth	2011–	OneUN
GLO/0T/8CG	Support to Avian Influenza and Food Crisis Coordination Office	2008–	UNDP
GLO/0T/ABA	Support and capacity-building for G77 countries	2011–	China
INT/0T/0BU	Support to UNCTAD technical cooperation	2000–	Belgium
INT/0T/1AK	Financing of participation of experts from developing countries and countries with economies in transition in UNCTAD expert groups	2001–	Finland, Iceland, Mauritius
INT/0T/4AK	Preparation for UNCTAD XI High-Level Interactive Round Table on Trade and Gender	2004–	Canada
INT/0T/4BS	Strengthening results-based management of UNCTAD programmes	2004–	Norway
INT/0T/5BN	Panel of eminent persons	2005–	Multi-donor

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<i>Project number</i>	<i>Short title</i>	<i>Starting date</i>	<i>Source of fund</i>
INT/0T/AAO	Civil society participation in UNCTAD activities	2011–	Multidonors
ROA-2244 (Q7)	Enhancing capacities of developing countries to mainstream gender into trade policy	2010–	Development Account
ROA-2246 (S7)	Integration of the trade dimension into the United Nations Development Assistance Frameworks	2010–	Development Account
UND12–340	Interregional advisory services	Ongoing	Regular programme of technical cooperation

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<sup>a</sup> Projects that were “operationally but not financially completed” or “completed” in 2011.