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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 2012**

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## Abbreviations

ACP	African, Caribbean and Pacific (Group of States)
AFRICOMP	Competition Programme for Africa
ASEAN	Association of Southeast Asian Nations
ASYCUDA	Automated System for Customs Data
CBD	Convention on Biological Diversity
CITES	Convention on International Trade in Endangered Species of Wild Fauna and Flora
COMESA	Common Market for Eastern and Southern Africa
COMPAL	Competition and Consumer Protection for Latin America
DMFAS	Debt Management and Financial Analysis System
DTIS	Diagnostic trade integration study
EAC	East African Community
EIF	Enhanced integrated framework
Empretec	Entrepreneurship Development Programme
EPA	Economic partnership agreement
ESCAP	Economic and Social Commission for Asia and the Pacific
FAO	Food and Agriculture Organization of the United Nations
FDI	Foreign direct investment
GATS	General Agreement on Trade in Services
GDP	Gross domestic product
GIZ	German Agency for International Cooperation
GOMA	Global Organic Market Access
GSP	Generalized System of Preferences
GSTP	Global System of Trade Preferences among Developing Countries
HIPCs	Heavily indebted poor countries
ICPEN	International Consumer Protection Enforcement Network
ICT	Information and communications technology
IDB	Islamic Development Bank
IFOAM	International Federation of Organic Agriculture Movements
IIA	International investment agreement
ILO	International Labour Organization
IMF	International Monetary Fund
IPR	Investment policy review
ITC	International Trade Centre
LDC	Least developed country
LLDC	Landlocked developing country
MDG	Millennium Development Goal
NGO	Non-governmental organization
OECD	Organization for Economic Cooperation and Development
OIC	Organization of the Islamic Conference
OPT	Occupied Palestinian Territory
SADC	Southern African Development Community
SIDS	Small island developing State
SME	Small and medium-sized enterprise
STI	Science, technology and innovation
STIP	Science, technology and innovation policy
TNC	Transnational corporation
TRAINS	Trade Analysis and Information System
TrainForTrade	Training Development in the Field of Foreign Trade
TRIPS	Trade-Related Aspects of Intellectual Property Rights
UNCTAD	United Nations Conference on Trade and Development
UNCITRAL	United Nations Commission on International Trade Law

UNDP	United Nations Development Programme
UNEP	United Nations Environment Programme
WHO	World Health Organization
WIPO	World Intellectual Property Organization
WITS	World Integrated Trade Solution
WTO	World Trade Organization

## Country/territory/region codes

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

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



## **Introduction**

1. This annex provides a description of the main technical cooperation projects and other projects undertaken by the United Nations Conference on Trade and Development (UNCTAD) in 2012. It is presented in accordance with the structure of the thematic clusters around which these 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 the UNCTAD intergovernmental machinery. The technical cooperation projects and other projects, including through synergies created within and among the clusters, also contribute to the implementation of the Aid for Trade initiative.

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

2. 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 into the global economy and international trading system. Through its demand-driven technical cooperation and capacity-building activities, UNCTAD has assisted developing countries, especially least developed countries (LDCs) and countries with economies in transition, to build and further develop human, regulatory and institutional capacities, and develop new generation policies and strategies suited to local conditions. UNCTAD has furthermore contributed to meeting national and internationally agreed development goals, especially building productive capacities and fostering structural transformation, eradicating poverty and creating employment opportunities.

3. The technical cooperation and capacity-building activities of the Division on International Trade in Goods and Services, and Commodities are increasingly provided in cooperation with other divisions of UNCTAD, other United Nations entities and a wide range of partners and cooperating institutions, including in the “Delivering as one” framework (“One United Nations”). The activities also benefit from synergies derived from the outcomes of UNCTAD intergovernmental bodies and analytical findings from research conducted by UNCTAD.

4. Technical activities undertaken in 2012 were in the spirit of the thirteenth conference of the United Nations Conference on Trade and Development (UNCTAD XIII) and highlighted the links of the specific activities carried out and their contribution to an inclusive development process.

5. Mitigating the impact of the crises through structures formed by coherent national policies that allow for beneficial regional integration and for reaping opportunities from the international trading system formed the leitmotif of the work. Equally, the importance of looking beyond the succeeding crises and careful weighing of the impact of short-term emergency measures on the long term in deciding what policies and strategies to put in place was another guiding principle.

6. Focus in the next period of activities will be on using the work of UNCTAD on trade as a means for growth and development and for achieving the Millennium Development Goals (MDGs) and the successor sustainable development goals. Looking beyond the MDGs and with the sound of the alarm bells of crises still ringing, poverty eradication, employment-generating growth and trading policies that can mitigate shocks

from the international system to developing economies will have to remain central to the work. Special attention will continue to be given to LDCs and small and vulnerable economies. To these priority areas will be added the economies affected by the Arab Spring.

7. All activities will remain demand-driven, and implementation will be conditional upon the availability of resources. The Division's other priorities will remain as follows: access to trade intelligence, economic and trade data and information, especially on non-tariff measures and voluntary standards, within as well as outside the United Nations system; providing platforms for the sharing of experiences and 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; assistance with the creation of conducive legal and regulatory frameworks for building productive capacities that favour employment creation and integration into global value chains; improving the understanding and capacities of countries acceding to the World Trade Organization (WTO) of the rules and disciplines associated with WTO membership; exploring strategies for strengthening national and regional capacities and assessing the challenges and opportunities for joining regional and other trade arrangements for the liberalization of trade in goods and services; and voluntary standards, especially with respect to organic agricultural produce and the potential for developing countries capitalizing thereon.

8. The pioneering activities of UNCTAD in shaping a development-friendly green economy that provides trade and investment benefits will continue to be put at the service of countries wishing to adapt to current environmental and climatological challenges, consistent with national development objectives and available international support measures.

9. Competition and competitiveness at the national and regional levels, with an emphasis on specific sectors of the economy, will remain a priority. Increasing attention will be given to consumer protection in developing countries.

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

10. The programmes under this cluster (table 1) aim to strengthen the capacities of developing countries – LDCs, African countries, small and vulnerable economies, and countries with economies in transition in particular – to integrate beneficially into the global economy and the international trading system and to design and implement trade policies that allow effective participation in bilateral and regional trade negotiations. These include South–South and multilateral negotiations on goods, agriculture and services. The programmes also aim to help these countries benefit more from preferential market access. Further, they contributed to the following: “Delivering as one” activities under United Nations Development Assistance Frameworks; activities consolidated by the United Nations Inter-Agency Cluster on Trade and Productive Capacity and other inter-agency initiatives; the enhanced integrated framework (EIF) for LDCs; and the Aid for Trade initiative. It furthermore participated in interdivisional programmes such as the delivery of Paragraph 166 courses and courses offered by the Virtual Institute.

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

<i>Project number</i>	<i>Short title</i>	<i>Period covered</i>	<i>Source of fund</i>
INT/9X/00M	Negotiations for a Global System of Trade Preferences among Developing Countries (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/9AU	General Trust Fund on WTO Accession	2009–	Multi-donor
INT/0T/9BG	General Trust Fund on Services, Development and Trade	2009–	Multi-donor
INT/0T/BBN <sup>a</sup>	United Nations Forum on Sustainability Standards	2012– 2012	Sweden
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> Operationally but not financially completed or fully completed in 2012.

## 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

11. **Development context.** In their struggle to mitigate the impact of the crisis and put their economies onto a sustained development path, trade remains an important instrument for developing countries. To be effective and allow for job creation, trade-led growth strategies should be complemented by proactive policies – industrial, agricultural and services – for enhancing production capabilities, structural transformation, economic diversification, value addition and human capital formation.

12. The prospect of successfully concluding the Doha Round of trade negotiations is increasingly uncertain. With the proliferation of regional trade agreements, the drive towards regionalism will be a major focus of trade policy in the coming years. Increased South–South trade, along with increased South–South cooperation, contribute to inclusive and sustainable development. The multilateral trading system needs to be reinvigorated, starting with the conclusion of the Doha Round. Furthermore, greater coherence is needed in the international trading system between the multilateral, regional, bilateral and unilateral levels.

13. **Objective.** UNCTAD support has aimed to help developing countries, particularly LDCs, to build human, regulatory and institutional capacities to better appreciate the development dimension of trade policy formulation and implementation, the trading system and trade negotiations, including their implications for meeting the MDGs. The objective is to help them establish their own trade policies and negotiating priorities and their capacity for negotiating and implementing bilateral, regional and multilateral trade agreements and

to fully reflect their critical development concerns and interests. This objective is pursued through support aimed at enhancing analytical capacity and expertise in understanding and assessing different elements of the negotiations in the list of their development objectives and promoting multi-stakeholder consultations at the regional and national levels. Technical support has addressed key areas of the negotiations, such as agriculture, non-agricultural market access negotiations, services, rules, trade facilitation, the Agreement on Trade-related Aspects of Intellectual Property Rights, and special and differential treatment.

14. The objective of the technical assistance is to assess, develop, elaborate and implement a new generation of trade policy measures and strategies and to promote and strengthen self-sustainable national institutional capacities on trade policy and negotiations in participating effectively in, and benefiting from, the multilateral trading system and regional trade agreements.

15. **Outputs.** The outputs from this assistance are set out below.

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

16. UNCTAD continued its support to developing countries on developing their trade policy frameworks. In 2012 assistance was provided to the Governments of Angola and Jamaica in follow-up elaboration of their trade policy. At the request of the Government of Mexico, UNCTAD prepared a study entitled “*Mexico’s Agriculture Development: Perspective and Outlook*”. The assistance aimed at strengthening self-sustainable national institutional capacities in trade policy and negotiations for participating effectively in, and benefiting from, the multilateral trading system and regional trade agreements. The work was funded by the United Nations Development Account.

17. As a member of the International Collaborative Initiative on Trade and Employment, UNCTAD participated in the steering committee meeting in 2012 and contributed to the publication of the International Collaborative Initiative, *Policy Priorities for International Trade and Jobs*. UNCTAD participated and contributed to the following events: the first thematic consultation on the framework for development beyond 2015 on growth, structural change and employment (Tokyo, 15 and 16 May 2012); a conference on global value chains and trade and employment (Jakarta, 12 and 13 December 2012); and a WTO public forum, “Better jobs through trade” (Geneva, 24 and 26 September 2012).

**(b) Multilateral trading system and Doha Round negotiations**

18. In 2012, UNCTAD provided generalized and country-tailored as well as regional-oriented support to Geneva- and capital-based trade negotiators and policymakers from developing countries on the multilateral trading system and the Doha Round negotiations. UNCTAD contributed to the analysis and assessment of the development implications of the technical issues and facilitated the establishment of their negotiating priorities on topics such as modalities for agriculture, including tariff rate quotas administration and green box issues; non-agricultural market access; and issues related to non-tariff barriers, services, rules, development and special and differential treatment. Particular attention was devoted to the needs of African countries, LDCs, and small and vulnerable economies. Advisory services and analytical support in connection with the multilateral trade negotiations were provided on a daily basis to Geneva-based trade negotiators of developing countries and their groupings.

19. UNCTAD has also assisted developing countries in fostering a better understanding of dispute settlement in the contexts of international trade, investment and intellectual property through workshops and training sessions. The training modules focused on five areas: general international investment dispute settlement in international law; dispute settlement in international investment (International Centre for Settlement of Investment

Disputes and the World Bank); WTO dispute settlement in international trade in goods, services and intellectual property; World Intellectual Property Organization (WIPO) dispute settlement; and international commercial arbitration dispute settlement (United Nations Commission on International Trade Law (UNCITRAL)).

20. Substantive support was provided for various ministerial and high-level meetings, technical meetings, seminars and retreats organized by developing countries and groupings (such as LDCs, African States and the African, Caribbean and Pacific (ACP) States), as well as at international conferences and events such as the following:

- (a) Eighteenth summit of the African Union (Addis Ababa, 23 and 24 January 2012);
- (b) Meeting of the ACP Ministerial Trade Committee (Brussels, 24 and 25 October 2012);
- (c) Conference on trade policy issues for Commonwealth African parliamentarians (Victoria, Seychelles, 9 and 10 July 2012);
- (d) Group of 20 trade summit (Los Cabos, Mexico, 18 and 19 June 2012);
- (e) African regional conference on the trade component of the World Health Organization (WHO) Framework Convention on Tobacco Control (Dakar, 9–12 October 2012);
- (f) Association of Southeast Asian Nations (ASEAN) sustainable development symposium (Bangkok, 5–7 November 2012);
- (g) ASEAN global dialogue (Phnom Penh, 20 November 2012);
- (h) Twenty-sixth conference of the Confederation of Asia-Pacific Chambers of Commerce and Industry (Kathmandu, 3–5 October 2012);
- (i) Symposium on trade and development marking the fiftieth independence anniversary of Jamaica (Kingston, 14 November 2012);
- (j) Thirteenth World Knowledge Forum (Seoul, 9–11 September 2012);
- (k) Conference of the World Free Zone Convention (London, 12 and 13 December 2012);
- (l) International conference on Cuba, economic reforms and social innovations (Turin, Italy, 30 November 2012);
- (m) Global forum of the Organization on Economic Cooperation and Development (OECD) on agriculture (Paris, 26 and 27 November 2012);
- (n) Second Global Biennial Conference on Small States, (London, 17 and 18 September 2012);
- (o) Fifteenth annual conference of the Global Trade Analysis Project (Geneva, 27–29 June 2012);
- (p) Workshop on arbitration and mediation for judicial authorities from China (Geneva, 17 December 2012).

21. The trade policy and trade negotiation capacities of countries were also built through training courses organized under Paragraph 166 and the Virtual Institute. These contributed to greater preparedness and technical capacities with regard to trade policy and multilateral and regional negotiations.

(c) **Regional integration and regional trade negotiations**

22. UNCTAD provided assistance to developing countries in the process of regional integration with a view to strengthening their institutional capacities to better manage simultaneous and parallel negotiations at subregional, regional and multilateral levels; and to build up and enhance their human resources and capacities in the area of trade policy and negotiations.

23. In 2012 ACP States continued negotiations on full economic partnership agreements (EPAs). UNCTAD provided analytical and operational support to ACP States in their EPA negotiations to allow optimum benefits to be reaped. It also continued to work closely with the ACP States and the ACP secretariat. Advisory and analytical support was regularly provided to the ACP States in Geneva, either individually or collectively through their membership in the African Union, or as LDCs, landlocked developing countries (LLDCs) or small and vulnerable economies. Such support was undertaken in close coordination with the office of the ACP secretariat in Geneva. UNCTAD support to ACP States aimed to:

(a) Increase analytical capacities in assessing emerging trade agendas in the contexts of WTO and EPA negotiations to identify and assess possible options in these negotiations;

(b) Strengthen trade policy and negotiating capacities for effectively participating in WTO and EPA negotiations.

24. Substantive contributions were made to various consultative conferences organized by the ACP States, the African Union and the Commonwealth Secretariat, including a workshop on services organized by the African Union Commission with the regional economic communities on 29 and 30 March 2012; a regional trade policy workshop for African parliamentarians organized by the African Development Bank, the Commonwealth Parliamentary Association and the Commonwealth secretariat (Seychelles, 9 and 10 July 2012); the sixteenth meeting of the ACP Ministerial Trade Committee (Brussels, 24 and 25 October 2012); and African Union conferences of ministers of trade and agriculture (Addis Ababa, 29 October–2 November 2012).

25. Contributions were made to international conferences and seminars pertaining to other regional arrangements, such as an expert group meeting on preferential trade agreements and regional integration in the Arab World organized by the Economic and Social Commission for Western Asia (Tunis, 5 and 6 December 2012); and an Islamic Development Bank (IDB) workshop on regional trade agreements in the Arab region (Casablanca, Morocco, 4–6 June 2012); the fourth meeting of the Consultative Group on Enhancing intra-OIC<sup>1</sup> Trade (Marrakesh, Morocco, 21 and 22 February 2012); and the twelfth China-ASEAN Free Trade Agreement Forum (Nanning, China, 20 September 2012).

26. **Results/impacts.** UNCTAD contributed substantially to the strengthened 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, as well as to better benefit from preferential market access schemes. UNCTAD enhanced the understanding of policymakers and trade negotiators of developing countries on policies and on the regulatory and institutional frameworks necessary to achieve inclusive and sustained development in a crisis-hit economic context. The UNCTAD intervention had a sustained

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<sup>1</sup> OIC, Organization of the Islamic Conference.

impact on strengthening human, institutional and regulatory capacities in developing countries and countries with economies in transition.

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

27. **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.

28. **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 (World Bank Group); the WTO dispute settlement system as regards the international trade in goods, services and intellectual property; dispute settlement in the field of intellectual property under the rules of the WIPO Arbitration and Mediation Centre and on Internet domain name dispute resolution; the rules of UNCITRAL on international commercial arbitration as a mode of international dispute settlement and dispute settlement under selected regional arrangements, namely ASEAN, the Common Market of the South and the North American Free Trade Agreement. The project seeks 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.

29. **Outputs.** UNCTAD provides training for government officials, legal practitioners, trade negotiators, academics 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 with the City University of Hong Kong (China) in 2008, a tailor-made event on arbitration and mediation was organized in Geneva for judges from China on 17 December 2012. Topics covered included the arbitration system of the China International Economic and Trade Arbitration Commission, the experiences of Swiss arbitrators working with and in China, the institution of the Swiss Banking Ombudsman after 20 years of existence and experiences with the Geneva Global Arbitration Forum.

30. **Results and 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 practices in developing countries and more effective use of dispute settlement. The sharing of experiences led to consideration of the appropriateness of institutions presented for specific situations, for example for an ombudsman in China.

## B. **Support for accession to the World Trade Organization**

31. **Development context.** Accession to WTO is an important component of trade and development strategies of developing countries and countries with economies in transition, especially with respect to their integration into the international trading system. In the accession process, aspiring members must undertake economic, legislative and judicial reforms and organize their national administrations to meet their obligations as a WTO member. This process will contribute to building institutional capacity as it establishes transparent and efficient economic and trade regimes and to enhancing the capacity to defend rights in future negotiations. The terms accepted by the acceding country can have a

major impact on the course of its future economic and social development. Preparation for and participation in accession negotiations require considerable financial and human resources, which many acceding countries, LDCs in particular, lack. Capacity-building support to acceding countries is thus a critical element in efforts to manage their accession process and to undertake trade policy reforms and strengthening of institutions to participate and benefit from the multilateral trading system.

32. **Objectives.** The programme aims to build human resources, regulatory, policy and institutional capacities in countries acceding to WTO in order to deal more effectively with the challenges of the international trading system and take advantage of emerging opportunities, as well as to build up their ability to implement the obligations associated with WTO membership. The technical assistance provided by UNCTAD has increased awareness of the multifaceted issues of the accession process for the negotiating teams and stakeholders of the accession countries. As a result of their better understanding of WTO rules and disciplines, including the special and differential treatment and other developmental provisions, they have been asked to participate more effectively in accession negotiations. The programme further assists countries in maintaining coherence between undertakings at multilateral and regional levels (including South–South).

33. **Outputs.** Currently, UNCTAD assists 22 out of the 30 countries currently negotiating or preparing their accession process. This includes all LDCs that are in the process of accession. The assistance provided includes training activities for accession negotiating teams and other stakeholders in Geneva and in acceding countries. Training includes simulation exercises to prepare for meetings of their working parties and with their trading partners; attachment of individual trade policymakers to UNCTAD; advisory missions on the substance and the process of accession; preparation for accession negotiations, including hands-on assistance in the preparation of the required documentation, such as the memorandum on the foreign trade regime and in considering questions posed by WTO members; and organization of, and support to, national multi-stakeholder consultative meetings and sensitization events, including the private sector, academia and Parliament.

34. In 2012, advisory services, field missions and capacity-building activities were carried out in the following countries: Afghanistan (19 June 2012), Comoros (9 and 10 July 2012), Seychelles (12 and 13 July 2012), Azerbaijan (23 and 24 July 2012), Lao People's Democratic Republic (17–19 September 2012), Uzbekistan (4 and 5 October 2012) and Kazakhstan (13–15 December 2012). Advisory services provided to regional and interregional groups of countries included a seminar on WTO accession and Doha negotiations for countries in transition organized by IDB (18–20 June 2012), an international conference on concessions and commitments undertaken by Arab countries acceding to WTO (14–18 October 2012) and advisory services provided to the group of LDCs on improving the WTO accession guidelines for LDCs (1–15 July 2012).

35. In implementing technical assistance and capacity-building programmes on accession, UNCTAD works and maintains close contacts and cooperation with the WTO secretariat, the World Bank, the Asian Development Bank, IDB, the Food and Agriculture Organization of the United Nations (FAO), the Economic and Social Commission for Asia and the Pacific (ESCAP), the International Trade Centre (ITC) and the United Nations Development Programme (UNDP). In addition, cooperation has been developing with other agencies implementing the EIF for LDCs. An extensive network of cooperation has also been established with national trade institutions and trade policymakers. Regular contacts are maintained with donors and other development partners.

36. **Results and impacts.** UNCTAD has an important comparative advantage on WTO accession. Its strength is that it has wide-ranging and multidisciplinary expertise in trade negotiations, trade agreements and trade policies, supported by extensive experience in



providing technical assistance to developing countries, especially LDCs, in the context of accession to the General Agreement on Tariffs and Trade/WTO and participation in multilateral trade negotiations. The assistance provided is intensive and broad. In response to countries' demand, assistance focuses on both the substantive aspects of WTO accession negotiations and on the wider developmental implications in terms of policy, regulatory and institutional changes that need to be undertaken to equip countries with the capabilities to benefit from WTO membership in terms of trade expansion, economic growth and development.

37. The work of UNCTAD on WTO accession has been evaluated and commended by independent evaluators,<sup>2</sup> as well as by UNCTAD member States, including members of the European Union and IDB. The number of requests for technical assistance and capacity-building on accession and post-accession issues has increased over the past few years. Limited human and financial resources constrain the provision of assistance on WTO accession. In order to meet the increased demands from acceding developing countries and countries with economies in transition, UNCTAD requires additional funds to be provided on a sustained basis so that it can continue to support these countries.

### C. Services for development and trade

38. **Development context.** The service economy is the new frontier for the expansion of trade, productivity and competitiveness, providing jobs and universal access to essential services. Development of the services sector provides the backbone of an integrated and effective economy. Vibrant infrastructural services such as financial services, telecommunications, transport and energy can catalyse economic diversification and enhance domestic supply capacity. Several developing countries have been successful in reaping sizeable developmental benefits from areas such as the movement of natural persons, outsourcing of information and communications, technology-enabled business services, construction and tourism. The role of services as inputs into other sectors of the economy is crucial. Diversification into the services sector is conducive to integrating developing countries, especially LDCs and small, structurally weak and vulnerable States, into the global services economy, and increasing their participation in services production and trade is essential. In order to generate the expected development benefits, services trade liberalization needs to be properly paced and in sequence with the establishment of effective regulatory and institutional frameworks. This poses important challenges for developing countries, including the establishment of national services policies to build up productive capacity in services and the negotiation of services agreements at the multilateral, regional and bilateral levels. It also entails the strengthening of robust regulatory and institutional frameworks. For many of them, regulatory and institutional frameworks are still in their infancy.

39. **Objectives.** UNCTAD support activities are aimed at strengthening the capacity of developing countries to make informed policy choices at the national level and in their respective multilateral or regional negotiating forums, so as to effectively harness the benefits of the liberalization of the trade in services; to design and implement appropriate services and related policies and regulatory frameworks; to negotiate and implement trade agreements; to establish institutional frameworks; to create an enabling environment for entrepreneurship; and to build competitive services supply capacity. Multilateral and regional negotiations, adequate content and pacing, and sequencing of domestic reforms

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<sup>2</sup> TD/B/WP/190, para 20.

play an important role in facilitating the gains of developing countries from the fast-growing services trade.

40. The support provided is designed to enhance expertise and knowledge in policymaking and regulations on services through policy reviews and sectoral assessments of services and preparations for regional negotiations with a view to developing regional frameworks on the trade in services; participation in negotiations on the WTO General Agreement on Trade in Services (GATS); and response to the challenges associated with parallel negotiations between the multilateral track and regional tracks. It is also intended to create synergies with ongoing analytical and intergovernmental work, especially through the multi-year expert meeting on trade, services and development (formerly known as the multi-year expert meeting on services, development and trade) focusing on the regulatory and institutional dimension.

41. **Outputs.** The outputs from these activities are set out below.

**(a) Services policy reviews**

42. 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 the regional and multilateral levels.

43. UNCTAD developed a methodology to assess policy and regulatory frameworks and the impact of trade liberalization in specific sectors and countries: the services policy reviews. They provide beneficiary countries with the data and analysis necessary for making informed policy decisions for promoting a national services economy, including thorough the liberalization and regulation of service sectors at the national, regional and multilateral levels, in order to improve policy, regulatory and institutional frameworks, strengthen supply capacities and identify new opportunities and options that advance national development objectives. In 2012 services policy reviews were undertaken for Lesotho, Nicaragua, Peru, Rwanda and Uganda.

44. Substantive contributions based on findings from its analyses and outcomes of intergovernmental deliberations were shared by UNCTAD at national and international conferences including national workshops on trade and services liberalization (Maseru, 19 and 20 January 2012 and 2–4 July 2012); a national workshop on services (Kigali, 16 and 17 January 2012); a national workshop on services (Kampala, 30 October–2 November 2012); and a national workshop on services policy review (Lima, 10 and 11 October 2012).

**(b) Support to multilateral and regional trade negotiations and cooperation on trade in services**

45. In 2012, tailor-made support, training and advisory services were provided to policymakers and negotiators in developing countries, including LDCs, the African Group and the Southern African Development Community (SADC). UNCTAD provided technical assistance and capacity-building support on services assessment and negotiations to the secretariat, trade negotiation forum and policymakers of SADC and to trade negotiators, with a view to strengthening the contribution of the services sector to development for the Community.

46. The expertise of member country trade officials in services negotiations was strengthened through national training workshops and seminars, along with the preparation of national assessment studies in priority services sectors. UNCTAD also provided various working materials and studies addressing specific issues and problems identified during regional and multilateral negotiations.

47. In 2012, substantive support was provided to the following: a SADC trade negotiations forum on services (Johannesburg, South Africa, 2–4 April 2012 and 3–7 December 2012); an African Union workshop on trade in services (Lusaka, 29 and 30 March 2012); a seminar organized jointly with China on trade in services for developing countries and LDCs (Wuhan, China, 17–25 May 2012); and the summit forum of the China International Fair for Trade in Services (Beijing, 28 May 2012).

(c) **Trade and development aspects of migration and remittances**

48. UNCTAD collaborates with the Global Migration Group, an inter-agency group that supports international and regional tools related to migration and more efficient approaches to international migration issues, international organizations and member States on migration issues, including participation in major inter-agency initiatives in the field with a particular focus on mainstreaming migration into development. UNCTAD has provided inputs into the proposed outcomes and recommendations (coordinated by the International Organization for Migration and the United Nations Population Fund) of the forthcoming High-level Dialogue on International Migration and Development, to be held in September 2013 during the General Assembly. It has also contributed to the report of the Global Migration Group entitled “Adolescents, youth and migration: Challenges and opportunities” coordinated by the United Nations Children’s Fund. Within the context of the Global Forum on Migration and Development, UNCTAD has contributed to discussions of the trade and development aspects of migration, primarily at the interactive discussions of the Global Forum summit meeting held in Port Louis on 21 and 22 November 2012. The inter-agency initiatives within the Global Migration Group and the Global Forum have helped to raise awareness of issues relating to migration, along with improving the current understanding of measures needed for remittances and further aid for migrants.

49. **Results and impacts.** The work of UNCTAD on services, trade and development has helped developing countries to better understand this area and its potential opportunities. There is close synergy between the three pillars of the work in its services programme. Services policy reviews are seeing high demand from countries wishing to build up services supply capacity and trade. UNCTAD support for trade policymakers and trade negotiators in continuing to articulate their interests in the GATS negotiations has helped them to maintain the development focus in the detailed negotiations. As participation in multiple negotiations is a major challenge, UNCTAD support has helped countries and regional integration groupings to ensure greater coherence in priorities pursued multilaterally, regionally and bilaterally. UNCTAD assistance has been important in facilitating the reform of policies in the context of the financial and economic crisis and in enhanced extensive multi-stakeholder consultations on services development. Sharing experiences and lessons learned is a special feature of UNCTAD support. The developmental benefits of international migration and related remittances have received added emphasis from UNCTAD in the light of its growing impact on development prospects. The outcome of the fourth session of the Multi-Year Expert Meeting on Services, Development and Trade and the deliberations on tourism at the second session of the Trade and Development Commission have been widely disseminated and shared through international and national conferences. These intergovernmental meetings foster international consensus on key issues in the services sectors and related best practices in strengthening services, trade and development. The dissemination of findings of these meetings and analyses by UNCTAD have helped countries consider steps towards strengthening their regulatory and institutional mechanisms in support of infrastructure services so that they can have a stronger positive impact on development.

## D. Capacity-building on market access and systems of preferences

50. **Development context.** The Generalized System of Preferences (GSP), instituted in 1971 under the aegis of UNCTAD, has contributed over the years to creating an enabling trading environment for developing countries, particularly LDCs. Following the Hong Kong WTO Ministerial Decision in 2005 by which members agreed that developed 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 is a key goal of the MDGs and the Istanbul Programme of Action adopted at the fourth United Nations Conference on the Least Developed Countries in 2011.

51. In 1988, GSTP was established under the aegis of UNCTAD as a framework for the exchange of trade preferences among developing countries to promote their mutual trade. Participants launched a third round of negotiations (the Sao Paulo Round) at the eleventh session of the United Nations Conference on Trade and Development (UNCTAD XI) in 2004, to undertake further liberalization of trade among them in support of increased trade, economic growth and development. The Round was successfully concluded in 2010.

52. **Objectives.** The objective of UNCTAD 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 trade. 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 provided to providers of preferences in improving their preferential schemes.

53. The objective of UNCTAD support to GSTP is to strengthen South–South economic cooperation, trade and integration. It enables participants to make effective use of the specific trade agreement to which they are party or other trade agreements in building and increasing trade among them. UNCTAD also provides substantive and administrative support to GSTP participants for them to conduct the third round of GSTP negotiations and the implementation of its results, as well as further enhancement of the agreement.

54. **Outputs.** The outputs from this area of support are set out below:

### 1. Generalized System of Preferences and other trade preferences

55. UNCTAD has continued to promote enhanced awareness among developing countries on ways to better utilize the preferences available under GSP and other preferential schemes through the periodic provision of information on a dedicated website, administrative support on certificates of origin, collection of data, publication of handbooks on GSP schemes and technical cooperation and capacity-building services. It has ensured the dissemination of relevant information by updating and revising handbooks on individual GSP schemes, for example, that of the United States of America, preparing related studies and issuing GSP newsletters. It has also continued compiling and updating its GSP database, based on the data submitted by GSP donor countries, which provide useful information on trade conducted under each preferential scheme.

56. In 2012, UNCTAD continued its work to enhance the capacity of developing countries in better utilizing existing market access opportunities under GSP and other trade preference schemes. This work consisted of disseminating updated information regarding the rules and regulations of various national GSP schemes on the GSP website, including

compiling preferential trade data and providing advisory and capacity-building support to selected developing countries upon request. Support was also provided in administering notifications regarding certificates of rules of origin. Advisory services on GSP and related market access issues were extended to Qatari officials (22 February 2012) and Egyptian officials and stakeholders (19 January 2012). A dedicated national workshop was organized for Qatar (Doha, 22 April 2012) in cooperation with the Qatar Development Bank with the aim of strengthening the understanding of national exporters and the private sector of ways and means to better benefit from various GSP schemes, including rules of origin.

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

57. At the South–South level, UNCTAD provides technical support to GSTP participants. Following the successful conclusion of the Sao Paulo Round of the GSTP negotiations in December 2010, the Division on International Trade in Goods and Services, and Commodities continued to support GSTP participants in their efforts towards the effective implementation of the Round and in follow-up discussions. UNCTAD assisted GSTP participants in coordinating and backstopping their activities in various GSTP events, including the meeting of the Subcommittee of Signatories to the Sao Paulo Protocol, the Committee of Participants and the preparation and organization of the High-Level Meeting on GSTP in Doha, a side event of UNCTAD XIII. It also provided technical support upon request to selected GSTP participants in those meetings. The participants in the GSTP High-Level Meeting issued a joint communiqué emphasizing the importance of the expeditious implementation of the results of the Sao Paulo Round so as to enhance its potential to further boost South–South trade for inclusive development.

58. **Results and impacts.** UNCTAD support in this area has contributed to building the knowledge base and to wider dissemination of information related to GSP, including through the preparation of handbooks, newsletters and the compilation of GSP trade data, as well as improved understanding and awareness of GSP among exporters and government officials in a number of individual beneficiary countries. UNCTAD support to participants in GSTP has ensured its smooth functioning and facilitated the conduct and conclusion of the third round of GSTP negotiations. It has been instrumental to the milestone agreement on the conclusion of the Sao Paulo Round, which will further expand and deepen South–South trade and cooperation.

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

59. The programmes under this cluster (table 2) 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 the national, regional, South–South and international levels and for enhanced understanding of interactions between trade, competitiveness and development.

Table 2

**Trade analysis capacities and information systems**

<i>Project number</i>	<i>Short title</i>	<i>Period covered</i>	<i>Source of fund</i>
INT/9X/00J	TRAINS <sup>a</sup> : Development and dissemination of selected computerized trade data	1991–	Multi-donor
INT/12/X36	Trade analysis capacities and information systems	2012–	Germany
ROA-2166 (O6) <sup>b</sup>	Enhancing effective participation of developing countries in dynamic and new sectors of international trade	2008–2012	Development Account

<sup>a</sup> Trade Analysis and Information System.

<sup>b</sup> Operationally but not financially completed or fully completed in 2012.

## A. Strengthened analytical tools and databases, including on non-tariff barriers

### 1. Trade information system and database

60. **Development context and objectives.** TRAINS is an information system intended to increase transparency in international trading conditions. It is intended more specifically for government officials and researchers and provides them with comprehensive, up-to-date information on market access conditions, together with a corresponding software tool. One component of the system relates to GSP in that it includes information on tariffs, preferential margins, non-tariff measures and other regulations affecting the export interests of developing countries compared with those of the preference-giving countries. A subsystem (TRAINS for the Americas) was developed in collaboration with the Inter-American Development Bank, expanding the database with information on bilateral preferential trade agreements and on non-tariff measures. For the purpose of dissemination, the World Integrated Trade Solution (WITS), a web-based application, was developed jointly with the World Bank. Free and unlimited access to TRAINS through that software is provided to member governments and private users.

61. **Outputs, results and impact.** The data elements of TRAINS accessible through the WITS software can be compared to a specialized library containing books on trade-related topics as follows: 175 volumes of tariff schedules, 93 of which are for 2011 and 99 for 2010; 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 through the WITS software continued to increase in 2012. About 7,500 of the approximately 22,000 licences issued to users of WITS were effected in 2012.

62. The widespread use of TRAINS, particularly in the publications of other international organizations such as WTO, the World Bank and the International Monetary Fund (IMF), attests to its usefulness. Internally, TRAINS served as a primary data source for various research papers aimed at measuring the potential impact of the ongoing multilateral, regional and bilateral trade negotiations. In addition, the database has continued to furnish tariff and trade data to the Agricultural Market Access Database, which, in turn, is often cited as an information source in many publications on trade in agriculture.

63. Among the regional secretariats actively collaborating with UNCTAD are those of the Latin American Integration Association, ASEAN and the permanent secretariat of the General Treaty on Central American Economic Integration.

64. TRAINS also contributed data for the calculation of indicators on market access for the MDGs, namely indicator 8.6 (proportion of total developed country imports from developing countries and LDCs, admitted free of duty) and indicator 8.7 (average tariffs imposed by developed countries on agricultural products and textiles and clothing from developing countries). UNCTAD, WTO and ITC created the Common Analytical Market Access Database, putting together all data sources collected or received by each organization and thereby creating the most comprehensive market access database in the world.

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

65. **Development context:** Entering into new and dynamic sectors of exports, and formulating strategies for successfully developing such export sectors require a greater focus on its impact upon inclusive development, especially in the turbulent economic environment after the 2008 financial and economic crisis. As a result, effective collaboration between the public and private sectors has become important: the public–private partnership in trade, in order to enhance export diversification (new exports), and export promotion (dynamic exports).

66. South–South trade rebounded vigorously after the 2008 economic crisis and became the engine of growth in international trade. It now provides the biggest window of opportunities for developing countries in cultivating their new and dynamic exports that involve wider economic sectors than before.

67. **Objectives.** The Development Account project (ROA-2166 (O6)) 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.

68. **Outputs, results and impact.** Policy dialogue on the role of government in international trade (March 2012) identified key areas that were essential for designing a collaborative process for trade policymaking, which was later discussed at UNCTAD XIII (April 2012). A study tour to bridge the Peruvian anchovy exporters and the market in the Republic of Korea put into practice the findings on collaborative policymaking and policy implementation and brought new trading opportunities.

## **C. Creative economy and sustainable development**

69. **Development context.** Creative industries are a potential source of real development gains for developing countries, including employment generation for women and youth, particularly in rural communities; the enhancement of human capital for higher skill occupations; and the creation of new export opportunities for products based on indigenous knowledge, design and local culture, as well as services. However, such gains require carefully formulated policy strategies that recognize the complexities of the interaction between economic, cultural, technological, industrial and social dimensions of the development process and that are implemented on a multidisciplinary basis, given the multidisciplinary facet of creative industries. Because all countries are different, creative economy policy measures will need to be adapted to each circumstance, both at the national and municipal levels.

70. Over the past several years, UNCTAD work on the creative economy and industries has demonstrated that building a supportive environment for creative industries requires a holistic approach to development policy and planning centred on providing support, incentives and tools to local actors in this increasingly important economic sector. Policies for the creative economy must not only meet economic needs but also the special needs of local communities related to education, cultural identity, social inclusiveness, the protection of local natural and environmental resource endowments and the integration of these policies into local, regional and international markets. Through a better understanding of the dynamics of the creative economy at the local level and the needs of local actors, national and municipal policymakers can design more effective policy, regulatory and institutional frameworks to support creative industries and enhance their development impact. It is also critical to strengthen the linkages between creative industries and international markets especially by improving access of small and medium-sized enterprises (SMEs) and individuals engaged in creative industries to trade, investment and technology to expand opportunities for production, employment and poverty reduction.

71. **Objectives and features of activities.** UNCTAD provides demand-driven policy advice to governments; undertakes policy-oriented research to identify issues and policy options to assist governments in policy formulation to nurture their creative economies; promotes synergy inside the United Nations system aiming at complementarities and policy coherence on creative economies; implements technical cooperation projects to assist developing countries in enhancing their creative capacities for trade and development gains; and expands its creative economy network, which serves as a catalyst that facilitates collaboration, best practices and knowledge-sharing among stakeholders, including governments, academia, creative business and civil society.

72. **Output and results.** UNCTAD participated in or contributed to a number of national, regional and international conferences and events aimed at boosting support for creative industries in 2012. During the International Colloquium on Creative Economy in Osaka, Japan, in February 2012, the Graduate School for Creative Cities of Osaka City University organized a seminar to discuss the analysis of the *Creative Economy Report 2010*. The University translated key chapters of the report into Japanese to facilitate the discussions, and three professors made insightful comments on UNCTAD methodology. Participants discussing the significance of the creative economy for urban regeneration noted that creative cities policies could only be successful if they were part of a broader urban strategy.

73. The University joined the UNCTAD Creative Economy Academia Exchange Network in 2012. Japan has strong creative industries for animation, cinema, music, computer games, books, fashion design and cuisine. They are the core of its soft power sector, accounting for 5 per cent of gross domestic product (GDP).

74. The CronaFest: Incubation + Creativity + City event (Mexico City, February 2012) was driven by a private-sector initiative from “Incubadora de Talentos” that connected the public and private sectors. It brought together about 75 small businesses with over 300 creative entrepreneurs from the new media sector located in a creative district of the capital. The festival offered a platform to encourage investors, artists, students and citizens to reflect on how to promote the creative industries through the production of animation content, visual effects and video games. UNCTAD participated in the event and held consultations with government officials, including those of Pro-Mexico, the Mexican investment agency, to discuss investments and financing for the creative economy.

75. The Thailand International Creative Economy Forum (Bangkok, 25–27 March 2012), the second such forum organized by the Department of Intellectual Property of the Ministry of Commerce of Thailand, focused on the theme “Grand to ground: Capturing local value, creating global impact”. It discussed the reinforcement of income generation



policy using creative economy by adding value to local or communal values and identity with creativity and bringing them forward to international success sustainably. The Forum concluded that creativity and value creation were essential to drive prosperity and that Thai entrepreneurs needed to change their business mindsets towards creating value as an integrated process combining culture and design with innovation and technology. UNCTAD participated in and contributed to the deliberations, especially on creative economy opportunities for developing countries to leapfrog into other dynamic sectors of the world economy.

76. The China International Fair on Trade in Services (Beijing, 28 May–1 June 2012) on the theme “Trade in services: New vision, new opportunities, new development”, was organized by the Ministry of Commerce and Beijing Municipal Government with the support of the China State Council. The services economy and creative industries were highlighted as key strategic sectors for growth in China and Beijing, in particular. Boosting the development of the service industry was a strategic goal of China’s twelfth Five-Year Plan (2012–2015) aimed at optimizing and upgrading its industrial structure. Creative industries already account for 12 per cent of GDP. UNCTAD participated as a key partner and discussed strategies to promote the creative services both in traditional fields and in fast-growing creative sectors such as new media, advertising, arts and crafts, the art market, and cultural and recreational services. The reaffirmation of the creative sectors was reflected in the strong investor interest in Beijing’s cultural base. Contracts for 18 projects worth RMB 2.2 billion were signed.

77. The Conference on Sustainable Cultural Entrepreneurship, held in Utrecht, the Netherlands, from 12–15 April 2012, was hosted by the School of Arts of Utrecht University to mark its twenty-fifth anniversary. The Conference focused on cultural sustainability and its social and environmental dimensions. The Dutch Government included the creative industries among the priorities of its innovation strategy, and the University is one of the partners. Utrecht is one of the oldest towns in the country but has a young population and many new knowledge-intensive ventures. Round tables discussed creative opportunities to develop alternative ways of sustainable production, including on the renewing of cities and social innovation. UNCTAD participated in the discussions regarding the creative and the green economy, stressing that creativity and intellectual capital are inexhaustible human resources and that most creative industries are environmentally friendly, capable of generating green products and services. UNCTAD has collaborated with the School of Arts of Utrecht University, including through the organization of several workshops and events at least once a year to support the linkages between sustainability and cultural entrepreneurship.

78. The BCreative 2012 Conference, Vancouver (Canada, 10–12 May 2012) was organized jointly by Simon Fraser University and the Government of British Columbia. Participants discussed the outline of a strategy to strengthen the creative economy and facilitate policy actions by the provincial and the federal government. They also discussed lessons learned from past support programmes, pondering how new ones should be more effective to maximize its impact. UNCTAD took part in the event.

79. Nigeria’s First National Policy Dialogue on the Development of the Creative/Entertainment Industries (Lagos, 18–21 July 2012) was organized by the Federal Ministry of Tourism, Culture and National Orientation with the support of UNCTAD, UNDP and the Nigerian Export-Import Bank. The Policy Dialogue considered Nigeria’s Vision 2020 and the MDGs and highlighted the rising contribution of the creative industries to Nigeria’s economy, GDP, trade, employment, tourism and image promotion and identified challenges and means of addressing them, including through greater synergies between the Government and stakeholders, including creative professionals.

80. Post-crisis Finance, Trade and Investment in Emerging Economies: Search for Sustainable Growth Models and the Role of Creative Industries, Istanbul (Turkey, 8–9 November 2012) was organized by Istanbul Commerce University and the Istanbul Chamber of Commerce, with the support of the Ministry of Trade and Customs. UNCTAD participated in and contributed to the discussions and to the inaugural opening of the Istanbul Centre for Creative Economy, Cultural Industries and Creative Cities, which will be housed at the university campus. The main partners of the centre are the Ministry of Trade and Customs, the Metropolitan Municipality of Istanbul and the Istanbul Chamber of Commerce. UNCTAD had provided support in setting up the Istanbul Centre for Creative Economy, Cultural Industries and Creative Cities and was invited to join its advisory board. UNCTAD is working on a draft protocol of cooperation with Istanbul Commerce University to strengthen the research capacities in the field of creative economy, exchange information and best practices and develop a joint digital and multimedia library on creative economy.

81. The Second International Forum: Developing Trade Facilitation to Strengthen the International Competitiveness of SMEs (Beijing, 21–23 November 2012) was organized by Beijing Chaoyang District Commission of Commerce and Trade Point Beijing and was supported by the Beijing Municipal Commission of Commerce and Beijing People's Government of Chaoyang District. UNCTAD participated in the discussions on the creative industries and international trade highlighting the main sectors with export potential in the Asia-Pacific region.

82. The eighth World Summit on Internet and Multimedia and the first China International Creative Economy Cooperation Conference (Fuzhou City, 27–29 November, 2012) were organized by the International Federation of Multimedia Associations, the China Council for the Promotion of International Trade and the Fujian Provincial People's Government with the support of UNCTAD, UNDP, the Chinese Ministries of Commerce and Culture, the Economic and Social Council, the Institute of Digital Francophonie, the Film Federation of India, the International Digital Media and Arts Association and others. UNCTAD addressed the opening ceremony on the importance of the creative economy, in particular services. The meeting promoted networking in the digital and creative industries of the BRICS countries (Brazil, Russian Federation, India, China and South Africa) and other developing countries.

### **III. Cluster III: Trade, environment and development**

83. The projects under this cluster (table 3) aim to strengthen the capacity of developing countries to formulate and implement mutually supportive trade, environment, climate change and sustainable development objectives, including in terms of the creative economy, and to integrate sustainable development objectives in development strategies at all levels (Doha Mandate, paras. 18(b), 31(f), 56(g)(ii), 56(s) and 65(g)).

Table 3  
**Trade, environment and development**

<i>Project number</i>	<i>Short title</i>	<i>Period covered</i>	<i>Source of fund</i>
INT/0T/3BB	Consultative task force on environmental requirements and international trade	2003–	Netherlands
INT/0T/6BP	Challenges and opportunities of implementing biodiversity-related multilateral environmental agreements	2006–	Switzerland
INT/0T/7BS	Climate Change Programme	2007–	Multiple donors
INT/0T/8AS	BioTrade Facilitation Programme, Phase II	2008–	Switzerland

### A. Enhanced opportunities in biotrade

84. **Development context.** Biodiversity, the source of many products and services utilized by society, is being lost at accelerating rates, owing to the widespread overexploitation of biological resources, the introduction of alien species and the 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. The sustainable use of biodiversity is thus 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.

85. Research shows that market interest and demand for biodiversity products and services is growing, giving countries that are rich in biodiversity 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 measure for biodiversity conservation is increasingly recognized at the national and international levels, and efforts are under way to promote trade that takes into account the preservation of ecological and social issues. The UNCTAD BioTrade Initiative and the 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>3</sup> These programmes respond to the limited capacity of developing countries to benefit from the international markets for products whose production processes enable sustainable use and conservation of biodiversity.

86. **Objectives and features.** The BioTrade Initiative seeks to promote trade and investment in biological resources in support of sustainable development. By establishing partnerships with national, regional and international programmes, it seeks to strengthen the capacity of developing countries to enhance the production of value added products and

<sup>3</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.

services derived from biodiversity, both for domestic and international markets. The Initiative, which supports sustainable development through trade and investment in biological resources, aims to give concrete expression to the concept of sustainable use of biodiversity and to reconcile 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.

87. **Output.** UNCTAD, through its BioTrade Initiative and BioTrade Facilitation Programme Phase Two (supported by the Swiss State Secretariat for Economic Affairs), continued to assist developing countries in strengthening the institutional capacity of the national BioTrade programmes in developing policy frameworks in support of biotrade and to provide technical assistance and advisory services to BioTrade programmes and partners in Burundi, Colombia, Ecuador, Indonesia and Viet Nam on issues such as the BioTrade concept and methodologies, value chain development and market access opportunities.

88. UNCTAD BioTrade, in partnership with the UNDP Bureau for Crisis Prevention and Recovery and the UNDP Private Sector Division, continued to support the use of BioTrade as an approach to support reintegration and livelihoods in post-crisis settings. Concretely, BioTrade is featured in reintegration and economic revitalization strategies within the full and operational Integrated Disarmament, Demobilization and Reintegration Standards Module and Natural Resource Management, and the experience of working with BioTrade in post-crisis settings was also shared in several events organized by UNDP and its partners in Switzerland and Thailand. The dissemination of these experiences has been crucial in enhancing the knowledge on the linkages and opportunities that BioTrade provides to local communities in post-conflict settings and has raised the interest of several UNDP Country Offices such as Burundi. To start the process in Burundi, a value chain training session via videoconference was conducted by UNCTAD BioTrade for staff of UNDP Burundi and of the Bureau for Crisis Prevention and Recovery.

89. In Colombia, UNCTAD continued to support the Ministry of Environment and Sustainable Development in ensuring the continuity of implementing biotrade activities, participated in several events related to the green economy and the cosmetic sector, and supported the sharing of experiences through their participation in the First BioTrade Congress. The Congress also supported the sharing of experiences of BioTrade partners in Africa (through PhytoTrade Africa in Botswana, Malawi, Mozambique, Namibia, South Africa, Swaziland, Zambia and Zimbabwe) on natural products for the cosmetic, pharmaceutical and food industries. Ecuador shared its experience in developing the bird-watching value chain. Other BioTrade partners, such as the Andean Community, shared their experience in developing regional strategies and the Union for Ethical BioTrade on access and benefit sharing.

90. In Indonesia, the Initiative supported UNDP Indonesia and the UNDP Bureau for Crisis Prevention and Recovery and its project in Aceh Selatan by providing technical advice to the nutmeg value chain. It supported the development of the BioTrade Impact Assessment for 2010 and 2011 and commissioned the report on the lessons learned in this joint nutmeg initiative. At the national level, UNCTAD finalized the National BioTrade Assessment and Natural ingredients sector assessment, as presented above.

91. UNCTAD supported Viet Nam to become a recognized supplier of natural ingredient products traded through supply chains that conform to the principles of BioTrade and CBD objectives under the project “Development of BioTrade activities within the natural ingredients sector (2012–2014)”. In particular, UNCTAD took part in the launching

of the BioTrade project on 15 and 16 May 2012 and facilitated the sharing of BioTrade experiences between Viet Nam and Peru in June 2012. The National Institute of Medicinal Materials is the national partner that will also support the development of BioTrade in Viet Nam, and Helvetas Swiss Intercooperation-Viet Nam is currently managing the project.

92. In accordance with paragraph 102 of the Accra Accord, the BioTrade Initiative continued “to support the creation of an enabling policy and environment to foster private sector engagement in the sustainable use and conservation of biodiversity”. In partnership with the Natural Resources Stewardship Circle and organizations from the Mexican Government (CONABIO), UNCTAD supported the efforts to develop the candelilla value chain, which is used in the cosmetic industry. In particular, UNCTAD supported the implementation of the *Guidelines for the Sustainable Management of BioTrade Products: Resource Assessment* (UNCTAD/DITC/TED/2012/1, United Nations, 2013) to support efforts in sustainably sourcing the species.

93. UNCTAD also continued implementing activities under biodiversity-related multilateral environmental agreements such as the CBD. The Initiative contributed to the Strategic Plan for Biodiversity 2011–2020 and its Aichi targets and disseminated BioTrade activities through documents and at CBD meetings.

94. The Initiative also supported the Convention on International Trade in Endangered Species of Wild Fauna and Flora (CITES) in promoting the sustainable use of CITES-listed species and engaging the private sector, particularly in the cosmetic and fashion sectors. UNCTAD has started work on the sustainable use of reptiles, and a scoping study to propose options of traceability systems for reptile skins is under way. Toolkits for CITES-listed species yellow anaconda, *Crocodylus moreletii* and fique were developed.

95. In connection with the United Nations Conference on Sustainable Development (20–22 June 2012), also referred to as the Rio+20 Conference, UNCTAD organized the First BioTrade Congress: Biodiversity – The Life of the Green Economy on 18 June 2012. BioTrade is a promising green economic sector in which developing countries have demonstrated a leadership role. It is the type of trade that supports conservation and the sustainable use of biodiversity, while providing a source of income for local development. Recognizing that BioTrade is one of the pillars for achieving biodiversity conservation, sustainable use and post-conflict reintegration efforts, the Congress provided a platform where BioTrade and biodiversity stakeholders shared their experiences and lessons learned, and established further cooperation in implementing sustainable practices on the path to greening biodiversity-based sectors.

96. The first BioTrade Impact Assessment System report was finalized with 2010 data as the baseline year. This report showed positive results in most indicators explained by years of UNCTAD and partners’ engagement at different levels, and support and participation of governments, donors (led by the Swiss State Secretariat for Economic Affairs), implementing agencies, businesses and other stakeholders. Through the BioTrade Impact Assessment System, countries can obtain valuable information for reporting on their progress in achieving the CBD and Aichi targets, and for their national reporting activities, which relate to environment, social, economic and governance issues. The online database, which allows BioTrade partners to input the data directly and generate BioTrade Impact Assessment System reports as needed, was also finalized (<http://btias.org/>).

97. The e-learning course on BioTrade and value chain development was finalized, and the first course is expected to be conducted in the first semester of 2013 with participants from four Latin American countries. This course was developed in partnership with the UNCTAD TradeForTrade programme.

98. In increasing the awareness and understanding of BioTrade issues by public and private stakeholders, the Initiative has organized and/or participated in various seminars, workshops, conferences and in relevant discussions of international development processes, such as the following:

- (a) Natural Resources Management Training Course (Inter-Agency Working Group on Disarmament, Demobilization and Reintegration/United Nations Environment Programme (UNEP), Montreux, Switzerland, 27 February–2 March 2012;
- (b) Congreso Colombia – Economía Verde, Bogotá, 24 May 2012 ;
- (c) Taller Biodiversidad y Biocomercio – Sector Cosméticos y Aseo, Bogotá, 29 May 2012;
- (d) Workshop on Development of BioTrade Activities within the Natural Ingredients Sectors in Hanoi; Hanoi, 15 and 16 May 2012;
- (e) First BioTrade Congress: Biodiversity – The Life of the Green Economy, Rio de Janeiro, Brazil, 18 June 2012;
- (f) BioTrade: a post-conflict livelihoods and recovery option in Burundi (videoconference organized by UNDP), Burundi, United States and Switzerland, 22 August 2012;
- (g) Regional Training Programme on Sustainable Livelihoods and Economic Recovery, Session 4: Livelihoods Recovery and the Environment, hosted by the UNDP Bureau for Crisis Prevention and Recovery and the Asia Pacific Regional Centre, Bangkok, 10–14 September 2012;
- (h) Course given by the UNCTAD Division on Technology and Logistics on global value chains, Geneva, Switzerland, 11 December 2012.

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

- (a) Guidelines for the Sustainable Management of BioTrade Products: Resource Assessment (UNCTAD/DITC/TED/2012/1);
- (b) Designer's Toolkit – *Crocodylus moreletii* (UNCTAD/DITC/TED/2012/4);
- (c) Designer's Toolkit – Yellow Anaconda (UNCTAD/DITC/TED/2012/5);
- (d) Biodiversity: The Life of the Green Economy; Report on the first BioTrade Congress (UNCTAD/DITC/TED/2012/6);
- (e) BioTrade Initiative Strategic Direction 2020 (UNCTAD/DITC/TED/2012/7);
- (f) Designer's toolkit – *Fique* (UNCTAD/DITC/TED/2012/8).

100. **Results.** Sixteen years after UNCTAD launched the BioTrade Initiative in 1996 with the aim of promoting trade and investment in biodiversity to further sustainable development, a number of countries, regions, national and international stakeholders and industries active in this area have made remarkable progress in embracing BioTrade concepts and principles as integral parts of their strategies. Furthermore, BioTrade is being recognized as a tool to address poverty alleviation and to support sustainable livelihoods in developing countries.

101. UNCTAD's BioTrade Initiative seeks to promote trade and investment in biological resources to further sustainable development in line with CBD objectives. It has contributed to the identification of a group of producers, processors and retailers who are seriously engaged in and committed to sustainable use of biodiversity and to the fair and equitable distribution of benefits. Today, BioTrade is becoming even more relevant as efforts toward

biodiversity conservation and sustainable use are called on to significantly scale up to achieve broader and more ambitious global conservation goals and to meet international targets. Additionally, BioTrade has a significant potential for contributing to the transition towards more sustainable economies, especially in developing countries. In this regard, BioTrade remains a key concept, process and activity, which increasingly calls the attention of countries, social actors and entrepreneurs to effectively integrate and create positive synergies between conservation, sustainability, equity and trade-related measures.

## **B. Enhanced opportunities in biofuels**

102. **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 to the most vulnerable developing countries.

103. 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 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 multi-sectoral 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 to meet their commitment to combat climate change and to achieve the MDGs.

104. **Objectives and 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. In particular, the Biofuels Initiative helps assess the potential that some 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. It assesses emerging investment opportunities for developing countries, including the use of the clean development mechanism under the Kyoto Protocol. It provides policy guidance, ideas and examples on how to overcome barriers when engaging in this new market.

105. **Output and results.** UNCTAD's Biofuels Initiative continued to offer a facilitating hub for programmes or initiatives already under way in a number of institutions. With its partners, it has 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, non-governmental organizations (NGOs) and relevant initiatives such as the FAO International Bioenergy Platform, UN-Energy, the United Nations Framework Convention on Climate Change, the Group of Eight Global Bioenergy Partnership, UNEP-Risø, United Nations Industrial Development Organization, the Round Table on Sustainable Biofuels (held by the Swiss Federal Institute of Technology in Lausanne and the World Economic Forum), the International Federation of Agricultural Producers, the Inter-American Development Bank, the Swedish Royal Institute of Technology, the Brazilian Military Institute of Engineering, and the University of Sao Paulo.

106. The UNCTAD Biofuels Initiative has continued to assist developing countries in their policy analysis and in deciding whether biofuels is an option in achieving energy security and sustainable development goals. The Initiative continued collaborating with the Government of Mexico in assessing the biofuel option, including the evaluation of policy implementation and analysing developments in biofuels markets, in particular, on issues related to sustainability certification.

107. The Initiative also continued its work on climate-friendly, cost-efficient and development-oriented green sectors within the reach of developing and LDCs by undertaking further analytical analysis of biofuels, including the costs of biofuel sustainability certification and their impacts on developing country producers. Two articles analysing costs have been prepared and are currently under peer review in academic journals.

108. In connection with the Rio+20 Conference, the Initiative organized a side event on biofuels on 19 June 2012, which explored new sustainable and socially inclusive biofuels experiences in developing countries and LDCs. The event took place at the Brazilian Military Institute of Engineering. Participants included representatives from international organizations, banks, civil society representatives, journalists, academia and the private sector. The event provided a platform for discussions on how the production of biofuels can enhance energy diversification, generate income and improve the livelihood of populations.

109. Institutional agreements were launched with different institutions such as the Swedish Royal Institute of Technology, the Brazilian Military Institute of Engineering and the University of Sao Paulo to facilitate institutional collaboration on issues concerning green economy and bioenergy, with a special focus on development. UNCTAD will work on a funding proposal to establish an African bioenergy development platform, with initial activities expected for 2013.

## **C. Trade and development opportunities in the climate change regime**

110. **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 high on the international agenda. The projected climate impacts will hurt developing countries most because their economies are reliant on climate-sensitive sectors such as agriculture. 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 LDCs – often rely on few exports and face negative terms of trade. To make their economies more resilient 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, including for exports.

111. The Kyoto Protocol provides important investment opportunities for developing countries through the clean development mechanism. Developing countries need to be ready to seize the opportunities for sustainable development offered by the clean development mechanism and ensure that these are captured domestically in a manner that lessens their economies' vulnerability and increases their energy security and their chances of integrating themselves into the globalized world economy on more equitable terms. Investment under the clean development mechanism – 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. The current climate change negotiations are generating important emerging trade and investment opportunities for developing countries, particularly in the area of bioenergy. The UNCTAD 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, the Programme focuses on addressing the economic aspects of climate change and its trade and development implications.

112. **Objectives and features.** Based on the premise that future economies will be carbon-constrained, the UNCTAD Climate Change Programme 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 levels, the Programme addresses the following issues: the trade competitiveness aspects of climate change policies; trade, development gains and investment opportunities that arise 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 clean development mechanism; and compatibility issues between climate policy and trade rules.

113. **Output and results.** The trade and sustainable development aspect of a green economy figured prominently among the many cross-cutting themes discussed at the Rio+20 Conference. In recognition thereof, UNCTAD worked vigorously to inform the negotiating process and to develop new activities to assist member States enhance trade gains in a greening global economy. UNCTAD prepared three issues of the *The Road to Rio+20*, highlighting green economy challenges and opportunities for developing countries; organized workshops and side events for Rio+20 negotiators and other United Nations delegates to raise awareness and understanding of the significant impacts that national green economy policies can have on trade; and developed new consensus- and capacity-building activities that were launched late in 2012.

114. Following the publication of two issues of the well-received *The Road to Rio +20* in 2011, UNCTAD prepared and published the third issue in 2012 in the run-up to the Rio+20 Conference. By providing a neutral forum for debate, the journal contributed to the Rio+20 debate through a collection of essays that provided different perspectives on how to increase the benefits and reduce the risks in the transition to a development-led green economy. Essays demonstrated that the potential for the green economy to become the basis for a new development path depends on how its benefits are perceived and how the burden of the transition costs will ultimately be shared. Accessible to a wide audience of

specialists and non-specialists alike, all three issues of the journal are available at [www.unctad.org/greeneconomy](http://www.unctad.org/greeneconomy).

115. On 19 January and 16 March 2012, UNCTAD in collaboration with the Department of Economic and Social Affairs and the Economic Commission for Latin America and the Caribbean (ECLAC), organized two full-day workshops in New York to inform delegations on a wide range of issues at the interface of trade, the green economy and sustainable development. These interactive workshops improved delegates' appreciation of the complex nature of ways to enhance the mutual supportiveness of trade and environment policies, seize new export opportunities in green markets, ensure safeguards against green protectionism and manage the undesirable impacts environment policies may have on trade and vice versa. Additionally, the workshops reviewed trade-related elements of the draft Rio+20 outcome document and examined their implications. Workshop presentations and informal summary reports are available at [www.unctad.org/greeneconomy](http://www.unctad.org/greeneconomy). The New York workshops were greatly appreciated by member States, informing negotiators and facilitating their elaboration of the document. Numerous side events were also organized in New York and Geneva to disseminate results of the workshops and the branch's research more generally.

116. Building on this foundation, UNCTAD organized a panel discussion at UNCTAD XIII on 25 April 2012 entitled "Mainstreaming sustainability into trade and development policies: Towards Rio +20". The panellists discussed how greener trade could be used as a tool for developing countries to ensure a more sustainable and equitable economy.

117. On 20 June 2012, in conjunction with the opening of the United Nations Conference on Sustainable Development, UNCTAD and the Department of Economic and Social Affairs held a panel discussion on the trade dimension in the follow-up to the Rio+20 Summit. High-level panellists stressed the need to shift emphasis from negotiations to concrete proposals on innovative cooperation frameworks and capacity-building initiatives, while showcasing UNCTAD's analytical work on the trade and development dimensions of the green economy, as well as its technical assistance and consensus-building mechanisms to ensure a robust follow-up to the Rio+20 outcomes.

118. UNCTAD organized the following events:

(a) Workshop entitled "The Trade Dimension of Rio+20: Unpacking the Issues", New York, United States, 19 January 2012;

(b) Workshop entitled "The Trade Dimension of Rio+20: Key Issues for the Outcome Document", New York, United States, 16 March 2012 ;

(c) Special side event on key trade issues for the outcome document during the Third Intersessional meeting of the Commission on Sustainable Development, New York, United States, 27 March 2012 ;

(d) Briefing to Geneva-based delegates on the green economy in the context of sustainable development and poverty alleviation, Geneva, Switzerland, 29 March 2012;

(e) Expert panel discussion entitled "Mainstreaming Sustainability into Trade and Development Policies: Towards the Rio+20 Summit", Doha, 25 April 2012;

(f) Informal briefing to New York-based delegates on the green economy in the context of sustainable development and poverty alleviation in the lead-up to the Rio+20 Conference, New York, United States of America, 29–31 May 2012;

(g) Side event on the trade dimension in the follow-up to the Rio+20 Summit, Rio de Janeiro, Brazil, 20 June 2012.

119. The adoption of the Rio+20 outcome document, *The future we want* (see A/RES/66/288), points to opportunities that a transition toward a greener economy can offer by creating deeper synergies between trade, investment and financial mechanisms. Recognizing this, and consistent with the Rio+20 outcome, UNCTAD worked vigorously to develop new activities to assist member States enhance trade gains in a greening global economy. It has launched an initiative called “National Green Export Reviews” to assist developing countries and countries with economies in transition in seizing trade opportunities that will arise from the emerging global green economy by helping them identify promising green export opportunities through national multi-stakeholder processes. This will be supported by the UNCTAD green product space methodology that maps out countries’ comparative advantage over dynamic green goods and services.

120. UNCTAD also participated in an informal dialogue on the implications of the Rio+20 outcomes to WTO member States in Geneva, Switzerland, on 12 September 2012.

121. The following publications were prepared:

(a) *The Road to Rio+20: For a development-led green economy*, Issue 3 (UNCTAD/DITC/TED/2012/2);

(b) Mapping green product spaces of nations, *The Journal of Environment & Development* (2013, 22:155).

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

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

123. 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.

124. **Objectives and features.** UNCTAD 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.

125. **Output and results.** A major output under the project by UNCTAD was the organization of the Second Lao Organic Agriculture Forum in Luang Prabang, at the Provincial Agriculture and Forestry Office, on 10–11 December 2012. The inaugural meeting of the Forum was held in early 2012; the second forum was considered important as a platform of public–private sector dialogue to keep the momentum of the project, to acknowledge and showcase what has been done so far and to discuss future directions. The Forum was well attended, with some 40–65 participants from the public and private sectors,

including policymakers, agricultural producers, tourism and craft enterprises. It updated them on the national situation of organic agriculture development in the Lao People's Democratic Republic and analysed its current status; facilitated experience sharing with participants about the experiences of organic agriculture development in other countries; and facilitated information sharing on the issue among civil society, the public and private sectors in that country, for example on successful Lao organic businesses experiences and concrete activities that could be adopted by stakeholders to promote further the development of organic agriculture in that country.

126. In addition, UNCTAD participated in the Global Organic Market Access (GOMA) Conference held by UNCTAD, FAO and the International Federation of Organic Agriculture Movements (IFOAM) in Nuremberg (Germany, 13–14 February 2012). Entitled “Let the Good Products Flow! Global Organic Market Access in 2012 and Beyond”, the event was held in connection with BioFACH, the world's biggest organic trade fair. The Conference provided an opportunity for those involved in the development of regional organic standards in East Africa, the Pacific, Central America and Asia to share experiences. The Asia Regional Organic Standard was approved by the GOMA Asia Working Group that had met in Nuremberg prior to the Conference. The standard covers organic crop production, processing and labelling.

127. UNCTAD also contributed to the Avenir Suisse Workshop on commodity trade in Basel (Switzerland, 10 October 2012); and to the second Annual European Raw Materials Conference in Brussels (Belgium, 20 March 2012).

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

### **1. Voluntary sustainability standards**

128. **Development context.** The rapid growth of voluntary sustainability standards, which set 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 those standards 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 voluntary sustainability standards; influence their development (inter alia, their transparency, inclusiveness, governance, costs, requirements and applicability); identify opportunities and threats posed by them and effectively integrate them into national strategies to leverage the catalytic effects of those standards and promote their own sustainable development agendas. This necessitates policy coherence, institution building, improved technical and quality assurance capacities, effective national stakeholder dialogue and the development of public–private partnerships.

129. There is considerable concern in developing countries that voluntary sustainability standards may undermine the hard-won gains relating to transparency, legitimacy and least trade restrictiveness of standards under the WTO Agreement on Technical Barriers to Trade agreements and the Agreement on the Application of Sanitary and Phytosanitary Measures. This concern is unlikely to dissipate in the absence of clear criteria that distinguish environment and social-protective voluntary sustainability standards from trade-protective

voluntary sustainability standards (this concerns not only their nature, but also procedural issues, such as the ways in which they are prepared, adopted and implemented) and tangible evidence that voluntary sustainability standards lead to concrete economic, environmental and social gains in exporting developing countries.

130. **Objectives and features.** The activities aim to achieve a regular and well-informed dialogue among developing country decision-makers in government, the private sector and civil society. The focus is on understanding, anticipating, coping with and maximizing the developmental benefits of voluntary sustainability standards and reaching an efficient exchange of experiences among developing countries on best practice in proactively dealing with such standards.

131. **Output and results.** Organization of a briefing session to provide background information and discuss the United Nations Forum on Sustainability Standards held in Geneva, Switzerland, on 5 June 2012.

132. Organization of the Forum's First Advisory Panel Meeting in Geneva, Switzerland, on 21–22 June 2012. It focused on developing recommendations on what issues related to voluntary sustainability standards and what specific activities the Forum should undertake.

133. UNCTAD planned a series of briefing sessions in developing countries to promote the Forum and consultations with public and private stakeholders in those countries on their key areas of interest and recommended priority activities for the Forum in the first two years. Plans were developed for country- and regional-level briefing events in China, Kenya, Côte d'Ivoire and Thailand.

134. UNCTAD co-organized the final technical task force meeting on the Asia Regional Organic Standard under the GOMA project led by FAO, IFOAM and UNCTAD on 10–12 September 2012 in Bangkok. The meeting was a joint event with the ASEAN Secretariat to formally adopt the standard.

135. Consultative meetings were organized with the Association of Natural Rubber Producing Countries, Siam Barby Bhd. and QA Plus in Kuala Lumpur, Malaysia, on 13 September 2012 and with the International Rubber Study Group in Singapore on 14 September 2012 to discuss the work programme and further development of a sustainability certification scheme for natural rubber, following a decision by the working group on the subject at the recent Asian Elastomer Conference 2012.

136. A consultative meeting was organized with the Research Institute of Organic Agriculture in Frick, Switzerland, on 22 May 2012.

137. The project furthermore assisted the Forum on Sustainability Standards with its outreach activities, specifically with the management of the substantive content of its website.

#### **IV. Cluster IV: Competition policy and consumer protection**

##### **Lead entity: Division on International Trade in Goods and Services, and Commodities**

138. **Development context.** UNCTAD is the focal point on all work related to competition policy and consumer protection within the United Nations system. The mandate, which dates from the adoption of the Set of Multilaterally Agreed Equitable Principles and Rules for the Control of Restrictive Business Practices in 1980, sets a top

priority: “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 international trade, particularly those affecting the trade and development of developing countries” (TD/RBP/CONF/10/Rev.2). The Set also recognizes that the basic norms of competition law, which have long been in use in developed countries, should extend to the operations of enterprises, including transnational corporations, in developing countries.

139. Thus, the objectives section of the Set emphasizes that the interests of developing countries in particular should be taken into account in the elimination of anticompetitive practices that may cause prejudice to international trade and development. It also considers the Set to be an international contribution to a wider process of encouraging the adoption and strengthening of laws and policies in this area at the national and regional levels.

140. Despite a general trend towards the adoption, reformulation or better implementation of competition laws and policies in developing countries and in countries with economies in transition, many still lack up-to-date competition legislation or adequate institutions for their effective enforcement and rely to a large extent on UNCTAD capacity-building for this work. In this connection, the Set calls on UNCTAD to provide technical assistance, advisory and training programmes, particularly for developing and less-developed countries. Further, UNCTAD was given a mandate at UNCTAD XI to further strengthen capacity-building activities to assist developing countries in issues related to competition law and policies, including at the regional level. The validity of the Set was reaffirmed in 2005 by the Fifth United Nations Conference to Review All Aspects of the Set of Multilaterally Agreed Equitable Principles and Rules for the Control of Restrictive Business Practices.

141. **Objectives.** The programme (see table 4) aims to assist developing countries, including LDCs and countries with economies in transition, in formulating and reviewing competition policies and legislation, and implementing competition laws by building national institutional capacity; promoting the creation of a competition culture among government officials, business people, consumers and academics; supporting regional cooperation on competition policy and helping countries and regional groups better evaluate the implications of regional cooperation on competition issues. The Fifth Review Conference on the Set gave a new impetus to UNCTAD support for developing countries by means of voluntary peer reviews of the competition policy of some countries. Peer review recommendations are translated into capacity-building projects to enhance the competition regime of the beneficiary country. Since 2007, member States, taking note of “recommendation 19 of the Report of the Panel of Eminent Persons concerning the ‘need of consolidation of technical cooperation projects... request[ed] the secretariat to initiate... in consultation with member States’ the process of the establishment of ‘thematic trust funds within and among divisions’”<sup>4</sup> In response to this decision, and in order to streamline UNCTAD’s technical assistance activities and increase its impact, the secretariat took two initiatives: extending country coverage of the programme on Competition and Consumer Protection for Latin America (COMPAL) from 5 to 10 countries and launching the Competition Programme for Africa (AFRICOMP). In providing its assistance, UNCTAD collaborates with other member States and development partners.

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<sup>4</sup> TD/RBP/CONF.7/2 (Assessment of the application and implementation of the Set, 30 August 2010).

Table 4  
**Competition policy and consumer protection**

<i>Project number</i>	<i>Short title</i>	<i>Period covered</i>	<i>Source of fund</i>
INT/8X/603	Training programme on restrictive business practices (competition policies)	1986–	France, Norway, Sweden
RAF/0T/BAH	Implementation of the competition framework in the West African Economic and Monetary Union region and to support the work of the Commission	2012–	West African Economic and Monetary Union
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

142. Assistance is provided in accordance with requests received, needs of countries concerned and resources available. The main types of technical cooperation activities can be described as follows:

(a) Provision of information about anticompetitive practices, their existence and possible adverse effects on the economy. This may involve a study on these practices in a specific country, 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;

(b) Assistance to countries or regional organizations in the process of drafting competition legislation in the form of the provision of information on such legislation in other countries or advice on drafting competition law and related legislation;

(c) Advisory services for the setting up or strengthening of competition authorities (this usually includes preparation of an institutional framework report, training of officials responsible for the actual control of anticompetitive practices, including the judiciary, and may involve training workshops and/or on-the-job training with competition authorities in countries having experience in the field of competition);

(d) Seminars and workshops for countries that 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;

(e) Assistance to countries or regional organizations that may 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;

(f) Voluntary peer reviews of competition law and policies of interested countries, including assistance for follow-up activities on peer review recommendations;

(g) Assistance to developing countries, including LDCs and countries with economies in transition, with a view to helping them better evaluate the implications of regional and bilateral cooperation on competition issues;

(h) Assistance to countries and regional organizations in identifying the role of competition policy in the promotion of competitiveness and development; the need for a development-oriented competition policy; and its implications at the national, regional and international levels, as well as strategies for international cooperation in this area;

(i) Assistance in formulating appropriate sector regulations and competition policies.

143. **Output.** In 2012 UNCTAD continued its demand-driven efforts to assist in the creation of a competition culture with the following outputs at national and regional levels, as well as through cooperative agreements.

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

144. 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. Further, UNCTAD helped governments identify the role of competition policy in development, 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 national competition policies and programmes.

### **1. Activities related to competition policy**

145. Advisory and training activities of UNCTAD were combined with or were provided by means of seminars, workshops, meetings and activities directed at a specific audience such as stakeholders and officials, or a general one, including government, academia, business and consumer-oriented circles. These activities contributed to raising awareness about the role of competition and promoting a competition culture.

### **2. Competition advocacy**

146. Various advisory and training activities conducted by UNCTAD were combined with other organizations or provided through seminars, workshops, meetings and activities targeting a specific audience such as stakeholders and officials, or a general one, including representatives of government, academia, business and consumer-oriented circles. These activities helped raise awareness of the role of competition and promoted a competition culture. In a joint initiative (New Delhi, 21 and 22 May 2012), UNCTAD and the Competition Commission of India heightened awareness of their work on competition law enforcement concerning State-owned enterprises in India. UNCTAD organized a national workshop on competition law and policy in Moroni, Comoros (17 and 18 October 2012) to create awareness of relevant stakeholders about the stakes behind the adoption of a competition law. The workshop was co-organized with the Comorian Government and under the EIF, of which Comoros is a beneficiary. A one-day training workshop on anticompetitive practices and competition law enforcement was organized back to back with a peer review dissemination event in Ulaanbaatar on 7 December 2012 for the staff of the Mongolian competition authority.



### **3. Preparation of national competition laws**

147. As part of its programme to help countries draft and/or review their competition legislation, UNCTAD helped the Comoros Government prepare its national competition law in October 2012. Under the national component of COMPAL, UNCTAD provided policy recommendations for the competition bills of the Plurinational State of Bolivia, El Salvador, Guatemala, Honduras, Nicaragua and Peru. Field missions were organized in Guatemala (October 2012), Peru (March 2012) and El Salvador (May 2012). In 2012, UNCTAD also produced a guide on competitive public procurement for Ecuador and a strategic plan for the competition agency of Honduras for the period 2013–2019. In November 2012, a database containing a compilation of legislation, doctrine and jurisprudence on competition and consumer protection was set up in Colombia. It is already being used by officials at Colombia's competition agency to better substantiate their cases, thus enhancing the quality of its decisions. More than 1,100 documents were analysed and digitalized, and more than 1,500 doctrine files were drafted and included in the database with links to the relevant pieces of legislation. The agency will continue the activity with its own resources.

### **4. Training of competition case handlers**

148. Within the framework of training activities for competition case handlers, several training workshops were organized in 2012 in Colombia, Costa Rica, El Salvador, Indonesia, Mongolia, Nicaragua, Peru, Seychelles, the United Republic of Tanzania, Zambia and Zimbabwe. Two training courses on competition issues for Colombian and Peruvian judges were delivered in December 2012. Other training sessions were organized by UNCTAD on economic analysis of cases as part of regional activities of COMPAL in Lima and Bogotá in April 2012.

### **5. Institution building**

149. UNCTAD support to countries that adopted national legislation, as well as to newly established competition agencies, includes activities in support to institution building. In Costa Rica, UNCTAD provided counsel and support on the design and launching of the competition agency's website, which was presented to the public in April 2012. UNCTAD also organized a conference in Quito on competition issues in March 2012, followed by a workshop for trade associations, to raise awareness of competition issues. In addition, UNCTAD and the competition agency of Honduras met with representatives of the public sector, of the legislative, judicial and executive branches, of the consumer protection agency and sector regulators in May 2012 to foster a competition culture and raise awareness of competition issues. On that occasion UNCTAD signed a memorandum of understanding with Honduras for accession to the COMPAL Programme. It was presented at a round-table meeting jointly organized by UNCTAD and the Government of Honduras on State interventionism and competition policy and at the subsequent dissemination event entitled "The importance of competition for businesses, consumers and national development".

### **6. Consumer protection**

150. UNCTAD has been assisting developing countries and countries with economies in transition on consumer protection issues. El Salvador and St. Lucia received support with the drafting of their consumer protection bills. The Advisory Group also supported the dissemination process in these countries.

151. UNCTAD and some consumer associations took part in a seminar organized by the Dominican consumer protection agency in the Dominican Republic in August 2012 and

provided counsel on how to best integrate the needs and demands of consumer organizations with those of businesses.

152. UNCTAD produced a programme on sustainable consumption education that was later used in secondary schools and universities in the Plurinational State of Bolivia. This entailed setting up an interactive webpage and several training sessions in educational centres. A contest for students was also organized. The awards ceremony took place in December 2012. UNCTAD commissioned a feasibility report to launch a consumer quality seal (“Señor Consumidor”) for Colombian retail businesses in November 2012. The objective is to promote self-sustaining consumer protection culture in the private sector, not only in the capital city, but throughout the country.

153. A new automatic market monitoring system was launched by UNCTAD in March 2012 for Costa Rica. This system provides consumers with real-time information on market prices and is able to automatically produce statistical data and reports. UNCTAD provided support for the organization of the Best Practices Workshop of the International Consumer Protection Enforcement Network (ICPEN) on enforcement issues in San José for staff of the consumer protection agency on enforcement issues. UNCTAD also held a two-day seminar on case handling and safe products to disseminate the procedures used by the consumer protection agency to all relevant stakeholders (other governmental agencies, academia, businesses, law firms and the media).

154. In the Dominican Republic, UNCTAD provided support for consumer associations by organizing training activities and exchange programmes in 2012, and offering legal advice on becoming a consumer association in due form. In El Salvador, UNCTAD evaluated the effectiveness of decentralized offices, provided recommendations to improve their functioning, presented a series of educational guides for primary and secondary school teachers (training the trainers) on sustainable consumption and organized training courses on this topic in April 2012.

155. In February 2012, UNCTAD evaluated market needs and provided recommendations on new regulations relating to state-of-the-art consumer protection standards for the functioning of the Nicaraguan domestic market. Also, 14 new products were incorporated in the Price Observatory covering basic consumer goods. UNCTAD recommended the adoption of a good practices code for businesses from a consumer protection perspective (November 2012).

156. In Peru, UNCTAD launched an online course for primary school students, posted on the website of the Peruvian consumer protection agency (April 2012). In addition, UNCTAD designed an online training course for consumer protection officials, open to staff from all regional offices. Finally, the Organization drafted a manual on labelling for retail businesses in order to increase legal certainty in the market and promote a consumer protection culture.

## **7. Peer reviews and follow-up**

157. With a view to ensuring coherence between governmental approaches, UNCTAD voluntary peer reviews on competition law and policy have been conducted since the Fifth United Nations Review Conference in 2005 for the following countries: Jamaica, Kenya, Tunisia, Costa Rica, Indonesia, Armenia, Serbia, Mongolia, Nicaragua, Pakistan and Ukraine. A tripartite peer review of the competition policy of the United Republic of Tanzania, Zambia and Zimbabwe was performed in 2012.

158. The eighth session of the Intergovernmental Group of Experts on Competition Law and Policy (2007) provided a framework within which UNCTAD could carry out a voluntary peer review on the competition law and policy of the West African Economic and Monetary Union and its eight member States. This was the first review of a regional

grouping's competition policy, and it highlighted the challenges and opportunities faced by developing countries in strengthening their regional cooperation and integration schemes.

159. The peer reviews have become an appreciated part of UNCTAD work on technical assistance, and gave rise to a range of recommendations on how the application of legislation might be made more effective at the regional and national levels, as well as on how UNCTAD could build capacity for the enforcement and advocacy of competition policy. During 2011, workshops to follow up on the recommendations of the peer review were organized in Armenia and Kenya. The workshops aimed at assessing progress achieved by the competition authorities in the respective countries in order to enhance the enforcement of their competition laws.

160. UNCTAD assisted Nicaragua, Pakistan and Ukraine in preparing background reports in preparation for voluntary peer reviews of the competition laws and policies of their countries during the thirteenth session of the Intergovernmental Group of Experts on Competition Law and Policy in July 2013.

## **B. Outputs at the regional and subregional levels**

161. UNCTAD technical cooperation and capacity-building activities were increasingly provided within the framework of regional and subregional groupings.

### **1. Competition and Consumer Protection for Latin America**

162. The annual COMPAL Conference brings together beneficiary countries, the UNCTAD secretariat and Switzerland (COMPAL Programme donor) to share experiences and plan future activities. The latest meeting was held in Lima, on 20–22 June 2012. The following issues were discussed:

(a) Presentation, discussion and adoption of annual country reports on activities undertaken in 2011–2012 and discussion of activities planned for 2012–2013;

(b) Presentation of the report on the regional component of COMPAL, substantive sessions on knowledge and human resources management, United Nations Guidelines on Consumer Protection and country experiences with merger control.

### **2. Competition Programme for Africa**

163. The new AFRICOMP was officially launched in Geneva on 22 June 2009. It came in response to the mandate given by the Accra Accord (paragraph 104 (g)). It aims at helping African countries develop appropriate administrative, institutional and legal structures for effective enforcement of competition and consumer law and policies. Most of the UNCTAD technical cooperation activities in Africa in 2011 were undertaken within the AFRICOMP framework. 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 beneficiaries' 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.

164. In this connection, during 2012 UNCTAD technical assistance conducted within the framework of the AFRICOMP benefited the following countries: Comoros, Seychelles, the United Republic of Tanzania, Zambia and Zimbabwe. Moreover, in the context of UNCTAD's support to countries of the West African Economic and Monetary Union in reforming their competition framework, seminars aimed at garnering opinions from relevant stakeholders were held in Burkina Faso (5 October 2012), Senegal (9 October 2012), Niger (29 and 30 October 2012), Côte d'Ivoire (8 and 9 October), Togo (13 and

14 November), and Benin (15 and 16 November 2012). In addition, UNCTAD organized a regional competition forum in Ouagadougou (Burkina Faso, 27–30 November 2012) on the relationship between competition authorities and sector regulators, and competition policy and public procurement within the competition regime of the West African Economic and Monetary Union.

### **C. Cooperation with other organizations**

165. UNCTAD has developed an extensive network of cooperating partners in cooperation with which many analytical and capacity-building activities are implemented. Through the Intergovernmental Group of Experts, long-standing cooperation with national competition authorities and competition experts worldwide has been established. This is being further strengthened with selected countries through 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 technical cooperation and capacity-building activities were provided both at the national level and within the framework of regional and subregional activities, the relations with regional integration groupings of developing countries in support of the development and implementation of regional competition policy have been strengthened.

166. The third meeting of the Research Partnership Platform on Competition and Consumer Protection was held in Geneva on 8 July 2012, bringing together 50 participants from competition authorities, consumer protection agencies, universities and research institutes. Project leaders provided an update of the ongoing research projects. Within this framework, the competitive neutrality project headed by Ms. Deborah Healey and the competition law and the State project led by Ms. Eleanor Fox were discussed. Furthermore, a new project proposal, “Benchmarking Competition Systems: A Global Survey of Major Institutional Characteristics”, was presented.

167. UNCTAD participated in several events of the International Competition Network: its annual conference (Rio de Janeiro, Brazil, 10–20 April 2012), where UNCTAD organized a side event for dissemination of the COMPAL Programme’s outputs to the membership of the Network; the Cartels Workshop (Panama City, October 2012) and the Mergers Workshop (Bogotá, November 2012).

168. UNCTAD attended the ICPEN Conference in Ghent, Belgium, on 10 and 12 October 2012. One of the first outputs is the participation of the European Union, OECD and ICPEN countries in the revision of the United Nations Guidelines on Consumer Protection Cooperation avenues were explored between UNCTAD, the Organization of American States and competition and consumer protection authorities during a meeting held in Washington, D.C., in May 2012.

### **D. Impact**

169. The COMPAL Programme underwent an external evaluation commissioned by the donor country (Switzerland) from March–July 2012. The evaluation found the programme to be effective and efficient. It proposed recommendations for its continuation.

170. Peer reviews conducted with UNCTAD’s members have had an impact at different levels, notably at the national level of each peer-reviewed country. The peer-review recommendations were translated into government policies in a number of countries such as Kenya, Armenia and Serbia.

171. It is expected that the UNCTAD peer reviews, including the tripartite peer review, will have a distinguishable effect on the competition frameworks of the United Republic of Tanzania, Zambia and Zimbabwe and on the competition policy of Mongolia.

### **1. Impact at the regional level**

172. It is expected that the tripartite peer review will result in significant benefits at the regional level in Africa by highlighting the need for closer cooperation on competition issues among African countries.

173. The tripartite peer review of the United Republic of Tanzania, Zambia and Zimbabwe was designed to go beyond the national level and strengthen cooperation both between these three countries and at the regional level with possible spillover effects to SADC and the Common Market for Eastern and Southern Africa (COMESA), particularly between countries with overlapping membership of these two regional organizations. The tripartite peer review recommendations were discussed at the SADC Technical Advisory meeting and recommended as best practices for other SADC members. As a result, Seychelles applied for a peer review in 2012. Increased interest by other development partners to co-finance or otherwise support the peer review processes constitutes a further dimension of the impact achieved by the mechanism.

174. An indicator of success of peer reviews may be found in the ability to attract additional funding from bilateral donors to undertake peer reviews. For example, the Swiss State Secretariat for Economic Affairs and the German Agency for International Cooperation, GIZ, provided funding for two additional peer reviews as well as for a follow-up on the implementation of the peer-review recommendations. The high quality and the analytical approach of the peer reviews raised wide interest among development partners, which use them as needs assessment for future technical assistance. Voluntary peer reviews have become an appreciated feature of UNCTAD work. The UNCTAD XIII Conference recommended that UNCTAD introduce the peer-review mechanism in other areas of its work.

175. The success of the peer reviews is also reflected by the increased number of requests received by UNCTAD since 2011 to perform them. They are recognized as a first step in a needs assessment and are therefore an important process in improving competition law enforcement and putting in place public reforms.

## **V. Cluster V: Commodity sector development and poverty reduction**

### **Lead entity: Special Unit on Commodities**

176. 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). See table 5.

Table 5  
**Commodity sector development and poverty reduction**

<i>Project number</i>	<i>Short title</i>	<i>Period covered</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/0T/7BE <sup>a</sup>	All ACP Agricultural Commodity Programme	2007–2012	European Commission
INT/0T/9AX	Global Commodity Forum	2009–	Common Fund for Commodities
INT/0T/BAW	High-level multi-stakeholder pan-African meeting on cotton	2011–	Common Fund for Commodities
RAF/9X/9DE	Optimizing the African natural resources management	1999–	Multi-donor

<sup>a</sup> Operationally but not financially completed or fully completed in 2012.

#### A. Commodity sector development and poverty reduction

177. **Development context.** Commodity-dependent developing countries continue to face difficulties in getting 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, not provided for free and they are not always well structured. Above all, there is a massive flow of electronic news and information, usually diverse and hardly accurate. It is thus costly and time-consuming, and it is 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 the rapid changes in commodity market structures, to adjust their policies accordingly or to be able to improve their competitiveness. Similarly, emerging commodity operators and smallholders are looking for intelligence sources and friendly and operational systems so they can 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.

178. **Objectives and features.** These are as follows:

(a) To promote market information and transparency, reduce the asymmetry in accessing strategic commodity-related information, improve the understanding of commodity structures and provide access to the analysis that is vital to the formulation of pertinent policies for commodity production, marketing, processing and financing;

(b) To design information and communications technology (ICT) tools in this field that will improve developing countries' access to key information and data at the national and international levels;

(c) 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.

179. 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.

180. **Outputs.** The development of international knowledge management tools, including the market information in the commodities area (INFOCOMM) project. Outputs in 2012 were the following:

(a) More than 300 web pages were updated, including texts, pictures, formatted tables, reference materials, monthly market reports and external links;

(b) Three new profiles (maize, shea, pineapple) were created;

(c) The following general profiles are now available for the following agricultural commodities: cocoa, coffee, tea, citrus fruits and platinum, in English, French and Spanish; banana, cashew nuts, wheat, timber, shea, jute, pepper, sugar tobacco, pineapple and iron/steel, in French; and tropical timber, cotton, olives, rice and rubber, in English and French.

## B. Global Commodities Forum

181. **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 can more equitably distributed between commodity producers and consumers. Through the Global Commodities Forum, 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.

182. **Outputs.** Pursuant to UNCTAD XII decisions, the Forum 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.

183. **Results.** The third Global Commodities Forum took place in Geneva on 23 and 24 January 2012. It was organized by UNCTAD and co-sponsored by the Swiss State Secretariat for Economic Affairs, the Government of China, ACE Global and GazNat SA. The Forum was attended by more than 250 participants, including government ministers and other policymakers, commodity producers, traders, financiers, consultants, academics and other experts. The theme was “Harnessing development gains from production and trade”.

184. A variety of topics relating to the event's theme was presented. Some themes related to perennial problems, such as how to expand markets to small producers in developing countries. The discussion on the financialization of commodities markets and the sovereign debt crisis converged on the need for a balanced regulatory framework. Forum participants identified the need for a multilateral framework that would define the limits of the biofuels mandate, so as to balance the interests of energy and food security. In addition, participants encouraged an effort at all levels to develop better policies to accompany the increased flow of FDI in the agricultural sector.

### C. Trust Fund on Iron Ore Information

185. **Development context.** The governments of several iron ore exporting countries established the Trust Fund on Iron Ore Information to be administered by UNCTAD and operational from 1 June 1989.

186. **Outputs.** The *Iron Ore Market Report* is an annual publication issued every June. It contains updated information on iron ore production, trade and prices, the short-term outlook and a market analysis. *Iron Ore Statistics*, a statistical report published annually around October and 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 only) appears in December. In 2012, the *Iron Ore Market Report* was issued under (UNCTAD/SUC/2012/2), and *Iron Ore Statistics* under (UNCTAD/SUC/2012/5). Statistical Update was released in December 2012.

187. **Results.** Demand for the Trust Fund publications from iron ore producers, shipping agents, steel companies and consultants has grown increasingly since the establishment of the Fund 24 years ago. The publications provide up to date, accurate and comprehensive information on developments in the world iron ore market, including statistical data and analyses. In 2012 the clients' base of subscribers grew over 4 per cent with a corresponding growth of the project budget. The *Iron Ore Market Report* and Trust Fund activities were presented at major international conferences on iron ore and raw materials for steelmaking.

### D. Fifteenth Africa OilGasMine Trade and Finance Conference and Exhibition

188. **Development context.** Improving access to commercial energy is an essential requirement both in terms of mitigating environmental concerns and as a pre-condition for the social and economic development of Africa, home to most LDCs. However, sustaining access to commercial energy, such as oil and gas, heavily depends on the conditions governing international energy markets, pricing, access to finance and the procurement practices of petroleum products. At the international level, oil and gas prices are highly volatile, making African countries extremely vulnerable to shocks in international energy markets, as oil and gas often account for a sizeable amount of total imports and can absorb a substantial amount of export earnings. Furthermore, hikes in oil prices have an impact on the ability of the importing developing countries in servicing their debts and jeopardize the effect of debt relief provided to them. For the exporting countries, high prices may present an opportunity to launch programmes that contribute to development, but volatile prices present huge challenges in revenue management. In addition, the extent to which mineral-rich developing countries can turn their resources into a wealth-creating instrument depends, among others, on the following: comprehensive information, including data on the minerals value chain; the terms and contractual arrangements prevailing on the exploitation



of the resources; and the ability of the host country to devise and enforce regulations and policies that leverage sustainable development.

189. Similarly, in the mining sector of developing countries, the exploitation of natural resources has failed to generate jobs, create linkages with the broader economy or address environmental degradation. However, to spur development in the energy and mining sectors, it is necessary to increase investment, transparency and accountability, and to combat corruption.

190. Since 1996, UNCTAD has organized a yearly oil, gas, and mines, trade and finance conference in different locations in Africa with a view to helping find solutions to the above-mentioned challenges. The fifteenth annual conference took place in Brazzaville in April 2012.

191. **Objectives.** The objective of the annual conference is to provide a platform for high-level policy dialogue between producers and consumers, investors and host countries and other stakeholders on topical issues that play an important role in the sustainable development of the extractive industries. The conference also aims to foster constructive partnerships and cooperation, including regional, South–South, North–South and triangular cooperation.

192. **Outputs.** Dialogue between stakeholders, experiences shared and lessons learned from good and bad practices have resulted in redesigning policies and legal frameworks to promote the impact of the energy and mining sectors on the overall national development. Some of the outputs include the successful development of local content policies, effective price-risk-management strategies and risk-mitigating programmes to offset carbon dioxide emissions, capacity-building in response to price developments and attracting finance for trade and infrastructure development. The conference has also provided exporting countries with instruments for reducing the asymmetries of information and negotiating a more equitable share of revenue and better distribution of wealth created from the industries.

193. The fifteenth Africa OilGasMine Trade and Finance Conference and Exhibition was held in Brazzaville on 2–6 April 2012. More than 500 delegates from 29 countries, 18 of which were from the African continent, attended. The discussions focused on topics related to value creation and retention in national economies and on improving access to energy – a timely topic during the International Year of Sustainable Energy for All (2012). Participants shared their experiences and examined strategies for pushing forward with the implementation of the Natural Resources Information Exchange, a platform to provide continuous and interactive information on the natural resource value chain. The Conference recalled that the Exchange had been chosen as a tool for implementing the Africa Mining Vision and the Framework of Action for the Development of the Mineral Resources Sector in the ACP States.

## **VI. Cluster VI: Foreign direct investment trends and issues**

### **Lead division: Division on Investment and Enterprise**

194. The programmes under this cluster (table 6) aim at increasing understanding of various key issues and policies relating to public and private investment issues and of the impact of FDI on development.

Table 6  
**Foreign direct investment 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
INT/0T/BBU	Testing of indicators in pursuit of the Group of 20 Action Plan on Development, Private Investment and Job Creation Pillar	2012–	Germany

### A. *World Investment Report* series

195. **Development context.** As the focal point in the United Nations system for investment and enterprise, UNCTAD promotes understanding of key issues, particularly on 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* series provides up-to-date and comprehensive data on issues pertaining to FDI and transnational corporations (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, an analytical instrument for improving national capacities to attract and benefit from FDI and a capacity-building tool.

196. **Objectives and features.** The *World Investment Report* series is a key instrument in helping policymakers to 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 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 involves the following interrelated activities:

(a) Policy analysis and research: An extensive peer review of the *World Investment Report* outline, drafts and final text is conducted. The preparation of each chapter and section involves dialogue with relevant stakeholders, including with experts (especially those from developing countries), to ascertain facts and determine trends 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 *World Investment Report*. 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 40 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;

(d) Dedicated networks of experts: 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.

197. **Major outputs.** Major outputs for the *World Investment Report 2012* include the following:

(a) The *World Investment Report 2012* was released worldwide on 5 July 2012 in 61 countries; press events were organized in 42 cities in 41 of these countries. To facilitate global media coverage, 11 sets of press releases were prepared, some of which were translated into official United Nations languages and other local languages;

(b) The successful dissemination of the findings and policy recommendations of the report were supported by the media coverage (exceeding 920 articles in more than 80 countries as of the end of February 2013). The report can be freely downloaded from the UNCTAD website as one file for the entire report or as individual chapters. The number of downloads reached nearly 120,000 by users from over 150 countries as of the end of December 2012;

(c) Databases on FDI, mergers and acquisitions and the largest TNCs were maintained and updated. Another important database on global value chains, including data on value added trade, was included as of 2012. Much of the data in these databases are or will be made available to the public;

(d) One peer review meeting (29 February 2012) was organized for the *World Investment Report 2012* and a brainstorming meeting (27–28 August 2012) was organized for the *World Investment Report 2013*, which focused on the trade and investment nexus.

198. **Results.** The *World Investment Report 2012* analysed a new generation of investment policies and introduced the UNCTAD Investment Policy Framework for Sustainable Development (IPFSD), which consists of a set of core principles for investment policymaking, guidelines for national investment policies and guidance for policymakers, in the form of options for the design and use of international investment agreements.

199. The report also showed the most up-to-date data on global and regional FDI flows, including merger and acquisition and TNC data sets, presented the FDI potential and performance matrix and attempted to measure quantitatively the impact of FDI for development – the FDI contribution index. These sets of data are useful for countries in terms of preparing their policy analyses and assessments to attract FDI.

200. The *World Investment Report 2012* was successfully presented at the fifty-ninth session of the Trade and Development Board in September 2012, where IPFSD was recognized as a key tool to harness investment for sustainable development and inclusive growth.

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

201. 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 work programme on regional investment. At the same time, UNCTAD presented a comprehensive work programme on regional investment to the ASEAN Coordinating Committee on Investment in Jakarta. Elements of the multi-year programme are now under way, including the ASEAN

Investment Report Series, which UNCTAD is working on in cooperation with the ASEAN secretariat.

### **C. Capacity-building in FDI statistics**

202. **Development context.** Scarcity, unreliability and inconsistency in existing data reporting systems cause severe problems in formulating policies and strategies regarding FDI. In response to recommendations in the area of FDI made by the Expert Meeting on Enhancing Productive Capacity of Developing Country Firms through Internationalization 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. In addition, the Group of 77 and China at the fifty-ninth session of the Trade and Development Board in September 2012 appreciated the new initiative of preparing the FDI contribution index and recommended that UNCTAD collect data on activities of TNCs for LDCs and, as appropriate, requested UNCTAD to provide guidance or technical assistance to those countries to collect these essential data.

203. **Objectives and 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.

204. **Outputs.** Technical assistance in 2012 focused on the preparation of the investment report in selected regions and countries (i.e. ASEAN, COMESA and Albania) on the basis of data collected as part of the statistical capacity-building projects undertaken by UNCTAD.

## **VII. Cluster VII: Investment policies, treaties and facilitation**

### **Lead division: Division on Investment and Enterprise**

205. The programmes under this cluster (table 7) aim at enhancing the ability of beneficiary countries to create an environment conducive to attracting and benefiting from investment for development, increasing their 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.

Table 7  
**Investment policies**

<i>Project number</i>	<i>Short title</i>	<i>Period covered</i>	<i>Source of fund</i>
INT/0T/0BG	Capacity-building on international investment agreements	2000–	Multi-donor
INT/0T/3AO	Support to the UNCTAD/International Chamber of Commerce Investment Advisory Council	2003–	Norway, 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
ROA-2264 (AK)	Towards developing a global monitoring system in national investment policies	2012–	Development Account

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

206. **Development context.** The UNCTAD investment policy review (IPR) is a technical assistance programme with a dual objective. First, it evaluates the policy, regulatory and institutional environment for investment and in particular FDI. Second, in line with the requesting country's overall economic and social development objectives, the IPR proposes concrete and action-driven recommendations aimed at attracting higher levels of beneficial FDI.

207. **Objective/features.** The IPR process promotes ownership and learning. The programme is conducted in five consecutive phases:

(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. The 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. Once the draft report is ready, 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. It is followed by an intergovernmental peer review, which draws upon the experiences of other countries in attracting and benefiting from investment, including benchmarking against international best practices;

(d) Implementation and follow-up technical assistance. The review process is designed with one key purpose: to make FDI work for sustainable development. The finalization and publication of the IPR report is the preamble to the core focus of the

programme, namely the delivery of technical assistance to beneficiary countries to help them meet their development objectives by attracting higher levels and diversified types of FDI inflows, while maximizing their developmental benefits and limiting any potentially negative impact. The implementation phase is carried out through short-term action plans and multi-agency technical assistance in the medium term;

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

208. **Outputs.** In 2012, the main outputs delivered by the investment policy review and follow-up programme included:

(a) Publication of the IPRs for Mozambique and the former Yugoslav Republic of Macedonia and finalization of the drafts reports on Bangladesh, Djibouti, Mongolia and the Republic of Moldova;

(b) IPR implementation reports were published for Kenya and Rwanda. Background research was undertaken to prepare the implementation report of Lesotho;

(c) Work was under way to prepare four new IPRs, including for the Congo, Kyrgyzstan, Malawi and the Philippines;

(d) Technical assistance activities were carried out in a number of countries to support the implementation of 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 included Burkina Faso, Haiti, Kenya and Rwanda.

209. **Overall results.** Overall the various activities undertaken under the project entitled “Assistance in formulating investment policies and building human and institutional capacities for sustainable development”, financed by Sweden, have contributed to improving the policy, regulatory and institutional environment in developing countries, including LDCs, post-conflict countries and economies in transition. UNCTAD IPRs have played a key role in strengthening the investment policies and strategies of beneficiary countries with a view to attracting higher levels of FDI and deriving larger development gains, while minimizing potential costs. Furthermore, activities to support the implementation of IPR recommendations and to build capacity in international agreements and investor–State disputes have also contributed to enhancing the international framework for investment. Evidence of impact can be illustrated at three levels – a country’s commitment and endorsement of recommendations, implementation of IPR recommendations and impact on investment flows and investment environment.

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

210. 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 implement its outcome. Effectively, in most cases, IPRs have been presented to and discussed with Heads of States and Cabinet ministers. For instance:

(a) The Minister of Economy of Guatemala discussed 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 committed to the IPR process and to the implementation of the recommendations;

(c) Cabinet ministers and ambassadors from beneficiary and partner countries systematically participated in the intergovernmental presentations of IPRs which took place in Geneva, Switzerland, in the context of sessions of the Investment, Enterprise and Development Commission. For instance, Burkina Faso, Burundi, Sierra Leone and Guatemala participated in these sessions respectively in June 2009, April 2010, December 2010 and May 2011;

(d) More than 30 ministers as well as heads of international organizations (ITC, the Organization for Economic Cooperation and Development (OECD), the United Nations Office of the High Representative for the Least Developed Countries, Landlocked Developing Countries and Small Island Developing States and WTO) recognized, during Round Table 2 of UNCTAD XIII in April 2012, the valuable guidance that developing countries and economies in transition could obtain from IPFSD.

211. 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.

212. Government officials have also directly expressed their interest 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, 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, Sierra Leone;

(c) “The [Landlocked Developing Countries G]roup 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 González, Permanent Representative of Paraguay on behalf of the Landlocked Developing Countries Group;

(d) “UNCTAD’s contribution directly supported information- and knowledge-sharing among the Task Force members and assisted [the] Parties and Observers [of the WHO Framework Convention on Tobacco Control] by increasing their capacity to effectively implement the Convention in the face of challenges posed by aspects of international trade and investment agreements,” Kate Lannan, Senior Legal Officer, WHO Framework Convention on Tobacco Control, Workshop on Trade-related Issues, March 2012.

(e) “UNCTAD’s contribution to the development of a continuous dialogue between the academia, IIA negotiators and [non-governmental organizations] in the field of investment rule-making is highly appreciated,” Aslan Akpınar, Foreign Trade Expert, Directorate General of Incentives and Foreign Investment, Turkey, World Investment Forum IIA Conference, April 2012.

(f) “UNCTAD’s contribution to the development of a continuous dialogue between the academia, IIA negotiators and NGOs in the field of investment rulemaking is highly appreciated,” Aslan Akpınar, Foreign Trade Expert, Directorate General of

Incentives and Foreign Investment, Turkey, World Investment Forum IIA Conference, April 2012.

(g) “With its focus on developing investment policy options that promote sustainable development and inclusive growth, UNCTAD’s IPFSD has been an important tool for our Member States’ discussions on the new SADC Model [Bilateral Investment Treaty],” Hennie Erasmus, Investment Adviser at the SADC Secretariat, in relation to UNCTAD’s contribution to the SADC Training Course, July/August 2012.

213. The Heiligendamm, Germany, Group of Eight Summit Declaration of 2007 recognized that IPRs and follow-up actions were “valuable mechanisms” for assessment of the investment climate. The outcome of the Group of Eight Muskoka Summit in Canada (25–26 June 2010) reaffirmed the commitment of the Group of Eight and Group of Five L’Aquila Summit in Italy, which commended the Division’s contribution to international deliberation on the development dimension of investment policies. At the fifty-ninth session of the UNCTAD Trade and Development Board in September 2012, IPRs were praised as highly relevant for government officials, particularly for identifying economic sectors and promoting foreign investment in industries with potential for growth.

## **2. Implementation of IPR recommendations**

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

215. The implementation reports prepared by UNCTAD (Egypt, Ethiopia, Ghana, Kenya, Rwanda, Uganda and United Republic of Tanzania) showed a good to strong implementation record, increased interest by existing investors and increased capacity to market investment opportunities. In many cases, these have been accompanied by significant increases in FDI inflows. The findings of the implementation reports are complemented by additional desk research which shows that in other IPR beneficiary countries, many of the recommendations have indeed been taken on board.

216. Based on its research, the Division can show that more than 220 IPR recommendations have been adopted by beneficiary countries. Certain key areas figure prominently as IPR implemented recommendations, especially those concerning promotion and facilitation of investment, fiscal policy, public governance and institution-setting as well as concessioning and public–private partnerships for infrastructure development. Another area also of importance relates to recommendations dealing with sector-specific policy advice.

217. About 40 per cent of IPR-related recommendations were implemented with the assistance of UNCTAD. The assistance provided by UNCTAD 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**

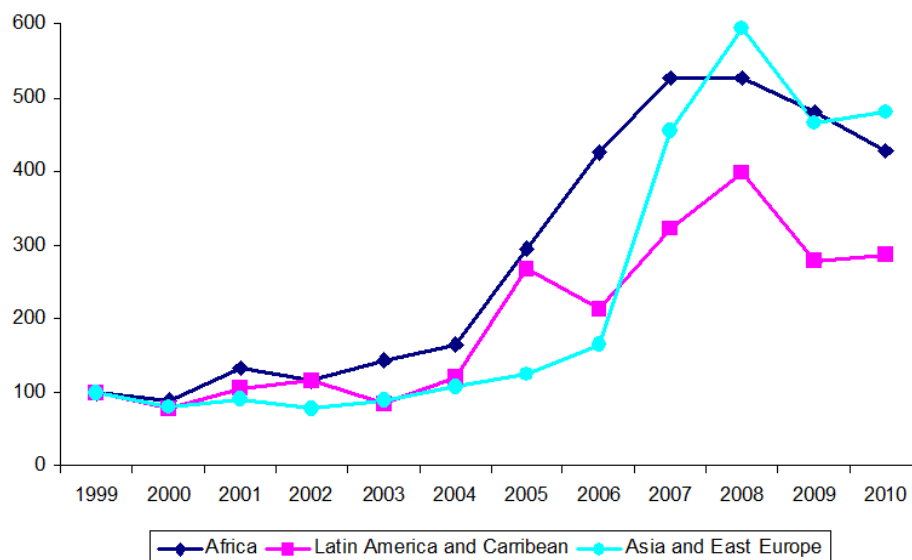
218. IPR countries across different regions experienced increases – in some cases sharp – in FDI inflows (figure 1). While these increases partly reflect the ongoing internationalization of production, they were also driven by greater openness towards foreign investment and more importantly by an improved investment framework due to effective reforms. In addition, countries in Africa that have undergone an IPR experienced lower volatility in FDI inflows between 1999 and 2010 (figure 2). 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.

Figure 1

**Foreign direct investment flows to IPR countries on the rise**  
(1999=100)

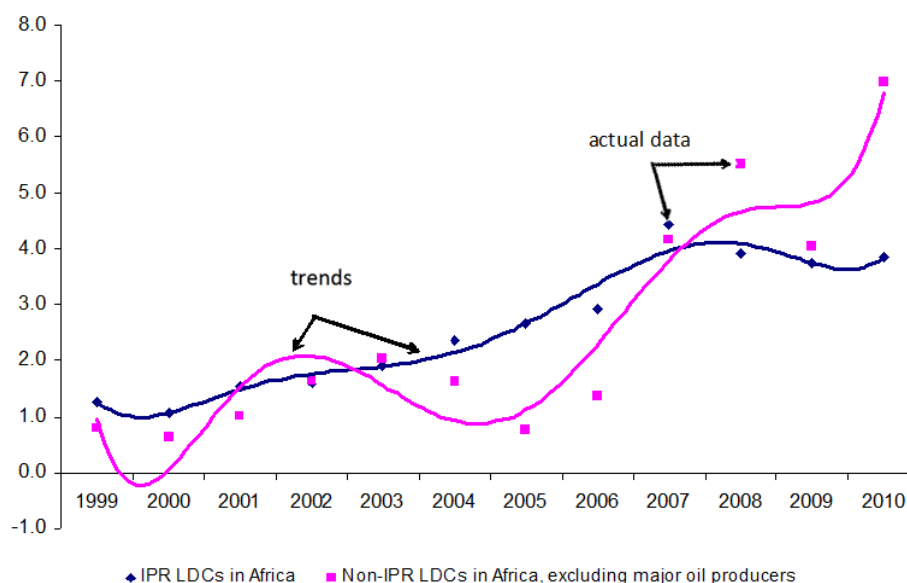


219. Furthermore, looking at FDI performance by country also suggests an overall positive impact of IPRs. The 21 countries for which an IPR was published more than three years ago have indeed experienced an increase in FDI inflows. For 13 of these countries, such an increase has been dramatic, with FDI 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 US\$75 million between 2006 and 2010. Other examples of countries where an IPR was followed by a significant increase in FDI inflows include Benin, Ghana, Viet Nam and Zambia.

220. 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 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. The World Bank's international Doing Business indicators confirm the reform drive of IPR countries. For instance, among the 38 top reformers in the Doing Business indicators between 2005 and 2011, 16 of them were IPR countries.<sup>5</sup>

<sup>5</sup> Based on figure 1.9, Who advanced the most in closing the gap to the frontier?, of *Doing Business in a more transparent world*, World Bank, 2012.

Figure 2  
**Foreign direct investment flows to IPR countries display lower volatility**  
 (billions of dollars)



221. Other facts that attest to the overwhelming expression of interest in the IPRs are 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 programme also included training and workshop events. In those cases, the evaluations of participant countries indicate throughout the sustained, positive impact of UNCTAD's work in the area of formulating and implementing investment policies.

222. In future assessments of the IPR programme, the framework developed by UNCTAD together with UNDP, the International Labour Organization (ILO), OECD and the World Bank, in the context of the agenda of the Group of 20, should prove useful to evaluate the impact of investment, and FDI in particular, in terms of its contribution to economic and social development.

223. The 2012 results by country are as follows:

(a) Bangladesh. UNCTAD completed the draft IPR and shared it with the Government for comments prior to a national stakeholders' workshop. The report aimed at improving the business climate to enable investment for sustainable development with a particular focus on attracting FDI in infrastructure through public-private partnerships;

(b) Burkina Faso. In addition to strengthening investment promotion activities and the establishment of a Presidential Council for Investment, the IPR published in 2009 suggested the preparation of an investment guide. A draft was presented in March 2012 in Ouagadougou and the final version was published in October 2012;

(c) Djibouti. High levels of unemployment and recent street demonstrations have increased the urgency of developing the private sector through diversification of the economy. In this regard, the draft IPR of Djibouti provided an in-depth analysis of the investment environment and proposed an overall strategy to attract investment, and FDI in particular, to achieve this objective. The draft report was completed in 2012 and shared with the Government for comments. A national workshop took place in January 2013;

(d) Haiti. In the context of the first edition of the General States on Investment in Haiti, UNCTAD contributed its expertise on investment policies highlighting the need for careful and gradual reforms of regulations and institutions dealing with investment, focusing on pragmatic results and on attracting financing to rebuild and improve national infrastructure such as roads and ports;

(e) Kenya. An investment guide, initially published in 2005 at the same time as the IPR of Kenya, was updated to reflect new developments as well as policy, regulatory and institutional changes related to investment. The revised guide was published in June 2012 and launched in Nairobi at a well-attended event gathering high-level government officials, private investors and representatives of international development partners;

(f) Lesotho. The IPR of Lesotho was completed in 2003. In 2012, UNCTAD undertook background research to assess the degree to which the IPR recommendations had been implemented and to prepare a national investment policy;

(g) Mongolia. The IPR develops an overall strategy to attract FDI in sectors other than mineral resources extraction. In addition to promoting diversification of the economy, the strategy aims at deriving more benefits from investment to meet the country's overall economic and social development objectives, including attracting investment for development of poorer regions and diversifying the sources of FDI. The draft IPR was shared with the authorities and comments were integrated into a revised version to be shared with stakeholders for a national workshop planned for early 2013;

(h) Mozambique. The IPR proposes a strategy to maximize the contributions of FDI in achieving the country's development objectives, in particular sustainable development, poverty reduction and skills development. It notably addresses issues such as the need to reduce reliance on mega-projects for FDI attraction and to maximize the impact of these mega-projects by effectively exploiting opportunities for spillovers and linkages. The IPR was published in 2012 in both English and Portuguese;

(i) Republic of Moldova. The IPR advises on how to eliminate the main bottlenecks to sustainable development and how to increase the inflow of more beneficial FDI. High-level discussions were held in Chisinau in June 2012 on some of the key recommendations of the IPR and some of the regulatory reforms undertaken after the December 2011 fact-finding mission. A draft report was completed in September 2012 and shared with the Government. Preliminary comments were incorporated into a revised draft to be made available in English and Romanian for a national stakeholders workshop which will be held at the beginning of 2013;

(j) Rwanda. An investment guide was initially published in 2006 at the same time as the IPR. At the request of the Government, the guide was updated to reflect the major policy, regulatory and legal changes that took place since then. The draft report was presented in Kigali in February 2012 and published thereafter. UNCTAD also provided technical assistance to the Government through a project aimed at better understanding the discrepancy observed between FDI inflows into Rwanda and the intentions expressed through registered investments by potential investors. The survey-based evidence gathered by the project, including through a fact-finding mission in July to Kigali, aims at providing further insights to the Government on what additional actions are required to transform more investment intentions into actual flows and to increase the benefits derived from FDI. A draft study was presented at a national workshop involving government officials as well as international partners in Kigali in October and the final version officially shared with the Government at the end of the year. The report was well received and led to a useful and candid exchange on additional reforms to improve the country's investment environment;

(k) Serbia. UNCTAD contributed to the national dialogue on policymaking in mining during the Second International Conference on Mineral Resources in the Republic

of Serbia, “A Driving Force for Economic Development”. By sharing the main findings of the UNCTAD study entitled “Best Practices in Investment for Development: How to Attract and Benefit from Mining: Lessons from Canada and Chile”, UNCTAD stressed the importance of a stable and transparent regulatory framework to derive significant benefits from mining activities for the population;

(l) The former Yugoslav Republic of Macedonia. The IPR was published in March 2012 in English and Macedonian. It recommends ways to reach excellence in the regulatory environment, rationalize the country’s policymaking and policy-implementing institutions and improve the monitoring and evaluation of government programmes related to investment.

224. **Requests from member States for an IPR.** Official requests for IPRs are in the pipeline for 30 countries: Armenia, Azerbaijan, Bahrain, the Plurinational State of Bolivia, the Central African Republic, Chad, Chile, the Congo, the Democratic Republic of the Congo, Fiji, Gabon, Guinea-Bissau, Haiti, Kazakhstan, Kuwait, Kyrgyzstan, Madagascar, Malawi, Mali, Nicaragua, Oman, Papua New Guinea, the Philippines, Saint Lucia, the Sudan, Suriname, Swaziland, Trinidad and Tobago, Tunisia and Turkmenistan.

## B. International investment agreements

225. **Development context.** With a total of 24 new IIAs in 2012, the global number of IIAs reached close to 3,190 agreements by the end of the year. The 24 new agreements include 18 bilateral investment treaties and 6 “other IIAs”. These developments in 2012 follow a total of 47 new IIAs that were concluded in 2011 (33 bilateral investment treaties and 14 “other IIAs”).

226. After more than 50 years of continuing growth and expansion, and with many ongoing negotiations and multiple dispute-settlement procedures, the IIA regime today is at a crossroads. As the IIA regime experiences a period of reflection about how to make it work better for States and investors alike, it is characterized by three broad trends.

227. First, the balance is gradually shifting from bilateral to regional treaty-making. Where new treaties do not entail the phase-out of old ones, regionalization may lead to a multiplication of treaty layers, making the IIA network even more complex and prone to overlaps and inconsistencies. Second, 2012 marks a new record with at least 57 known new investor–State dispute settlement cases, based on treaties, initiated against host countries. Third, an increasing number of countries conclude IIAs with novel provisions aimed at rebalancing the rights and obligations between States and investors, as well as ensuring coherence between IIAs and other public policies.

228. These developments are occurring against the background of a growing public policy discourse about the pros and cons of IIAs, taking place at both national and international levels. The IIA work programme responds to this, aiming at fostering the creation of a new generation of investment policies that effectively harnesses foreign investment for sustainable development and inclusive growth.

229. **Objectives and features.** During the last four years, the IIA Programme has been guided by the Accra Accord, which establishes UNCTAD as the key focal point in the United Nations system for dealing with all matters related to IIAs (para. 151).

230. Accordingly, the IIA work programme aims to help foster the sustainable development dimension of the international investment regime. Among other objectives, it focuses on the design and negotiation of IIAs that are more friendly to sustainable development and the prevention and better management of investor–State dispute settlement cases.

231. A key element of all three IIA work dimensions – policy analysis, consensus-building and technical cooperation (Accra Accord, para. 17) – is the implementation and dissemination of the newly developed UNCTAD IPFSD. As mandated by the April 2012 Ministerial Round Table of the World Investment Forum and the 2012 World Investment Forum IIA Conference, the IPFSD constitutes the culmination of UNCTAD work on the sustainable development dimension of IIAs and provides the basis for our future work in this area.

232. **Outputs.** The outputs from this area of support are set out below:

### 1. Research work related to technical assistance

233. Asia–Pacific Economic Cooperation-UNCTAD Handbook for Negotiators of International Investment Agreements (December 2012): Under the IIA work programme, the Asia–Pacific Economic Cooperation-UNCTAD Negotiators Handbook was completed in both online and pdf versions, ready for submission to the Asia–Pacific Economic Cooperation forum’s Investment Experts’ Group meeting in January 2013 in Jakarta. The Handbook is an UNCTAD-Asia–Pacific Economic Cooperation initiative which aims at providing practical and user-friendly information to IIA negotiators to assist them in the decision-making process towards sustainable development-friendly IIAs. It builds upon the UNCTAD IPFSD and consists of a total of 26 modules, each dedicated to a specific provision or issue commonly encountered in IIAs. Each module identifies the main approaches and policy options accompanied by sample treaty formulations (mostly from existing IIAs). Importantly, each module also sets out the main implications of each policy option in order to assist negotiators in making an informed choice.

234. Fact Sheet on Human Rights, Trade and Investment of the Office of the United Nations High Commissioner for Human Rights (forthcoming): The fact sheet offers an overview of legal and policy issues at the interface between trade, investment and human rights. Under the IIA work programme, UNCTAD contributed by providing IIA data as well as legal and policy analysis and a glimpse of IPFSD.

235. UNCTAD Virtual Institute, Teaching Material on the Economics of Commodities Production and Trade (module on mining and economic development): The Virtual Institute teaching material, which was published in August 2012, aims at providing capacity-building for academic institutions in developing and transition countries, helping them strengthen their teaching and research capacity in the area of trade, investment and development and to increase the policy orientation and relevance of their work.

236. During 2012, the IIA mapping project under the IIA work programme was also upgraded. The IIA mapping project pursues a systematic analysis of IIA texts, quantifying the occurrence of core substantial features. During 2012, a more comprehensive mapping tool for the creation of a new and technologically advanced database was developed, with the objective of mapping 117 selected traits/provisions of IIAs related to the IPFSD. Second, and as a first application, the new tool was used to map the 47 IIAs concluded in 2011 for the purposes of chapter III of the *World Investment Report 2012* and, on request from other sections in the Division, 16 IIAs of Djibouti were mapped for the purpose of that country’s IPR.

### 2. Technical cooperation and capacity-building

237. During the last four years, the IIA work programme has delivered (a) intensive regional training courses on the negotiation of IIAs and on the management of investor–State dispute settlement (and hybrids between the two); (b) targeted ad hoc technical assistance at the request of member countries and/or regional organizations; and (c) the organization and co-organization of and/or contributions to specific international

conferences, including technical assistance activities and seminars on IIA and ISDS issues, organized by others. In 2012, technical assistance methods were adapted to the changing global policy environment where the sustainable development contribution of foreign investment and foreign investment policies is paramount. Accordingly, UNCTAD's novel technical assistance is not only taking a legal but also a policy approach. In terms of content, it is aimed at fostering the sustainable development dimension of IIAs and the prevention and better management of investor-State dispute settlement cases. Following its successful launch, the IPFSD is now the basis of UNCTAD IIA-related technical assistance.

**(a) Regional training activities**

238. UNCTAD-IDB sixth Workshop on International Investment Policies, Investment Promotion Strategies and Sustainable Development, 19–23 November 2012, Casablanca, Morocco. The workshop was designed against the background of an intensifying policy discourse about the sustainable development dimension and the future orientation of the IIA regime to identify and examine the issues at the centre of the new generation of investment policies. It was financed by the IDB Investment Promotion Technical Assistance Programme and, for the first time, used the UNCTAD IPFSD as a basis for discussion and simulation exercises. The course was attended by 26 participants from 14 countries (10 of which were LDCs); participants were in charge of investment promotion and protection issues (i.e. investment promotion officers in charge of legal issues, legal advisers, policymakers, high-level officials of central administrations). The course was delivered in English with French interpretation.

239. UNCTAD-Organization of American States seventh advanced training course on the "New Generation of Investment Policies: Managing Investment Disputes for Latin American Countries", 3–8 December 2012, Quito. The seventh course was designed in the context of the new generation of investment policies which places inclusive growth and sustainable development at the core of efforts to attract foreign investment. Based on UNCTAD's recently launched IPFSD, the course aimed at assisting Latin American countries in responding to the growing complexity of the IIA regime, strengthening the development dimension of IIAs and balancing the rights and obligations of States and investors. The course also prepared countries to prevent and to better manage investor-State dispute settlement cases. The course brought together 33 participants from 16 Latin American countries. It was delivered in Spanish and in English.

240. WHO Workshop on Trade-related Issues Relevant to the Implementation of the WHO Framework Convention on Tobacco Control, 15–16 March 2012, Geneva, Switzerland. The workshop aimed at promoting the sharing of knowledge and information among representatives of countries that are Parties to the WHO Framework Convention on Tobacco Control and Geneva-based missions. In the session on IIAs, UNCTAD outlined possible solutions to challenges related to the Framework Convention such as fostering transparency in IIA-related processes, guiding the interpretation of IIA obligations, negotiating more sustainable development-friendly IIAs and preventing investor-State dispute settlement cases. Again, while IPFSD had not yet been launched at the time of the event, UNCTAD briefed participants about this forthcoming new product. Sixty-three countries benefited from the UNCTAD presentation at the WHO event on capacity and consensus-building.

241. UNCTAD short courses on key issues on the international economic agenda for Geneva-based diplomats, segment entitled "International Investment Agreements and Development", 4 May 2012, Geneva, Switzerland. The aim of the series of courses is to give delegates from permanent missions an opportunity to become better acquainted with topical issues and developments on the international economic agenda as they are reflected

in UNCTAD's work. The segment on IIAs aimed at raising awareness about IIAs and investor-State dispute settlement by providing an overview of recent trends for IIAs and investor-State dispute settlement cases, discussing different types of IIAs (bilateral, regional, sectoral), their main obligations, the working of the dispute settlement mechanism and options for strengthening the contribution of IIAs to sustainable development. While IPFSD had not yet been fully launched, it offered the background to the UNCTAD presentations. Thirty Geneva-based delegates, including 13 women and 17 men, from 23 delegations benefited from the course.

242. Joint International Institute for Sustainable Development and SADC training programme on a new SADC Model Bilateral Investment Treaty, 30 July–3 August 2012, Pretoria, South Africa. The five-day course focused on an in-depth discussion of the draft SADC Model Bilateral Investment Treaty Template with Commentary. The Model Bilateral Investment Treaty Template aims at embodying harmonized approaches that will assist the 15 SADC member States in their individual and collective negotiations of IIAs with third-party countries and puts sustainable development issues at the heart of the regional investment initiative. The event was the first opportunity to put IPFSD into practice in the context of technical assistance. UNCTAD contributed by providing a comprehensive presentation on FDI trends and IPFSD and by offering detailed policy and legal comments in all other sessions. Beneficiaries included around 30 policymakers, including 14 women, from 11 SADC member States and the SADC secretariat.

243. Joint Vienna Institute course on FDI policies, 19–23 November 2012, Vienna. The week-long seminar on FDI policies was organized by the Joint Vienna Institute on behalf of Austrian authorities (Austrian Ministry of Finance and Central Bank of Austria). The course aimed at giving participants from transition economies an overview of key issues in FDI promotion and protection. UNCTAD contributed by presenting trends in national and international investment policies with a special focus on beneficiary countries and IPFSD, highlighting the importance of integrating FDI policies into the overall sustainable development strategies of countries. Some 30 policymakers (from various ministries and investment promotion agencies) and academics from 11 countries benefited from the UNCTAD presentation.

244. In addition to the above activities, the IIA work programme also contributed to academic programmes with a strong policy focus.

245. Summer Academy of the World Trade Institute, University of Bern, 24 July 2012, Bern. The World Trade Institute's Summer Academy provides participants, many of whom are policymakers from developing and transition economies, with accessible yet specialized knowledge on some of the most cutting-edge issues in investment and trade regulation. UNCTAD presented the IPFSD during the module on settling investment disputes on 24 July 2012. A total of 50 policymakers from 24 countries benefited from the presentation, including 21 women.

246. Master of Laws (LL.M) Programme in International Trade, University of Western Cape, 27 July 2012, Cape Town, South Africa. This course focuses on world trade and investment, with a specific focus on the interests of Africa in the context of globalization and aims at equipping professionals with the skills that will be required to make African development initiatives successful. UNCTAD presented the IPFSD to students coming from eight countries, mostly in Africa; each of the students was a policymaker undertaking post-graduate studies.

**(b) Ad hoc technical assistance**

247. Ad hoc technical assistance is provided to member States and regional organizations that request it on all matters related to the negotiation and implementation of IIAs. This

work includes advisory work on specific IIA negotiations, development of model bilateral investment treaties, drafting of investment laws in follow-up to recommendations of IPRs and seminars for government officials from different ministries and other stakeholders. Also, UNCTAD ad hoc technical assistance on IIAs was adapted to the changing global policy environment and is now based on IPFSD, putting sustainable development concerns at the core of the issues analysed.

248. In 2012, the IIA Programme provided ad hoc technical assistance to:

(a) Kazakhstan. Internal memo on investment-related issues arising from its process of accession to the WTO, February 2012;

(b) Peru. Half-day workshop to outline an action plan to further strengthen the current national system of dispute prevention and management” as a follow-up to UNCTAD’s best practices case study for the Special Commission representing the Republic of Peru in international investment disputes, November 2012;

(c) Thailand. Working session with officials from the Ministry of Foreign Affairs of Thailand offering legal and policy advice on IIA and issues related to model bilateral investment treaties, October 2012.

249. In addition, the IIA Programme substantively contributed to a number of UNCTAD IPRs, notably for Bangladesh, Djibouti, Mongolia and the Republic of Moldova.

250. **IPFSD outreach and communication.** During 2012, the IIA work programme strengthened its communication and outreach activities with a view to ensuring that the newly launched IPFSD, as well as other IIA-related work (e.g. sequels to the UNCTAD Series on Issues in International Investment Agreements, the “Pink Series”), would be adequately brought to the attention of investment and development stakeholders. For that purpose, special efforts were made under the IIA work programme to (a) organize IPFSD-related events; (b) contribute IPFSD-related presentations to other events; (c) facilitate academic reviews of IPFSD and Pink Series publications; (d) refer to IPFSD in publications for which the work programme was requested to provide inputs; and (e) undertake other activities fostering outreach.

251. **Overall results and impact.** Through the numerous activities undertaken in 2012, the UNCTAD work programme on IIAs contributed towards fostering sustainable development through IIAs that maximize the development benefits they could generate, while minimizing the potential costs.

252. In 2012, 148 countries/territories benefited from participation in events organized or contributed to by the UNCTAD IIA work programme. These included 83 developing countries/territories (of which 30 were LDCs), 18 economies in transition and 17 developed countries.

253. While a direct link between UNCTAD’s work on IIAs, a country’s enhanced attractiveness for foreign investment that enhances sustainable development and the country’s ability to reap the attendant benefits is, by nature, hard to discern, the work programme’s impact and quality can be seen in the consistently positive evaluations it receives for its research and analysis, its technical assistance and capacity-building activities and its support to intergovernmental meetings. The examples below are indicative of the programme’s relevance, quality and effectiveness.

(c) **Relevance. IIA research and analysis product directly respond to concrete needs of policymakers**

254. “The IPFSD is an extremely important document of UNCTAD, one that we have to help put into life and practice. It is all the more relevant in the wake of Rio+20, the world’s



recommitment to the goals of sustainable development and a recognition of the absolutely crucial interdependence of the planet and the dangers that we face when we have imbalanced economic growth. The Investment Policy Framework is more important than ever.” Mr. Jeffrey Sachs, Special Adviser to the United Nations Secretary-General on MDGs and Director of the Earth Institute at Columbia University, at the fifty-ninth session of the Trade and Development Board of UNCTAD in Geneva, Switzerland, September 2012.

255. “With its IPFSD, UNCTAD is providing [an] important contribution to a better understanding of the interrelationship between investment and sustainable development... we look forward to working with UNCTAD as part of a broad, inclusive and transparent global policy debate on investment law and policy as it relates to sustainable development.” Mark Halle, Director Trade and Investment and European Representative, International Institute for Sustainable Development, World Investment Forum IIA Annual Conference, Doha, April 2012.

**(d) Quality. Technical assistance activities receive strong statements of appreciation and excellent evaluations**

256. The UNCTAD IPFSD is now also being used in UNCTAD capacity-building and technical assistance activities on IIAs. The importance, quality and usefulness of IIA-related trainings were acknowledged by numerous stakeholders.

257. “The IPFSD has been a great tool for my work, and we are looking forward to the IPFSD-based training course for Latin American countries later this year.” Nicolas Lopez, IIA negotiator in the Ministry of Trade of Colombia, during the IPFSD discussion in connection with UNCITRAL, Working Group II, Vienna, October 2012.

258. “UNCTAD’s IIA-related guidance will greatly benefit Thailand in its endeavour to negotiate IIAs that effectively foster sustainable development.” Chutintorn Gongsakdi, Director-General of the Department of International Economic Affairs, Ministry of Foreign Affairs, at the IPFSD Workshop at the Ministry of Foreign Affairs of Thailand, Bangkok, October 2012.

259. “I would like to remark that this event [national seminar November 2012] was a unique opportunity for government officials as well as all areas of civil society to learn more about the new world tendencies in the generation of investment policies. This has a special relevance for Peru, considering there has been a clear foreign direct investment attraction policy over the last 20 years... this workshop [also] contributed to generat[ing] awareness about the importance of the early detection and prevention of disputes”. Carlos José Valderrama Bernal, President of the Special Commission representing Peru in international investment disputes, Lima, November 2012.

260. The quality of UNCTAD’s IIA-related technical assistance and training courses is also evident from the evaluations given by beneficiaries through regular questionnaires following training courses organized by UNCTAD.

261. Short course on international investment agreements and development, Palais des Nations, Geneva, Switzerland, 4 May 2012, addressed to Geneva-based delegates under paragraph 166 (Bangkok Plan of Action). Ninety-three per cent of questionnaire respondents found that the course had raised their awareness of the topic and that it was useful for their work.

262. Seventh advanced regional training course on the new generation of investment policies and managing investor–State disputes, 3–8 December 2012, Quito. One hundred per cent of respondents stated that the objective of the seminar was achieved and 92 per

cent of respondents considered the course excellent. Ninety-six per cent considered the course relevant to their official duties and gave the instructor a rating of “excellent”.

263. Sixth workshop for members of IDB entitled “Workshop on International Investment Policies, Investment Promotion Strategies and Sustainable Development”, 19-23 November 2012, Casablanca, Morocco. Eighty-one per cent of respondents found that the main objective of the workshop was fully achieved while 19 per cent found it was partially achieved.

## VIII. Cluster VIII: Investment facilitation

### Lead division: Division on Investment and Enterprise

264. The programmes under this cluster aim (table 8) at strengthening the capacity of developing countries 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.

Table 8

#### Investment facilitation

<i>Project number</i>	<i>Short title</i>	<i>Period covered</i>	<i>Source of fund</i>
ALB/11/001 <sup>a</sup>	Enhancing Regional Trade and Attracting new Investment to Albania	2011–2012	UNDP
ARG/0T/BAD <sup>a</sup>	Transparencia en los trámites de inversión en Lomas de Zamora (eRegulations)	2011–2012	Argentina
MOR/0T/7AI	Promotion des investissements dans la région de l’Oriental du Maroc	2007–	Morocco
PRC0TBAZ	Facilitation des Affaires en République du Congo (eRegulations Congo)	2012–	Congo
INT/0T/3BH	Integrating IPR policies into sustainable development strategies	2003–	United Kingdom/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	2007–2012	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

<i>Project number</i>	<i>Short title</i>	<i>Period covered</i>	<i>Source of fund</i>
RLA/OT/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

*Abbreviations:* DFID, Department for International Development; UEMOA, West African Economic and Monetary Union; SIECA, Central American Economic Integration Secretariat.

<sup>a</sup> Operationally but not financially completed or fully completed in 2012.

## A. Investment promotion

265. **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.

266. **Objectives and 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 small island developing States (SIDS).

267. **Outputs.** In 2012, the main outputs of the investment promotion programme were:

### 1. Advisory services

268. At the request of the Government of Rwanda, a study on foreign investors' perceptions in Rwanda was produced to help identify factors that have contributed to the gap between registered and actual FDI in Rwanda. The report was presented in Kigali to senior policymakers and concrete recommendations were made to the Government on actions that could be taken to expedite FDI project implementation with a view to improving FDI inflows to Rwanda.

269. During the UNCTAD World Investment Forum 2012, a site visit was organized for investment promotion officials and policymakers to the Qatar Science and Technology Park. The site visit included presentations on the history and future development of Qatar Science and Technology Park as well as company visits.

### 2. Publications and training material

270. Two publications and a note related to investment promotion and facilitation were prepared in 2012:

271. (a) The 2009 *Investment Guide to the Silk Road* is being updated to cover five countries in Central Asia (Kazakhstan, Kyrgyzstan, Tajikistan, Turkmenistan and Uzbekistan) and four western provinces of China. It will highlight the changing investment

climate and investment opportunities in a wide range of industries targeted by the Governments in the region. The update of the Guide will be finalized and published in 2013;

(b) A note was prepared entitled “Maximizing the value of government services: A case for joint trade and investment promotion?” The note contains an overview of international practices in combining or separating investment and trade promotion functions and includes case studies and a discussion on the pros and cons of joint promotion;

(c) Promoting Low-carbon Investment, *Investment Advisory Series*, Series A, number 7. An earlier draft was revised to include best practice case studies and will be published in 2013.

### **3. Capacity-building**

272. On 20 April 2012, a one-day workshop was held in Qatar on investment facilitation for senior officials of investment promotion agencies. The workshop, organized in partnership with the International Finance Corporation of the World Bank Group, explored the importance of offering strong investor facilitation services and outlined practical tools that are available to help investment promotion agencies to perform this task. The workshop had over 100 participants from 64 investment promotion agencies and other stakeholders. During the workshop, the International Finance Corporation released the results of the World Bank report, *Global Investment Promotion Best Practices 2012*, and a panel of public and private sector representatives presented practical strategies and tools to help investment promotion agencies to improve their facilitation services. The workshop also had a session on good governance and transparency issues in investment promotion with a presentation on the UNCTAD online business facilitation programme.

### **4. International meetings/networking events**

273. The UNCTAD High-level Investment Promotion Conference at the World Investment Forum 2012 in Doha. At the Conference, chief executive officers, investment promotion experts and government policymakers explored strategies behind renewed corporate expansion abroad and how countries could compete for their investments, including investments in green industries. The Conference was attended by over 200 investment promotion experts and moderated by renowned journalists from international broadcasting networks.

274. Since 2002, the annual UNCTAD Investment Promotion Awards honour best practices in various fields of investment promotion and encourage the exchange of these practices among investment promotion agencies. The 2012 Investment Promotion Awards rewarded excellence in promoting investment for job creation and skills development. Winners for 2012 came from China, Grenada, Malta, Mexico and Swaziland.

275. In January 2012, a new online service for investment promotion agencies was launched under the name “Smart Promotion Network”. The monthly newsflash includes the latest on FDI trends, investment promotion strategies and practices, and upcoming events and publications of interest to investment promotion professionals and policymakers.

276. Contributions to global and regional investment promotion agency forums included the Group of 20 Trade and Investment Promotion Summit (4 to 6 November 2012 in Mexico City), the Annual General Assembly Conference of the Caribbean Association of Investment Promotion Agencies (27 to 28 November 2012 in the Bahamas) and the Nordic investment promotion forum (6 to 7 December 2012 in Copenhagen). Presentations were given by UNCTAD on the latest trends in FDI flows and policies, investment promotion agency best practices in regional cooperation and institutional issues related to investment and trade promotion.

277. **Overall results and impact.** In 2012, more than 300 investment promotion officials and policymakers, mostly from developing countries, participated in UNCTAD training activities and meetings on investment promotion. Over 1,000 investment stakeholders receive the monthly Smart Promotion Network newsflash.

278. The Government of Rwanda has reported that findings and recommendations from the UNCTAD study on foreign investors' perceptions in Rwanda have been instrumental in the design of the country's Private Sector Development Strategy for the period 2013–2018.

279. The Caribbean Association of Investment Promotion Agencies singled out UNCTAD advice and training as key to framing the Association's work programme.

280. Updated findings from the 2009 *Investment Advisory Series* guide, *Promoting Investment and Trade: Practices and Issues*, were used at presentations and discussions at the Group of 20 Trade and Investment Promotion Summit in Mexico.

## B. eRegulations and eRegistrations

281. **Development context.** UNCTAD has developed a series of web-based eGovernment systems to help developing countries and countries in transition improve their investment and business climate through transparency, simplification and automation of rules and procedures relating to enterprise creation and operations. The eRegulations system is a turnkey eGovernment software allowing administrations to publish their procedures online. Once procedures are clarified through the eRegulations system, a set of 10 principles of simplification of administrative procedures helps countries to cut red tape and reduce the duration, cost and complexity of business-related procedures without changing the laws. Finally, another eGovernment system, called eRegistrations, is installed to computerize the company creation process.

282. **Objectives and features.** All tools and services developed by the business facilitation programme aim at (a) improving the business/investment climate and legal frameworks; (b) lowering administrative barriers to business development, in particular for small businesses; (c) increasing domestic and foreign investment; and (d) promoting good governance and reducing corruption.

283. **Outputs.** The eRegulations system is operational in Argentina (two provincial systems), Benin, Burkina Faso, Cameroon, Cape Verde, Colombia, the Comoros, the Congo, Costa Rica, Côte d'Ivoire, El Salvador, Ethiopia, Guatemala, Guinea-Bissau, Mali, Morocco, Nicaragua, the Niger, Panama, the Russian Federation (Moscow), Rwanda, Senegal, Togo, the United Republic of Tanzania and Viet Nam (three provincial systems). A total of 2,263 procedures are documented in national eRegulations systems, with 6,176 steps (interactions between the user and the administration), 6,320 forms and documents and 1,795 norms and laws accessible online. National capacity-building sessions were held in Argentina, Benin, Burkina Faso, Cameroon, Colombia, Costa Rica, the Congo, Côte d'Ivoire, El Salvador, Guatemala, Guinea-Bissau, Mali, Nicaragua, the Niger, Panama, Rwanda, Senegal, Togo and the United Republic of Tanzania. More than 1,500 civil servants and representatives of the private sector were trained on the basic principles of modern administration. Two high-level regional seminars on business facilitation were organized for countries in West Africa and Central America. Regional portals are accessible online allowing for comparison between administrative procedures applicable to business setup and operations in eight countries in Africa and six countries in Latin America (<http://uemoa.eregulations.org/>; <http://centroamerica.eregulations.org/>).

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

285. **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, almost 1 million visitors visited eRegulations sites in 2012.

286. **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 El Salvador, the process to register individual traders has been reduced from 12 to 3 steps, six forms required by different administrations were merged into one and the duration of the process dropped from five to a maximum of three days. In Guatemala the number of steps for creating a company was reduced from 41 to 4 and the duration from 30 to 15 days. In Cameroon individual traders can comply with all mandatory registrations in just 2 steps and a maximum of 3 days instead of 10 steps and 8 days before the simplification. Companies can also now be registered in 9 steps instead of 16. The time required for registering a business decreased from 18 days to only 1 day in Togo. A 75 per cent time reduction for business registration was achieved in Benin.

287. **Automation of procedures with the eRegistration system.** eRegistrations is an eGovernment system, designed to set up electronic single windows and to computerize simple or complex administrative procedures. It has been successfully developed and installed in El Salvador, allowing the simultaneous inscription of individual traders at all mandatory registries online. More than 2,000 entrepreneurs have been registered in the system that is hosted and managed by the Ministry of Economy (<https://www.miempresa.gob.sv/>). Following the successful experience of El Salvador, other countries in the region ( Guatemala, Honduras and Nicaragua) and in Africa (Benin and Côte d'Ivoire) have requested the implementation of similar electronic single windows. Prototype systems have been developed (<http://benin.eregistrations.org/>, <http://honduras.eregistrations.org/>, <http://nicaragua.eregistrations.org/>) and will be installed subject to availability of funds.

288. **Exchange of good practices and South–South cooperation.** Countries learned from good (and not as good) practices presented through the eRegulations national systems. In Central America and West Africa, regional online dashboards allow comparison of procedures among countries and show procedures as they are simplified in real time (<http://centroamerica.eregulations.org/>, <http://uemoa.eregulations.org/>). South–South cooperation has been initiated among user countries of eRegulations. National eRegulations experts have trained civil servants in beneficiary countries on the philosophy and use of the eRegulations system and on the basic principles of administrative simplification.

289. **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. The private sector is engaged in reviewing progress in transparency and in proposing simplifications when workshops and trainings take place. In addition, all national eRegulations systems contain an online feedback module through which businesses send simplification ideas, claim wrong information in the system or an unlawful requirement of administrations. Messages are directly sent to the highest authority in each institution which takes care of resolving errors and sending a concrete reply to users in the shortest possible time.

290. **Improvement of the investment climate/benchmarks.** Discussions are under way with the World Bank, Transparency International and the World Economic Forum regarding integration into their respective indexes/benchmarks of progress in transparency and simplification.

## C. Intellectual property

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

292. **Objectives and key features.** In response to the mandate received from member States at the ministerial conferences in Accra and Doha as well as requests received in conjunction with the WIPO Development Agenda and World Health Assembly 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 intellectual property rights. Under the programme, research and analysis are conducted on trade and development aspects of intellectual property and consensus-building is facilitated in international discussions on issues at the interface between development, intellectual property and investment. The overall objectives of the UNCTAD work programme on the development dimension of intellectual property rights include deepening the understanding in developing countries of this complex relationship; identifying ways and means of using flexibility in international intellectual property 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 the intellectual property policies of developing countries; and providing a forum for the exchange of experiences and best practices in the formulation of intellectual property policies oriented towards development.

293. **Major outputs.** The major outputs from this area of support are set out below:

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

294. The work programme on access to medicine, investment and local production of pharmaceuticals aims at assisting developing countries in tailoring their domestic intellectual property 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 of Great Britain and Northern Ireland and, since 2009, with the support also of the European Union through WHO.

295. **Research and policy advice.** Pursuant to a 2011 request for technical assistance directed jointly to UNCTAD and the International Centre for Trade and Sustainable Development, UNCTAD and the International Centre prepared a draft intellectual property policy for Egypt, with the objective of providing guidance to the Government on how to use intellectual property and related flexibilities to promote a number of development objectives and local capacities, inter alia, in the pharmaceutical industry. An advanced draft of the policy was presented to representatives of the Government of Egypt (i.e. Ministry of Foreign Affairs and Ministry of Higher Education and Scientific Research) in October 2012 in Geneva, Switzerland. UNCTAD presented the draft policy to the Egyptian National Intellectual Property Committee in January 2013 in Cairo. Work also commenced in 2012 on policy advice to Nepal on a range of issues related to intellectual property and development and includes an analysis of the country's draft industrial policy legislation and the extent to which its provisions support the goal of greater access to medicines. Finally, the work programme in 2012 supported the elaboration of the UNCTAD IPR of Bangladesh, where the Ministry of Industries requested UNCTAD to review the investment

climate for, inter alia, its pharmaceutical industry. The draft IPR was presented to a meeting of national stakeholders in March 2013.

296. **Capacity-building.** In 2012, UNCTAD organized the training of three regional judges and one national judge in the area of intellectual property, public health and local pharmaceutical production. The regional trainings were provided for Southern and Western African countries in January 2012 (Elmina, Ghana); for Eastern African countries in March 2012 (Addis Ababa); and South-East Asian countries in December 2012 (Bali, Indonesia). The national training was provided for Ethiopian judges in March 2012 (Addis Ababa), back to back with the regional event. The objective of these four-day regional training courses as well as of the two-day national course was to familiarize judges with the public health-related flexibilities available under the WTO Trade-Related Aspects of Intellectual Property Rights (TRIPS) Agreement and under the domestic intellectual property legislation of their countries and to examine the implications of these flexibilities for the local production of medicines. This was done through classroom presentations, group work and individual assignments and, in the case of the regional events, a role play. The training team, which usually consisted of two UNCTAD staff, one consultant and one staff from the Federal Ministry for Economic Cooperation and Development/German Agency for International Cooperation, laid considerable emphasis on possibilities for discussion with the participants through sessions of facilitated questions and answers.

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

297. In 2011, with the support of the Government of Germany, UNCTAD launched a programme on the interface between intellectual property 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 intellectual property laws in line with national sociocultural and socioeconomic interests as well as with the October 2010 Nagoya Protocol, on access and benefit-sharing, to the Convention on Biological Diversity and other relevant treaties.

298. **Research and policy advice.** A draft handbook on the interface between intellectual property and biodiversity issues with specific reference to the access and benefit-sharing system established pursuant to the October 2010 Nagoya Protocol to the Convention on Biological Diversity was completed in the summer of 2012. The handbook serves as the underlying textbook for blended learning courses for government officials based in developing countries from environment, justice and industry ministries, intellectual property offices and designated checkpoints under the Nagoya Protocol (e.g. biodiversity offices and customs authorities), Members of Parliament (government as well as relevant opposition parties) working in relevant committees, indigenous communities, representatives from relevant chambers and associations of SMEs as well as other local enterprises, civil society organizations and academia. The draft handbook was used on a trial basis in such trainings in Central America (organized by the German Agency for International Cooperation) and in South-East Asia (organized by UNCTAD) in the third quarter of 2012. The handbook will be peer reviewed at an extrabudgetary ad hoc expert group meeting convened by UNCTAD in April 2013 and delivered to the Federal Ministry for Economic Cooperation and Development for publication as a project output. UNCTAD is also providing ongoing technical assistance and policy advice to Nepal, based upon a 2011 request for technical assistance on, inter alia, an analysis of the country's draft industrial policy legislation and the extent to which its provisions are consistent with national and international access and benefit-sharing policies.

299. **Capacity-building.** From September to December 2012, UNCTAD organized a blended learning course for ASEAN countries on the interface between intellectual property



and biological diversity/access and benefit-sharing under the Convention on Biological Diversity and the Nagoya Protocol. The course was organized with the collaboration of the Directorate General for Intellectual Property Rights of Indonesia, the ASEAN secretariat and the German Agency for International Cooperation. The course consists of two face-to-face workshops to open and close and a computer-based distance-learning course lasting 10 weeks during the interim period facilitated by UNCTAD staff. A total of 21 participants from the ASEAN region, covering Cambodia, Indonesia, Lao People's Democratic Republic, Malaysia, Myanmar, the Philippines and Thailand participated in the course. The participants represented national access and benefit-sharing offices, environment and science and technology agencies, intellectual property offices and civil society. The opening workshop of the blended learning course on 19–20 September 2012 in Jakarta covered an introduction to the Convention on Biodiversity, the Nagoya Protocol and other relevant international instruments, as well as intellectual property rights. Upon completion of the distance learning course, participants were brought together on 10–12 December 2012 for a closing workshop in Jakarta that reviewed the modules covered by the distance learning course. The course concluded with a multi-stakeholder role-play exercise to negotiate a material transfer agreement over biological resources.

### 3. WIPO Development Agenda support

300. Cooperation with WIPO is based on recommendation 40 of the 2007 WIPO Development Agenda, which asks WIPO to intensify its cooperation on issues related to intellectual property with United Nations agencies, in particular UNCTAD, UNEP, WHO, the United Nations Industrial Development Organization, the United Nations Educational, Scientific and Cultural Organization and other relevant international organizations, in the implementation of the Agenda. UNCTAD cooperates by conducting research and analysis on selected issues on the interface between development and intellectual property and by responding to technical assistance requests for policy advice to ensure coherence with development objectives.

301. **Research and policy advice.** In September 2012, UNCTAD and the International Centre for Trade and Sustainable Development convened a joint seminar in Geneva, Switzerland, entitled “Japan’s experience with the regulation of technology licensing agreements: What lessons for developing countries?” The seminar provided an opportunity to peer review a draft paper that examines how intellectual property licensing terms have been examined by competition authorities in Japan and compares that experience with other countries. Invited panellists discussed the findings of the paper and the extent to which lessons could be drawn by developing countries for the elaboration of their own licensing policies. Also, pursuant to a December 2011 request for technical assistance, UNCTAD assisted the Directorate General for Intellectual Property Rights of Indonesia in the elaboration of an intellectual property strategy following on from earlier advisory work on revisions to the Patent Law of Indonesia, contained in the advisory publication *Development Dimensions of Intellectual Property in Indonesia* released in early 2012. UNCTAD organized a fact-finding mission in April–May 2012 and provided a draft strategy to the Directorate General in September 2012. A consensus-building workshop for stakeholders was held in Jakarta to discuss the draft strategy in December 2012. A revised version of the strategy that takes on board comments from the workshop was provided to the Directorate General in January 2013.

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

- (a) WTO Workshop on Intellectual Property and Public Health as well as the WTO Symposium on LDC Priority Needs;

(b) Intersessional Working Groups of the WIPO Intergovernmental Committee on Intellectual Property and Genetic Resources, Traditional Knowledge and Folklore, as well as the WIPO Committee on Development and Intellectual Property, throughout 2012.

303. **Impact and results.** UNCTAD policy research and analysis on intellectual property provide inputs to the domestic processes of 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.

304. The blended learning course on intellectual property and biodiversity for ASEAN countries was the first course of its kind. Designed to reinforce face-to-face classroom learning with distance learning, the workshop evaluations indicated a high degree of satisfaction with both substance and organization. Twenty-one stakeholders from seven countries in the ASEAN region were trained at this workshop. A second regional blended learning workshop for South Asia is planned for 2013 at the request of German Agency for International Cooperation.

305. The trainings of regional judges on intellectual property and public health are designed to raise awareness by judicial and quasi-judicial dispute resolution authorities on the public health aspects of the TRIPS Agreement. Such trainings are a direct follow-up of a series of multi-stakeholder trainings on intellectual property and local production of medicines in developing countries undertaken by UNCTAD, the German Agency for International Cooperation and Capacity-Building International, Germany during 2007–2011. A total of 54 judges from 14 countries were trained in the regional training events in 2012, i.e. from Western and Southern Africa (Cameroon, Ghana, Mozambique, Nigeria and South Africa), North-East Africa (Egypt, Ethiopia, Kenya, Uganda and United Republic of Tanzania) and South-East Asia (Indonesia, Philippines, Thailand and Viet Nam). The national judges training in Ethiopia was attended by 23 Ethiopian judges. Evaluation questionnaires from training activities showed a good or excellent assessment, particularly with regard to the methodology and teaching efficiency, the quality of the course material, the balance between theory and practice, the group exercises and exchange of information, the workshop facilitators' expertise and their communication and cooperation with the participants.

## IX. Cluster IX: Enterprise development

### Lead division: Division on Investment and Enterprise

306. The programmes under this cluster (table 9) aim at an enhanced understanding and capacity of beneficiary countries to develop policies aiming at stimulating enterprise development.

Table 9

#### Enterprise development

<i>Project number</i>	<i>Short title</i>	<i>Period covered</i>	<i>Source of fund</i>
PAN/OT/9BK	Red de oportunidades empresariales para familias pobres (Empretec)	2009–	One United Nations
ROM/OT/1CZ	Empretec phase I – Romania	2002–	Romania

<i>Project number</i>	<i>Short title</i>	<i>Period covered</i>	<i>Source of fund</i>
VIE0T9BM	Green production and trade to increase income and employment opportunities for the rural poor	2009–	One United Nations
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	2011–2012	European Commission
INT0TBBV	Strengthening SMEs in developing countries and countries with economies in transition	2012–	Private Companies
INT0TBCP	Accounting and Corporate Governance Trust Fund	2012–	Germany

<sup>a</sup> Operationally but not financially completed or fully completed in 2012.

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

307. **Development context.** Entrepreneurship is one of the most important drivers of job creation and economic growth and is crucial for the development of a vibrant formal small- and medium-sized business sector. Entrepreneurship and private sector development are fundamental factors playing a critical role in achieving the MDG of eradicating extreme poverty. The inclusion of entrepreneurship as part of the development policy agenda represents an opportunity to better link private sector development to the goals of inclusive and sustainable development.

308. **Objectives and 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 that 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 the national and regional levels to promote entrepreneurship. In addition, the Entrepreneurial Development Programme (Empretec) is a capacity-building programme, composed of entrepreneurship training and targeted services for entrepreneurs, aimed at promoting the development of SMEs. The programme fosters individual entrepreneurial capabilities through a behavioural approach, builds institutional capacity at the country level and encourages employment creation, investments and the creation of linkages between SMEs and TNCs.

309. **Outputs and results.** The Entrepreneurship Policy Framework is the result of the work of four sessions of the Multi-Year Expert Meeting on Enterprise Development Policies and Capacity-building in 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, independently 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 the UNCTAD website of an online inventory of best practices in entrepreneurship development, it can be considered a toolkit for policymakers for the formulation, implementation and measurement of entrepreneurship policies.

310. In May 2012, the UNCTAD *Entrepreneurship Policy Framework and Implementation Guidance*, launched in Qatar during UNCTAD XIII, was applied for the first time in a national entrepreneurship policy forum in Panama City. The forum, entitled “Entrepreneurial Panama: The role of public policy and innovation”, was organized jointly by UNCTAD, the Development Bank of Latin America, the City of Knowledge Foundation and the Government of Panama. The outcome of the forum included nine policy recommendations in three key areas which affect entrepreneurial activity in the country.

311. Empretec Zimbabwe also organized a policy workshop on entrepreneurship in October 2012. It was aimed at initiating a dialogue with Zimbabwean policymakers with a view to adapting the Framework to the local context. About 50 experts reviewed entrepreneurship policies in a one-day workshop organized by Empretec Zimbabwe, UNCTAD, UNDP and the Ministry of Planning. The workshop sought to develop a policy agenda that would strengthen entrepreneurship in the country, promoting the interaction among the public, private and civil society stakeholders.

312. Investment and entrepreneurship policies have been included in the Diagnostic Integrated Trade Study for the Gambia. The policy, regulatory and institutional environment in the Gambia has so far not addressed entrepreneurship in a systemic way. Based on the Entrepreneurship Policy Framework, UNCTAD provided the Government of the Gambia with an assessment of the main constraints, indicating priorities for implementation.

313. Since its inception in 1988, Empretec has been installed in 34 countries and has been assisting entrepreneurs through local market-driven business support centres (Empretec national centres). In 24 years of activity, over 300,000 entrepreneurs attended more than 9,800 Empretec’s entrepreneurship training workshops and received follow-up support services from the centres. In 2012, Empretec consolidated its activities in recently established countries, such as South Africa and Zambia, and accelerated its action on start-up countries, such as India and the Russian Federation. A pilot workshop was organized in Oman, with the assistance of international trainers from Empretec Jordan. UNCTAD is following up on the official request from the Government of Oman to install an Empretec centre in the country.

314. **Highlights of 2012 activities.** The following are highlights under this area of support:

#### **1. Implementing the Millennium Development Goals**

315. 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”.

316. In Panama, UNCTAD is part of a three-year MDG joint programme, “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 joint programme was directed toward capacity-building activities for target beneficiaries. In 2012, the joint programme entered its third and last year of implementation. UNCTAD continued its training activities for rural micro-entrepreneurs through its Empretec workshops. In 2012, eight entrepreneurship training workshops were

conducted and two “training-of-trainers” workshops were organized. Through these activities, UNCTAD provided technical assistance to 136 micro-entrepreneurs, mostly women. At the same time, the transfer of the Empretec training methodology to three local trainers advanced and led to the certification of one national trainer. The number of certified Empretec National Trainers therefore reached five, since the beginning of the project. Several successful initiatives took place to contribute to the sustainability of the Empretec programme in Panama, including a regional training workshop, conducted under the leadership of experienced trainers from Argentina, Brazil and Uruguay, and the organization of an Entrepreneurship Policy Forum attended by high-level representatives of the Government of Panama. In September 2012, Empretec Panama also organized the first meeting of the Forum gathering all Empretec centres from Latin America. Participants to the Forum had the opportunity to undertake a study tour to one of the target provinces of the MDG joint programme, where they could meet the Governor and entrepreneurs from the region. Important topics such as rural tourism, associative forms of entrepreneurship and local value chains were discussed during an interactive session.

317. In Viet Nam, UNCTAD is involved in a three-year MDG joint programme, “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 was the first Asian country where the Empretec programme was installed. In 2012, three Empretec Training Workshops were successfully organized, totalling 59 entrepreneurs trained. In particular, the last entrepreneurship training workshop of the year (entrepreneurship training workshop 10) was delivered by two certified national trainers and one assistant trainer, without the supervision of International Empretec Master Trainers. A ceremony was organized at the end of 2012 for the official certification of three national trainers. It was attended by 50 entrepreneurs and several other stakeholders and testimonials, as well as by UNCTAD, accompanied by the Programme Director of an Italian school of design, the Nuova Accademia di Belle Arti Milano, who illustrated the importance of design for entrepreneurship development and the philosophy of Italian design as a discipline of problem-solving. Additionally, 22 handicraft companies joined a total quality management training organized in collaboration with the Viet Nam Productivity Centre and three Empretec networking events were organized in Hanoi and in the provinces, focusing on marketing, business planning and SME financing issues.

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

318. The Empretec centre in South Africa strengthened its capacity to organize entrepreneurship training workshops in all nine provinces of the country, reaching the remarkable result of 12 workshops conducted in one year. Nine local trainee trainers have been selected and coached through the 12 workshops and advanced well towards obtaining their certification. The trainee trainers received valuable guidance by experienced trainers from Botswana.

319. A total of 14 Empretec workshops have been held in the United Republic of Tanzania, where a total of 370 entrepreneurs have been trained since inception. Training activities started also in other regions outside the capital, thus setting the ground for the programme’s expansion. The first Empretec national trainer was certified at the beginning of the year and subsequent workshops have been held by a team of Tanzanian facilitators.

320. In Zambia, six training workshops were organized since the beginning of the programme activities and 140 entrepreneurs went through the training. Three trainee trainers reached a satisfactory level of proficiency with the training modules and may be awarded with Empretec certification as a national trainer early next year.

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

321. In 2012, the recently established Empretec centres in the 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 programme, “Progresando,” of the Office of the First Lady of the Dominican Republic. In Peru, Instituto Peruano de Administración de Empresas–Empretec Peru participated in projects developed by the Ministry of Production and the Ministry of Labour to support entrepreneurs. In Ecuador, discussion with municipalities in different regions took place in order to expand the programme outside the capital.

### **4. Empretec country activities – Romania, the Russian Federation and India**

322. The Government of Romania continued its support to the integration of Empretec into its national framework for assisting the SME sector and developing entrepreneurship in the country. Nine entrepreneurship training workshops were conducted in 2012, in nine different cities of the country, benefiting over 2,000 entrepreneurs since the beginning of the activities. In October, a team of certified and junior facilitators volunteered to organize celebrations for the tenth anniversary of the Empretec programme in Romania, which saw the participation of 150 graduates from the Empretec network.

323. Five and two workshops were organized in 2012, respectively, for entrepreneurs from the Russian Federation and India. The two countries joined the Empretec network at the end of 2011 and developed workplans to move at a steady pace with more training activities in 2013. All workshops were led by two experienced International Master Trainers from Brazil.

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

324. The 2012 meeting of Empretec directors took place in Geneva on 27–28 November and 17 directors of Empretec centres from Africa, Latin America and the Middle East attended the event. In addition, a representative of the Government of Kenya, which officially requested the programme in the month of July, also joined. Issues concerning the quality of training materials, the certification of trainers, the sustainability of Empretec centres and the set of indicators to measure the impact of the programme on entrepreneurs and SMEs, were among the topics discussed during the annual gathering. A training session led by a professor of the University of Geneva on how to develop a proposal for investors proved very useful for the centres. Directors explored other ways to expand business development services in a joint session with Geneva-based United Nations agencies, including ILO, WIPO and ITC, addressing issues of cooperation. During the opening ceremony, the UNCTAD Secretary-General presented awards to the best micro-entrepreneur and the best start-up owned by women who benefited from the services and training of Empretec centres; two women entrepreneurs from Argentina and Uganda received awards.

325. The Empretec Women in Business Award 2012 concluded the UNCTAD XIII High-level Event on Women in Development in Doha, on 23 April 2012. The three winners together with the 10 women finalists celebrated during a dinner in the presence of high-level representatives of the Government of Qatar, United Nations agencies and programmes and business associations.

326. From 12 to 18 November 2012, 130 countries marked the Global Entrepreneurship Week through an array of events, activities and competitions aimed at getting more of their citizens to take the next step in their entrepreneurial journey. UNCTAD, in collaboration with other United Nations agencies (including ILO, ITC, WIPO, the United Nations

Institute for Training and Research and UNDP), has been an active organizer of the Global Entrepreneurship Week since 2009. During the week, the United Nations community hosted a special event devoted to women's entrepreneurship on 14 November, entitled "Women's Empowerment through Entrepreneurship," which was opened by the Ambassadors of Mexico and the United States of America.

327. The number of requests coming from developing economies and economies in transition to install Empretec centres reached 21. Some pilot activities were carried out in the Middle East region and follow-ups with the requesting institutions started in a number of countries in Africa (Cameroon and Kenya), the Middle East (Oman and Saudi Arabia) and Central America (Costa Rica).

328. 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>).

329. **Impact.** The impact from this area of support is set out below:

330. An independent evaluation of Empretec activities was carried out in the United Republic of Tanzania and Zambia. The final report underscored the high relevance of UNCTAD activities in both countries in line with policy priorities of the two Governments. It also pointed out the effectiveness of action in the two countries, recommending attention to the long-term sustainability of the programme. In terms of impact, the report noted the general increase in employment, turnover, contracts and clients among the businesses that received support from the Empretec programme in both countries. For example, Empretec participants surveyed by the evaluator in the United Republic of Tanzania showed a median of 100 per cent turnover increase and a 14 per cent increase in employment.

331. In Panama, a survey conducted on economic indicators among a set of beneficiaries of the MDG joint programme showed that 69 per cent of respondents managed to start a business within a year, 56 per cent created between one and five new jobs and 19 per cent, more than 10 new jobs.

332. A set of indicators was also used to measure the impact of the programme in eight countries, where the Empretec programme had been running for at least five years, selected from among the entire network in Latin America, Africa and the Middle East. Twelve months after going through Empretec training, surveyed SMEs already showed significant improvements in sales (up by 18 per cent), revenues and employment (up by 22 per cent), and profitability (up by 25 per cent).

333. At the same time, in Viet Nam, based on the evaluation filled in by entrepreneurs, the workshops held in 2012 resulted in high levels of improvement in management styles, including the completion of business plans. The introduction of new products/services, resulting in improved profitability and new jobs created, was also remarkably high. Bearing in mind the differences in geographical and economic contexts between entrepreneurs in Hanoi and those in the provinces, the findings of the impact assessment exercise 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 Empretec participants recognized that their businesses performed better thanks to their participation in an Empretec workshop.

334. **Strengthening the Empretec network through South–South cooperation.**

Empretec Zimbabwe took the lead in the organization of a major event in the country, a leadership and decision-making retreat, in collaboration with the Strategy Leadership Institute in Private and Public Affairs, whose mission is to cultivate the next generation of leaders and strategic thinkers for relationships in a global world. Women entrepreneurs who graduated from the Empretec programme in the United Republic of Tanzania and Zambia were invited to take advantage of this opportunity to strengthen their business competencies and to complement the Empretec training received in their respective countries.

335. Synergies and cooperation between centres continued during 2012. International trainers from Botswana, Uganda and Zimbabwe participated in activities aiming at building local capacity in recently established centres, respectively in South Africa, the United Republic of Tanzania and Zambia.

336. Close collaboration among Empretec centres in Latin America was strengthened thanks to the first meeting of the Empretec Latin America Forum. Participants drafted the Forum's statutes and started its work with the aim of promoting entrepreneurship in the entire region.

337. **Knowledge-sharing and new products.** A thorough revision of the Empretec trainer's manual for the six-day entrepreneurship training workshop started in 2012, with the help of experienced international trainers from Brazil. The manual will be peer-reviewed and finalized in 2013 and shared with all centres as a new reference for the six-day entrepreneurship training workshop.

## B. Business linkages<sup>6</sup>

338. **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.

339. **Objectives and features.** The UNCTAD business linkages programme is a multi-stakeholder initiative that seeks to design and implement the necessary measures, incentives and strategies to transform linkages between multinational corporations and SMEs into sustainable business relationships that improve the performance, productivity and efficiency of all participants. The programme is based on the conviction that a favourable business environment, early involvement and close cooperation between the public and private sectors and effective technological capacity-building are vital to sustainable business linkages development.

340. **Outputs and impacts.** The outputs and impacts from this area of support are set out below:

341. **Argentina.** 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. The two main areas selected as

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<sup>6</sup> Mention of any company, firm, TNC or multinational corporation does not imply endorsement by the United Nations or UNCTAD.



priorities were the dairy and automotive sectors. Project activities have focused on addressing these needs. In 2012, 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), the Empretec Argentina Foundation carried out an in-depth study 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 at strengthening 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 research and development. At the end of 2012, UNCTAD took part in a monitoring mission and met with the Minister of Industry of the Province, who expressed enthusiasm and appreciation for the results achieved by the project thus far.

342. **Mozambique.** The linkages programme, launched in 2008, identified the National Investment Promotion Centre and Enterprise Mozambique Foundation as the main counterparts 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 2012 in order to expand and improve the 2009–2011 campaigns and through the Enterprise Mozambique Foundation, UNCTAD organized a series of coordination meetings with local authorities, as well as two technical workshops, in order to evaluate the performance of the pilot project, assess its replicability and mobilize the donor funding needed to further expand project activities.

343. **Peru.** In 2012, a new linkages project in the mining sector was launched aimed at strengthening the capacities of SMEs in the Province of Sechura, with funding from the Canadian International Development Agency and the lead firm Miski Mayo Mining Company SRL, an affiliate of the Brazilian mining company Vale. The project plans to achieve, as end results in 2017, local job creation and increased incomes through building the value chain for the Bayóvar phosphate mine by strengthening local business units, promoting new business initiatives, training local officials for the promotion of new start-ups and strengthening existing businesses in the value chain.

344. **Uganda.** A full-fledged national business linkages programme was launched by Enterprise Uganda, UNCTAD's Empretec counterpart in Uganda, in June 2008. The three main areas of intervention prioritized were the telecommunications, automotive and agribusiness sectors. To date, four large TNCs have signed up to be part of the programme, namely the South African telecommunications company MTN, Toyota Uganda, East African Breweries and, most recently, Nile Breweries Limited, a subsidiary of SABMiller. In 2012, more than 500 individual farmers were trained in order to better meet the requirements of Nile Breweries Ltd for sorghum production. 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 corporate culture of TNCs and have been supported to align their plans with the strategic direction of Nile Breweries.

345. **United Republic of Tanzania.** The Tanzania Investment Centre, which is the implementing partner of the country's business linkages programme, executed its workplan to train suppliers to large companies participating in the linkages programme. It expanded its outreach in business sectors thriving in specific regions of the country, thus involving domestic suppliers in agro-processing, tourism and business development services in the north-eastern region of Moshi. A report on health checks carried out on selected suppliers to participating TNCs has been prepared by a local consultant, identifying gaps and challenges to be addressed by the programme.

346. **Zambia.** The business linkages programme in Zambia was officially launched in July 2008 in conjunction with UNCTAD's national implementing partner, the Zambia Development Agency, and the ILO country office. In its pilot phase (2009–2011), the programme successfully engaged TNCs across the country's key economic sectors – agriculture, mining, construction and tourism – such as one of the leading hotels in Zambia (Taj Pamodzi, an affiliate of the Tata group), some of the largest mines (Konkola and Mopani copper mines), the largest beverage producer (Zambian Breweries, a subsidiary of SABMiller) and parastatals (National Housing Authority and Copperbelt Energy Corporation), as well as the leading South African supermarket chain Pick 'n' Pay, which has committed to a local purchasing goal of 75 per cent from hundreds of local SMEs under the auspices of the programme. In total, 12 memorandums of understanding with large corporates have been signed. The Zambia Development Agency also provided SMEs with technical assistance in quality, packaging and bar-coding of products and on occupational health. During 2012, as part of a new four-year initiative under the United Nations system's "Delivering as One" and supported by the Government of Finland, the programme's next phase (2013–2017) was successfully launched, focusing its attention on the construction sector in Zambia, given the industry's significant current role in the Zambian economy and the unexploited potential for local SME participation. As of the end of the reporting period, six expressions of interest had been signed by leading large construction firms, with a particular focus on greener construction methods. UNCTAD also conducted two policy workshops in Lusaka to present the results of its scoping study and generate buy-in for the programme, both of which were positively evaluated by participants.

347. An independent evaluation of business linkages activities was also carried out in the United Republic of Tanzania and Zambia, along with the one conducted for the Empretec programme. Noting the effectiveness and positive impact of action on target beneficiaries, the report highlighted a median turnover increase of 35 per cent for Tanzanian suppliers and 27 per cent for Zambian suppliers. The evaluation also mentioned positive spillover effects of linkages in both countries. Besides intended linkages with TNCs, other linkages between SMEs to the supply chain of larger local or national companies emerged as complementary, and at times alternative, to linkages to TNCs. The particular value of those "unintended" linkages, which developed through market dynamics in both countries, is contained in a more gradual increase of the standards, quality and volumes to be complied with by suppliers. In addition, those linkages often entail the advantage of cash business, which is important for entrepreneurs with limited access to finance.

### C. Corporate transparency, accounting and reporting

348. **Development context.** Accounting plays an essential role in economic development. Transparent financial reporting systems and corporate governance mechanisms are crucial to help investors to better assess risks when making investment decisions. High-quality corporate reports foster confidence among investors and other stakeholders and enhance comparability, transparency, credibility and financial stability.

349. In the aftermath of the financial crisis, successive Group of 20 meetings have highlighted the need for convergence towards a single set of high-quality global accounting standards as one of the key factors in strengthening the international financial regulatory system and fostering global financial stability.

350. However, the effective adoption of such standards and codes remains a challenge for many developing countries and countries with economies in transition as they lack some of the critical elements of corporate reporting infrastructure – from weaknesses in their legal and regulatory frameworks, to 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 developing tools for measuring and benchmarking progress and identifying priorities for further actions.

351. **Objectives and features.** The International Standards of Accounting and Reporting programme is geared towards assisting member States of UNCTAD in harmonizing their accounting practices with international standards by developing guidance and facilitating an exchange of views and best practices and by conducting research and providing technical assistance on corporate reporting issues related to accounting, auditing, corporate governance and corporate responsibility. This work is conducted through the annual sessions of the Intergovernmental Working Group of Experts on International Standards of Accounting and Reporting, as well as associated workshops and round tables. The programme disseminates best practices through technical guidance on various aspects of corporate accounting and reporting.

352. **Output and results.** In 2012, UNCTAD developed the Accounting Development Tool to contribute to the promotion of best practices in the area of corporate reporting with a special focus on capacity-building. The Tool is an acknowledgement of the pivotal role accounting plays. Using international standards and best practices in the areas of accounting and auditing, the Accounting Development Tool is a quantitative tool for measuring the level of development of a country's accountancy environment. Launched in 2012 at the World Investment Forum, the Accounting Development Tool provides a quantitative benchmark of a country's position at a point in time and its progress toward greater implementation of these standards and practices. During 2012, UNCTAD conducted nine pilot projects in Brazil, China, Côte d'Ivoire, Croatia, Mexico, the Netherlands, the Russian Federation, South Africa and Viet Nam to test the Tool. Several national round tables were conducted with the participation of key stakeholders which facilitated coordination and cooperation between the main agencies in the area of corporate reporting. Some countries used the results of the assessment exercise to develop national action plans on strengthening the accounting infrastructure. The programme also initiated the development of an internet-based platform for the Accounting Development Tool, with the support of national professional bodies such as the United Kingdom Association of Chartered Certified Accountants and the Netherlands Institute of Chartered Accountants. It is expected that this e-platform (initially available in English, French and Russian) will be launched in spring 2013.

353. The twenty-ninth annual meeting of the Intergovernmental Working Group of Experts on International Standards of Accounting and Reporting (31 October–2 November 2012) brought together over 270 participants from close to 80 member States who deliberated on the role of regulatory and institutional arrangements for the consistent implementation and enforcement of international standards and codes of corporate accounting and reporting. At the meeting it was confirmed that the Accounting Development Tool was useful for assisting member States in assessing their respective regulatory, institutional and human capacity arrangements and capabilities, facilitating stakeholder dialogue, identifying gaps by benchmarking against globally recognized standards and codes and improving a country's investment climate. The meeting concluded

that the Tool could produce a basis for developing a strategic approach and a road map to addressing the gaps identified, measuring progress in a comparative and consistent manner and ultimately achieving high-quality corporate reporting. Fourteen countries (Belarus, Belgium, the Congo, Ecuador, Gabon, Jamaica, Morocco, Nigeria, Qatar, Trinidad and Tobago, Ukraine, Singapore, Switzerland and the United Republic of Tanzania) expressed their interest in using the Accounting Development Tool, including its online version, before the thirtieth session of the Intergovernmental Working Group of Experts on International Standards of Accounting and Reporting in 2013.

354. On 30 October 2012, the twenty-ninth session of the Intergovernmental Working Group of Experts was prefaced by the Accounting Education Forum, organized jointly by UNCTAD and the Education Initiative of the International Financial Reporting Foundation. The Forum considered approaches to integrating into a curriculum for global standards and codes on corporate financial and non-financial reporting, such as the International Financial Reporting Standards and the International Standards on Auditing. As part of the Forum, experts from the International Accounting Standards Board conducted a hands-on workshop demonstrating the practical applications of a framework-based approach to the teaching of reporting standards for the benefit of more than 100 stakeholders.

355. On 16 October 2012, the UNCTAD secretariat made a presentation on the Accounting Development Tool to a regional meeting of the Commission de normalisation comptable (Accounting Standards Board) of the Organization for the Harmonization of Business Law in Africa which took place in Cotonou, Benin. In presence of the country's Permanent Secretary, H.E. Dorothé Sossa, delegates from Benin, Burkina Faso, Cameroon, the Central African Republic, Chad, the Comoros, the Congo, Equatorial Guinea, Gabon, Guinea, Guinea-Bissau, the Niger, Senegal and Togo learned about the benefits of using the Accounting Development Tool. Côte d'Ivoire presented the challenges faced and the benefits obtained from self-assessing. Further cooperation between UNCTAD and the Organization for the Harmonization of Business Law in Africa is envisaged in the near future.

356. The twenty-ninth session of the Intergovernmental Working Group of Experts on International Standards of Accounting and Reporting also noted UNCTAD's role as one of the implementing bodies of the call for action on sustainability reporting (see A/RES/66/288, The future we want, para. 47) of the 2012 United Nations Conference on Sustainable Development and agreed that UNCTAD should continue to contribute to the field of sustainability reporting with a view to sharing experiences in this area between countries and providing best practice guidance to policymakers and stock exchanges. As part of its work in the area of sustainability reporting and corporate governance disclosure, UNCTAD co-organizes the Sustainable Stock Exchanges initiative in collaboration with the United Nations Global Compact, the United Nations-backed Principles for Responsible Investment and the UNEP Finance Initiative. The Sustainable Stock Exchanges initiative aims at exploring how exchanges can work together with investors, regulators and companies to enhance corporate transparency, and ultimately performance, on environmental, social and corporate governance issues and encourage responsible long-term approaches to investment.

357. The third Sustainable Stock Exchanges Global Dialogue took place during the Rio+20 Conference in July 2012. During the Conference, five stock exchanges signed up to the Sustainable Stock Exchanges initiative (BM&F-Bovespa of Brazil, Egyptian Stock Exchange, Istanbul Stock Exchange, Johannesburg Stock Exchange and NasdaqOMX of the United States of America), thereby pledging their support to promote sustainability standards among companies listed on their exchanges. Later in 2012 the Bombay Stock Exchange and the MICEX Stock Exchange, both of India, joined the initiative, bringing the

number of Sustainable Stock Exchanges partner exchanges to seven, with almost 10,000 companies listed on these exchanges.

358. In March 2012, in cooperation with OECD, the Climate Disclosure Standards Board and the Global Reporting Initiative, UNCTAD organized a meeting on climate change reporting. In November 2012, UNCTAD, in cooperation with ILO and OECD, hosted the second annual Inter-Agency Round Table on Corporate Social Responsibility issues to explore how to best address key outcomes of the Rio+20 Conference. There were several conclusions to be drawn from these meetings, including the strong complementarity between UNCTAD's mandate and the Rio+20 outcome document and the unique mechanisms offered by the Intergovernmental Working Group of Experts on International Standards of Accounting and Reporting and the Sustainable Stock Exchanges initiative for bringing together different investment stakeholders and accounting experts to identify best practices in sustainability reporting and facilitate action in this area among stock exchanges and capital market regulators.

359. During the reporting period, UNCTAD continued its cooperation with a number of international and regional organizations and development agencies that work towards promoting 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 the Federation's committee and board meetings, including the International Accounting Education Standards Board and the Professional Accountancy Organization Development Committee. In the area of environmental, social and corporate governance disclosure, UNCTAD continued contributing to the work of the International Integrated Reporting Committee, and to an informal working group on climate change related reporting in partnership with the OECD, the Climate Disclosure Standards Board and the Global Reporting Initiative.

360. **Impact.** Over more than 29 years, the UNCTAD Intergovernmental Working Group of Experts on International Standards of Accounting and Reporting has been providing member States with guidance and toolkits on a number of corporate reporting topics. These products have had a positive impact in assisting member States in implementing widely recognized good practices in the areas of financial reporting and non-financial reporting, such as corporate governance, environmental issues and corporate social responsibility.

361. The UNCTAD Accounting Development Tool has been enriched throughout 2012 from input received at national pilot-test assessments conducted in nine countries in different regions of the world. This new tool provides significant guidance on what are the key components of capacity needed in accounting and what is required to build such capacity based on international benchmarks and good national practices. It will be an important step in helping member States, especially developing countries, to identify their main weaknesses in order to focus efforts on improvement in these areas, draft action plans and be able to adopt and implement corporate reporting standards in a successful manner.

362. UNCTAD's work on corporate governance disclosure, including its assessment tool of current practices, has assisted a number of member States (China, Egypt, Jamaica, Pakistan, Russian Federation and Trinidad and Tobago) to further develop their institutions for the promotion of corporate governance disclosure. This work on corporate governance disclosure has been praised by the World Bank as a "valuable exercise" that has changed the World Bank's approach on handling these issues.

363. UNCTAD work in the area of sustainability reporting, including the Sustainable Stock Exchanges initiative, has led to a number of stock exchanges implementing new sustainability reporting requirements or introducing new voluntary sustainability reporting initiatives. Recognized for its relevance by the Chair of the Brazilian Securities and

Exchange Commission on the occasion of the 2012 Sustainable Stock Exchanges Global Dialogue in Brazil, the Sustainable Stock Exchanges initiative has been welcomed by the World Federation of Exchanges and the International Organization of Securities Commissions as well as national exchanges from a number of member States around the world.

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

### **Lead division: Division on Globalization and Development Strategies**

364. The programmes under this cluster (table 10) aim at contributing towards 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 (OPT), improved policy and institutional capacities and enhanced international cooperation for the recovery and sustained development of the economy. The activities of the Virtual Institute aim at strengthening teaching and research capacities of academic institutions in developing countries and countries in transition to contribute to enhanced knowledge in the fields of trade, finance and investment and the links of these fields to development.

Table 10

#### **Globalization and development strategies**

<i>Project number</i>	<i>Short title</i>	<i>Period covered</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/8CF	Promoting responsible sovereign lending and borrowing	2008–	Norway
INT/OT/BBF <sup>a</sup>	The South and the new paths of development in the twenty-first century	2011–2012	Rockefeller Brothers Fund
INT/OT/BBQ <sup>a</sup>	In conjunction with project number T/BBF – The South and the new paths of development in the twenty-first century	2011–2012	UNDP
RAS0TBBW	Development-oriented regional integration in South Asia	2012–	Asian Development Bank
ROA-1245B (AE)	Building capacities in the Asia-Pacific region to address financial implications of external shocks and climate change mitigation through innovative risk-management instruments	2009–	Development Account
ROA-2284 (AR)	Strengthening capacities for policy-oriented analysis of key global development challenges at developing country universities	2011–	Development Account

<sup>a</sup> Operationally but not financially completed or fully completed in 2012.

## A. Responsible sovereign lending and borrowing and debt workout mechanism

365. **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. Unprecedented risk-taking by lenders and borrowers thrived 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 filling this gap in the rules that guide sovereign financing was first designed and then submitted for endorsement by member States in April 2012. Among these principles features the issue of debt restructuring which, in light of the ongoing sovereign debt crises, is a topical debate at the international level. In such a context, the evolution of the project in 2013 entails the provision of options for the design of an internationally agreed debt workout mechanism.

366. **Objectives and features.** The project financed by Norway aims at urging the parties involved in sovereign debt contracting to adopt behaviours and decisions that are consistent with best practices and good standards both with regard to debt crises prevention and resolution. The outcome of the project could help reduce the occurrence and severity of sovereign debt crises and defaults and foster growth and development. Project activities range from academic research on the rationale of a procedure for restructuring debts in a fair and efficient way to raising awareness, disseminating best practices and fostering consensus around this procedure. Member States' gradual endorsement of the principles on responsible sovereign lending and borrowing also constitutes work in progress.

367. **Output.** Action undertaken so far has contributed to the formulation and endorsement of the consolidated principles on responsible sovereign lending and borrowing launched in Doha on the occasion of UNCTAD XIII. Thirteen countries from different economic backgrounds have so far endorsed the principles. In addition, guidelines for the implementation of the principles are in preparation. At the level of the United Nations General Assembly, UNCTAD's mandate on external debt was reinforced in December 2012, 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" (A/RES/67/198).

368. **Results.** The project entitled "Promoting responsible sovereign lending and borrowing" is attracting significant attention at the international level. The principles on responsible sovereign lending and borrowing, designed on a consultative basis, are currently being discussed for endorsement by several countries (in addition to the 13 member States that have already endorsed them). The second phase of the project focuses on a debt workout mechanism. A brainstorming meeting took place on 1 February 2013 with high profile experts to start the reflection process on the design of such mechanism. Although this project is at an early stage, the level of participation at this meeting as well as at the special event of the Second Committee of the General Assembly titled "Sovereign debt crises and restructurings: Lessons learned and proposals for debt resolution mechanisms" held in October 2012 shows the great interest of the international community in this subject matter and the potential for a successful outcome.

369. The project entitled "Strengthening capacity for effective asset and liability management in national debt management offices" was implemented in 2012 through various activities to assist the target countries of Argentina, the Plurinational State of Bolivia, Ethiopia, Uganda and Zambia, to develop their capacity to move to a debt management approach based on an integrated asset and liability management framework. Project activities have been delivered through two country-level workshops to the debt

management offices of Ethiopia and Uganda and through technical assistance to the debt management office of Argentina in mapping the assets and liabilities of the public sector. A partnership between Argentina and Brazil was also established with the aim of assisting Argentina in the design of an asset and liability management framework. Activities also included the organization of a country-level workshop to be held in the Plurinational State of Bolivia in 2013 and plans with the Government of Zambia for the evaluation and management of contingent liabilities of the public sector.

## **B. The Virtual Institute on Trade and Development**

370. **Outputs.** The Virtual Institute continued to work with academic institutions 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 research and facilitating the exchange of information among its members. A detailed report about activities of the Virtual Institute in 2012 is available (<http://vi.unctad.org/images/files/Vi%20report%202012%20FINAL.pdf>). During the period under review, the Virtual Institute received financial support from the Governments of Finland, Norway and Spain, the United Nations Department of Economic and Social Affairs and the One United Nations Fund for the United Republic of Tanzania. Some of Institute's activities (such as study tours, fellowships and some dissemination activities) were also funded or co-funded by the beneficiary universities.

371. The Virtual Institute's membership increased by almost 20 per cent in 2012, to a great extent as a result of broadening the scope of the Institute's work to also include research centres. Six new universities, from Colombia, Kenya, Morocco, the Russian Federation, South Africa and the former Yugoslav Republic of Macedonia, as well as seven research institutes from Bangladesh, Belgium, Brazil, Canada, Germany (two) and Slovenia joined the Virtual Institute, expanding its network to 79 academic institutions in 41 countries.

372. In 2012, despite a significantly downsized team, the Virtual Institute made every effort to continue offering a "menu of services" that would allow members from all regions to participate in its activities.

373. In the area of support to teaching, the Virtual Institute provided curricular advice to its member university in Belarus on the development of an English-language master's programme in international economics and trade policy. A major effort was dedicated to the development of teaching materials on topical international economic and legal issues of policy interest to developing countries. The Virtual Institute published *A Practical Guide to Trade Policy Analysis*, an outcome of a long-term cooperation project with WTO and the UNCTAD Division on International Trade in Goods and Services, and Commodities. Thanks to financial support from the Government of Finland, the Virtual Institute also produced other teaching materials. At the request of its member in Uganda, and in cooperation with UNCTAD's Division on Globalization and Development Strategies, it published a series of teaching modules on contemporary issues in international macroeconomics, trade and finance. Cooperation with the UNCTAD Division on Investment and Enterprise resulted in the publication of a Virtual Institute teaching material on the transfer of technology, while a teaching material on the economics of commodities production and trade was the fruit of the Institute's cooperation with the UNCTAD Special Unit on Commodities. The Virtual Institute also supported local adaptation of its teaching material on regional trade agreements to the national/regional context by its member university in the United Republic of Tanzania, using resources from the country's One United Nations Fund. Furthermore, the Virtual Institute organized 5 one- to two-week study tours with tailored training programmes at UNCTAD, Virtual Institute partner institutions



(WTO, ITC, WIPO, International Centre for Trade and Sustainable Development, the International Organization for Migration, the South Centre, the World Meteorological Organization and ILO) and permanent missions for 154 students (including 103 women) from the Caribbean, China, Colombia, the Russian Federation and the United Republic of Tanzania, as well as four shorter sessions for 89 students (55 women) from universities in China, Germany, Spain and the Russian Federation.

374. In the area of professional development for academics, the Virtual Institute organized its first online course on data sources, tools and methods related to trade and poverty analysis. The course was designed in cooperation with the Division on International Trade in Goods and Services, and Commodities, the Division for Africa, Least Developed Countries and Special Programmes and the Division on Globalization and Development Strategies and co-funded by the Development Account and the Government of Finland. Seventy-seven researchers (including 29 women) from 45 developing and transition economies successfully completed the course. Four academics, from Brazil, Colombia, Senegal and the United Republic of Tanzania participated in the seventh round of the Virtual Institute fellowship programme. The first three fellows used their own financial resources to fund their travel and stay in Geneva, Switzerland, while the academic from the United Republic of Tanzania was supported by the country's One United Nations Fund. Academics from Guinea, Mali and Togo received mentoring support from the Virtual Institute, which resulted in the completion of a series of three studies on mining and economic development in Western Africa funded by the Government of Norway.

375. In the area of cooperation among the members of the Virtual Institute academic network, the Virtual Institute used its networking capacity to facilitate both North–South and South–South cooperation. In the framework of such cooperation, the Virtual Institute member in Germany, the University of Applied Sciences Berlin, provided curricular support to the Virtual Institute Belarusian member and funded South–South teaching of academics from India and Mauritius in its newly launched master's programme. In cooperation with the Virtual Institute Spanish member, the University of Barcelona, and Virtual Institute Spanish distance-learning partner, the Economic and Technological Development Distance Learning Centre Foundation, the Virtual Institute co-organized for the third time a Spanish-language edition of the online course on legal instruments of international economic relations and regional integration. Six Virtual Institute members successfully graduated from this course, bringing the total number of members trained in the Spanish and English versions of the course to 82. To provide further education and networking opportunities to course graduates, the partners launched the International Economic Relations Network, with financial support from the Government of Spain. The University of Barcelona also continued offering scholarships for its Master in International Economic Law and Policy programme to candidates recommended by Virtual Institute members. Thanks to sponsorship by the Catalonia World Consortium, four scholarships covering tuition fees and an allocation towards living costs in Barcelona were awarded to students from Virtual Institute member universities in China, Ethiopia, the Russian Federation and Viet Nam. Additionally, the University of Barcelona granted a 50 per cent discount on tuition fees to a student from the University of the West Indies. The Virtual Institute also intensified its efforts in the area of information exchange among its members who increased their use of the network as a channel to disseminate their calls for papers, scholarships and teaching opportunities.

376. In the area of dissemination services, the Virtual Institute website continued to provide access to teaching resources, including more than 1,150 papers and studies by UNCTAD and its partner international organizations, to 3,204 individuals from 164 countries. In 2012, the Virtual Institute developed eight new multimedia teaching resources for its members, which attracted a total of nearly 3,000 hits during the year. The Virtual Institute provided members with more than 4,700 UNCTAD publications to enrich their

libraries. It also organized 10 videoconferences disseminating the findings of UNCTAD flagship reports (*Trade and Development Report*, *World Investment Report* and *Technology and Innovation Report*), as well as other UNCTAD research, to 438 university students, lecturers and researchers (225 women) in Brazil, Colombia, Jordan, Morocco and the Russian Federation. The “News” section of the website was kept active, with 56 news items published in 2012. Four quarterly Virtual Institute electronic newsletters were produced and distributed to nearly 4,400 recipients. In addition to disseminating research by virtual means, the Virtual Institute was instrumental in organizing face-to-face presentations of UNCTAD research by experts from the Division on Globalization and Development Strategies (at a congress in Colombia and a workshop in Mauritius), the Division on International Trade in Goods and Services, and Commodities (at another congress in Colombia and lectures in Peru) and the Unit on Economic Cooperation and Integration among Developing Countries (at a symposium in Morocco). Virtual Institute member universities in Colombia and the Russian Federation organized official launches of the *Information Economy Report 2012* in their countries and a Virtual Institute member university in the Russian Federation contributed research to the 2012 issues of the *Information Economy Report* and the *World Investment Report*.

377. **Results.** The Virtual Institute contributed to enhanced teaching and research of trade and development issues at member institutions and increased policy orientation of the work of member institutions by providing support for the development of both individual and institutional capacities in this area.

378. In terms of its impact on the professional capacities of individuals (academics and students), the Virtual Institute:

(a) Provided university students and staff at member academic institutions with up-to-date teaching resources and materials on topical international economic issues and related national policies which were relevant for/adapted to the specific contexts of their countries. The teaching materials developed in 2012 enriched libraries of Virtual Institute members and were used in relevant international economic and legal courses at member universities. The earlier Virtual Institute teaching material on trade and poverty served as the first module of the Institute’s online course on trade and poverty. In a survey conducted in the summer of 2012, members attested that teaching materials and UNCTAD publications shipped to them biannually by the Virtual Institute were deposited in their libraries and used by researchers, university teachers and students, thus increasing their interest in trade-related issues;

(b) Enhanced academics’ research skills, the policy orientation of their work and their capacity to teach topical international trade and development issues through courses, Virtual Institute fellowships and “learning by doing” during local adaptations of the Institute’s teaching materials and research projects mentored by UNCTAD experts. In the end-of-course questionnaires, 94 per cent of participants of the Virtual Institute online course on trade and poverty said that the course had “extremely” or “very much” enhanced their knowledge in the area covered by the course (the highest and second highest of the five possible ratings, respectively). Seventy-one per cent stated that they could now independently undertake policy-relevant research on trade and poverty and/or teach their students about the tools and methods used in the analysis of trade and poverty, with an additional 26 per cent saying that they could capably contribute to such research in partnership with a more experienced researcher. As a result of the fellowship at UNCTAD, the academic from Brazil submitted a paper for publication and enriched his teaching of multinational enterprises, FDI and competitiveness. The fellow from Colombia drafted two chapters of her PhD thesis, delivered a presentation at a meeting of the American Society of International Law and submitted three articles to a journal and academic essay competitions. The fellow from Senegal developed the methodology and literature review

for his PhD thesis and the academic from the United Republic of Tanzania completed lecture material for his course on the economics of commodities production and trade. The localized teaching material on regional trade agreements will be used in teaching a course on trade theory, trade policy and market access and a course on integration economics and regional trading systems in master's programmes in international trade and international business at the Virtual Institute member university in the United Republic of Tanzania. The findings of studies on mining and economic development in Western Africa were integrated into university courses on international trade in Mali and on natural resources and economic development in Togo, presented to academic and policymaking audiences in Guinea, Mali and Togo and used to draft articles submitted for publication;

(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 Virtual Institute study tours and videoconference presentations by UNCTAD staff. This helped students to be better prepared to deal with practical trade and economic policy issues in their future careers.

379. 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 academic institutions who have strengthened their trade-related competencies and skills and are now involved in teaching and researching these issues. On average, seven staff per member institution 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 institutions. As detailed above, a new master's programme was launched in Belarus, a number of university courses were enriched and policy-oriented research projects were finalized by developing country academics;

(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 members and contributed to the strengthening of their capacity to interact, share and cooperate across different countries and cultures.

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

380. **Development context.** The development context of OPT continued to be complex and peculiar given the conditions of a prolonged occupation on the ground that severely limits the Palestinian development prospects, despite the Palestinian people's bid for statehood at the General Assembly of United Nations in November 2012. This resulted in a majority vote by Member States, granting observer status to the State of Palestine. This political move did not mitigate the facts on the ground which include military occupation, illegal settlements, "cantonization" of OPT and no sovereignty for the Palestinian people over their land, resources and movement. Restrictive measures continue to reinforce counterproductive development conditions in OPT.

381. The Palestinian economy in 2012 continued to suffer from a severe fiscal crisis, uncertainty of the release of Palestinian revenues rooted in Israeli control over the tax and customs clearance revenue that Israel collects on behalf of the Palestinian Authority and faltering aid flows. In addition to the continued closure policy in the West Bank, these issues have further worsened humanitarian conditions and deepened and widened the poverty in OPT.

382. Likewise worrisome is the Palestinian productive base which has been severely eroded by occupation policies, with the economy losing access to much of the West Bank's agricultural land, 82 per cent of its ground water and more than two-thirds of grazing land. While unemployment remained high at 27 per cent in 2012, real wages in OPT deteriorated further in 2012 as growth in nominal wages failed to keep pace with inflation. Real wages were 10 per cent lower than the level in 2006, although productivity in 2012 was 7 per cent above its 2004 level, indicating that the fruits of the growth achieved during the post-2007 period were unequally divided between wage earners and profits. Further, the improvement in unit labour cost, from lower wages and higher productivity, was not translated into enhanced competitiveness, as shown by the weakness of exports and the increasing reliance on imports. This also reflects the fact that sectors with higher job-creation potential and productivity are disproportionately impacted by Israeli policies, such as tightened movement and restrictions on access. Socioeconomic conditions in OPT are deteriorating. The continued Israeli restrictions not only increased prices of basic staples such as vegetables, fruits and sugar, but also continued to obstruct wider agricultural development as well as urban and rural economic planning.

383. The rehabilitation of the structures and infrastructures destroyed in 2012 and previously in December 2008 might contribute to an increase in economic growth. However, this would once again be deceptive growth as it would be due to low base effect and aid inflows and not linked to a real productive economy. The long-term development prospects for OPT remained grim in 2012.

384. **Objectives and features.** UNCTAD work in this area is guided by the United Nations strategic framework for the period 2012–2013, paragraph 31(m) of the Doha Mandate, paragraph 44 of the Accra Accord and paragraph 35 of Sao Paulo Consensus. This multifaceted programme of technical assistance to the Palestinian people draws on its own research and intimate knowledge of the Palestinian economy over the past 28 years, as well as the experience of UNCTAD as a whole. The programme is carried out in close cooperation with the Palestinian Authority, the Palestinian private sector, civil society organizations, United Nations agencies and other international agencies. The programme seeks to strengthen the institutional capacities of the Palestinian Authority and the Palestinian private sector. The programme also aims at addressing the Palestinian economy's constraints and emerging needs through four clusters: (a) trade policies and strategies; (b) trade facilitation and logistics; (c) finance and development; and (d) enterprise, investment and competition policy.

385. **Outputs** Building on UNCTAD's past contributions to institution-building of the Palestinian private sector and the establishment of the Palestinian Shippers' Council, UNCTAD continues to implement a project entitled "Developing Palestinian trade facilitation capacity". The project is funded by the Canadian International Development Agency. It aims at building the knowledge base of Palestinian shippers (exporters and importers) by consolidating the institutional capacity of the Palestinian Shippers' Council, increasing shippers' awareness of best practices in trade facilitation and strengthening national capacities for providing training and advisory services to Palestinian shippers and policymakers in the area of trade facilitation.

386. In 2012, many results were achieved, including strengthening the institutional structure of the Palestinian Shippers' Council and ensuring that the right capacities were recruited, while simultaneously building the knowledge base of Palestinian shippers by increasing their awareness of international best practices in trade facilitation. In the course of 2012, UNCTAD recruited four local and international experts, who contributed to the development of a comprehensive three-year strategy, the organizational structure of the Palestinian Shippers' Council, new job profiles and professional responsibilities, a business portfolio for the services that will be provided to members of the Palestinian Shippers'

Council and a financial business case. UNCTAD also recruited experts in the areas of legal and training on trade facilitation matters, to work out both the full strategies and plans for both the legal and training departments. Furthermore, two research technical papers related to trade facilitation were finalized and disseminated to the local and international community and two workshops were held by the Palestinian Shippers' Council, in coordination with UNCTAD, in January and October 2012. The first workshop was on interpretation and application of international commercial terms and the second on tariffs and customs.

387. UNCTAD has also playing a pivotal role in building and modernizing Palestinian customs capacity since 1999. In 2012, UNCTAD maintained close contact with Palestinian Authority customs. A new project document was developed by UNCTAD to consolidate previous achievements and hand over the Automated System for Customs Data (ASYCUDA) system to the Palestinian Authority. Upon final approval by the European Commission to fund the new technical cooperation project, implementation is expected to commence in mid-2013.

388. In late 2011 UNCTAD and the Palestinian Central Bureau of Statistics signed a memorandum of understanding to strengthen the Central Bureau's economic modelling and forecasting capacity and to enhance the Palestinian Authority's capacity in evaluating and interpreting socioeconomic indicators. In September 2012 UNCTAD trained Palestinian Central Bureau of Statistics staff in Geneva, Switzerland, and in November conducted a one-week training programme for other staff of the Palestinian Central Bureau of Statistics and Palestinian Authority in Ramallah. The UNCTAD model of the Palestinian economy is now used to produce official forecasts by the Palestinian Central Bureau of Statistics. Additionally, the Palestinian Ministry of Finance now uses such forecasts for planning and negotiation purposes.

389. Following completion of the Development Account (sixth tranche) project entitled "Promoting subregional growth-oriented economic and trade policies towards achieving the MDGs in Arab countries", the project studies on MDGs 1 and 8 have been published in a book on pro-poor trade and growth strategies, infrastructure and institutions to facilitate regional integration. The Arabic version of the book was released in February 2012 and the English version in May 2012.

390. Moreover, in 2012 UNCTAD hosted and trained Palestinian diplomats from the Ministry of National Economy, introducing them to the United Nations system in Geneva, Switzerland. This was conducted in cooperation with the United Nations Division for Palestinian Rights. The training covered the scope of UNCTAD's work, including meetings of the Trade and Development Board, as well as the work of other Geneva-based United Nations agencies.

391. **Results.** (a) UNCTAD achievements were rewarded by renewed trust from the member States in April 2012 at UNCTAD XIII, held in Doha, where paragraph 31(m) of the Doha Mandate requested UNCTAD to strengthen its assistance to the Palestinian people as part of the international commitment to building an independent Palestinian State; (b) as a result of the UNCTAD project entitled "Developing Palestinian trade facilitation capacity" and its advisory service to the Palestinian Shippers' Council, the Council has changed and upgraded its managerial and organizational setup and has adopted a new strategic organizational framework; (c) as a result of UNCTAD advisory services and technical support to the Palestinian Central Bureau of Statistics, the Economic Forecasting Unit was established in the Central Bureau; (d) UNCTAD advisory services also assisted the Palestinian Central Bureau of Statistics in the production of official forecasts of economic and social variables which were released in early 2012. These forecasts have been endorsed and used by the Palestinian Ministry of Finance for planning and negotiation with international partners; (e) the findings of the project entitled "Promoting subregional

growth-oriented economic and trade policies towards achieving the MDGs in Arab countries” were published in a book entitled *Economic and Trade Policies in the Arab World: Employment, Poverty Reduction and Integration* in 2012. The Arabic version was published by Al Faris House and the English, by Routledge Publishing.

#### **D. Building capacities to address financial implications of external shocks and climate change mitigation through innovative risk-management instruments**

392. **Activities.** In May 2012, a regional workshop was organized in Hong Kong, China, to train staff from five debt management offices (Bhutan, Indonesia, Maldives, Thailand and Viet Nam) on instruments for hedging natural disaster risk. The workshop included presentations from the World Bank, the Asian Development Bank, a natural disaster expert from Mexico and representatives of Swiss Reinsurance Company Ltd.

393. In September 2012, 11 representatives from the Thai debt management office went on a study tour to the Swedish debt office for two-and-half days.

394. In September 2012, a workshop was organized in Xiamen, China, to train staff from ministries of finance in risk mapping and the use of financial instruments for hedging currency, interest rate and natural disaster risk. It was attended by over 50 participants from 15 countries.

395. In September 2012, a country-specific workshop was organized in Maldives to help the authorities in establishing a national plan for disaster risk management. It was attended by 25 staff from various ministries.

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

#### **Lead division: Division on Globalization and Development Strategies**

396. 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 (table 11).

Table 11

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

<i>Project number</i>	<i>Short title</i>	<i>Period covered</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>a</sup>	Fortalecimiento de la capacidad de gestión de la deuda pública de la Provincia de Buenos Aires	2008–2012	Argentina

<i>Project number</i>	<i>Short title</i>	<i>Period covered</i>	<i>Source of fund</i>
BGD0TBYY	Capacity-building for integrated debt management in Bangladesh	2012–	World Bank
BDI/0T//BAT	Renforcement des capacites de gestion de la dette de la Direction de la Trésorerie	2011–	European Commission
CMB0TBXX	Consulting services for technical assistance in the area of debt management	2012–	African Development Bank
EGY/0T/9AG	Strengthening public debt management	2009–	Egypt
GAB0T9AT <sup>d</sup>	Renforcement des capacites d'études et modernisation des outils informatiques de gestion de la dette	2012–2012	Gabon
GEO/0T/BAR <sup>d</sup>	Strengthening public debt management	2011–2012	Georgia
GUA/0T/AAD <sup>d</sup>	Fortalecimiento de la capacidades para la gestión de la deuda	2010–2012	Inter-American Development Bank
HON/0T/4AH <sup>d</sup>	Fortalecimiento de las capacidades para la gestión de la deuda en Honduras	2005–2012	Honduras
INS/0T/ABB	Strengthening public debt management	2011–	Switzerland
LAO/0T/AAV	Implementation of DMFAS 5.3	2011–	World Bank
MAG0TBXH <sup>d</sup>	Renforcement des capacites de gestion, d'analyse de la dette de Madagascar par la mise en place de la version 6 de SYGADE	2012–2012	Madagascar
MON0TBBJ <sup>d</sup>	Implementation Services of DMFAS version 6 for public debt management	2012–2012	Mongolia
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/AAZ	Control y administración de la deuda pública	2011–	Paraguay
PHI/0T/ABK	Strengthening debt management in the Bureau of the Treasury	2011–	Philippines
PRC/0T/AAQ <sup>d</sup>	Capacity-building in debt management within the Caisse Congolaise d'Amortissement	2011–2012	Congo
RWA/0T/BBC	Implementation Services of DMFAS version 6	2011–	Rwanda
UGA/0T/AAW	Strengthening of debt-management capacities at the Ministry of Finance, Planning and Economic Development	2011–	Uganda
UGA0TBCG	Strengthening public debt management	2012–	Uganda

<i>Project number</i>	<i>Short title</i>	<i>Period covered</i>	<i>Source of fund</i>
VIE/0T/8BC <sup>a</sup>	Public financial management reform project – component 3B – DMFAS	2005–2012	World Bank
ZAI/0T/BBB	Renforcement des capacites de gestion de la dette en Republic democratic du Congo	2012–	Democratic Republic of the Congo
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	2009–2012	France
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
INT0TBBZ	Strengthening the debt-management capacity of developing countries	2012–	European Commission
INT/08/X49	ASYCUDA	2012–	Italy
ROA-2245(R7)	Strengthening capacity for effective asset and liability management in national debt-management offices	2011–	United Nations Development Account

<sup>a</sup> Operationally but not financially completed or fully completed in 2012.

## A. The Debt Management and Financial Analysis System programme

397. **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.

398. Debt management remains a challenge for most developing countries. 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.

399. The financial 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.

400. The DMFAS programme is committed to providing sustained support for development. Over a period of nearly thirty years, it has supported the changing debt management needs and challenges of 106 institutions in some 69 countries. Having originated as a means to help countries build good external debt databases, the programme’s scope has gradually widened to helping countries manage public domestic as well as private external debt. It has also expanded in terms of the debt-management functions that it supports, from debt recording to assisting countries in debt data validation,



debt statistics, debt portfolio review, in basic debt analysis, and in producing data critical to risk analysis, debt sustainability analysis and strategy formulation.

401. 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 2012 UNCTAD XIII Conference, the 2011 UNCTAD Debt Management Conference, 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.

402. The General Assembly resolution 67/198 on "External debt sustainability and development" (adopted 21 December 2012) (paragraph 33) "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"; (paragraph 35) "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".

403. In the Doha Mandate, specific reference is made to the programme's work, reaffirming, inter alia, the importance and the role of the DMFAS programme in supporting effective debt management. The mandate states (paragraph 31(c)) "UNCTAD should...continue...providing technical assistance and support for developing countries in building national capacities through the DMFAS programme, in cooperation, where appropriate, with the International Monetary Fund, the World Bank, and other stakeholders".

404. **Objectives and 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.

405. The key challenges faced by developing countries in managing debt include 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. The DMFAS programme provides direct support to countries for addressing those challenges.

406. 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. The DMFAS products and services are global public goods.

407. The DMFAS programme provides countries with the following capacity-building services: (a) provision of a specialized 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) 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.

408. **Outputs and description of activities.** The DMFAS programme supported capacity-building in debt management at the national, regional and international levels 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.

409. In addition to ongoing permanent support provided to countries via its central operations, the DMFAS programme managed 32 operational projects at the country level. Five project agreements were signed in 2012 with Bangladesh, Cambodia, Iraq, Mongolia and Uganda, and one amendment was signed with the Congo.

410. The new projects are aimed at updating the DMFAS to version 6, and providing relevant additional training.

411. The programme continued to pay particular attention to the needs of heavily indebted poor countries (HIPC). Half of all countries that were qualified or eligible or potentially eligible for the HIPC initiative were DMFAS clients. In addition to training and advice in debt management, and providing a system containing features linked to HIPC relief, the programme's assistance in helping countries build comprehensive debt databases actively contributes to their chances of reaching completion point. In 2012, half of all countries (20) with HIPC status were DMFAS beneficiaries. Moreover, DMFAS clients included 20 LDCs, 17 LLDCs and 3 SIDS.

412. Successful implementation of DMFAS 6 software continued in 2012 through its installation in eight additional countries. This web-enabled version of the software caters to the latest institutional and operational needs of government debt-management offices, and the comprehensive coverage of all types of debt instruments.

413. In 2012, 123 national and regional capacity-building missions took place. These included on-the-job training, national and regional workshops, study tours, and needs assessment and project evaluation missions. Over 250 debt officials benefited from this capacity training, during which their debt management, procedures, reporting and analytical skills were strengthened.

414. The programme continued its support to governments in linking debt management to other government financial management systems. It also continued to explore the linking of DMFAS with aid management systems. Fifteen countries currently link DMFAS with other financial management systems, with some upgrading their existing links to be compatible with DMFAS 6.

415. Extensive support, including assistance and advice on a wide range of functional and technical issues, was made available by the helpdesk to all DMFAS system users throughout the year. The helpdesk responded to a total of 354 DMFAS user queries.

416. 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 providing resource persons) and contribution to and support for each other's activities and efforts. In particular, this included in 2012 active collaboration with the Debt-management Facility of the World Bank and with other regional organizations, including the Macroeconomic and Financial Management Institute of Southern and Eastern Africa. 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 a number of UNCTAD and United Nations reports, close

collaboration in the development and delivery of the DMFAS programme's capacity-building module in debt portfolio analysis, and joint training events related to the ongoing Asset and Liability Management Project.

417. **Results.** In 2012, 84 per cent of all DMFAS country beneficiaries since the launch of the programme in 1981 continued to adopt the DMFAS for the management of their day-to-day debt. Nearly all have reached the capacity of maintaining a regularly updated and validated database and are able to use it for monitoring and internal reporting, thus contributing to good governance and transparency. The majority of these clients use the DMFAS for day-to-day debt operations and producing internal managerial reports. Moreover, 74 per cent of DMFAS clients were using the DMFAS software for external reporting purposes and the production of debt statistics. Thirty countries were regularly publishing official statistical bulletins, and, this year, five countries produced draft debt-portfolio reviews as a result of technical-assistance activities (Argentina, Burundi, Cambodia, Egypt and Uganda); six countries produced data-validation calendars (Cambodia, the Democratic Republic of Congo, Guinea-Bissau, the Lao People's Democratic Republic, Oman and Viet Nam), and six countries drafted debt statistical bulletins (Burundi, Cambodia, Guinea-Bissau, Madagascar, Oman, and Paraguay).

418. In addition, as a result of the programme's assistance in helping countries in their reporting requirements, 89 per cent of DMFAS client countries effectively reported to the World Bank through the Debtor Reporting System. Thirty eight of DMFAS clients are participating in the Quarterly External Debt Statistics database of the IMF, of which 75 per cent effectively reported for the third quarter 2012 for table 1.1 (gross central government debt position). Moreover, 75 per cent of the DMFAS user countries (21 out of 28 DMFAS user countries) that accepted to report to the IMF–World Bank PSD database effectively reported for 2012.

419. By the end of 2012, DMFAS 6 was being actively used by 23 institutions in 20 countries with eight new installations during the year: Argentina, Armenia, Burundi, the Democratic Republic of Congo, the Dominican Republic, Egypt, Gabon, Georgia, Guatemala, Honduras, Indonesia, Madagascar, Mongolia, Panama, Paraguay, the Philippines, Rwanda, Uganda and the Bolivarian Republic of Venezuela.

420. The 2012 Donor Consultation Meeting congratulated the programme for the clear value added through its assistance to developing countries. It expressed its satisfaction that the programme focuses on its clear areas of comparative advantage, the “downstream activities”, including the maintenance of debt databases, debt data validation, debt operations, internal and external debt reporting, debt statistics and basic debt analysis. Furthermore, it recognized the active role the programme is taking in collaborating with and coordinating its work with other technical assistance providers. Moreover, donors expressed their appreciation for the concrete results achieved in implementing the current DMFAS strategic plan and for the excellent quality of the assistance the programme provides to its clients in responding effectively to their needs. It was recommended that the programme further develop its cost-sharing mechanism to strengthen its financial sustainability in the long run.

## XII. Cluster XII: Transport and trade facilitation

### Lead division: Division on Technology and Logistics

421. The projects under this cluster provide technical assistance and capacity-building in the fields of trade logistics, and customs automation through ASYCUDA (table 12).

Table 12

#### Transport and trade facilitation

<i>Project number</i>	<i>Short title</i>	<i>Period covered</i>	<i>Source of fund</i>
AFG/0T/4CE <sup>a</sup>	Emergency customs modernization and trade-facilitation project in Afghanistan	2004–2012	World Bank
AFG/0T/BBD	Implementation of ASYCUDA	2011–	Afghanistan
ALB/0T/7BF <sup>a</sup>	Implementation of ASYCUDAWorld in the customs department	2007–2012	Albania
ALB/0T/BBA	Implementation of the excise management and control function in the Albanian customs IT system	2011–	Albania
ARU0TBCB	ASYCUDAWorld Aruba	2012–	Aruba
BDI/0T/ABD	ASYCUDA technical assistance and support	2011–	United Kingdom
BGD0TBCD	ASYCUDA migration to ASYCUDAWorld	2012–	Bangladesh
BZE/0T/7BU	ASYCUDA	2007–	Belize
CMR/0T/AAI	Appui technique a l'information des douanes camerounaises	2012–	European Commission
DJI/0T/AAS	ASYCUDAWorld technical assistance and support	2011–	Djibouti
DRC/0T/9AN	Implementation of ASYCUDA	2009–	European Commission
ELS/0T/BCE	SYDONIA	2012–	El Salvador
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	2008–2012	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

<i>Project number</i>	<i>Short title</i>	<i>Period covered</i>	<i>Source of fund</i>
HAI/0T/BCC	Consolidation SYDONIA World	2012–	Haiti
IRA/05/755 <sup>a</sup>	Implementation of e-Customs ASYCUDAWorld in the Islamic Republic of Iran	2005–2012	UNDP
IVC/0T/4BV <sup>a</sup>	Implémentation de ASYCUDAWorld en Côte d'Ivoire	2005–2012	Côte d'Ivoire
JOR/0T/6AE <sup>a</sup>	Implementation of ASYCUDAWorld in Jordan	2006–2012	Jordan
JOR/0T/AAB <sup>a</sup>	Creation of the regional centre of excellence in the Aqaba Special Economic Zone	2011–2012	Jordan
LAO/0T/9AE	Computerization of customs procedure and data	2009–	World Bank
LEB/0T/5BK	Implementation of ASYCUDAWorld in Lebanon	2005–	Lebanon
LES/0T/BDC	Customs management system	2012–	Lesotho
LIB/0T/8AP	Implementation of ASYCUDAWorld in the Libyan Customs Directorate	2008–	Libya
LIR/0T/8CD	ASYCUDAWorld Project in Liberia	2008–	Liberia
MLI/0T/9BF <sup>a</sup>	ASYCUDAWorld technical assistance and support	2009–2012	Mali
NAM/0T/2AI <sup>a</sup>	Migration to ASYCUDA++	2002–2012	Namibia
NAM/0T/BAN	Implementation of ASYCUDA	2012–	Namibia
NEP/0T/6BR <sup>a</sup>	Consolidation of customs automation	2006–2012	Asian Development Bank
PAK/0T/8AK	Trade and transport-facilitation project (TTFP-II)	2008–	World Bank
PAL/0T/7AV <sup>a</sup>	Implementation of ASYCUDAWorld in Palestine	2007–2012	European Commission
PAL/0T/BAL	Capacity development for facilitating Palestinian trade	2011–	Canada
PNG0T4AP	Installation of the Automated System for Customs Data	2004–	Papua New Guinea
PRC/0T/AAG	ASYCUDAWorld technical assistance and support	2011–	Congo
RWA/0T/BBE	Customs management and electronic single window system	2011–	Rwanda

<i>Project number</i>	<i>Short title</i>	<i>Period covered</i>	<i>Source of fund</i>
SEY/0T/BBO	ASYCUDA project in Seychelles	2012–	Common Market for Eastern and Southern Africa
SIL/0T/8AA <sup>a</sup>	Implementation of ASYCUDA++ in Sierra Leone	2008–2012	United Kingdom
SRL/0T/7BL	ASYCUDAWorld in Sri Lanka	2007–	Sri Lanka
STP/0T/9AB <sup>a</sup>	ASYCUDA project	2009–2012	United States of America
SUD/0T/8BG	ASYCUDA project	2008–	Sudan
SUR/0T/BAE	ASYCUDAWorld	2012–	Suriname
SYR/0T/4BP	ASYCUDA implementation in the Syrian Arab Republic	2005–	Syrian Arab Republic
TOG/0T/BCK <sup>a</sup>	Formation technique de l'équipe nationale de la direction générale des douanes	2012–2012	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	2007–2012	Tunisia
UGA/0T/BBT	Implementation of a customs management system	2012–	Uganda
YEM/0T/8BT <sup>a</sup>	ASYCUDAWorld project in Yemen	2008–2012	Yemen
ZIM/0T/7AC	Implementation of ASYCUDAWorld in Zimbabwe	2007–	Zimbabwe
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
INT/0T/BAY	Implementation plans for WTO Trade Facilitation agreement in developing members	2012–	European Commission

<i>Project number</i>	<i>Short title</i>	<i>Period covered</i>	<i>Source of fund</i>
RAB/0T/7BP	ASYCUDA World Regional Centre for Arab States	2008–	Syrian Arab Republic
RAF/0T/6BC	Establishment of the SEATAC	2006–	Norway
RAF/0T/7AW	ASYCUDA Regional Support Centre for Africa (Ouagadougou)	2008–	Multi-donor
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	2008–2012	European Commission
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
RLA/0T/3AD	ASYCUDA regional support for the Americas	2003–	National governments
RLA/0T/ABC	Implementation of ASYCUDA World 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–	United Nations Development Account

*Abbreviations:* SEATAC, Southern and Eastern African Technical ASYCUDA Centre; TIR, transport international roulier.

<sup>a</sup> Operationally but not financially completed or fully completed in 2012.

## A. Trade logistics

422. **Development context.** Access to efficient transport services and trade support services brings potential benefits for both business and governments at national, regional and international levels. It involves economic, administrative and technological as well as financial issues, all of which converge with customs at the border, and which must be taken into consideration when a country or region develops its international transport and trade-facilitation strategy. With transport and trade facilitation reforms, governments seek to establish a transparent and predictable environment for cross-border trade transactions based on simple, standardized customs procedures and practices, documentation requirements, cargo and transit operations, and trade and transport arrangements.

423. Developing countries are faced today with challenges ranging from inadequate transport infrastructure and services to the need for institutional reforms conducive to an enabling administrative, procedural and regulatory environment. The technical cooperation activities of UNCTAD in the areas of transport and trade facilitation aim at addressing these issues. Based on international standards and best practices, UNCTAD technical assistance work encompasses transport, trade-facilitation policy measures, as well as ASYCUDA customs automation programmes.

424. **Objectives.** UNCTAD technical cooperation proposes specific actions to make best use of available trade and transport-related assets. Focus is placed on eliminating, wherever possible, barriers that might unduly increase transaction costs or create unnecessary delays. UNCTAD's approach to technical assistance and capacity-building relies on the development of trade and transport-facilitation tools, the provision of assistance to the participation of developing countries in regional and multilateral negotiating processes, the implementation of customs automation programmes under ASYCUDA, and tailor made trade and transport-facilitation projects at national and regional level.

425. **Outputs.** Technical assistance and capacity-building activities result in trade and transport facilitation plans and strategies, ranging from specific actions to broader operational, procedural and regulatory reforms in administrations and trading and transport communities.

## 1. Technical assistance and advisory services on trade facilitation

426. In 2012, UNCTAD initiated the development of national trade-facilitation implementation plans under three important technical assistance projects:

(a) "Strengthening capacities of developing countries in Africa and Asia to support their effective participation in bilateral, regional and multilateral trade facilitation arrangements", financed by the United Nations Development Account;

(b) "Implementation plans for WTO Trade Facilitation Agreement in developing Members", financed by the European Commission;

(c) "Capacity-building in developing countries and least developed countries to support their effective participation in the WTO negotiation process on trade facilitation", with contributions from the Governments of Norway, Spain and Sweden to the UNCTAD Trust Fund.

427. The countries included in this phase are Angola, Antigua and Barbuda, Bangladesh, Benin, Bhutan, Burkina Faso, Burundi, Dominica, the Dominican Republic, Gabon, Grenada, Guatemala, Jordan, Nepal, Nicaragua, Paraguay, Rwanda, Saint Kitts and Nevis, Saint Lucia, Saint Vincent and the Grenadines, Sudan, Suriname, Uganda and the United Republic of Tanzania. The projects build upon UNCTAD's extensive experience in providing technical assistance and capacity-building support to developing countries participating in the WTO negotiations. They also draw on the results of the national WTO self-assessment exercises, carried out in the participating countries over the period 2007–2009.

428. The implementation plans are designed to help developing countries, international community and donor agencies to gain a more factual view of the implementation challenges, including resource and time requirements. This in turn would help to better target development assistance needed by developing countries to implement commitments under the WTO Trade Facilitation Agreement.

429. All annex D organizations, OECD, IMF, the World Bank and the World Customs Organization) have been invited to review the project tools (methodology, questionnaire and terms of reference for national consultants) and most of them cooperated with UNCTAD on at least one case study (Bangladesh (OECD), Dominican Republic (World Bank) and Gabon (World Customs Organization)).

430. The national implementation plans, elaborated using a standardized questionnaire and based on a common template, contain a description of the current situation for the analysed trade-facilitation measures, the list of actions which would be required for the implementation of the measures, which are not yet implemented, the need for external resources, the suggested leading implementation agency and a preliminary sequencing of



the measures. At this stage, in addition to the implementation plans, the following outputs for the participating countries can already be highlighted:

(a) Higher awareness in the countries of the state and the implications of the eventual WTO trade-facilitation agreement and increased knowledge of the individual trade-facilitation F measure;

(b) Identification of the progress in implementing trade-facilitation reforms since the WTO needs assessment;

(c) Strengthened national trade facilitation committee, both in terms of the increased capacity of the individual members and in terms of obtaining a practical working document (implementation plan), which can be used as a source of the elements for its programme of work and terms of reference.

431. In 2012 UNCTAD organized, with the financial support of the Government of Spain, two regional forums for WTO Latin American members to share their practical experience on the subject (one in Santiago and one for Central American countries in Santo Domingo). An interesting issue highlighted during the forums was the alignment of bilateral, regional and multilateral commitments on trade facilitation in Latin America. The proliferation of regional and bilateral instruments may lead to over complexity of overlapping levels of customs duties and different documentary and other requirements, producing potentially counterproductive effects in terms of administrative inefficiency and discriminatory treatment towards non-members of regional trade agreements.

432. In 2012, UNCTAD continued to provide support to Geneva-based delegations by giving advice on substantive issues of the trade facilitation negotiations, including transit and general aspects of the WTO negotiating process.

433. National trade and transport facilitation committees are a key element of a national environment conducive to successful and sustainable trade- and transport facilitation reforms. Reaffirming the continuous support of the United Nations for such a private-public consultation mechanism, and in response to a request received from the Government of Jordan in May 2012, UNCTAD and the United Nations Economic Commission for Europe organized an in-depth training session on trade and transport facilitation for the members of the Jordanian Trade and Transport Facilitation Technical Committee and the representatives of the Special Economic Zone of Aqaba. The seminar was hosted by the Aqaba Centre of Excellence.

434. The three-day training offered an overview of the trade- and transport-facilitation concepts, tools and implementation issues. It dealt in particular with the impact of trade and transport facilitation (module I), facilitation of international transport operations (module II), harmonization of international trade documents and trade information flows (module III) and implementation of the automated customs procedures and single window in Jordan (module IV).

435. One outcome of the course was that it stimulated discussions and exchange of opinions among the members of the Committee, drawing on the specific expertise of each participating organization and strengthening the common vision of the members of the Committee's role and concrete outputs.

## **2 Trade and transport facilitation project in Pakistan**

436. In 2012, advisory services to the Government of Pakistan in the area of trade and transport facilitation under the World Bank-financed Trade and Transport Facilitation Project II included a tripartite project review which was successfully concluded with the World Bank and the Government of Pakistan. The project will extend to mid-2015 and refocus some of the activities towards regional trade-facilitation issues. Apart from

supporting Pakistan's National Trade and Transport Facilitation Committee, the project will also aim at strengthening the newly created Trade and Transport Facilitation Unit within the Ministry of Commerce.

### **3 Technical assistance and capacity-building in transport-related areas**

437. In 2012, assistance was provided to the implementation of the technical assistance project of the Palestinian Shippers' Council. This included preparation of the background for the design of a strategic plan as well as a training and professional development programme for the Palestinian Shippers' Council and its members. Several missions were conducted to Ramallah in addition to project monitoring steering committee sessions.

438. A technical assistance mission was carried out in Mozambique together with the Ministry of Transport and Communications towards the development of a national ports and maritime policy. The mission included visits to all main ports and contacts with various stakeholders from the public and private sectors. A proposal for a maritime and ports policy is currently being explored.

439. Under the framework of a United Nations Development Account project carried out in cooperation with ESCAP and the United Nations Economic Commission for Africa, in 2012 UNCTAD continued to improve organizational and operational aspects of corridor management. This has led to the development of a comprehensive toolkit, the Cross-border and Transit Transport Process Management Toolkit, with practical guidelines for identifying barriers impeding cross-border and transit transport and solutions.

440. UNCTAD contributed to events organized by ESCAP, the Islamic Development Bank, the World Maritime University in Malmö, Sweden, and several other academic institutions. Modules were taught on trade logistics within the Division on Technology and Logistics' programmes TrainForTrade Port Training Programme, the course on Key Issues on the International Economic Agenda ("Paragraph 166 course") (in Belgrade, Rabat, Muscat and Geneva), and the Virtual Institute. Capacity-building lectures on transport performance measures were also delivered to delegates at the International Forum on Shipping, Ports and Airports in Hong Kong, China, to study-tour participants from the University of the West Indies visiting Geneva, to port personnel in Mali, and to government officials in Dar es Salaam. Lectures were provided at academic institutions, such as the École polytechnique fédérale de Lausanne, the University of Geneva and the University of the Basque Country in San Sebastian, Spain.

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

441. UNCTAD continued to provide advice and guidance on a wide range of policy and legal issues in the field of transport in response to requests and inquiries from various public and private sector entities, including national policymakers, international and national industry associations and their membership, and academia, as well as other United Nations agencies. Advice on substantive legal issues and international legal instruments covered in particular matters relating to the Rotterdam Rules (2008), the International Convention on Arrest of Ships (1999), the international liability and compensation regime for tanker oil pollution (1992 International Oil Pollution Compensation Fund regime), the Convention on a Code of Conduct for Liner Conferences (1974), and the International Convention for the Control and Management of Ships' Ballast Water and Sediments (2004). Guidance and information were also provided in respect of trends affecting international shipping, seaborne trade data, container trade flows, coal trade and sustainability in shipping, as well as issues related to the implications of climate change for maritime transport.

442. **Results and impact.** the impact of UNCTAD's technical assistance and capacity-building support activities in the field of trade and transport facilitation can easily be measured by an increased number of developing countries and some countries with economies in transition having improved their trade logistics performance on the basis of benchmark indicators related to logistics and business efficiency, with the assistance of UNCTAD.

443. Actions encompass different types of measures adopted at the national or regional levels as a consequence of technical assistance project activities, training courses, research and/or advisory services provided by or developed in cooperation with UNCTAD. They include the creation of trade and transport-facilitation platforms and national support teams to assist Geneva-based delegations in their participation in the negotiations on trade facilitation at the WTO, transport policy measures to reform processes, and measures to simplify administrative and commercial procedures.

## B. The Automated System for Customs Data programme

444. **Development context and objectives and features.** The main objective of the ASYCUDA programme is the modernization of customs, using information technology to speed up and simplify the goods clearance process. The ASYCUDA system manages the entire customs clearance process, from (and prior to) the arrival of the goods up to their warehousing and ultimate release, after payment of duties and taxes. It includes an advanced risk-management/selectivity function and very strong anti-corruption features. The implementation of an ASYCUDA project in a beneficiary country is based on the delivery of a comprehensive training programme, designed to transfer the full ASYCUDA functional and technical know-how to the national staff and to ensure that the national team will be able to administrate and maintain the national ASYCUDA system without external technical assistance and support.

445. **Outputs.** In 2012 the ASYCUDA programme continued to increase revenue collected by customs in LDCs, as well as reduce clearing times and costs. In particular, the Côte d'Ivoire and Sudan customs have undertaken modernization programmes which aim at improving and streamlining the customs business processes. The implementation of the ASYCUDA project was accompanied by various reforms and modernization programmes, such as new facilities that were built at customs headquarters and in various customs offices to host these new projects.

446. The technical and functional training of national experts is a major component of the technical assistance projects employed as a tool to provide the transfer of know-how. In 2012, this training was carried out in several countries in an effort to assist national experts to establish a sense of ownership of technical self-sufficiency and to further enhance the operation of the system. To this end, around 200 training sessions were carried out, both technical and functional, for an audience of more than 2,500 participants.

447. More than 450 advisory missions were undertaken by staff or consultants in beneficiary countries and the following African countries benefited from the programme support in 2012: Benin, Burundi, Cameroon, Cape Verde, the Central African Republic, the Congo, the Democratic Republic of the Congo, Côte d'Ivoire, Djibouti, Ethiopia, Lesotho, Liberia, Libya, Mali, Namibia, Rwanda, Sao Tome and Principe, Seychelles, Sierra Leone, the Sudan, Tunisia, Uganda and Zambia. In addition, ASYCUDA staff participated in meetings in the following non-ASYCUDA African countries: Algeria, Kenya, Morocco and South Africa.

448. **Results.** The impact and results of ASYCUDA projects can be assessed by various institutional and trade facilitation benchmarks, including increased revenue, improved trade

facilitation, shorter clearance times and the availability of reliable trade statistical data. The automatic calculation of duties and taxes results in increased State budget revenue, while reliable and timely trade and fiscal statistics assist governments in planning their economic policy. The latest release of the system, ASYCUDAWorld, has made a major impact on e-business and e-government transactions, making international trade simpler and cheaper, while making international markets more accessible to enterprises from developing countries. In more and more countries ASYCUDAWorld constitutes the core system for building the single window for international trade.

449. The results and impact of the ASYCUDA projects can further be assessed by evaluation measures which include projects in countries as new users of the ASYCUDA system and also the upgrade and maintenance of projects in countries migrating from one version to the other, or extending functional or geographical coverage of the ASYCUDA system already in place. Information will be sought from the concerned customs departments on the benefits resulting from the ASYCUDA system.

### **XIII. Cluster XIII: Information and communications technology policies and applications for development**

#### **Lead division: Division on Technology and Logistics**

450. This cluster of activities supports research, analysis and capacity-building in developing countries, with regard to policymaking in the field of 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). In 2012, it was financially supported by the Governments of Finland and Germany. In addition, a new single-donor trust fund (INT/0T/BCY) was established in 2012 with substantial funding from Sweden over three years (table 13).

Table 13

#### **Information and communications technology policies and applications for development**

<i>Project number</i>	<i>Short title</i>	<i>Period covered</i>	<i>Source of fund</i>
INT/0T/9AS	ICT policies for development	2009–	Common Fund for Commodities

#### **A. Information and communications technology policies for development**

451. **Development context.** As recognized at the World Summit on the Information Society, ICTs have considerable potential to enable development. In the Doha Mandate, UNCTAD member States reconfirmed the relevance of the work of UNCTAD in the area of ICTs, as established in the Accra Accord. It recognizes that ICTs have become an important feature of the increasingly globalized and knowledge-based economy. The Internet and other ICTs can contribute to job creation, enhance access to information, interaction through social networks, and enable transparent and efficient commerce. Wider ICT diffusion, improved access to the Internet and the development of ICT-related infrastructure are essential to bridging the digital and broadband divide. Developing countries can maximize their benefit from ICTs by formulating and implementing national ICT policies.

452. Member States have mandated UNCTAD, among other things (Doha Mandate paragraph 56(q), Accra Accord paragraphs 158–161) to undertake research on ICTs, provide technical assistance to developing countries in the area of ICT, notably in the areas of ICT policy reviews, pro-poor policies, legal and regulatory frameworks, and measuring the information economy.

453. UNCTAD's technical assistance work in this area in 2012 focused primarily on two areas. First, UNCTAD helped 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. Secondly, it assists countries in harmonizing their legal frameworks and creating an enabling environment for electronic and mobile commerce. In addition, building on the analysis contained in the *Information Economy Report 2011: ICTs as an Enabler for Private Sector Development*, a new project was launched in 2012 to integrate the ICT dimension into a framework for women's entrepreneurship development assessments conducted by the ILO.

454. **Objectives and 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 ICT for development strategies, and to assess the results of policies by developing appropriate mechanisms for monitoring and evaluation, including via the production of internationally comparable statistical indicators.

455. **Outputs.** Extrabudgetary funding from the Government of Finland contributed to the preparation and dissemination of the *Information Economy Report 2012: the Software Industry and Developing Countries* ([www.unctad.org/ier2012](http://www.unctad.org/ier2012)). The Report benefited from several background papers prepared by leading experts and partly financed by the trust fund. The 2012 edition also benefited from collaboration with the GIZ and the German Federal Ministry for Economic Cooperation and Development, which in May hosted a peer review seminar in Bonn to discuss draft chapters. The *Information Economy Report 2012* was launched in November at press conferences in 12 countries and presented at special research seminars in another eight locations. In many of these, events were organized in partnership with other United Nations organizations (ESCAP, the Economic and Social Commission for Western Asia, the Economic Commission for Africa), governments, universities and private sector associations. Several video conferences were also arranged in collaboration with the Virtual Institute.

456. As part of UNCTAD's assistance to developing countries in the area of ICT measurement, technical advice was given to a workshop of the Statistical Conference of the Americas in July 2012 to develop a module for enterprise surveys in Latin America and the Caribbean on ICT use by businesses. In October, the International Telecommunication Union and UNCTAD also organized a joint training workshop in Geneva for selected officials from the Islamic Republic of Iran.

457. The work on measuring ICT and electronic commerce was also addressed in the context of several other international meetings in Geneva (World Summit on the Information Society Forum), Bangkok (World Telecommunication/ICT Indicators Meeting) and Paris (OECD Working Party on Indicators for the Information Society meeting).

458. The creation of an enabling legal and regulatory environment is critical to ensure an effective implementation of e-government strategies and to facilitate electronic and mobile commerce. In the area of ICT and law reform, UNCTAD has been assisting developing countries for more than a decade. With the recent uptake of mobile phones and the spread of mobile money deployments, this work has gained urgency in many member States.

459. In 2012, UNCTAD's technical assistance activities in this field aimed at building capacity of various stakeholders, preparing cyberlaws and facilitating increased regional harmonization of cyberlegislation, with projects in Africa, Asia and Latin America.

Technical cooperation activities were undertaken in cooperation with United Nations regional commissions, the United Nations Commission on International Trade Law and different regional institutions.

460. UNCTAD released two publications concerning the East African Community (EAC). The first, entitled *Mobile Money for Business Development in the East African Community: a Comparative Study of Existing Platforms and Regulations*, looks at how the use of mobile phones for money transfers, payments and more sophisticated financial activities such as credit, savings and insurance – would benefit from region-wide rules to coordinate and harmonize laws and regulations. The study calls for increased harmonization and collaboration at the EAC level in regulating mobile money so that intraregional use of the technology can be expanded – a step that would boost regional economic growth.

461. The second study, *Harmonizing Cyberlaws and Regulations: the Experience of the East African Community*, reflects the joint work of UNCTAD and the EAC Task Force on Cyberlaws since 2007 in support of the EAC e-government and e-commerce strategies to accelerate regional integration. The study assesses the status of cyberlegislation in the region.

462. The UNCTAD TrainForTrade platform was used to deliver the distance learning modules of the training course Legal Aspects of E-commerce to various groups of stakeholders (including judiciary and law makers). A training of technical tutors was arranged by UNCTAD and hosted by the Kenyan Directorate of e-Government at the Multimedia University in Nairobi in February 2012. Eleven members of the EAC Task Force on Cyberlaws participated and helped to deliver a distance-learning course on the legal aspects of e-commerce to 43 policymakers and lawmakers in Kenya and Rwanda from May to June 2012.

463. The French version of the TrainForTrade training course the Legal Aspects of E-commerce was revised and adapted to distance learning for future delivery in Africa in 2013.

464. In 2012, the programme re-engaged with ASEAN. Together with the ASEAN secretariat, UNCTAD launched a comprehensive review of e-commerce legislation harmonization in the region in support of the implementation of the ASEAN ICT Master Plan 2015. A first joint workshop was organized in Cebu, the Philippines in November 2012 (the ASEAN–UNCTAD Workshop on the Review of the E-commerce Laws Harmonization in the ASEAN).

465. In Latin America and the Caribbean, a workshop on cyberlaw harmonization was organized with the support of TrainForTrade in Paraguay (February 2012) as a continuation of the activities carried out in Latin America since 2007. Twenty-eight participants from 15 member countries of the Latin American and Caribbean Economic System participated in the workshop, following up on an e-learning course held a year earlier entitled the Legal Aspects of E-commerce.

466. **Results.** The *Information Economy Report 2012* helped to raise awareness among relevant stakeholders about the untapped potential for developing countries to make better use of the software industry. It argues that governments should take an active part in fostering software capabilities and in strengthening their national software systems. Key policy areas include the development of affordable ICT infrastructure, skills development, the adoption of business and legal frameworks, and streamlining of the interactions between domestic software producers, software users, and international networks.

467. The *Information Economy Report 2012* generated considerable interest in the media, the research community and the business world. As of early March 2013, the report had

generated more than 130 media articles and several radio and television interviews. Its analyses and recommendations have attracted interest from several donor agencies, national governments and the private sector as well as from academic experts. For example, the Linux Professional Institute found that the report was exemplary for the free and open-source software community as it recognizes how free and open-source software solutions can offer both information technology export opportunities and provide solutions for domestic software needs within national economies. And after its launch in Lahore, Pakistan, an initiative was taken to create an ICT Advisory Group with the aim of undertaking policy analysis, research and advocacy activities while providing a forum with strong support.

468. A concrete and innovative outcome of the report is the launch of a joint project by GIZ, the World Information Technology and Services Alliance and UNCTAD to promote data collection on the ICT sector with the involvement of national information technology associations. This project will be rolled out in 2013.

469. The release of the *Information Economy Report 2011* also generated some follow-up activities in 2012. For example, ILO turned to UNCTAD to revise ILO's framework for assessing women entrepreneurship development policies with a view to integrating the ICT dimension in future assessments. The project will be completed during 2013 with financial support from Sweden.

470. Another follow-up activity was launched in cooperation with GIZ and the German Federal Ministry for Economic Cooperation and Development. Its aim is to analyse how public procurement can be used strategically to support local information technology sector development. The study, which was officially published in early 2013, includes three country case studies of Kenya, Senegal and Sri Lanka.

471. With respect to the measurement of ICT, UNCTAD furthermore continued its collaboration with other parts of the United Nation system. UNCTAD continued its leading role within the Partnership on Measuring ICT for Development – as part of its steering committee, as leader of its Task Group on Capacity-Building, and as a member of its Task Group on Impacts. At the end of the year, UNCTAD was re-elected as a member of the steering committee for another two years.

472. In 2012, the technical assistance to the Statistical Conference of the Americas took place at an opportune moment. The evaluation showed a high level of satisfaction among participants. The course served the goal of increasing the visibility and importance of ICT measurement in the region. The Director of the National Statistical Office of the Dominican Republic, Mr Pablo Tactuk, noted that “UNCTAD's technical support and assistance of ECLAC [Economic Commission for Latin America and the Caribbean] and the IBGE [Brazilian Institute of Geography and Statistics] contributed to the effort of this working group, interested in improving the measurement instrument on the use of ICT, for the harmonization of these statistics in the region”. The resulting ICT module to be incorporated in business surveys in Latin America and the Caribbean was circulated in late 2012 and the region had requested training related to the implementation of the module, with a view to producing comparable ICT business statistics in the next few years.

473. UNCTAD's technical assistance and participation in various international meetings helped to strengthen the 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 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 these countries of the importance of producing internationally comparable statistics on ICT in business, as well as to assist UNCTAD in collecting

national data. Finally, the networks provide a pool of expertise that can be used for further training and dissemination activities at the country level.

474. Thanks to UNCTAD's capacity-building activities in the area of measuring ICT, there has been a gradual 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. The UNCTAD *Manual for the Production of Statistics on the Information Economy* is a valuable tool for developing countries seeking to boost data availability. In 2012, the Prime Minister's Office of Lebanon expressed its appreciation to the Secretary-General of UNCTAD, noting that the manual had "enabled and facilitated work enormously".

475. 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. As of early 2013, there were only 35 developing and transition economies represented in the UNCTAD database, of which 12 were in Asia, 11 in Latin America and the Caribbean, seven in the Commonwealth of Independent States and five in Africa.

476. With the help of the new Swedish funding, UNCTAD's capacity-building activities in this area are set to grow further in the period 2013–2015. This will involve the development of new indicators for measuring gender and ICT and trade in ICT services and ICT-enabled services. It will also involve the translation of the UNCTAD *Manual for the Production of Statistics on the Information Economy* into Portuguese and Russian, the organizing of several regional training courses as well as advisory services.

477. In the area of ICT and law reform, governments in the EAC have shown determination to advance on cyberlaw reforms. The EAC secretariat and members of the Task Force on Cyberlaws have expressed their appreciation for UNCTAD support in this context. It has also triggered additional activities at the national level. In Uganda, for example, a core team of people who have participated in the UNCTAD-sponsored trainings and meetings in the EAC rolled out a programme to train and sensitize the public about the existence of the cyberlaws in Uganda. The first category trained included the banking sector under the Uganda Bankers Association. The goal is to roll out this programme also to the insurance sector, traders, manufacturers, judges, police and other agencies and bodies.

478. The outcome of the discussions at the ASEAN–UNCTAD first workshop in Cebu, Philippines (the Workshop on the Review of the E-commerce Laws Harmonization in the ASEAN), were reported to the thirteenth ASEAN Telecommunications and Information Technology Senior Officials Meeting, which welcomed the Review by UNCTAD and its presentation at the occasion of the Telecommunication Senior Officials Meeting–ASEAN Telecommunication Regulators' Council Leaders' Retreat that was held in Viet Nam in May 2013.

479. The Inter-American Development Bank in 2012 expressed interest in cooperating with UNCTAD to develop a more secure legal and regulatory environment for broadband deployment and use. As a result UNCTAD contributed to the Bank's publication *Bridging Gaps, Building Opportunity: Broadband as a Catalyst for Economic Growth and Social Progress in Latin America and the Caribbean*. Discussions with the Inter-American Development Bank to implement a project on cyberlaws harmonization in Central America are ongoing.



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

### Lead division: Division on Technology and Logistics

480. UNCTAD supports beneficiary countries in the development of local capacities for trade as a key to growth and development. It helps to secure developing countries' beneficial integration into the globalized world economy by supporting them to build resources, knowledge and skills that will allow them to achieve their development objectives.

481. **Objectives and features.** The programmes under this cluster, namely TrainForTrade and the Course on Key Issues on the International Economic Agenda, aim to increase sustainable local capacity in the fields of trade, finance, investment, tourism and other interrelated areas and their links with development 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, and networking. The mandate for these programmes was renewed in paragraph 56(r) of the Doha Mandate indicating that UNCTAD should "Continue capacity-building activities including TrainForTrade and in the framework of paragraph 166 of the Bangkok Plan of Action" (table 14).

Table 14

#### Cross-divisional training and capacity-building

<i>Project number</i>	<i>Short title</i>	<i>Period covered</i>	<i>Source of fund</i>
ANG/OT/7AP <sup>a</sup>	TrainForTrade	2007–2012	European Commission
INT/OT/4AB	Mise en place d'un projet de renforcement des capacités de formation portuaire pour les pays en développement	2004–	Developing country ports
INT/OT/6AR	TrainForTrade Trust Fund	2006–	Multi-donor
INT/OT/7BR	UNCTAD/TrainForTrade Port Training Programme for English-speaking developing countries	2007–	Ireland
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–	United Nations Development Account

<sup>a</sup> Operationally but not financially completed or fully completed in 2012.

#### A. TrainForTrade programme

482. TrainForTrade focuses on developing skills and knowledge through innovative approaches based on a recognized pedagogical method and state-of-the-art technological solutions. TrainForTrade develops and implements technical assistance projects with core components on international trade and development, and promotes cross-divisional

cooperation. It also operates the Port Training Programme through four language-based networks in Africa, Asia, Europe and Latin America. TrainForTrade advises on the use of ICT to promote knowledge sharing, networking and competence-building.

483. TrainForTrade has extensive experience in delivering tailor-made assistance to developing countries and economies in transition to build their capacity to integrate into the world economy and to improve the well-being of their citizens. TrainForTrade combines face-to-face activities with distance-learning courses, and is continuously developing new learning tools by exploring new technological opportunities such as e-learning and mobile learning.

484. The programme emphasizes the importance of developing knowledge services for local people, by local people. It trains local experts in their countries to enable them to become trainers on trade-related issues. This creates local ownership and sustainability of the capacity-development process. TrainForTrade has extensive consultation with beneficiaries from the conceptual stage, and the TrainForTrade courses are developed following a rigorous methodology, in close collaboration with the government and other stakeholders. Networking and South–South cooperation is promoted amongst beneficiaries because it is crucial for knowledge-sharing and multiplier effects of training.

485. **Outputs.** In 2012 the programme delivered 62 face-to-face and e-learning courses in cooperation with other UNCTAD programmes. A total of 526 trade operators (24 per cent were women) from 36 developing countries, including 11 LDCs, participated in these courses.

486. TrainForTrade’s activities in 2012 were funded through a range of donors including the European Commission, France, Ireland, Norway, Mexico and Spain. Furthermore, the beneficiary ports of the Port Training Programme are contributing financially to the programme. This self-sustaining aspect indicates the level of commitment and interest from the national port communities (public–private partnership) that include Benin, Cameroon, Djibouti, Gabon, Ghana, Guatemala, Guinea, Indonesia, Ireland, Malaysia, Namibia, Peru, Senegal, Togo and the United Republic of Tanzania.

#### **1. Using information and communications technology to promote knowledge-sharing, networking and competence**

487. TrainForTrade uses ICT as a tool for knowledge-sharing because it increases the number of beneficiaries, it reduces the cost, and at the same time it is environmentally friendly. During the UNCTAD XIII Conference special event “Information and communication technology for knowledge sharing”, TrainForTrade demonstrated its emphasis on using technological solutions by facilitating the participation of panellists from different parts of the world through direct video transfer. In their recommendations, panellists and speakers at the special event encouraged UNCTAD to pursue activities aimed at enhancing developing and transition countries’ training capacities in the field of trade and development by using new technological solutions, such as e-learning and mobile learning.

488. TrainForTrade promotes the use of interactive and collaborative learning technologies and is recognized as a key player in developing distance-learning tools by Geneva-based international organizations. It continued its cooperation with the Office for the Coordination of Humanitarian Affairs on e-learning activities (five online courses) in order to share experiences and strengthen the skills of the two agencies in this area. It also provides interdivisional support within UNCTAD related to capacity development.

489. TrainForTrade hosts a distance-learning platform ([learn.unctad.org](http://learn.unctad.org)) using a free and open-source Learning Management System to facilitate the sharing of information and technology in an efficient and cost-effective manner. The platform gives course participants

easy access to learning material and it facilitates chat sessions. TrainForTrade collaborates on the use of the Learning Management System for the Staff Development and Learning Section of the United Nations Office at Geneva. This platform is used by more than 1,000 students each trimester and provides efficient access to the course materials.

## 2. Technical assistance projects

490. **Continued capacity-development activities in Angola.** UNCTAD and UNDP Angola signed a memorandum of understanding in November 2012 to design and implement training and capacity-development activities for local stakeholders. This collaboration will allow TrainForTrade to maintain an active presence in the country and to capitalize on the results obtained during the Angola project. Between 2007 and 2011, TrainForTrade trained over 600 government employees and private sector managers in Angola on various international trade issues, including sustainable tourism, productive capacities and consumer protection.

491. **Regional workshop on cyberlaw.** TrainForTrade, in collaboration with UNCTAD's ICT Analysis Section, organized a regional workshop on cyberlaw in February 2012 in Paraguay. Twenty-eight participants from 15 members of the Latin American and Caribbean Economic System participated in the workshop, following up on an e-learning course held in 2011 entitled the Legal Aspects of E-commerce. The main objective of the course was to provide participants with an understanding of the legal implications of e-commerce and to identify the main development policy issues involved as well as priority areas for law reform. The outcome of the discussions and exchanges of experiences at the workshop strengthened the knowledge of the topic in the region.

## 3. Port Training Programme

492. The TrainForTrade Port Training Programme plays a vital role in supporting port communities in developing countries in quest for efficient and competitive port management. Talent management and leadership development is a crucial part of the Programme. The Port Training Programme operates through four language-based networks (English, French, Portuguese and Spanish) in Africa, Asia, Europe and Latin America and the Caribbean. The Programme also hosts the high-end course entitled Modern Port Management, which includes a powerful scheme to induce value-added solutions in port communities.

493. The Port Training Programme brings together public, private and international entities to share expertise and best practices. Partnerships have been established with European ports to share their knowledge and expertise with ports in the South. Annual regional meetings bring together port officials from different countries, promoting sharing of experiences and expertise. South–South collaboration between port communities is promoted as it is crucial for knowledge-sharing. For example, exchange of participants is encouraged in order to increase participants' exposure to different port set-ups, as well as to facilitate the transfer of knowledge.

494. The year 2012 was an active one for the Port Training Programme. Fifty-nine courses were held globally for 443 participants and 82 trainers from 14 countries, including five LDCs. The Port Training Programme is a solid example of capacity developed because local trainers are actively engaged in training their own staff. In 2012, 55 courses lasting 30 hours each were delivered by local instructors. The Programme also offers Training of Trainer courses and coaching sessions in order to support capacity development of instructors.

495. The Modern Port Management course targets middle and senior managers and consists of 240 hours of training activities, which are divided into eight modules and delivered over a two-year span. To obtain the UNCTAD Certificate in Modern Port

Management, participants must complete each module and defend a dissertation. These dissertations (about 150 each year) have proven very useful for the port communities in improving their services.

496. The eight modules of the Modern Port Management course are: (a) international trade and transport; (b) organization of a port system; (c) functioning of a port system; (d) future challenges to ports; (e) methods and tools of port management; (f) economic and commercial management; (g) administrative and legal management; (h) technical management and human resources development.

497. **English-speaking network.** For the English-speaking network, in cooperation with the Dublin Port Company, the Port of Cork, the Belfast Harbour Commissioners and Irish Aid, the second cycle of the Port Training Programme was finalized in the Maldives and the United Republic of Tanzania. Successful candidates were awarded the UNCTAD Certificate in Modern Port Management after having presented their dissertations. The dissertation panel in the Maldives witnessed the first exchange of jury members from different port communities in the English-speaking network. Furthermore, a coaching workshop was organized in the Maldives in order to strengthen instructors' pedagogical skills. The first four modules of the course were delivered in Namibia. In Ghana, modules four to eight were delivered, and in Indonesia modules three to eight were delivered. In May 2012 the Training of Trainers Workshop was held in Cork, Ireland, resulting in a larger pool of experts in local port communities.

498. Mr. Joe Costello, Minister of State at Ireland's Department of Foreign Affairs and Trade, visited Tema Port in Ghana on 17 November 2012 to assess first-hand the impact of the Port Training Programme on port staff and operations. The Minister told officials that Ireland would remain a strong trading partner with Ghana, and would continue to support efforts such as the Port Training Programme that contribute to Ghana's sustainable development.

499. **French-speaking network.** The French-speaking African ports members of the Port Training Programme organized new training cycles of the course for the port communities of Benin, Cameroon, Djibouti, and Senegal. Gabon finalized the deliveries of the eight modules of the Modern Port Management course and the managers are preparing their final dissertations. In Cameroon, Senegal and Togo successful candidates were awarded the UNCTAD Certificate in Modern Port Management after having presented their dissertations. A Training of Trainers workshop was held in Nantes, France in June 2012 for the port members of the network and for the new potential port members (Comoros, Côte d'Ivoire and Haiti). A coaching workshop was arranged in Gijon, Spain in September 2012 to strengthen instructor's pedagogical skills. In order to increase participants' exposure to different port set-up and to facilitate the transfer of knowledge, several study tours were arranged. Benin arranged a study tour to Togo and Ghana, facilitating cooperation between the different networks of the Port Training Programme. Togo arranged a study tour to Cameroon, and Senegal arranged a study tour to the Canary Islands (Spain). The annual coordination meeting for the French-speaking network was organized in Cotonou, Benin in March 2012, bringing port officials together to share experiences and expertise.

500. **Spanish-speaking network.** In the Spanish-speaking network the second cycle of the Port Training Programme was finalized in Guatemala and Peru in 2012, and the participants presented their final dissertations in October 2012. National instructors from both countries trained by the Port Training Programme were in charge of the delivery of the modules in each country, with the support of experts from the Spanish port authorities of Valencia and Gijon.

501. A Regional Meeting on Modern Port Management attended by 61 representatives of port communities of Latin America and the Caribbean was held in June in Los Cabos,

Mexico. The final conclusions and recommendations of the meeting highlighted the importance of the continuous training of human resources within the port communities, the cooperation and exchange of expertise between members' ports, and the successful implementation of the Spanish-speaking network in the region, and recommending new potential ports to join the network.

502. In November 2012, the Dominican Republic officially joined the Spanish-speaking network of the Port Training Programme. The participation of the National Presidential Commission as chair of the project steering committee has to be highlighted, indicating the level of commitment from the national stakeholders. All major port actors as well as the Ministry of Economy will be included in the future activities.

503. **Portuguese-speaking network.** In the Portuguese-speaking network the first cycle of the Port Training Programme was finalized in 2011, and the participants are working on the dissertations. Contacts have been established with the Portuguese mission in Geneva to prepare for a potential future collaboration.

504. **Impacts and results.** The impact of the activities conducted by the TrainForTrade Programme is evaluated at different levels before, during, and after the events relating to technical assistance and advisory services. Needs assessments and fact-findings are conducted in close collaboration with the national stakeholders through different mechanisms that foster national appropriation (for example, national steering committees). During the activities several questionnaires are administered and direct feedback from participants is collected and analysed. After the events other types of benchmarking are used to measure the level of commitment and participation of the stakeholders in the follow-up to the recommendations.

505. **Successful replication mechanism in the Port Training Programme.** Many former participants in the Modern Port Management programme have become instructors and therefore take more responsibility at the senior management level. Other good indicators of the impact of the Programme in the field are the validation of the quality of participant's dissertation by international and regional port experts, and the relevance of the dissertations to improve services in the port community.

506. **Instructors trained by TrainForTrade facilitates regional e-learning courses.** To benefit from the ease of replicating e-learning courses in order to reach a larger number of beneficiaries, TrainForTrade arranged a regional training on technical tutoring for 11 beneficiaries from the EAC in Kenya in April 2012. The tutors were trained to manage delivery of e-learning courses, including facilitating chat sessions and utilising a platform. The course the Legal Aspects of E-commerce was delivered in Kenya and Rwanda in May 2012 to 44 participants, and facilitated by technical tutors trained by TrainForTrade. This is good example of successful transfer of skills and knowledge.

507. **Port-training course helps Namibian woman gain manager's post.** Namibian Ipupa Kasheeta credits UNCTAD's Port Training Programme with helping her become the first woman to manage a terminal at the country's Walvis Bay Port. Ms. Kasheeta completed first- and second-stage Training of Trainers courses for senior managers organized by UNCTAD, the most recent in Ireland in May 2012, in conjunction with the Port of Cork. Soon afterwards she was promoted from Manager of Training and Development at Walvis Bay Port to Manager of the Bulk and Break-bulk Terminal. She assumed her new position on 15 July. The UNCTAD Port Training Programme "gives trainees an overall understanding of port operations. It also enhances your confidence and equips you with the necessary skills" Ms. Kasheeta said. She added that "Port business is highly technical and complex" and that the theoretical understanding provided by the course played a key role in advancing her career.

## B. Course on key issues on the international economic agenda

508. **Outputs.** The course on key issues on the international economic agenda, or Paragraph 166 course, is delivered in two forms: three-week regional courses for economic policymakers, academics and others, and short (half-day) courses for diplomats in Geneva.

509. The curricula of the regional courses, which are adapted to each region, continued to increase knowledge and understanding of contemporary economic issues among trade-policy officials, finance and investment experts and academics involved in trade, investment, finance, technology and development issues. A particular focus was on the development of appropriate trade-finance-investment-innovation policies that help to produce economic gains that in turn meet the development objectives of participating countries. Concepts of developing and implementing policies to attract and embed FDI and ensuring these benefit SMEs through linkages, development of regional and global value chains, and development of know-how are also built into the curricula. Science and technology issues that impact on the manner and ways that innovation in agriculture, energy and other areas can provide critical value added to products that have domestic and international appeal are also illustrated in the curricula. The importance of logistics to facilitate trade to ensure sustainable exports are highlighted and debated. Trade negotiations, whether at the multilateral, regional or bilateral levels, that directly achieve benefits from trade and investment and that consequently bring development gains remain an essential part of the programme.

510. During the design phase, UNCTAD collaborated with the United Nations regional commissions and national experts to ensure a rich, coherent programme on the various areas mentioned above so as to ensure that the programme focuses on development as its central theme. To illustrate where such economic policies can have an impact on development, the curricula was integrated with detailed case studies and lessons learned from previous policy decisions to promote critical thinking with emphasis being placed squarely on policy design, coherence, coordination, implementation and measurement.

511. In 2012, three regional courses were organized – in Belgrade for countries with economies in transition in July, in Rabat for Africa in August/September, and in Muscat for Western Asia in November. A total of 58 policymakers, academics and others attended these courses from 35 countries (including 13 from LDCs and 22 women). Mention is made here of the African course that was postponed due to events in Egypt in January 2011; the secretariat delivered this course in Rabat in 2012 with no additional funding or resources.

512. An important milestone was reached at UNCTAD when Oman validated the first multi-year venue for the regional course in 2012. This status, awarded by the Paragraph 166 Advisory Body of UNCTAD, will see Oman hosting an additional two editions of the programme for the region. Mauritius was also awarded a similar status for courses in Africa starting in 2013; courses will be held at the University of Mauritius. Calls for other multi-year venues for the Asia-Pacific, Latin American-Caribbean and regions with countries with economies in transition are being launched in 2013. Multi-year venues are a key indicator of the support that member States afford the flagship course, apart from it raising the predictability of delivery and providing important financial support to the secretariat.

513. 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 2012, in cooperation with several UNCTAD divisions. A total of 168 delegates, including 78 women, from permanent missions of developing, transition and developed countries and three international organizations participated in these series. Contemporary economic issues continue to be the core of the curricula for these courses, including international investment agreements, ICTs for development, technology, the impact of the economic crisis on LDCs, trade facilitation and

global supply chains, including a session on post-crisis policy challenges in the world economy.

514. **Key highlights.** The evaluations of the regional courses continue to show that participants and their respective departments appreciate the integrated approach to development that is inherent in the design of the curricula which treats development from the multiple perspectives of trade, finance, investment and technology, highlighting how appropriate economic policies can contribute to growth and the development process in general.

515. Several participants in the Belgrade course indicated that their knowledge on international economics had widened particularly on international trade and the rules governing such trade. Others mention the relevance of international investment agreements, business linkages between transnational corporations and SMEs, including clusters development and innovation, and how their knowledge had expanded along with an understanding of the main trends that these play in international trade and the global economy. Some explained that the course helped broaden their knowledge on other economic issues such as the relevance of appropriate trade logistics and the management of debt so as to avoid the negative impact this can have on access to finance. The presentations on international finance and financial sectors were particularly appreciated by many, especially where it highlighted the theoretical aspect of the financial sector and the practical solutions needed for their own countries. Several academics felt that the course had given them a larger framework for their own research work, including a network of contacts for enhanced cooperation in similar areas of work.

516. In the Rabat course, policymakers indicated that the course offered a deeper understanding of the different international economic challenges and of the complexities of these in the age of globalization, particularly the approach from different angles and the analyses of different experts on different economic issues. Others mention that their knowledge had indeed increased as they have a broader understanding of the importance of the interplay of the various economic sectors, and the realities they face when negotiating for, for example, bilateral investment agreements, or when they are seeking investors but trying to ensure that they actually attract quality investments. Several policymakers mention a better understanding of international negotiations and the need to improve and strengthen skills to ensure that these negotiations are beneficial to their economies. Others point to the course curriculum, which raised critical questions about existing economic and trade policies and improved their appreciation of these, giving them clearer policy approaches. Several indicated that the course has given them an opportunity to positively influence the elaboration and refinement of trade policies of their countries, to give advice to other economic sectors, and to rectify past errors. Many also mentioned that the course has reinforced the importance of trade for development and the need for them to continue the development of trade. One participant mentioned that he appreciated the understanding of the close relationship that exists between the domestic economic, social and environmental policies on one hand, and the need to realize how these are impacted with exchanges in the outside world. Another summarized the course in one sentence: that development comes first from the “inside”.

517. Finally, in the Oman course, there was appreciation for the curriculum in enhancing knowledge among course participants of the impact of the financial crisis on national economies. Here too, several policymakers enjoyed the course focus on how to attract quality FDI, but also how this can positively complement SME creation through a linkages programme, and also appreciated the role of innovation in this process. Many praised the course curriculum for its coverage of important and relevant topics, such as the need to ensure a proper architecture of the macroeconomic framework, the development of relevant

industrial policies, transport logistics and technology, and also for introducing a better understanding of financial services agreements.

518. **Impact and results.** An assessment of the impact of the course was also sourced from the evaluations provided by participants at the end of each regional programme.

519. Most participants of the Belgrade edition reported that the course curriculum will help them facilitate their everyday work, particularly when handling trade and international economic and financial issues, including FDI. Some mentioned that the lessons will be immediately applied to their negotiations on free-trade agreements with other countries, while another mentioned that the sessions on FDI will be directly applied to a project introducing a foreign retail chain into the domestic market so as to better defend the national interest of local SMEs.

520. Some African policymakers indicated the direct impact the course will have in their daily work. For example, one participant mentioned that as a member of the national commission that implements and monitors WTO agreements, he will share the acquired knowledge with commission members through group meetings or at the dissemination sessions organized by his ministry. Another policymaker mentioned that the issues of productivity raised in the course will be the subject of study and research in his ministry's work programme for 2013, and that the course will certainly help to refine the economic partnership agreement that his country is involved in. One other policymaker intends to do deeper research of the links between poverty and trade as it is of paramount importance for the development of his country; and as rapporteur of the subcommittee on trade investment and development he plans to organize meetings where he will disseminate the information and knowledge gathered at the course. Yet another who is a member of the international committee for monitoring the economic situation in his country said that the lessons learned will be very useful to better guide policymakers.

521. Policymakers from Western Asia also mentioned the adaptation of the course curricula, knowledge and skills in their daily work. One policymaker mentioned that he and his colleague are working on a paper on improving SMEs in their country and that he plans to write a paper on creative/innovative industry with inputs he received from the debate and discussions with other participants. Another policymaker mentioned that the knowledge will be useful to members in technical committees concerned with WTO issues and that he will offer advice and share the information with them. One participant who is head of the economic department at her ministry said the course has given her an opportunity to reflect on all issues of the work of her department to improve performance on all economic related matters. She intends to share this with the minister and then organize presentations, workshops to disseminate knowledge of the course.

522. Academics from all three courses indicated several levels of impact. Some mentioned that the knowledge will be used in future research work, to help complete studies at the master or doctoral levels, including help in actively participating in public debates about key economic issues, and in the teaching of international trade and economics at the bachelor level. One academic indicated that the knowledge will be useful in his PhD thesis, particularly when analysing the economic position of his country in global trade and how to improve the competitiveness of SMEs. Another mentioned that as he is working on his PhD in international trade, the knowledge will help him write his thesis and he will also share the knowledge with colleagues at his ministry.

523. Finally, there was much praise on the quality of the course curriculum, including its interactive nature, complemented with exercises at policy discussions, development and implementation. Many thought that the course was very comprehensive and addressed all determinant sectors of an economy for policy development. The curriculum was carefully planned to encourage interactions so that adequate preparations were undertaken during the



exercises to support the strategic decision-making for each country. Many also thanked UNCTAD and indicated a better understanding and appreciation of its role and work on trade and development.

## XV. Cluster XV: Science, technology and innovation

### Lead division: Division for Technology and Logistics

524. 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 (table 15).

Table 15

#### Science, technology and innovation

<i>Project number</i>	<i>Short title</i>	<i>Period covered</i>	<i>Source of fund</i>
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
INT/0T/BCW	Improving access to medical products in developing countries through capacity-building for local production and related technology transfer: Phase II	2012–	World Health Organization
ROA-1356A (AC)	Strengthening science, technology and innovation policies for development in Latin America	2009–	United Nations Development Account

*Abbreviation:* WSIS, World Summit on the Information Society.

### A. Science, Technology and Innovation Policy Review

525. **Development context.** Innovation, particularly through the application of scientific and technological knowledge, is a fundamental source of economic growth and a requirement for structural transformation and development. Generating and developing the capabilities of developing countries in science, technology and innovation (STI) is therefore a strategic priority. This calls for a policy and institutional framework that are supportive of those capabilities and leads to the establishment of effective innovation systems in developing countries. Theoretical analysis and empirical evidence show that this is often the result of the combination of carefully considered investments in STI and adequate policy frameworks. While this is recognized by the governments of many developing countries, designing and implementing national STI strategies and policies presents considerable challenges for many of them. There is a clear need to support a process of STI policy learning, experimentation and good practice dissemination.

526. **Objectives and features of the programme.** The Science, Technology and Innovation Policy (STIP) Review programme provides policy advice to countries requesting assistance in building and maintaining a dynamic and responsive STI framework

that can foster technology acquisition and innovation. It aims to ensure that national STI programmes become an instrument for supporting relevant components of the national development agenda, helping local industry compete in a knowledge-based, global economy. The theoretical framework that underpins the STIP Review programme and its implementation methodology are presented in the 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)).

527. STIP Reviews assess the strong and weak points of a country’s innovation system from a general perspective and often include an analysis of technology and innovation challenges and opportunities in specific sectors and industries prioritized by the beneficiary country. Thus, key STI issues that affect the competitiveness of industries and sectors can be identified so that local firms can improve their competitiveness. STIP Review also includes recommendations for improvements in legal instruments, policies, measures and practices that can strengthen the country’s STI framework. The primary beneficiaries of these projects are thus the major players in the national innovation system such as policymakers (most notably from the ministries of science and technology) the business community, and academic and research institutions.

528. **Outputs of the programme in 2012.** The major outputs of the programme in 2012 concerned the completion and follow-up of a United Nations Development Account project for STIP Reviews in Latin America that had been conducted in 2010–2011, as well as the preparation of new project documents for the implementation of a new series of STIP Reviews in other developing regions, to be launched in 2013–2014.

529. The final outcome of the STIP Review of the Dominican Republic was presented in Santo Domingo in June 2012 at a multi-stakeholder event during which Government representatives indicated that the STIP Review process had provided useful inputs for several ongoing policy changes to strengthen national STI capabilities. Also in 2012, the international discussion of the outcomes of the STIP Reviews of El Salvador and Peru took place during the fifteenth session of the United Nations Commission on Science and Technology for Development, supporting an exchange of experiences in various areas of STI policy and raising interest for similar exercises in other developing countries who are members of the Commission.

530. In spite of the limited funding available for follow-up activities, in 2012 UNCTAD undertook activities to support the immediate implementation of some of the recommendations formulated in the STIP Reviews that were completed in 2011. Thus, capacity-building activities were conducted in El Salvador and Peru. Following the priorities indicated by the respective governments, in El Salvador this focused on strengthening capabilities among government officials for the design and management of national innovation funds. The related activity drew on expertise and good practices identified in other countries of the region in the context of the implementation of other STIP Reviews. In Peru, follow-up work focused on strengthening the capabilities of enterprises and academic centres to promote the use of intellectual property rights management tools to facilitate collaboration between enterprises and academic and research institutions in the country. A number of other possible follow-up activities in support of the implementation of the recommendations of STIP Reviews have been identified by the relevant national counterparts in the countries where STIP Reviews have been completed. Their implementation is contingent on the identification of extrabudgetary resources.

531. Work continued in order to broaden the geographical coverage of the reviews in coming years. In this regard, funds from the United Nations Development Account will be mobilized for STIP Reviews in Asia and activities have already started for the implementation of the STIP Review of Oman. Contacts are under way with the governments of several other countries in that region.

532. The governments of several other developing countries in Africa and Latin America have requested the implementation of STIP Reviews. UNCTAD works with them in the identification of possible sources of funding. Funding is also being sought for the implementation of a programme for capacity-building on STI policies for sustainable development, to address some of the systemic weaknesses of developing countries in this area that have been identified through the STIP Reviews. It is expected that some activities under this programme could be launched already in 2013.

533. **Results.** An external evaluation took place in 2012 of the United Nations Development Account project under which the three most recent STIP Reviews have been implemented. The evaluation report indicates that STIP Reviews were considered by national counterparts to be of very high quality and have become a “point of reference” for national stakeholders involved in STI policies, and that the main stakeholders were satisfied with the analysis, the review of the STI policies and the recommendations. The activities and outputs of the programme were consistent with the intended outcomes and impact of the project. Although the main effects of the STIP Reviews are mostly evident in the medium and long term, several positive effects were already observed by the evaluator in the case of El Salvador and Peru. The STIP Reviews have increased interest across different stakeholders in reinforcing science, technology and innovation policies. In fact, the diagnosis and recommendations of the report have already fed into public policy design processes.

534. The evaluation also notes that the STIP Review process could be strengthened to encourage and support the implementation of the recommendations, even if such implementation goes beyond the scope of the project. Two aspects that could be strengthened are the design of the formal request for a STIP Review and the configuration of the national counterparts.

## **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**

535. The programmes under this cluster focus on activities that promote economic restructuring, respecialization and productive capacity-building in LDCs, LLDCs, SIDS and other structurally weak, vulnerable and small economies, taking into account the implications of these countries’ structural and geographical handicaps with regards to the nature and structure of competitive economic activities and composition of external trade (table 16).

Table 16

**Productive capacities in landlocked developing countries, small island developing States and structurally weak, vulnerable and small economies**

<i>Project number</i>	<i>Short title</i>	<i>Period covered</i>	<i>Source of fund</i>
INT/9X/77J	Trust Fund for Least Developed Countries: core project	1997–	Multi-donor
ROA-2286 (AT)	Strengthening the capacity of the rural communities in least developed countries to utilize the market access opportunities provided by duty-free quota-free and enhancing value added of their traditional products	2012–	United Nations Development Account

**A. Least Developed Countries Trust Fund**

536. **Objectives.** Contributions to the LDCs Trust Fund are aimed at strengthening national policymaking capacity and assisting countries in the preparation and implementation of projects and programmes of action. An important tool in this process is the *Least Developed Countries Report*, which is largely produced through regular budget resources, but contributes to the aims of the trust fund. Increasingly, the report is focusing on articulation of concrete policies and measures on key issues identified in the Programme of Action for the Least Developed Countries for the Decade 2011–2020 (Istanbul Programme of Action). The objective is to provide LDCs with alternative and more relevant policy options and assist them to develop their capacities to implement policies. Therefore, wider dissemination in beneficiary countries of the findings and policy recommendations of the report is essential. Resources available through the LDC Trust Fund have helped to finance the organization of national and regional workshops, report launches and train LDC policymakers.

537. **Activities.** The LDCs Trust Fund financed some of the costs associated with the preparation of the *Least Developed Countries Report 2012*, facilitated the dissemination of the report's findings to LDCs and provided for coaching support to academics in LDCs. Specifically, the Trust Fund covered the cost of a three-month assignment of an external expert to join the research team for the preparation of the report. The Trust Fund also financed two professionals involved in the Enhanced Integrated Framework (see cluster XVII below).

**1. Policy analysis: Knowledge generation relevant for least developed countries**

538. Each year, the *Least Developed Countries Report* examines a topic that is of particular relevance to LDCs and presents concrete policy proposals. Moreover, the report contains a chapter on economic trends in LDCs, which enables countries to obtain up-to-date and comparable statistics on an annual basis. The *Least Developed Countries Report 2012 – Harnessing Remittances and Diaspora Knowledge to Build Productive Capacities*, examined the potential impact of remittances and the knowledge accumulated in the diaspora on the development of LDCs. With over 27 million people from LDCs in the diaspora, the potential impact on home countries is significant but that potential will remain a dream unless countries formulate appropriate policies to harness remittances and diaspora knowledge for building productive capacities.

## 2. Knowledge dissemination through *Least Developed Countries Report* workshops and launches

539. In order to facilitate knowledge transmission, the division launches the *Least Developed Countries Report* in as many countries as possible. In 2012, for example, the *Least Developed Countries Report 2012* was launched in over 30 countries, 18 of them LDCs. In most cases, efforts were made to combine press launches with workshops to enable in-depth discussions between policymakers, the private sector, civil society representatives and UNCTAD staff. These workshops have been considered particularly useful in increasing awareness of policy options and they have also enabled the building of networks between national policymakers and researchers and international experts. Dissemination workshops for the *Least Developed Countries Report 2012* were hosted in Angola, Bangladesh, Burundi, Cambodia, Ethiopia, Lesotho, Rwanda and Sudan.

## 3. Trade and development strategy

540. In response to the request received from the Government of Comoros, UNCTAD prepared, in partnership with government officials, a national trade and development strategy which was launched in Moroni in March 2013. This strategy focuses on achieving food self-sufficiency and improving the country's access to regional and international markets. It also contains specific recommendations on tariff and trade policy, external resource mobilization, reorganization of internal markets, and further development of external financial resources. To maximize impact, the strategy was accompanied by a capacity-building programme that started with a workshop in October 2012 and finished with a macro-, trade- and statistics-related training course organized prior to the launch of the strategy.

## 4. Implementation of the Istanbul Programme of Action

541. UNCTAD is a key agency in the implementation of the Istanbul Programme of Action. In addition to articulating the policy aspects of major issues highlighted in the Programme (for example, through the *Least Developed Countries Report* and a project on indicators of productive capacity), UNCTAD has been assisting some LDCs in preparing and implementing graduation strategies (see section D below).

## 5. Participation of least developed country representatives in conferences

542. The LDCs Trust Fund provided several national policymakers from LDCs with the opportunity to participate in national, regional and international workshops, expert meetings and international conferences, such as UNCTAD XIII, held in Doha in April 2012.

## B. Capacity-building activities for commodity-dependent least developed countries

543. **Activities.** In collaboration with the International Coffee Organization, UNCTAD undertook a project, entitled "Economic crises and commodity-dependent LDCs: mapping the exposure to market volatility and building resilience to future crises", financed by the Common Fund for Commodities. The project assisted in undertaking case studies in selected countries: Benin, Burundi, Mali, the United Republic of Tanzania and Zambia from Africa, and Cambodia, the Lao People's Democratic Republic and Nepal in Asia. The objectives of these country studies were: (a) to closely examine the role of commodities and agricultural productivity in contributing to the graduation objective of the Istanbul Programme of Action; (b) to assess the structural weakness, excessive fragility and

vulnerability to shocks of the economies of LDCs; (c) to review and document the challenges arising from volatility of the commodities markets and from the impacts of the recent global economic, financial and food crises on LDCs' prospects to meet internationally agreed goals, including those contained in the Istanbul Programme of Action.

544. As part of this project and with the aim of sharing successful and less successful experiences as well as best practices among LDCs and their development partners, a meeting of LDC experts and trade negotiators was held in Addis Ababa from 27 February to 1 March 2012. More than 100 experts from the Asia–Pacific, Africa and Latin America (Haiti) as well as from United Nations and other international organizations, civil society and academia took part in the meeting. The expert meeting deliberated on key issues of strategic interest to LDCs with emphasis on the challenges, opportunities and prospects for graduation. The meeting was part of the preparatory process for UNCTAD XIII.

545. In Doha, the ministerial meeting of LDCs deliberated on the development challenges of LDCs, including graduation and the role of commodities in economic development. Almost all LDCs participated in the meeting. The ministers finally adopted a political declaration – the key elements of which are contained in the final outcome documents of UNCTAD XIII, the Doha Manar and the Doha Mandate. The key provisions on commodity-related issues and graduation from the LDC category are among the clearly defined work programmes adopted by UNCTAD XIII for action by member States, international organizations and civil society actors.

546. **Results.** As part of the project and the ongoing work of UNCTAD, a major study was published as “Enabling the graduation of LDCs: enhancing the role of commodities and improving agricultural productivity” (UNCTAD/ALDC/2012/1). The report contains the country studies and the major elements of deliberations at the expert and ministerial meetings. The report assesses the challenges, opportunities and prospects for meeting the criteria for graduation, particularly by harnessing the role of commodities and improving agricultural productivity. It also contains a synthesis of country studies on sectoral and thematic issues of strategic significance to LDCs and provides policy analysis together with recommendations for action at the national, regional and international levels. The study is, therefore, expected to advance ongoing deliberations on issues of LDCs, including graduation, by the Trade and Development Board of UNCTAD and other relevant bodies of the United Nations system.

547. The Trade and Development Board expressed its appreciation of the project. It noted with interest the evidence-based analysis of the impact of the recent multiple crises (food, fuel and financial) on the socioeconomic performance of LDCs and their prospects for meeting graduation criteria by 2020, as well as the challenges facing them in ensuring food security. The Board encouraged the governments of LDCs to continue efforts to realize the potential of their commodities sectors to spur development and structural transformation, including by leveraging commodities gains for economic development, integrating commodity policies into their domestic development policies and strategies, and unlocking domestic potential for sustainable development, inclusive growth, the promotion of competition and the eradication of poverty. The Board also encouraged development partners of LDCs in a position to do so to provide continued assistance needed to improve agricultural productivity in LDCs through research, innovation and technological upgrading. The Board recognized that further efforts are needed to mitigate the impact of commodity price volatility on LDCs' economies through increased transparency in the commodity industry, reduced dependence on the exports of a few primary commodities, enhanced FDI for building productive capacities and by taking measures to effectively deal with the long-standing problems of food security in these countries and investing in infrastructures, human resources and institutional capacity-building.

548. The project resulted in a sound and evidence-based analysis of the commodities problems of LDCs, including price volatility and external shocks, as well as their impact on the socioeconomic progress of the most vulnerable group of the countries. The work clearly demonstrated that gross domestic product growth rates in many LDCs together with the evolution of their exports followed the boom–bust cycle. There is a clear contrast between the boom years in the run-up to the global financial crisis (which is led by commodities) and the subsequent plunge in both gross domestic product and exports, especially with respect to the African LDCs and Haiti. The project also enabled UNCTAD to work closely and strengthen its collaboration with international organizations such as the Common Fund for Commodities and the International Coffee Organization, national institutions in beneficiary countries, and regional organizations. Furthermore, regarding impact on policies, the project contributed to the international policymaking arena with regard to the role of commodities in the development of LDCs, as is clearly articulated in the outcome documents of UNCTAD XIII and the Trade and Development Board.

### C. Activities related to landlocked developing countries

549. **Activities under the United Nations Development Account project “Enhancing the capacities of landlocked developing countries to attract FDI for the development and modernization of productive capacities”.** Implementation of this project made good progress in 2012 with the publication of Investment Guides for Burkina Faso (UNCTAD/DIAE/PCB/2012/3) and Rwanda (UNCTAD/DIAE/PCB/2012/4).

550. Stakeholder workshops were held in Bhutan, Burkina Faso and Rwanda to increase the capacity of national policymakers and investment practitioners 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. These events proved to be highly effective in terms of disseminating best practices, upgrading local capacity and receiving feedback on draft investment guides.

551. In addition, project activities have stimulated in concerned LLDCs a process of self-reflection on appropriate government policies and measures to improve national capacities to attract and promote FDI and have led to a more proactive stance of government officials on FDI issues. The on-the-spot discussions have also assisted national efforts to build up requisite institutional capacities and have familiarized responsible government officials with international best practices and issues at stake. However, the limited absorptive and institutional capacities in some project countries have hampered faster progress in the implementation of the project. Worse, local political circumstances in some LLDCs, including Mali and Nepal, led either to a halt or significant delays in project implementation in these countries.

### D. Least developed country graduation

552. In May 2012, extensive advisory services were provided to the Government of the Lao People’s Democratic Republic in support of that country’s strategy to achieve eligibility for graduation from LDC status by 2020. A national workshop jointly organized by the Government and the United Nations resident coordinator brought over 120 persons to reflect upon and discuss areas of desirable progress for the country to be able to rise further toward graduation thresholds. UNCTAD played a prominent role in the preparation, documentation and unfolding of this national workshop, with special insights into the Lao performance under graduation criteria; areas of public action requiring further efforts toward a higher performance; and the anticipated impact of graduation (sudden or gradual loss of LDC benefits) on prospects for continued structural progress. UNCTAD will be

monitoring the Lao People's Democratic Republic's performance under graduation criteria on an ongoing basis over the rest of the decade, and advising Lao authorities accordingly.

553. Technical cooperation activities provided by UNCTAD in 2012 related to LDC graduation for Samoa and Vanuatu are explained below.

## **E. Activities related to small island developing States**

554. Technical cooperation activities in favour of SIDS, in 2012, mainly benefited Tuvalu, Samoa and Vanuatu, all of which concerned matters related to the question of graduation from LDC status.

555. Tuvalu, which endured a serious natural disaster in September 2011 (a severe drought which required emergency support from Australia and New Zealand), had to face a systemic shock in the United Nations in March 2012 when the United Nations Committee for Development Policy recommended that Tuvalu (one of the most vulnerable countries as shown by the United Nations Economic Vulnerability Index) be graduated from LDC status. This recommendation appeared in the Committee's report to the United Nations Economic and Social Council, which considered the matter during its substantive session in July 2012. The Economic and Social Council heard a broad range of views on the question of Tuvalu's graduation during this session, including a statement by Tuvalu's Prime Minister. The Council refrained from endorsing the Committee's recommendation, and deferred the matter to its next substantive session in July 2013. UNCTAD provided Tuvalu, at the country's request, with technical advice continuously after the Committee's recommendation was made in March 2012. In a vulnerability profile of Tuvalu prepared for the benefit of the Committee, UNCTAD explained the fallacy of Tuvalu's graduation, given the absence of productive capacities and socioeconomic progress in the country, and its extreme vulnerability. UNCTAD's assistance to Tuvalu has been grounded in a postulate which sharply contrasts with the Committee for Development Policy's approach to the subject: unless structural progress has taken place in a given LDC, a decision to graduate that country would be unfounded.

556. Samoa's graduation from LDC status was decided by the United Nations in 2007, and reiterated with a revised time frame in 2010. The country's exit is planned to take place on 1 January 2014. In this context, Samoa has been, since 2011, in the three-year, pre-graduation grace period which allows national authorities to pave the road for a smooth transition to post-LDC existence. As it did in the past for Cape Verde and the Maldives, UNCTAD provided, at Samoa's request, assistance to the Government of Samoa in elaborating a smooth transition strategy. This started in 2012 and is continuing in 2013. It involves inventorying the LDC-specific international support measures Samoa has been benefiting from under LDC status, and identifying ways of preventing any change of treatment that could harm the country, after graduation, in its efforts to maintain the momentum of economic progress.

557. The question of Vanuatu's graduation was also on the agenda of the Committee for Development Policy in March 2012, and the Committee decided to graduate the country. This recommendation, which was considered by the Economic and Social Council with the same degree of attention as for Tuvalu, was endorsed by the Council. The Council, in keeping with normal practice, urged the General Assembly to confirm this endorsement through its own resolution. Vanuatu authorities requested more time to allow Vanuatu to understand the implications of graduation. This froze the decision-making process in the General Assembly. UNCTAD, which has a 15-year history of close cooperation with Vanuatu on this issue, assisted government officials on the matter throughout 2012, with the hope of enabling national authorities to have a forward-looking approach to the subject. UNCTAD's advisory services on this matter are continuing.



**XVII. Cluster XVII:  
Strengthening support for trade mainstreaming into national development plans and/or poverty reduction strategy papers in least developed countries in the context of the Enhanced Integrated Framework**

**Lead division: Division for Africa, Least Developed Countries and Special Programmes**

558. UNCTAD's assistance under this cluster proactively focuses on tailored support for LDCs' efforts in the formulation of 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 Enhanced Integrated Framework (EIF) (projects detailed in table 17).

Table 17  
**Strengthening support for trade mainstreaming into national development**

<i>Project number</i>	<i>Short title</i>	<i>Period covered</i>	<i>Source of fund</i>
CMB0TBBI	Rules of origin: operational procedures and training	2012–	World Bank
COI/OT/BCJ	Elaboration de la Politique Commerciale de l'Union des Comores	2012–	UNDP
GAM0TBCA	EIF-Project updating the DTIS for the Gambia	2012–	United Nations Office for Project Services
INT/OT/4AY <sup>a</sup>	Integration of LDCs, landlocked and island countries in the global economy	2004–2012	Italy
INT/OT/ABI	Economic crises and commodity-dependent LDCs: mapping the exposure to market volatility and building resilience to future crises	2010–	Common Fund For Commodities
INT0TBCV	EIF-Project update of the diagnostic trade integration study of Senegal	2012–	United Nations Office for Project Services

<sup>a</sup> Operationally but not financially completed or fully completed in 2012.

**A. Enhanced Integrated Framework**

559. In 2012, UNCTAD continued to participate in activities in the organization and implementation of the EIF. (As stated earlier, some of the costs incurred in EIF-related activities were covered by the LDCs Trust Fund.)

560. During UNCTAD XIII, UNCTAD organized the LDC ministerial working breakfast on the EIF. This working breakfast discussed how best to integrate trade into national development strategies and the modalities for accelerating delivery of results in the new global economic landscape. In addition to LDC ministers, the participants in the working breakfast included the executive secretariat of the EIF, the Executive Director of the WTO and the Secretary-General of UNCTAD. Since the majority of LDCs have now completed a diagnostic trade integration study (DTIS), particular attention was given during 2012 to how the DTIS updating should be carried out.

561. UNCTAD undertook several advisory missions in the Gambia to carry out the updating of the country's DTIS, and to deal in particular with issues, such as trade facilitation, women, fisheries and SME development. Local consultants on trade in services, customs, and agriculture and fisheries were also recruited. The first draft of the DTIS was reviewed at a meeting held in Geneva in August 2012 with relevant Gambian officials. An advisory mission was undertaken in November 2012 to finalize relevant issues of the updated DTIS and to discuss the possible follow-up in the form of a tier-two project.

562. UNCTAD formulated, in collaboration with the Governments of Senegal and Mozambique, their terms of reference for updated DTISs. Subsequently, these Governments (Senegal in May 2012, Mozambique in November 2012) submitted the studies for financial approval to the EIF secretariat. Following approval, UNCTAD and the two Governments initiated the implementation of the updated DTISs. During the preparation of the terms of reference for the updated DTISs, particular attention was given to the need to conduct a deeper analysis of the mechanisms of trade and investment policymaking. Following the approval of the DTIS updating of Senegal, a first mission took place in September 2012 to gather the initial documentation and discuss with government counterparts the agreed terms of reference and the elaboration of the concept note that was delivered to the Government of Senegal in December 2012.

563. UNCTAD participated in an EIF national workshop in Antananarivo in June 2012 organized by the EIF secretariat to raise awareness of the EIF process and contribute to strengthening its ownership. UNCTAD made a presentation and initiated contacts with the focal point to assist Madagascar in the implementation of the EIF. During the workshop, the draft terms of reference for the updated DTIS prepared by UNCTAD were discussed by the Government of Madagascar and other participants.

564. UNCTAD undertook a series of advisory missions in 2012 to assist countries in the implementation of the EIF. A mission was organized in the Democratic Republic of the Congo (19–22 June 2012) and in the Central African Republic (23–26 June 2012) to provide technical assistance for the formulation of the tier-two funding of their respective EIF projects and to assist with the reinforcement of the EIF process.

565. UNCTAD organized a national workshop in Chad (February 2012) to sensitize high-level officials on the importance of mainstreaming trade in the Poverty Reduction Strategy, and to provide tools for fostering national ownership of the EIF. In August 2012, UNCTAD undertook an advisory mission to Cape Verde to assist the country in the implementation of the EIF.

566. In October 2012, UNCTAD prepared the necessary background papers and organized a workshop in the Comoros for formulating a trade development strategy. The workshop was attended by government officials and EIF stakeholders.

567. Regarding UNCTAD's activities for Cambodia, the project on the rules of origin, financed from the multi-donor trust fund and established at the local level, was approved. UNCTAD organized many workshops and undertook advisory missions in the country to inform on the utilization of trade preferences and rules of origin.

## B. Trade mainstreaming project

568. In addition to the above-mentioned activities under the EIF, the activities under the UNCTAD trade mainstreaming project continued in 2012 are as follows.

569. Under the joint work plan with TradeMark Southern Africa the mainstreaming project has provided intensive technical assistance and training to the member States and officials involved in the negotiations of the Tripartite Free Trade Area. In 2012 the project conceived and developed, jointly with TradeMark Southern Africa, a training programme specially tailored for the Tripartite Free Trade Area negotiators. UNCTAD identified and supervised international consultants drafting the modules on anti-dumping, subsidies and countervailing duties, safeguard tariffs and drafting free trade agreements, and drafted the module on rules of origin. UNCTAD participated in two training courses, one in Zambia and the other in Zimbabwe, on Tripartite Free Trade Area negotiations and developed the terms of reference for a national trade and export strategy for Zambia in consultation with the Zambian authorities.

570. Intensive technical assistance and training has been provided to the Tripartite Free Trade Area secretariat, composed of officials of the EAC, COMESA and SADC, for the drafting and finalization of the free trade area and relevant legal texts. These texts will form the basis for the start of the negotiations on the establishment of the Tripartite Free Trade Agreement among the 26 countries that are members of EAC, COMESA and SADC, as agreed by the second Tripartite Heads of State and Government Summit held on 12 June 2011 in Johannesburg. UNCTAD participated in the Tripartite Trade Negotiating Forum in Mauritius (June 2012) and Arusha (United Republic of Tanzania) (September 2012).

571. As for publications in 2012, the mainstreaming project finalized the *Handbook on Duty-free Quota-free and Rules of Origin, Part II: Other Developed Countries' and Developing Countries' Implementation of DFQF*, which concerns the implementation of the duty-free quota-free commitment by “non-quad” developed countries (developed countries other than Canada, Japan, the United States, and those of the European Union) and developing countries such as China, India and the Eurasian Customs Union and on related rules of origin. This is the first publication that contains detailed information on the product coverage and rules of origin of these preferences. It was published in January 2013. Following the reform of the European Union rules of origin and the changes that occurred in the Japanese rules of origin, an updating of part I of the handbook has been initiated. The publication of the updated part I is expected to be in 2013.

572. In April 2012, UNCTAD also began implementation of a United Nations Development Account-funded project “Strengthening of capacities of trade and planning ministries of selected least developed countries, to develop and implement trade strategies that are conducive to poverty reduction” (2012–2015). The objective of the project is to increase the capacity of trade and planning ministries of participating LDCs to jointly assess trade options and fully understand the implications of trade strategies and policies conducive to poverty reduction.

573. Six LDCs will benefit from the project: Ethiopia, the Lao People’s Democratic Republic, Lesotho, Myanmar, Senegal and the Solomon Islands. Much of the substantive work of the project will take place in the period 2013–2015.

## C. Market access and trade laws for least developed countries

574. The objective of the project “Market access and trade laws for LDCs” financed by Italy (a multi-year project that started in 2010) is to increase utilization of the market access initiatives in favour of LDCs by supporting rural communities’ exports and supply capacity

of traditional products through the trading opportunities provided by the multilateral trading systems such as geographical indications, designation of origin and better compliance with sanitary and phytosanitary requirements. Initial contacts have been established with FAO and the International Fund for Agricultural Development to coordinate field activities, especially in Mozambique, and other contacts have been established with NGOs.

575. A work programme has been discussed with the Institute of Intellectual Property of Mozambique to develop the necessary requirements and documents for the submission of three products for geographical indication registration (prawns, rice and goat meat). Under this project, UNCTAD undertook technical missions in Mozambique in 2012 to discuss, with the Director of the Institute together with representatives from the Ministry of Commerce and related stakeholders, the status of geographical indication in Mozambique and application for registration of the country's products. As a result of these activities, a full "disciplinary" on the white prawn of Mozambique was developed for submission as a geographical indication product in collaboration with various fishermen's associations and government departments. In December 2012, a workshop was organized in Beira, and fishermen's associations actively supported this submission. A disciplinary for submission as a geographical indication product continued to develop in 2012, with the registration of the goats meat of Tete province in Mozambique. Local and international consultants have been recruited to carry out field research and prepare the necessary disciplinary for registration as a geographical indication.

## **XVIII. Cluster XVIII: Executive direction and management and support services**

### **Lead entities: Office of the Secretary-General, Technical Cooperation Service and Resources Management Service**

576. 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 (table 18).

Table 18

#### **Executive direction and management and support services**

<i>Project number</i>	<i>Short title</i>	<i>Period covered</i>	<i>Source of fund</i>
CVI/0T/9AL	Delivering as one, Cape Verde	2009–	One United Nations
LSO/0T/AAF <sup>d</sup>	Enhancing Lesotho's capacity to mainstream gender into trade policy	2010–2012	Norway
LAO/0T/BAJ	Enhancing sustainable tourism, clean production and export capacity in Lao People's Democratic Republic	2011–	United Nations Office for Project Services
MOZ/0T/9AZ <sup>d</sup>	Delivering as one, Mozambique	2009–2012	One United Nations

<i>Project number</i>	<i>Short title</i>	<i>Period covered</i>	<i>Source of fund</i>
RWA/0T/8BN	Delivering as one, Rwanda	2008–	One United Nations
RWA/0T/BAO	Delivering as one, Rwanda project, economic growth	2011–	One United Nations
URT/0T/BBM	Delivering as one, United Republic of Tanzania project	2011–	One United Nations
GLO/0T/8CG	Support to Avian Influenza and Food Crisis Coordination Office	2008–	UNDP
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/4BS	Strengthening results-based management of UNCTAD programmes	2004–	Norway
INT/0T/5BN	Panel of eminent persons	2005–	Multi-donor
ROA-2244 (Q7)	Enhancing capacities of developing countries to mainstream gender into trade policy	2010–	United Nations Development Account
ROA-2246 (S7)	Integration of the trade dimension into the United Nations Development Assistance Frameworks	2010–	United Nations Development Account
ROA-2685 (AV)	Enhancing national ownership of trade-related assistance in United Nations country-level development plans	2012–	United Nations Development Account
UND12–340	Interregional advisory services	Ongoing	Regular programme of technical cooperation

<sup>a</sup> Operationally but not financially completed or fully completed in 2012.

## A. Strengthening results-based management of UNCTAD programmes

577. In 2012, the Trust Fund continued to support the work of the Evaluation and Monitoring Unit aimed at strengthening the accountability and lessons learning of the secretariat, hence contributing towards UNCTAD's results-based approach. This has been pursued through three project components:

- (a) The publication of a results-oriented UNCTAD Annual Report;
- (b) The annual in-depth evaluation of an UNCTAD programme of work, which through independent and expert advice, and through interactions with stakeholders during the evaluation process, has contributed to the reorientation of the programmes for their enhanced impact and effectiveness;

(c) UNCTAD's participation in inter-agency initiatives on evaluation, in particular through active membership in the United Nations Evaluation Group's work to harmonize evaluation standards and strengthen methodologies, such as on impact evaluation and on integrating gender perspectives in evaluations.

578. The outcomes of these activities include:

(a) The results-oriented UNCTAD Annual Report has been contributing towards 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 Trade and Development Board in 2009. Consistent with the results-based management principle that continuous feedback will enable improved performance and accountability, the Annual Report always contains an annex that reports on UNCTAD's performance against its logical framework, which is considered by member States when they are reviewing UNCTAD's proposed biennial programme plan for the following biennium. The UNCTAD Annual Report has consistently received positive feedback from readers since it adopted this results-oriented approach in 2006. In the 2012 readership survey of UNCTAD's main publications, the Report received an average rating of 4.3 out of 5.

(b) In 2012, UNCTAD contributed to the work of the United Nations Evaluation Group in developing guidelines for conducting impact evaluation in United Nations system agencies. Such guidance addresses the 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 guidelines contain definitions of impact evaluation, the role of such evaluations, elaborate on how impact evaluations could be designed, methods commonly used, and quality control requirements and approaches. The guidelines have had to undergo extensive reviews and consultations and will be published in 2013.

579. An in-depth evaluation of an UNCTAD programme of work is not conducted during a Conference year.

## **1. Organization and participation of the Cluster at the United Nations system level and other events**

580. A special session of the inter-agency Cluster on Trade and Productive Capacity was organized on 21 April 2012 on the occasion of UNCTAD XIII. The special session was chaired by the Deputy Secretary-General of the United Nations and the Deputy Secretary-General of UNCTAD and was attended by high-level officials from 11 agencies members of the Cluster. The session was an occasion to take stock of the work carried out since 2008 and provide agencies' perspectives on the theme of UNCTAD XIII.

581. Within the framework of a project financed by the United Nations Development Account, UNCTAD, in cooperation with the agencies members of the Cluster, organized a regional workshop in Nepal from 24 to 27 April 2012. The workshop aimed at strengthening the capacity in formulating trade-related assistance plans and improving the inclusion of trade in new United Nations Development Assistance Frameworks. The workshop was meant for government officials in charge of the national trade policy and of planning aid development strategies. All selected participating countries (Afghanistan, Bhutan, Fiji, Nepal, Samoa, Tajikistan and Timor-Leste) in the regional workshop are starting a new Development Assistance Framework cycle in 2013. Agencies jointly delivering the workshop included ESCAP, UNCITRAL, UNCTAD and UNEP. A special national session devoted only to Nepal took place at the end of the regional workshop with 15 representatives from the government of Nepal.

582. As part of the same United Nations Development Account project, UNCTAD jointly organized with the United Nations Institute for Training and Research an online course on

the trade dimension in United Nations Development Assistance Frameworks. Some 130 representatives of governments, NGOs, universities and related institutions signed up for the course, which was delivered in October and November 2012. The course aims to raise the profile of international trade and productive capacity, so that these may feature prominently in the formulation of United Nations assistance on economic and trade-related issues. It also aims to help government officials and others carry out the inter-agency coordination needed to bring this about.

583. In November 2012 the Cluster organized an event entitled “Poverty reduction through trade in Lesotho: an example of inter-agency coordination”. The Minister of Trade and Industry of Lesotho and the Deputy Secretary-General of UNCTAD participated in the session and described the role and activities of the Cluster in Lesotho, which provides an excellent example of how inter-agency coordination in the area of trade can work and deliver.

584. A statement was delivered on behalf of the 15 agencies members of the Cluster by United Nations Industrial Development Organization during the general debate of the General Assembly. The statement emphasized that a thematic inter-agency mechanism such as the Cluster is a strategic instrument in the effective operationalization of system-wide coherence; by acting together when formulating, delivering and monitoring the impact of their assistance, United Nations entities can be better aligned with national development strategies.

## **B. Gender mainstreaming in trade policies**

585. **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.

586. Mainstreaming gender in trade policy signifies an assessment of the impacts of trade policies on the well-being of men and women and ultimately on the household. Such an assessment will help in (a) better understanding the specific challenges and opportunities that women face from market liberalization, (b) designing and implementing complementary policies aimed at maximizing opportunities for women, (c) facilitating the transition of women to a more competitive market structure.

587. **Objectives and 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 in trade policy. The ultimate objective is to make trade instrumental to the achievement of gender equality, women’s economic empowerment and inclusive development.

588. UNCTAD’s comprehensive work in this area has been funded so far through UNCTAD’s regular budget, the United Nations Development Account and resources provided by donor countries. During the reporting period, financial support was provided by Norway and Qatar.

589. The work of UNCTAD in this area includes:

(a) Analytical work (country case studies on the linkages between trade, gender and development and other research);

(b) Capacity-building activities (trade and gender policy workshops geared to trade policymakers/policy staff; technical workshops targeted at data collection and analysis staff);

(c) Awareness raising among donors, decision makers and other stakeholders on the need to mainstream gender in trade policy;

(d) Contribution to a United Nations-wide gender action plan and cooperation with other international organizations within and outside the United Nations family.

590. **Outputs.** The main achievements during the period under review are described in the following paragraphs.

## 1. Analytical work

591. During the reporting period, the Portuguese version of the study *Who is Benefiting from Trade Liberalization in Cape Verde? A Gender Perspective* was published. The text was translated into Portuguese with the aim of facilitating the sharing of the findings with national stakeholders and increase the accessibility of the publication. *Who is Benefiting from Trade Liberalization in Lesotho? A Gender Perspective* was published in August 2012. The study critically assesses the gender implications of Lesotho's trade-led productive transformation, with a focus on the apparel sector. The first draft of *Who is Benefiting from Trade Liberalization in Angola? A Gender Perspective* was completed and a translation of the document into Portuguese was commissioned. A new country case study in the series, *Who is Benefiting from Trade Liberalization in Rwanda? A Gender Perspective*, is currently being conducted. Preliminary activities, mainly data collecting and information gathering, were initiated in relation to the country case study of Uruguay that will be carried out in 2013. The three studies for Angola, Rwanda and Uruguay are expected to be published in 2013.

592. The study "Assessing value addition and social inclusiveness in the fisheries sector, with a focus on women. The case of the Gambia" (to be published) was conducted. By mapping women's participation in the fisheries sector, a crucial sector of the economy which figures prominently in Gambia's development plans, the study provides recommendations geared at expanding women's employment and income generation possibilities in the sector. A fact-finding mission was held in the Gambia in June 2012 to gather information and gain more in-depth and accurate insights into women's role in the fish supply chain in the country. The fact-finding mission was instrumental to finalize the above-mentioned study.

593. A paper entitled "Trade policy and gender inequalities: a country-based analysis" was prepared as a contribution to the Global Thematic Consultation on Addressing Inequalities. By reviewing progress on the MDGs in relation to major inequalities, the Global Consultation gathers perspectives on how best to address these issues in the post-2015 framework. The study emphasizes how macroeconomic policy, and trade policy in particular, can play a role in reducing inequalities between men and women and contributing to women's economic empowerment.

## 2. Capacity-building activities

594. A national capacity-building workshop was held in Praia on 10 and 11 September 2012. The workshop provided the opportunity to (a) present the main findings of UNCTAD's study on the gender implications of trade policy and trade liberalization in Cape Verde, (b) explore a number of policy options towards maximizing the social inclusiveness of trade policy in the country, and (c) present the quantitative methodology used in the study and discuss measurement frameworks and indicators for assessing the gender ramifications of trade policies.



595. A national validation workshop was held in Maseru on 4 December 2012. The objectives of the workshop were twofold: (a) present and discuss the main findings of the study published by UNCTAD entitled *Who is Benefiting from Trade Liberalization in Lesotho? A Gender Perspective*; (b) explore different policy options towards maximizing the social inclusiveness of trade policy in Lesotho, with a focus on women.

### 3. Awareness raising among donors, policymakers and other stakeholders

596. On the occasion of UNCTAD XIII, the high-level event Women in Development was held on 23 April 2013. This was the first time in the history of UNCTAD ministerial conferences that gender-related issues were put at the centre of the debate. The purpose of the Women in Development event was threefold: (a) to take the gender issue to a new level of political prominence; (b) to yield new insights into the relationship between macro-economic policies, development and gender; (c) to launch a number of institutional initiatives to further the above objectives. Regarding purpose (a), the event was well attended (around 350 participants during the morning session and around 120 during the afternoon session) and lined up an impressive number of high-level speakers, including two former Heads of State (Finland and Ireland), a Prime Minister (Bangladesh), nine ministers (representing developed countries/groupings – Denmark, European Commission, Germany; and developing countries – Costa Rica, Ghana, Lesotho, Rwanda, South Africa, Tunisia) and some well-known academicians and personalities from the host country.

### 4. Contribution to a United Nations-wide gender action plan and cooperation with other international organizations

597. The Executive Director of ITC and the Deputy Executive Director of United Nations Women participated in the Women in Development event at UNCTAD XIII as panellists, while several representatives from other United Nations and non-United Nations entities participated in the discussion from the floor (for example, ESCAP, the Economic Commission for Latin America and the Caribbean, the Economic Commission for Europe, UNDP, ILO, the United Nations Educational, Scientific and Cultural Organization and the South Centre). Their participation confirmed the interest in UNCTAD's work and opened the way to establishing inter-agency cooperation. Recently, UNCTAD has been asked to participate in a core group of United Nations entities working on women's economic empowerment.

598. **Results.** The policy recommendations included in the case study of Cape Verde are informing the formulation of the DTIS review and the new strategy for economic growth and poverty alleviation.

599. The findings and recommendations of the study of Lesotho have been used to inform the DTIS update.

600. The findings of the study on the fisheries sector in the Gambia have informed the DTIS revision and the recommendations have been incorporated in the DTIS action matrix. A tier-two project based on the recommendations is in the pipeline.

601. The findings of the studies of Cape Verde, the Gambia and Lesotho have also contributed to the post-2015 process with the paper "Trade policy and gender inequalities: a country-based analysis". The paper is contributing to inform policy debate through the Global Thematic Consultation on Addressing Inequalities.

602. A total of 45 participants from different ministries and institutions, the private sector, academia and the United Nations system attended the national workshop held in Praia in September 2012. Around 20 officers from the National Institute of Statistics, the Department of Industry and Trade and the National Institute for Gender Equality and

Equity benefited from a training workshop on the quantitative methodology used in the study.

603. Approximately 50 participants from various government departments, United Nations agencies and the private sector benefited from the national workshop held in Maseru in December 2012.

604. In drafting the country case studies on trade and gender, 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 at the national level, 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 contributed to raising the political profile of the trade–gender linkage debate and to enhance policymakers’ understanding of the trade–gender link. The high-level event Women in Development at UNCTAD XIII provided the opportunity to sensitize the donor community on the relevance of supporting activities relating to trade and gender. As a result, a new UNCTAD project on trade and gender received financial support from a donor country.

### C. The rise of the South

606. **Development context.** South Asia is lagging behind other regions of the world, both in terms of regional integration as well as some leading development indicators. The region has four LDCs<sup>7</sup> and four developing countries. While the population of South Asia is 27 per cent of the developing world, its share in the total number of global poor is 40 per cent. It hosts 45 per cent of the total number of adult illiterate women and 49 per cent of the total number of malnourished children. Intraregional trade is less than 5 per cent of the region’s total trade. Lack of regional integration has led to resource constraints, limited the size of potential markets and lowered productive capacities in individual countries. However, for regional integration to bring development gains to all countries, it is important to have collaboration and cooperation within the region at all levels, be it on matters of trade, investment, technology or policies. Understanding the possible obstacles to such cooperation is particularly important in South Asia, given the LDC status of a number of the countries in the region.

607. Accordingly, the Unit on Economic Cooperation and Integration among Developing Countries, in collaboration with the Asian Development Bank and the Commonwealth secretariat initiated a project on "Development-oriented integration in South Asia" in November 2011, which was completed in March 2013. The focus of the project was on developing productive capacities of all countries in the region through identification and promotion of regional supply chains in two identified sectors, which were leather and leather products, and agroprocessing industries. It also aimed at developing institutional capacity by initiating regional industry associations. The project took an approach on three levels, aimed at cooperation and collaboration for trade, technology and investments, and involved policymakers, industry, academia, research organizations and other relevant stakeholders in the region.

608. **Objectives and features.** The development objective of this project was to contribute to the achievement of the MDGs, in particular MDG 8 that addresses the creation

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<sup>7</sup> The Maldives graduated in January 2011, and two of the countries are landlocked LDCs.

of a global partnership for development, through building and strengthening the human and institutional capacity of developing countries (in particular LDCs). The objectives were achieved by formulating and implementing policies for building the productive capacities of countries so that they can avail of the schemes such as tariff- and quota-free access for exports and thus engage gainfully in international markets. In doing so the project also contributed to MDG 1 on eradicating extreme poverty and hunger by creating productive employment in these countries. The ultimate aim was to promote South–South cooperation in the regional context and facilitate the integration of the countries in South Asia productively within the region through trade, investments and technology transfers. This would help the countries to participate effectively in development-led globalization using their own chosen growth strategies based on their particular realities.

609. **Outputs.** The main project achievements during the period under review are the following:

- (a) The project identified potential products at the country and sector levels that can be traded both within the region and globally, and assessed the possibility of forming regional supply chains in leather and leather products and the agro-processing industries. Reports have been submitted to the Asian Development Bank and are in the process of publication. These reports were discussed during regional industry consultations which brought together high-level government officials, industry associations, academia and other relevant stakeholders. A third report entitled "Impact of Trade and FDI Policies on Industrial Development in South Asia" has also been submitted for publication to the funders.
- (b) The project initiated the Leather Industry Association of South Asia, which is the first industry association of this kind at the regional level – while country-level leather industry associations existed within South Asia, regional-level structures were absent. The Leather Industry Association of South Asia can play an important role in facilitating harmonisation of technical standards in leather products in the region and also help in information sharing on technological advances in the industry. The Association can play an important role as a common platform for the leather industry of the region to voice members' common interests and concerns.
- (c) The project promoted regional investment agreements and provided lessons from ASEAN regional investment agreements for South Asia. ASEAN countries have signed a free trade agreement which also includes agreement on investments. The project drew important lessons from this agreement, leading to the proposal for a South Asia Investment Agreement.
- (d) The project also examined and provided policy suggestions on policy coordination and cooperation required within the region for facilitating technology transfers. The possible constraints to technology transfers and the way forward in terms of facilitating policies were discussed during the industry consultations. The results of these consultations were shared with policymakers. The sharing of best practices and low-cost easily adaptable technologies were encouraged, especially with the LDCs in the region.
- (e) Existing potential investment opportunities in the countries were identified in the specific sectors and suggestions were made concerning the possible collaboration and cooperation that is needed for integration within the region through trade and investments for higher developmental gains.

610. UNCTAD provided the conceptual and intellectual leadership in implementing the activities envisaged. Inputs were provided which included background research, in-house experts and managerial staff, global networks of researchers and practitioners, in-house databases on national and international policies as well as administrative support.

611. The project has been successfully completed. It has had a spill over effect in the sense that a request for a similar project for sub-Saharan Africa has been received. The Commonwealth secretariat and the African EXIM Bank are funding this project, which commenced in April 2013. Request for the phase two of this project has also been received and is being designed.

#### **D. Advisory services**

612. As reported in previous years, UNCTAD technical cooperation is supported not only by project-specific funds but also from section 22 of the United Nations programme budget.

613. Under this budget, UNCTAD received, for 2012, 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; (e) LDCs. Interregional advisers undertook nine missions in 2012.

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