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PROGRESS REPORT ON THE IMPLEMENTATION OF THE AGREED RECOMMENDATIONS OF THE COMMISSION AT ITS EIGHTH SESSION

Prepared by the UNCTAD secretariat

Executive summary

The note on "Improving the Functioning and the Structure of the Intergovernmental Machinery of UNCTAD" (TD/B/EX(24)/L.1), re-endorsed by the Trade and Development Board at its twenty-sixth executive session on 10 April 2001, stated *inter alia:* "Starting with the second session of each Commission, the fifth day of the session will be used for policy reviews of implementation by member States and the secretariat of the outcome of previous sessions, on the basis of documentation produced by the secretariat." Accordingly, the secretariat has prepared the present report, which contains information on the implementation of decisions and agreed conclusions adopted at the eighth session of the Commission on Enterprise, Business Facilitation and Development and addressed to UNCTAD. The report covers three main areas: competitiveness of small and medium-sized enterprises (SMEs), transport and trade facilitation, and electronic commerce strategies for development.

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1.   The report of the Commission on Enterprise, Business Facilitation and Development on its eighth session (TD/B/COM.3/64) contained a number of recommendations for action by UNCTAD. These recommendations and agreed conclusions are set out below, together with relevant actions taken so far.

I. IN THE FIELD OF IMPROVING THE COMPETITIVENESS OF SMALL AND MEDIUM-SIZED ENTERPRISES THROUGH ENHANCING PRODUCTIVE CAPACITY

Recommendation 1

2.   Over the past four years the Commission on Enterprise, Business Facilitation and Development has analysed various policy options at the national and international levels for growing and strengthening small and medium-sized enterprises (SMEs) in developing countries. The UNCTAD secretariat should continue this work and consolidate the key findings in order to provide an enterprise development policy blueprint for developing countries and take it forward to UNCTAD XI.

Action

3.   During UNCTAD XI, the thematic session on "Building the Productive Capacity of Developing Countries' Firms" was organized, drawing on UNCTAD's work on enhancing SME competitiveness and on the policy recommendations included in UNCTAD's blueprint on SME competitiveness. The Conference mandated UNCTAD to assist developing countries to design and implement active policies for building productive capacity and international competitiveness (São Paulo Consensus, para. 49) and to support their efforts to attract and benefit more from foreign direct investment (FDI) (paras. 51–53).

4.   An Expert Meeting on "Promoting the Export Competitiveness of SMEs in Developing Countries" was organized in December 2004. The Expert Meeting continued the work of the Commission in the field of enterprise competitiveness focusing on enhancing the export competitiveness of SMEs, including through possibilities of linking up to international supply chains.

5.   In order to take stock of the findings of the four Expert Meetings undertaken under the theme "Improving the Competitiveness of SMEs through Enhancing Productive Capacity", a Compendium was prepared, to be published by the end of 2004 as part of the Enterprise Development Series.

6.   At the request of the UNDP/TICAD Unit for Africa, a series of strategy papers on "Enhancing Private-Sector Development in Africa: Challenges and Opportunities of Asia-Africa Cooperation" was prepared. These papers served as the key documents for three meetings organized by UNDP (in the Republic of Korea in March 2004 and in Kuala Lumpur in May 2004) and for the TICAD III conference held in Tokyo in November 2004.

7.   Liaison and joint work was done with other organizations, including the OECD Working Party and Inter-Ministerial Process on SMEs, the World Association of SMEs (WASME), the Committee of Donor Agencies for Small Enterprise Development and the African Development Bank. In particular, a partnership agreement between the OECD and UNCTAD in the area of SMEs and entrepreneurship was signed in early December 2004. The aim of this agreement is to establish cooperative working relationships, capitalizing on the respective competences of the two organizations and laying the ground for future projects and joint activities in the following areas:

- Enabling a better understanding of global value chains and the way in which SMEs can benefit from them
- Promoting entrepreneurship (including women's entrepreneurship) and SME development
- Improving access to financing for SMEs
- SME- and entrepreneurship-related statistics

8.   The following training was provided in enhancing SME competitiveness: UNCTAD's training course for diplomats and government officials (Bangkok Plan of Action, para. 166) (Prague, July 2004, and Hanoi, November 2004); the IDLO training course for developing-country lawyers and economists (Rome, March 2004); and the ADB/JAI training course on SME development (Tunis, October 2004).

9.   A website related to the activities of the Branch on Investment and Enterprise Competitiveness was created.

Recommendation 2

10. The Commission requested the UNCTAD secretariat, within its mandate and whenever appropriate in coordination with other relevant international bodies, to continue its work on policy analysis, technical assistance and capacity development in the field of enterprise competitiveness, focusing on enhancing the export competitiveness of SMEs, including through possibilities of linking up to international supply chains as well as backward and forward linkages.

Action

11. Several workshops on best practices in the promotion of business linkages were organized away from Geneva, including in Guyana, Jordan, Romania and Viet Nam.

12. Two side events on linkages were organized during UNCTAD XI: a joint WAIPA-Empretec Roundtable on Business Linkages; and a joint Empretec-SEBRAE event illustrating transnational corporations' (TNCs') requirements for SME suppliers. The working paper "Roster of Good Practices in the Promotion of Business Linkages" was prepared for discussion during the side events.

13. The project "Establishing TNC-SME Linkages in the North-East of Brazil" was implemented with financing by the Government of Germany (with the participation of UNCTAD, Global Compact, Fundaçao Don Cabral, Ethos Institute, GTZ and several private-sector representatives).

14. A pilot project proposal on business linkages was developed. The project is to be carried out by Empretec Uganda (and eventually financed by the Government of Sweden) and is aimed at developing a standardized training methodology in cooperation with the help of the Penang Skills Development Center. The methodology will later be transferred to other Empretec programmes.

15. UNCTAD participated in a joint research project with the OECD, the University of Fribourg (Switzerland) and the University of Geneva on "Enhancing the Participation of Developing Countries' SMEs in Global Value Chains". The project will investigate the new configurations and management techniques used by TNCs to organize and run their value chains. The goal is to gain a clearer understanding of the roles that independent and dependent SMEs play in this context.

Recommendation 3

16. The work of the UNCTAD secretariat on SMEs should be continued through its Empretec programme, including with regard to business skills development.

Action

17. The Empretec programme was installed in Guyana and Angola. The Angola programme, supported by UNDP and Chevron Texaco, entails three major components: business development services, incubators and training for illiterate people.

18. A new Empretec video was produced in two languages (English and Spanish) and in two versions (long and short). All Empretec centres contributed actively to the preparation of the video, which can be used as demonstration and information material during training programmes.

19. Three side events were organized during UNCTAD XI: "Empretec Chronicle and New Initiatives: Results Achieved and the Way Forward"; an Informal Directors' Meeting; and a joint Empretec-ITC workshop on successful tools for export promotion. In preparation for UNCTAD XI, a special data collection exercise on impact assessment from all the Empretec centres was organized. The *Empretec Chronicle Report* was released, highlighting several aspects of the Empretec programme as derived from the Management Information System.

20. Possibilities (regarding counterparts and fund raising) are being explored for installing the Empretec programme in some Caribbean countries (Barbados, Jamaica and Trinidad), in some African and Middle Eastern countries (the Islamic Republic of Iran, Saudi Arabia, Sudan and Tunisia) and in some Andean countries (Bolivia and Ecuador) as a follow-up to official requests received.

21. Other actions were also taken. A project proposal for the revitalization of the Empretec programme in the Palestinian territory has been developed. A press conference was held in Rabat, along with government officials, on Empretec's activities in Morocco. An impact assessment and monitoring mission was carried out to evaluate the performance of Empretec Jordan. In Paraguay, the first Entrepreneurship Training Workshops started in September 2004. Maintenance of the Empretec website,[1] which has received more than 10,000 visitors, is ongoing.

II. IN THE FIELD OF EFFICIENT TRANSPORT AND TRADE FACILITATION TO IMPROVE PARTICIPATION BY DEVELOPING COUNTRIES IN INTERNATIONAL TRADE

Recommendation 4

22. Continue to review and analyse developments relating to efficient transport and trade facilitation, including multimodal transport and logistics services, as well as to the transfer of know-how and technological and managerial capabilities, and examine the implications thereof for developing countries.

Action

23. The secretariat continued to monitor and analyse developments relating to efficient transport and trade facilitation, including multimodal transport and logistics services. Information was disseminated to

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[1] www.empretec.net

member countries through recurrent publications such as the *Review of Maritime Transport* and the *Transport Newsletter*. The publications are made available on the UNCTAD website, which has further increased their accessibility to interested parties around the globe. For example, the *Review of Maritime Transport 2003* yielded a monthly average of more than 12,000 downloads between January and September 2004, which is an increase of 50 per cent over the previous year's period. The *Transport Newsletter* has since March 2004 been published on a quarterly basis and is being e-mailed to a rapidly increasing number of subscribers. Furthermore, secretariat staff members disseminated information about recent developments through presentations and lectures at a number of national, regional and international seminars and workshops. Parliamentary documentation prepared by the secretariat for the Expert Meeting and the ninth session of the Commission provides further analyses of the particular developments affecting transit transport arrangements (TD/B/COM.3/EM.22/2). Parliamentary documentation prepared for UNCTAD XI was titled "Trade and Transport Facilitation: Building a Secure and Efficient Environment for Trade" (TD/393).

24. The years 2003 and 2004 have been marked by a surge in international freight rates, which has led to concerns about the competitiveness especially of small and remote developing countries. At the same time, a process of concentration can be observed in several maritime industries, which implies challenges but also opportunities for developing countries. These developments have been analysed in technical notes in issues of the *Transport Newsletter* (UNCTAD/WEB/SDTE/TLB/2004/2 and UNCTAD/WEB/SDTE/TLB/2004/3).

25. Concerning the use of transport documents, in recent years commercial parties have been encouraged to use non-negotiable rather than negotiable transport documents in all cases where the sale of goods in transit is not envisaged. At the same time, ways are sought to replace paper documents with electronic alternatives. These developments were analysed by the secretariat in its report "The Use of Transport Documents in International Trade" (UNCTAD/SDTE/TLB/2003/3).

26. Increased South-South trade and the growing export of manufactured goods from developing countries in recent years have led to the emergence of a "new geography of trade". However, by no means all developing countries are benefiting from these developments. Lack of access to adequate transport services and insufficient trade facilitation are among the main reasons for this uneven development. Articles in various issues of the *Transport Newsletter* have covered the relationships between transport costs, connectivity and the geography of trade (UNCTAD/WEB/SDTE/TLB/2004/1, UNCTAD/WEB/SDTE/TLB/2004/3 and UNCTAD/WEB/SDTE/TLB/2004/4).

Recommendation 5

27. Continue to provide guidance and assistance to developing countries on the use of information and communication technologies for international transport services and for trade facilitation, in particular through the Advance Cargo Information System (ACIS) and the Automated System for Customs Data (ASYCUDA) programmes.

Action

28. A feasibility study for implementing the ACIS Road Tracker module in the main corridors of countries members of the Economic and Monetary Union of West Africa (UEMOA) was started in late 2004. The study is part of transport and trade facilitation initiatives in West Africa funded by the African Development Bank.

29. The ASYCUDA programme continued to implement a number of migration projects to allow user countries to benefit from a robust and modern system using information technology (ASYCUDA++),

mainly in Africa and the Caribbean. A migration effort is being pursued in the Caribbean region, where implementations of ASYCUDA version 2 are still numerous. New ASYCUDA implementations or migrations are underway in Barbados, Burkina Faso, Cameroon, the Republic of the Congo, East Timor, Madagascar, New Caledonia, the Palestinian territory and Saint Lucia.

30. The ASYCUDA sub-regional office in Fiji is now operating with regional experts in coherence with its strategy of know-how transfer. An ASYCUDA regional support centre for Africa has been opened in Ouagadougou (Burkina Faso) with both international and local expertise. The ASYCUDA regional centres have the duty to provide support to country users and facilitate regional integration. The objective is to provide regional expertise needed to support system implementation and maintenance. Discussions are ongoing with regional organizations such as the Economic and Monetary Community of West Africa (CEMAC), COMESA and potential donors for the establishment of other regional support centers in Africa.

31. The ASYCUDA programme is also finalizing the development of a new system called ASYCUDAWorld that is compatible with ASYCUDA++. This new system provides customs administrations with a new generation of ICT tools targeting e-business and e-government processes and will allow customs administrations and traders to handle most of their transactions via the Internet. The first implementations of ASYCUDAWorld projects started in 2004 in the Republic of Moldova, and the pilot site is expected to open in early 2005.

Recommendation 6

32. Review and analyse the impact of security initiatives on the international trade and transport of developing countries, including the technical and financial implications, and contribute to discussions on that subject.

Action

33. The secretariat has continued to monitor the various unilateral and multilateral measures, including regulations and legislative initiatives, that aim to enhance security along the international supply chain, particularly maritime, port and container security. The measures introduced in this context have significantly changed international transport and trade practices. Bearing in mind that world trade is largely dependent on maritime transport, much of the focus has been directed at enhancing maritime transport security and addressing the particular challenges posed by containerized transport. Thus, in response to this recommendation, the secretariat has prepared the report "Container Security: Major Initiatives and Related International Developments" (UNCTAD/SDTE/TLB/2004/1). The report provides an overview of the new security environment and offers a preliminary analysis of its potential impact on the trade and transport of developing countries. In addition, the secretariat is preparing a report highlighting developments since the publication of this report, and a study on the economic impact of the new security measures has been initiated. Furthermore, in its documentation for UNCTAD XI, the secretariat provided further analysis towards the building of an efficient and secure environment for trade (TD/393).

34. An important component of maritime security is transparency regarding the true ownership and control of merchant ships. UNCTAD's *Review of Maritime Transport* continues to monitor global trends with regard to the registration of vessels and the development of open registries.

Recommendation 7

35. Cooperate with other intergovernmental organizations in their work relating to the development of international legal instruments affecting international transport and trade facilitation, including multimodal transport; disseminate information on their implications for developing countries; and provide negotiating assistance to developing countries as appropriate, with attention to the ongoing work related to the Doha work programme in the WTO.

Action

36. The lack of a uniform international legal framework governing multimodal transport has prompted a number of international and regional organizations to initiate work in order to identify a possible solution. In 2002, the UN Commission on International Trade Law (UNCITRAL) began its deliberations for the preparation of a new draft international instrument on transport law. The UNCTAD secretariat has made substantive contributions to the work carried out under the auspices of UNCITRAL. It has provided a detailed analytical commentary on the draft, which was published by UNCITRAL as a working document of its Working Group (A/CN.9/WG.III/WP.21/Add.1, UNCTAD/SDTE/TLB/4). Furthermore, the UNCTAD document "Multimodal Transport: The Feasibility of an International Legal Instrument" (UNCTAD/SDTE/TLB/2003/1, A/CN.9/WG.III/WP.30) was presented to the UNCITRAL Working Group at its eleventh session in New York in March 2003.

37. A revised version of the draft instrument has been published by the UNCITRAL secretariat (A/CN.9/WG.III/WP.32, A/CN.9/WG.III/WP.36). The UNCTAD secretariat has prepared a note (UNCTAD/SDTE/TLB/2004/2) complementing its earlier commentary and submitted to the fourteenth session of the UNCITRAL Working Group (29 November to 10 December 2004). The note deals with some of the central issues for consideration by the Working Group, including freedom of contract (in particular the question of which contracts may be exempt from the mandatory application of the Instrument) and the carrier's liability for loss, damage and delay.

38. In addition, UNCTAD has been participating in the meetings of the UNCITRAL Working Group and providing substantive contributions to its deliberations, bearing in mind the implications of the provisions of the draft instrument for developing countries.

39. The secretariat also continues to disseminate information on the developments and their possible implications through presentation of papers at national, regional and international seminars and conferences. In particular, in the area of trade facilitation, the secretariat contributed to the deliveries of the Paragraph 166 courses on the implications, for developing countries, of possible negotiations in this area in the context of the Doha work programme in the WTO.

40. Following the WTO General Council's decision to initiate negotiations on trade facilitation (31 July Package), the secretariat started contributing in late 2004 to national consultations covering trade facilitation.

41. The secretariat participated in the fifth and sixth Inter-Agency Meetings on Trade Facilitation, a cooperation mechanism requested by the High-Level Committee on Programmes of the United Nations System Chief Executives Board for Coordination, with a view to identifying trade facilitation issues to be addressed in a coordinated manner within the United Nations system.

Recommendation 8

42. Continue to analyse developments and provide assistance to developing countries in the area of trade facilitation. In this context, particular attention should be paid to the implementation of the Almaty Plan of Action and the identification of needs and priorities of developing countries in the area of trade facilitation.

Action

43. As a follow-up activity to the implementation of the Almaty Plan of Action, the secretariat held, in November 2004, an Expert Meeting on Design and Implementation of Transit Transport Arrangements. The meeting stressed that, in order to develop and implement specific transit arrangements, the public and private sectors of the transit country and the landlocked country need to cooperate within each country and between the two countries through appropriate national and regional coordination mechanisms. Such mechanisms would lead to win-win situations, where both countries can benefit from synergies and economies of scale in investments and transport operations.

44. Furthermore, the secretariat was involved in various events related to trade facilitation, including a WTO seminar on trade facilitation in the post-Doha context, in Bangladesh; a Consultation on the Framework WTO Agreement of July 2004, in India; and an APEC Seminar on WTO Trade Facilitation, in Thailand. These events offered the opportunity to analyse the latest developments at the regional and international levels in the area of trade facilitation.

45. The secretariat continues to provide technical cooperation through project activities under (a) the Norway-funded project on assessment of trade facilitation needs and priorities (project INT/0T/2CS); (b) the Sweden-funded project on the establishment of trade facilitation platforms (project INT/0T/3BJ); (c) the Development Account–funded project on capacity building in trade and transport facilitation for landlocked and transit developing countries; and (d) the Islamic Development Bank–funded project on international multimodal transport operations in the ECO region (project RAS/0T/1BR).

46. Furthermore, UNCTAD continues to implement a project on Trade and Transport Facilitation in Pakistan, initiated in August 2001. This project, funded by the World Bank, has been extended up to the end of August 2005. The US$800,000 extension will cover issues related, *inter alia,* to port procedures, logistics security, transport corridor services analysis, trade transaction and data elements analysis, professional standards for freight forwarders, applicability of the revised Kyoto Customs Convention and a customs time release pilot study. This extension will also gather elements for the formulation of a possible new project on trade facilitation.

47. An Inter-Agency Letter of Agreement (IALA) between the United Nations Office for Project Services (UNOPS) and UNCTAD was signed in late October 2004. This IALA covers UNCTAD's services (US$4.9 million) under the World Bank–funded US$31 million Emergency Customs Modernization and Trade Facilitation project in Afghanistan. Activities started in early March 2004 and include expert missions in the areas of customs (preparations for the implementation of ASYCUDA) and trade facilitation (audit of Ministry of Commerce departments related to international trade and transit, inter-ministerial coordination regarding the operation of border posts).

III. IN THE FIELD OF ELECTRONIC COMMERCE
STRATEGIES FOR DEVELOPMENT

Recommendation 9

48. Continue to conduct research and policy-oriented analytical work concerning the economic implications for developing countries of trends in the field of information and communication technologies (ICT) and the latter's business applications, particularly in sectors of interest or potential for developing countries. UNCTAD should also review and disseminate information about international discussions on issues related to the technological, commercial, legal or financial aspects of ICT, e-business and e-commerce.

Action

49. The *E-Commerce and Development Report 2004* (launch on 15 December 2004) provides information about recent trends and developments in the area of ICT and e-commerce and identifies areas where the application of ICT can make an impact on the performance of developing countries' enterprises and economies. Taking into account the opportunities that developing countries face in adopting e-commerce and ICT, the report focuses on the use of ICT in SMEs and on policies and strategies for the development of a national ICT sector. Specific discussions of e-commerce and ICT in developing countries focus on selected topics such as the use of digital and Internet technologies in the creative industries, in particular in the music industry, and their application to online higher learning. The report also looks at government e-commerce applications in e-procurement. Finally, the report looks at the legal issues and challenges of data privacy and its role as a trust-building mechanism for information society development.

50. UNCTAD is currently preparing guidelines on best practices in adopting e-commerce legislation, which will be published in 2005, in response to requests from developing countries in various international forums, including the World Summit on the Information Society (WSIS) and regional conferences organized by UNCTAD on ICT and e-commerce strategies for development (see para. 71 below). The guidelines will review international best practice and provide benchmarks against which countries can evaluate options for legal reform. Such benchmarks also intend to encourage harmonization of e-commerce legislation, which is important in an international trading environment operating across a communications network that recognizes no national boundaries.

Recommendation 10

51. Assist developing countries in building their capacity to formulate and implement the economic components of their national e-strategies for development. In so doing, UNCTAD should be actively involved in the implementation of the Action Plan and follow up on the Declaration of Principles adopted at the first phase of the WSIS. It should also undertake research and produce relevant studies to highlight key development aspects of pending issues to be discussed at the Tunis phase of the WSIS.

Action

52. The secretariat contributed to the delivery of the Paragraph 166 courses in the area of e-commerce and ICT for development. The training in Mauritius (9 February 2004) included a general overview of e-commerce and ICT development, e-strategies, outsourcing, and free and open-source software. The training in Prague (22 July 2004) provided representatives from countries with economies in transition with information about the importance of the emerging information and knowledge economy and the increasing impact of ICT and the Internet on economic performance and productivity at the firm and

economy-wide levels. The need to embrace consistent ICT and e-commerce strategies, including an adequate regulatory and institutional framework, financing for ICT infrastructure, improved access to ICT on an equitable basis, and improvement of skills and awareness, was discussed. The growing role of e-business, represented by activities such as e-commerce and e-payments, in intra- and inter-firm communications and transactions and the importance of the use of such instruments as free and open-source software and the case studies of e-finance and e-tourism were noted.

53. As a result of the international meeting on "Training and Capacity-Building: The Role of Regional Integration Groupings" (15–19 March 2004), UNCTAD has received requests from regional organizations (COMESA, SADC, UMA) for assistance in the field of e-commerce strategies. As a result, a number of missions have been scheduled through the end of 2004 to assist these organizations.

54. Following the validation of the training course "Legal Aspects of E-Commerce" in Cambodia in 2003, the distance-learning version of the course is currently being prepared. The course will assist efforts by policy makers and government officials in developing countries towards the preparation of an enabling and supportive legal and regulatory environment for electronic commerce.

55. As part of the Partnership on ICT for Development launched at UNCTAD XI, the e-tourism initiative aims to promote the application of ICT in the sector of tourism so as to enable developing countries to better exploit their tourism resources and benefit from greater autonomy in creating and promoting their own destination brand. For many developing countries, tourism represents a viable means of economic diversification, and ICT can have a significant impact on the tourism landscape. The secretariat is making efforts to develop technical specifications to build the E-Tourism Platform, while consultations with key players in this field have been completed. UNCTAD is now testing a prototype that could respond to those specifications and therefore constitute the core system. A trust fund has been created to implement the E-Tourism Initiative as soon as possible, and a first contribution by Portugal has already been received.

56. A training course on "ICT and Tourism" is being developed as part of the work carried out by the Task Force on Sustainable Tourism, in particular related to capacity building in the area of ICT. The training course on ICT and tourism will aim to create awareness among policy makers and the private sector of the business opportunities and challenges created by ICT when applied to the tourism industry. The course will also be included as a module of the training course on "Sustainable Tourism for Development" developed by the TrainForTrade programme. In response to Benin's interest in the e-tourism initiative, a mission was organized in July 2004 to explore the possibility of implementing the initiative and to determine the strategy to be set up in terms of tourism marketing, as an element of a more comprehensive strategy on sustainable tourism for development.

57. Also under the UNCTAD XI Partnership on ICT for Development, the secretariat undertook an analysis of trends in trade-related e-finance and developed a proposal to establish a platform for information exchange, networking and reporting for conventional and e-finance trade finance, credit information and credit insurance. The platform aims to improve coordination among the various providers and to assist activities with enterprise associations so as to ensure better access to trade finance and e-finance for developing and transition economies' enterprises, especially SMEs. The secretariat has started an exchange of letters with partnership participants.

58. Following the co-organization of the WSIS Geneva side events on "National Strategies for the Information Society" and "Monitoring the Information Society: Data, Measurement and Methods" in December 2003, UNCTAD has made substantive contributions to further activities related to the WSIS process. These include stocktaking by stakeholders regarding implementation of the Geneva Plan of Action, the UN ICT Task Force Global Forum on Internet Governance (March 2004), and the preparation of the text to be considered at WSIS PrepCom2 (Geneva, 17–25 February 2005) on the implementation of

the Geneva Plan of Action in two areas: (a) the role of ICT in economic growth, trade competitiveness and enterprise development; and (b) measuring and monitoring ICT developments, particularly access to and use of ICT by enterprises in developing countries.

59. During UNCTAD XI, a side event was organized by the UN ICT Task Force and UNCTAD on "Implementing the WSIS Plan of Action: Issues for Trade and Development". The event discussed those issues in the WSIS Plan of Action within the purview of UNCTAD that should be acted on before the Tunis phase in November 2005, highlighting specific measures that were needed to integrate ICT into trade and development.

60. UNCTAD is co-organizing, with the ILO, the ITC and the OECD, a WSIS Thematic Meeting on the "Economic and Social Implications of ICT" (Antigua, Guatemala, 18–19 January 2005), hosted by the Government of Guatemala and sponsored by the International Development Research Centre (IDRC) and the Government of France. The meeting will allow governments, the private sector, workers and civil society to examine policies and practices that permit enterprises to employ ICT as effective productivity-enhancing tool, and do so in a socially responsible manner. The outcome of the meeting will provide practical suggestions that can help countries to utilize ICT for effective poverty eradication through the growth of economically sustainable enterprises and the quality employment they generate. This permits policy makers to integrate ICT into the broader Millennium Development Goals agenda. The conclusions will be submitted as an input for the text to be considered at the WSIS PrepCom2.

61. UNCTAD is also co-organizing a WSIS Thematic Meeting on "Measuring the Information Society" (Geneva, 7–9 February 2005), as is explained in paragraph 69 below.

Recommendation 11

62. As part of its work to support ICT-related policy making in developing countries, continue and develop, in close cooperation with other international organizations, its ongoing work in the area of the statistical measurement of ICT adoption and use by enterprises and households. In particular, it should contribute to and coordinate efforts undertaken nationally, regionally and internationally to establish a set of internationally comparable ICT statistical indicators. Such work should be designed to contribute to the monitoring of progress between the first and second phases of the WSIS and beyond.

Action

63. UNCTAD's work on the statistical measurement of ICT focuses on ICT usage in enterprises in developing countries. In 2004, UNCTAD conducted two surveys related to ICT statistical indicators. One survey gathered data and metadata from National Statistical Offices (NSOs) of selected developing countries on ICT usage by businesses, while another gathered information on the use of ICT by SMEs in five Latin American countries. The findings of both surveys have been published in *the E-Commerce and Development Report 2004*. UNCTAD also collaborated in a global stocktaking exercise on the status of information society statistics in NSOs (data and metadata), the results of which will feed into the WSIS process.

64. UNCTAD has developed a website[2] on measuring ICT as a follow-up to the Expert Meeting on "Measuring Electronic Commerce as an Instrument for the Development of the Digital Economy" (Geneva, 8–10 September 2003). The site aims to contribute to the work on e-measurement by being an online source of information and a discussion forum for practitioners on indicators, methodologies and

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[2] measuring-ict.unctad.org

statistics related to the information society, as well as by following up on national, regional and international activities in the field of measuring ICT.

65. During UNCTAD XI, a session on ICT indicators and benchmarking e-business was featured in the side event on "Implementing the WSIS Plan of Action: Issues for Trade and Development" (see paragraph 59 above). Furthermore, an international multi-stakeholder Partnership on Measuring ICT for Development was launched during plenary Session I on "ICT as an Enabler for Growth, Development and Competitiveness: Implications for National and International Policies and Actions" (São Paulo, 17 June 2004). Current partners include the ITU, the OECD, UNCTAD, the UNESCO Institute for Statistics, four UN Regional Commissions (ECA, ECLAC, ESCAP and ESCWA), the UN ICT Task Force and the World Bank.

66. The objectives of the Partnership are (a) to achieve a set of core ICT indicators that are comparable at an international level; (b) to build capacity to produce ICT statistics in developing countries; and (c) to develop a global database of core ICT indicators. The Partnership aims to accommodate and develop further the different initiatives regarding the availability and measurement of ICT indicators at the regional and international levels. It provides an open framework for coordinating ongoing and future activities and for developing a coherent and structured approach to advancing the development of ICT indicators globally, and in particular in developing countries. NSOs from advanced countries are invited to contribute to Partnership activities and provide expertise and advice to NSOs from developing countries, and to transfer knowledge in areas such as methodologies and survey programmes.

67. Under the umbrella of the Partnership on Measuring ICT for Development, a donor agencies briefing was jointly hosted by ITU and UNCTAD on 18 October 2004. The objective of the meeting was to (a) brief donor agencies on the current status and availability of ICT data and indicators, in particular in developing countries; (b) showcase available databases on ICT indicators so as to illustrate the gaps and data needs to be focused on; (c) present steps taken by the international community to develop a harmonized set of indicators under the umbrella of the Partnership; and (d) brainstorm on a joint approach developed by the partners to enhance the capacity of developing countries to produce information society statistics and thus close the global information society data gap.

68. UNCTAD made substantive contributions to a series of regional meetings on monitoring the information society that are being held between late 2004 and early 2005 and are being organized in accordance with recommendations of the Geneva phase of the WSIS (paragraph 28 of the Geneva Plan of Action and paragraph 68 of the Report of the WSIS Statistical Workshop on Monitoring the Information Society: Data, Measurement and Methods).

69. The outcomes of the regional meetings will be brought together at a WSIS Thematic Meeting on "Measuring the Information Society" (Geneva, 7–9 February 2005), organized under the umbrella of the Partnership on Measuring ICT for Development. The objectives of the meeting are to (a) produce a common list of ICT core indicators to be collected by all countries and harmonized at the international level; (b) identify developing countries' technical assistance needs as regards the compilation of statistical indicators for the information society; (c) highlight the relevance and contribution of ICT indicators with regard to monitoring of progress towards the Millennium Development Goals; and (d) present ongoing work towards the creation of an international database on ICT indicators. The meeting will make a key contribution to the stocktaking of WSIS implementation and follow-up, and to the preparation of the Tunis phase.

Recommendation 12

70. Continue to provide a forum for the international discussion of ICT-related policy issues relevant to economic development, facilitate the exchange of experiences in the field of the economic applications of ICT, and ensure the inclusion of the development dimension in international discussions on such matters.

Action

71. Following the Regional Conference for Transition Economies (Geneva, 20–21 October 2003) and the High-Level Conference for Latin America and the Caribbean (Rio de Janeiro, 25–27 November 2003) on ICT and development issues, UNCTAD has held several specific events on ICT and development policy and practice, three of which were part of the UNCTAD XI process. For action related to international discussions in the context of the WSIS, see the actions under recommendation 10.

72. During UNCTAD XI:

- An Interactive Thematic Session on 17 June 2004 addressed the issue of ICT as an enabler for growth, development and competitiveness and the implications for national and international policies and actions. The session reaffirmed that the ICT sector and ICT-enabled commerce could benefit from an environment encouraging open competition, trust and security, interoperability and standardization, and the availability of finance, including the inflow of foreign investments and international support through development cooperation. To provide a framework for implementation, the UNCTAD XI Partnership on ICT for Development was launched at the end of the session and welcomed by delegates as an important contribution to the second phase of the WSIS. The partnership encompasses activities in the areas of free and open-source software, e-tourism, ICT policies, e-measurement and ICT indicators and e-finance. For further details on the e-tourism initiative, see the actions under recommendation 10. For further details on e-measurement, see the actions under recommendation 11.

- A Parallel Event on 16 June 2004 addressed the issue of trade related e-finance for SMEs. There was a discussion on the use of ICT and Internet based e-finance and e-credit information systems to improve access by SMEs to e-commerce and e-finance. A proposal to create a working group to draft a plan of activities with a view to setting up a private-public partnership in this domain was carefully considered and endorsed.

- A side event organized by the UN ICT Task Force and UNCTAD was held on "Implementing the WSIS Plan of Action: Issues for Trade and Development" (see actions under recommendation 10).

73. An expert meeting on the growing use of free and open-source software (FOSS) and on related policy and development considerations was organized in Geneva on 22–24 September 2004. The meeting brought together experts from developed and developing countries, the ICT industry, civil society and academia. The discussions focused on government policy and development implications of FOSS. While the debate focused on the issue of national and institutional use, it also initiated a discussion of FOSS use inside the UN system and in the system's technical cooperation and related activities. The meeting underscored the appropriateness of partnerships as a workable mode for FOSS development policy implementation.