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**PROGRESS REPORT ON THE IMPLEMENTATION OF AGREED
CONCLUSIONS AND RECOMMENDATIONS OF THE
COMMISSION, INCLUDING POST-DOHA
FOLLOW-UP**

Note prepared by the UNCTAD secretariat¹

Executive summary

In accordance with paragraph 10 of the guidelines for the functioning of the UNCTAD intergovernmental machinery, adopted by the Trade and Development Board in carrying out the Mid-term Review at its nineteenth special session (held in Bangkok from 29 April to 2 May 2002), the UNCTAD secretariat presents herewith a progress report on the implementation of agreed conclusions and recommendations addressed to the secretariat at the ninth session of the Commission (held from 14 to 18 March 2005).² The text in italics reproduces the agreed recommendations and conclusions of the Commission.

¹ This document was submitted on the above-mentioned date as a result of processing delays.

² As the tenth session of the Commission did not adopt any recommendations, this progress report refers to the recommendations of the ninth session.

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I. TRADE AND MILLENNIUM DEVELOPMENT GOALS

In view of UNCTAD's contribution to the implementation of international development goals, including those contained in the Millennium Declaration, and to the 2006 comprehensive review of the latter, the Commission recommends that UNCTAD (a) promote the mainstreaming of development into international trade and trade negotiations, in particular the Doha negotiations, through its work on consensus-building, analytical work, technical assistance and capacity-building, in line with the mandate contained in the São Paulo Consensus; (b) contribute to the preparatory process for the high-level plenary meeting of the General Assembly to review progress in fulfilment of commitments contained in the UN Millennium Declaration in September 2005, in particular on the role of trade and trade negotiations in the achievement of development objectives and targets; and (c) support capacity-building efforts in developing countries in trade policy formulation, trade negotiations, including WTO accession negotiations, and commodities, as provided in the São Paulo Consensus (paragraph 95). It should also strengthen technical assistance to address the special needs of developing countries, in line with paragraph 166 of the São Paulo Consensus.

1. *Actions:* UNCTAD systematically mainstreams development into international trade and trade negotiations through intergovernmental deliberations and consensus-building, research and analysis, and technical assistance and capacity-building. UNCTAD organized various intergovernmental events: a brainstorming meeting on the development dimension of the Doha Round with participation of Ministers of Trade from developing countries as a follow-up to the WTO Hong Kong Ministerial Conference; a conference on the "Aid for Trade" initiative and its impact on assistance for development; participation in the African Union retreat of the "Aid for Trade" initiative (April 2006); and a consultation meeting for least developed countries in the Asia-Pacific region on the Doha negotiations (June 2006). UNCTAD provided technical papers for these events and also substantively serviced a number of them.

2. Since 2002, the Trade and Development Board has conducted annual reviews of development issues in the post-Doha work programme of particular concern to developing countries. At its 53rd session in October 2006, the Board dedicated a large part of its discussion to the implications of the suspension of the Doha negotiations.³ The commitment to the multilateral trading system was reiterated and countries regretted the suspension of the round. Participants emphasized that the suspension had brought about a realization that the cost of failure would be disproportionately distributed across countries. They called for the earliest realistically possible resumption of the Doha negotiations, for maximizing the round's contribution to the achievement of the MDGs and the fight against poverty. It was also stressed that the suspension should not lead to a lowering of ambitions on the development dimension of the round. The role that UNCTAD can and should play in putting the Doha negotiations back on track was reiterated. The intergovernmental deliberations were facilitated by the secretariat's note on "Review of developments and issues in the post-Doha Work Programme of particular concern to developing countries" (TD/B/53/5). It provided a comprehensive analysis of issues of concern to developing countries in the Doha negotiations since the 1 August 2004 Decision of the WTO General Council, and related policy

³ See President's Summary (TD/B/53/L.6).

suggestions for policymakers and trade negotiators on areas in which consensus is required in order to realize the development promise of Doha.

3. UNCTAD participated in meetings of WTO bodies, providing contributions when requested. These included the General Council, the Goods Council and its subsidiary bodies, the Services Council, the TRIPS Council, the Committee on Trade and Development, the Sub-Committee on LDCs, the Committee on Regional Trade Agreements, the Textiles Monitoring Body, WTO accession-related meetings and the Trade Policy Review Body.

4. By way of research and application of analytical tools, UNCTAD systematically contributes to mainstreaming development into trade. These include (a) continued analysis of implications of tariff and non-tariff issues for non-agricultural market access (NAMA) and agriculture negotiations, and promoting consensus-building thereon; (b) in-depth analysis of the nexus between trade, poverty reduction and development, with a focus on the least developed countries (LDCs); (c) analysis of the implications of trade agreements for economic and social adjustments in developing countries; (d) practical support for trade negotiators, especially in the context of NAMA and agriculture negotiations; (e) support to developing countries for human and institutional development in the area of trade policymaking and the multilateral trading system; and (f) analysis of interactions among factors affecting trade and human development through the development of the Trade and Development Index (TDI).

5. UNCTAD is a member of the Inter-agency and Expert Group on MDG Indicators (IAEG) of the UN Secretariat. It contributed data and analysis for the update of MDG indicators on market access, namely Indicator 38 (proportion of total developed country imports from developing countries and least developed countries, admitted free of duty) and Indicator 39 (average tariffs imposed by developed countries on agricultural products and textiles and clothing from developing countries). The IAEG prepared the Millennium Development Goals Report 2006 and the UN Secretary-General's annual report to the General Assembly on the implementation of the Millennium Declaration.

6. UNCTAD continued to provide policy analyses on the international trading system and trade negotiations for reports prepared by UN departments on follow-up to the Millennium Declaration, the Monterrey Consensus, and the World Economic and Social Survey. The UN Secretary General's report on "International trade and development" (A/61/227), prepared by UNCTAD, facilitated deliberations at the 61st session of the UN General Assembly on key issues in the Doha negotiations in the light of the suspension and the subsequent adoption of a resolution.

7. With extrabudgetary support from donor countries and agencies, UNCTAD has developed and implements a large number of technical assistance and capacity-building projects for developing countries, especially LDCs and African countries, as well as economies in transition. In trade negotiations and commercial diplomacy, UNCTAD has implemented numerous activities in the follow-up to the Sixth WTO Ministerial Conference. UNCTAD participated in and contributed, in particular, to the African Union Conference of Ministers of Trade (April 2006), and organized various technical meetings and seminars for individual countries (such as Botswana, Malawi, Mozambique, Cameroon, Mali, Senegal, Mauritania, Zambia) or country groups such as LDCs. UNCTAD continued, with the support of the United Kingdom's Department for International Development (DFID), to assist the Government of India (Ministry of Commerce) in promoting greater national stakeholder dialogue on the Doha negotiations and developing pro-poor sector-specific trade strategies to

take advantage of emerging trade opportunities. UNCTAD also continued to provide support on the negotiations concerning the Free Trade Area of the Americas (FTAA), regional trade negotiations among developing countries, WTO accession and dispute settlement, and the Generalized System of Preferences (GSP) and other trade preferences, including support for ACP–EU trade negotiations. UNCTAD continued to provide legal and policy advice to developing countries participating in negotiations and discussions in the WTO TRIPS Council, and has conducted research and analysis work on issues related to intellectual property (IP) and development. In addition, UNCTAD has further strengthened its assistance in the field of regulatory reform relating to intellectual property rights, including TRIPS-related technical assistance for countries negotiating their accession to the WTO.

8. Some of the specific projects implemented by UNCTAD included assistance to countries acceding to the WTO, especially LDCs, and countries with economies in transition; commercial diplomacy activities; services negotiations projects as well as assistance to Geneva-based trade negotiators on an individual basis and for groups of developing countries on trade in services; dispute settlement in international trade, investment and intellectual property; a UNDP-financed capacity-building programme for trade development in Africa; and a project on services for the SADC countries. In addition, selected African countries continued to benefit from the Joint Integrated Technical Assistance Programme (JITAP) developing trade-related capacity-building activities. JITAP was evaluated by external evaluators and a third phase was recommended. In this context, UNCTAD organized a regional workshop on the multilateral trading system (MTS) for the media, women's organizations and civil society. Publications produced in 2006 included “Botswana and the MTS”, “Malawi and the MTS”, “Zambia and the MTS” and “Developments and issues in the Doha Work Programme of particular interest to Arab countries, in the context of the MDGs”.

9. UNCTAD continued to assist 19 WTO candidate countries, including all acceding LDCs. Technical and advisory missions were undertaken to Bhutan, Sudan, Islamic Republic of Iran, Afghanistan, Bosnia and Herzegovina, Serbia, Timor-Leste, Algeria, the Lao People's Democratic Republic and Yemen to assist them in their preparations for meetings of their Working Party or to help them prepare accession-related documents. In addition, intensive training sessions were held in Geneva and in the capitals for members of the negotiating teams on how to manage the Working Party on Accession. UNCTAD convened a regional workshop on accession issues in Azerbaijan involving all acceding countries participating in the United Nations Special Programme for the Economies of Central Asia (SPECA). UNCTAD is also assisting Cambodia in its post-accession period. In this connection, a high-level training workshop and advisory missions were organized with the objective of assisting Cambodia in ensuring that its domestic regulatory framework was consistent with its WTO commitments. UNCTAD also helped Cambodia prepare its notification to the WTO. UNCTAD's work on WTO accession received considerable attention, a very positive evaluation by external evaluators⁴ and a commendation at the 47th session of the Working Party on the Medium Term Plan and the Programme Budget (11–15 September 2006).

10. Under the project on Dispute Settlement in International Trade, Investment and Intellectual Property, UNCTAD continued the implementation of its activities including (i) production and dissemination of the 40 training modules in five principal areas, namely trade and investment dispute settlement in international law in general, ICSID/World Bank

⁴ The evaluators concluded, inter alia, that “UNCTAD's technical assistance and capacity building activities are considered to be very relevant, focused and timely, pro-development and responsive to the changing needs of the beneficiary countries” (TD/B/WP/190).

dispute settlement in the field of international investment, WTO dispute settlement as regards international trade in goods, services and intellectual property, WIPO dispute settlement (including its arbitration and mediation centre), and international commercial arbitration (UNCITRAL dispute settlement); by the end of 2006, some 900,000 electronic materials (CD ROMS, Web materials) and hard copies of training modules had been disseminated; and (ii) provision of pertinent and focused training on dispute settlement in international trade, investment and intellectual property.

11. UNCTAD pursued its series of interactive and open meetings aimed at making WTO panel and Appellate Body rulings more accessible to trade negotiators and other affected stakeholders. A lunch-time meeting was organized to discuss the panel report on EC-Trademarks and Geographical Indications. Speakers included trade academics and practitioners, as well as delegates and staff from intergovernmental organizations. Participants included Geneva-based delegates, IGOs, NGOs and academics.

12. Specifically in respect of trade and MDGs, a strong impact was achieved in promoting and strengthening awareness in developing countries of the contribution of international trade to the achievement of MDGs, and in initiating the formulation, adaptation and implementation of trade and development policies supportive of the MDGs. Two workshops were conducted in Bangkok, Thailand, on respectively (a) maximizing the contribution of organic agriculture to the achievement of MDGs in the Asia-Pacific region (18–19 October 2006), and (b) liberalization of environmental goods and services and its contribution to fulfilling MDGs in the Asia-Pacific region (19–20 October 2006). UNCTAD also contributed to an ESCAP regional workshop on Trade and environment dimensions in the food and food processing industries in Asia and the Pacific (16–18 October 2006). Opportunities for commodity production and trade in promoting the MDGs were specifically taken up for African countries through a regional workshop on the Integration of Millennium Development Goals in trade policy in the commodity sector for African countries (Dakar, 29 May to 1 June 2006), organized with the Government of Senegal and the University of Dakar. Lessons learnt from commodity and MDGs were shared when UNCTAD held an Expert Meeting on Enabling Small Commodity Producers in Developing Countries to Reach Markets (11–13 December 2006). The *Trade and Development Report 2006* examined alternative macroeconomic and industrial policy measures to lift GDP growth to the level needed to achieve the MDGs in all countries and examined the policy space available to developing countries to implement such policies in the light of the constraints arising, inter alia, from international trade agreements.

13. The potential contribution to MDGs of multilateral trade negotiations under the WTO Doha negotiations, the interface with other trade negotiations, and mainstreaming into national trade and wider development processes, including through public–private partnerships, were emphasized. Countries assisted in this regard through technical missions included Papua New Guinea (16–20 October 2006); the Philippines (25–26 October 2006); French-speaking African countries participating in a WTO Regional Workshop on Trade and Environment in Morocco (22–24 November 2006), and English-speaking African countries participating in a WTO Regional Workshop on Trade and Environment in Botswana (12–14 December 2006).

14. The role of competition policy in promoting development continued to be publicized in countries with economies in transition. UNCTAD participated in the Competition and Competitiveness Conference in Brno, Czech Republic (28–29 November 2006), where it

disseminated lessons learnt on the interface between competition policy and MDGs and raised awareness among competition authorities of economies in transition of the need to include MDGs as an objective of competition law and policy.

II. NEW AND DYNAMIC SECTORS OF WORLD TRADE

The Commission, at its ninth session, took note of the report of the first Expert Meeting (February 2005) that launched the process of annual sectoral reviews of new and dynamic sectors in world trade and considered outsourcing of IT-enabled services; renewable energy products, including biofuels; and textiles and clothing. It welcomed the particular attention given to the needs of developing countries, including LDCs. It decided that expert meetings should continue to hold annual sectoral reviews of new and dynamic sectors of world trade. It also recommended that UNCTAD undertake capacity-building activities at the national, subregional and regional levels through pilot projects to assist developing countries in participating in such sectors, including those contained in the report of the Expert Meeting (TD/B/COM.1/EM.26/3). The Commission invited donor countries and institutions to support such capacity-building efforts.

15. The 2006 annual review of new and dynamic sectors of world trade considered the energy sector. The Expert Meeting on the Participation of Developing Countries in New Dynamic Sectors of World Trade: Review of the Energy Sector (29 November – 1 December 2006) took up three themes: adjusting to a changing energy economy; biofuels; and oil and gas in Africa and LDCs. The deliberations were facilitated by the secretariat's report on "Adjusting to recent changes in the energy sector: Challenges and opportunities" (TD/B/COM.1/EM.31/2). The sectoral review also provided broad guidance on key substantive areas of UNCTAD's work on energy issues. It further recommended keeping energy, trade and sustainable development issues high on the agenda of UNCTAD XII, to be held in Ghana in 2008.

16. An important finding of the 2005 sectoral review of new and dynamic sectors, which considered the electronics sector, was that the African continent has negligible participation in production and trade in this most dynamic sector. Following this sectoral review, UNCTAD and Royal Philips Electronics Corp., a leading global corporation, decided to collaborate to explore possibilities and prerequisites for establishing an energy saving light-bulb industry in the Southern African (SADC) region. This pilot project is a practical follow-up to the intergovernmental review of the electrical and electronic sector at UNCTAD's Expert Meeting on Dynamic and New Sectors of World Trade in October 2005. On 19 and 20 July 2006, UNCTAD, in collaboration with Philips and UNDP, held a regional conference in Pretoria to consider ways to start investment and production of energy saving lamps in the SADC region.

17. UNCTAD has elaborated project proposals and sought funding for the local application of policy lessons emanating from intergovernmental deliberations on dynamic and new sectors.

III. MARKET ACCESS, MARKET ENTRY AND COMPETITIVENESS

The Commission agreed that UNCTAD should enhance its work on the interrelationships between market access, market entry and competitiveness factors and their impact on exports of developing countries. UNCTAD should also examine the effects of non-tariff barriers. It should continue to work on the challenges and opportunities of trade liberalization, particularly in the area of preference erosion, as well as the utilization and improvement of preferential schemes. UNCTAD should continue to support South–South trade initiatives, including the GSTP. The Commission took note that the Fifth UN Conference to Review All Aspects of the Set of Multilaterally Agreed Equitable Principles and Rules for the Control of Restrictive Business Practices, which would take place in Antalya (Turkey) in November 2005, should provide a good opportunity to address anti-competitive practices that affect effective market entry of exports of developing countries.

Non-tariff barriers (NTBs)

18. Against the backdrop of growing significance of NTBs in market access and entry and their manifold developmental implications, the Secretary-General of UNCTAD established in 2006 the Group of Eminent Persons on Non-Tariff Barriers (GNTB), with the following objectives:⁵ (a) to make recommendations on the issues of definition, classification and quantification of NTBs; (b) to define elements of and draw up a substantive work programme relating to collection and dissemination of NTB data, with a special focus on issues and problems faced by developing countries; (c) to provide guidance on further strengthening of the TRade Analysis and INformation System (TRAINS) database; (d) to review and make recommendations on capacity-building and technical cooperation activities in favour of developing countries in the area of NTBs; (e) to provide policy advice on inter-agency collaboration and coordination on activities relating to NTBs; (f) to promote cooperation with the donor community; and (g) to prepare comprehensive recommendations on the follow-up of the work of the GNTB. The GNTB met in Geneva (12 July 2006) and agreed to establish a multi-agency support team (MAST) to provide technical material in support of substantive work of the GNTB, composed of experts drawn from key international organizations dealing with NTB issues. The task of the support team is to make recommendations on definition, classification, methodologies, and quantification of NTBs; examine ways and means of strengthening the TRAINS database in order to make it more comprehensive and to improve its public availability; make recommendations on inter-agency collaboration on NTBs; and prepare draft inter-agency strategies and actions for strengthening developing countries' capacities to deal with NTBs and to collect NTBs data.

⁵ Members of the GNTB are as follows: H.E. Mr. Alan Kyerematen, Minister of Trade, Ghana; Ms. Anne O. Kruger, Former First Deputy Managing Director of the International Monetary Fund (IMF); Mr. Rufus H. Yerxa, Deputy Director-General of the World Trade Organization (WTO); Mr. Dirk J. Bruinsma, Deputy Secretary-General of UNCTAD; Mr. L. Alan Winters, Director of Development Research Group at the World Bank; Professor Marcelo de Paiva Abreu, Professor of Economics at the Pontifical Catholic University of Rio de Janeiro; Professor Alan V. Deardorff, Professor of Economics and Public Policy at the University of Michigan; Mr. Amit Mitra, Secretary-General of the Federation of Indian Chambers of Commerce and Industry; Mrs. Lakshmi Puri, Director, Division on International Trade in Goods and Services, and Commodities, UNCTAD, and Member-Secretary of GNTB.

Trade and Development Index

19. In the light of deliberations at the tenth session of the Trade Commission, which called for further refinements of UNCTAD's work in developing the Trade and Development Index (TDI), extensive work has been undertaken for the conceptual, analytical and technical enhancement of TDI. A strengthened index will be presented in the 2006–2007 issue of *Developing Countries in International Trade*, and country coverage will be significantly expanded.

GSTP

20. Negotiations under the third round of GSTP negotiations, launched in June 2004, focused on two issues: (1) techniques for exchanging tariff concessions that would lead to the objective of substantial trade liberalization, and (2) improvement and modernization of rules of origin of GSTP products (the current rules were negotiated in the 1980s). The GSTP Negotiating Committee met at the senior officials' level (Geneva, 11–12 December 2006) and decided to conclude the negotiations, inter alia by finalizing work in the two areas of negotiations, by the end of 2007. The GSTP received a further boost with the accession, in November 2006, of Mercosur, which comprises Argentina, Brazil, Paraguay and Uruguay. The GSTP Project extends technical and administrative support to the operations of the GSTP Committee of Participants, including on the third round of negotiations, and services the GSTP Agreement.

Competition and consumer policies

21. The seventh session of the Intergovernmental Group of Experts on Competition Law and Policy, which is the main intergovernmental body for the UNCTAD work on competition policy, was held from 31 October to 2 November 2006 and provided an opportunity for an exchange of views between government officials involved in competition issues, international trade experts, representatives from regional and international institutions and civil society. The IGE addressed the topic of international cooperation in investigating and prosecuting hard-core cartels affecting developing countries, as subsidies, abuse of dominance and anti-dumping practices that affect effective market entry, in particular with respect to commodity-related sectors of developing countries, especially LDCs. It considered various ways and means of enforcing international cooperation in dealing with cross-border anti-competitive and hard-core cartels with a view to maximizing the benefits of trade liberalization and expanding export opportunities in commodity- and mineral-related sectors.

22. Research on anti-competitive practices in intraregional trade and their effects on development were addressed in secretariat studies on competition provisions in regional trade agreements (UNCTAD/DITC/CLP/2005/1). These studies focused on ways and means of preventing private anti-competitive practices from negating the benefits of regional trade and arrangements, especially South–South trade flows (ASEAN, CARICOM, COMESA, etc.).

23. In order to ensure coherence between overall governmental approaches to the privatization and liberalization of trade and investment regimes, UNCTAD initiated ad hoc voluntary peer reviews on competition law and policy. These provide an ideal forum to review how economic reforms can promote development and ensure that markets work for the poor. UNCTAD has held three voluntary peer reviews (for Jamaica and Kenya in 2005 and Tunisia in 2006), which formed the basis for an exchange of views and best practices,

particularly on the role that competition law and policy can play in complementing trade liberalization and reforms.

IV. COMMODITIES

As emphasized in paragraphs 64, 74 and 100 of the São Paulo Consensus, and as a contribution to fulfilling international development goals, including those contained in the Millennium Declaration, and taking note of the report of the Expert Meeting on Financing Commodity-based Trade and Development: Innovative Financing Mechanisms (TD/B/COM.1/EM.24/3), UNCTAD should (a) continue to implement a comprehensive approach in its efforts to promote commodity-sector development, diversification and more effective participation in the supply chain, and in this regard implement fully the tasks assigned to it; (b) establish as soon as possible the International Task Force on Commodities, announced at UNCTAD XI in São Paulo; interested donors and institutions are invited to help make the Task Force operational; (c) enhance its work in the area of commodity finance, in both the conceptual development of innovative schemes and the provision of assistance in their implementation, focusing on the contribution of finance to the generation by the commodity sector of overall development gains and benefits, and the dissemination of successful approaches; and (d) implement strong and broad-based capacity- and institution-building programmes in this area, covering both the public and the private sectors and national and international policies and actions.

24. *Action:* Research and analysis, intergovernmental meetings and technical cooperation activities implemented by UNCTAD provide comprehensive and integrated coverage of problems faced by commodity-dependent developing countries and countries in transition. UNCTAD prepared a report for the General Assembly on "World commodity trends and prospects" (A/61/202). The ensuing debate and the resolution adopted by the General Assembly provided guidelines for UNCTAD's work on commodities.

25. UNCTAD has organized several events that illustrate the advantages of an integrated and comprehensive approach to commodity-related problems. Examples include three expert meetings in 2006: Expert Meeting on FDI in Natural Resources (20–22 November); Expert Meeting on the Participation of Developing Countries in New Dynamic Sectors of World Trade: Review of the Energy Sector (29 November – 1 December); and Expert Meeting on Enabling Small Commodity Producers and Processors in Developing Countries to Reach Global Markets (11–13 December). Several substantive reports were prepared to provide background for these meetings, including "Adjusting to recent changes in the energy sector: Challenges and opportunities" (TD/B/COM.1/EM.31/2), "Meeting trade and development challenges in an era of high and volatile energy prices: Oil and gas in LDCs and African countries" (UNCTAD/DITC/COM/2006/12), "Challenges and opportunities for developing countries in producing biofuels" (UNCTAD/DITC/COM/2006/15) and "Enabling small commodity producers and processors in developing countries to reach global markets" (TD/B/COM.1/EM.32/2).

26. In 2006, UNCTAD continued to work on the United Nations Development Account Project on strengthening capacity in developing countries for meeting Millennium Development Goals through policies and actions in trade and trade-related areas, particularly with respect to commodities. A workshop was held in Dakar, Senegal, and the focus is now on follow-up work in individual countries. UNCTAD has continued to assist exporters in Guinea, Mozambique and the United Republic of Tanzania to comply with SPS requirements

and private-sector standards. Preparatory work with the same aim was initiated in a group of three Pacific Island States (Samoa, Solomon Islands and Vanuatu). UNCTAD continues to play a crucial role as a facilitator in a project aiming to assist small producers in becoming suppliers to supermarkets, based on Swiss funding and in cooperation with the Swiss supermarket chain Migros. A project on assessing competitiveness in commodity sectors, with an initial focus on West Africa, has been introduced into JITAP. Assistance has been provided to promote diversification and local economic development in areas dependent on mining. A project funded by the Common Fund for Commodities was carried out in the province of Espinar, Peru, where cooperation between the provincial government, a mining company and local NGOs around regional planning was facilitated and supported.

27. Activities related to the development challenges of mineral-dependent countries were undertaken on a cooperative basis. UNCTAD continues to cooperate with the Economic Commission for Africa (ECA) and other institutions in organizing annual workshops on the management of mineral wealth. An in-depth study undertaken together with the International Council on Mining and Metals and the World Bank was published. It examines policies and actions in countries where mining is deemed to have contributed to rapid growth and poverty reduction, and where large mining projects have stimulated local economies. The study is organized around four country case studies (Chile, Ghana, Peru and United Republic of Tanzania).

28. On commodity finance, UNCTAD provided analytical and technical support on agriculture value chain finance. Several regional conferences were organized in cooperation with FAO and Indian institutions. Reports were prepared on African horticulture and fisheries financing. The Global Network of Export-Import Banks and Development Finance Institutions (G-NEXID) was officially launched in March 2006 following the recommendations of UNCTAD XI. The Network (currently 11 members) will serve as a global forum to promote trade and development finance, provide networking opportunities, and facilitate the exchange of information on best practices in trade and project finance. In-depth advice and training are provided to national and regional developing countries' banks and other institutions dealing with commodities (India and Zambia). UNCTAD continued training activities focusing on African banks and provided advice on the creation of a major new collateral management company for the African continent. UNCTAD reviewed compensatory financing mechanisms with a view to identifying ways of making them more user-friendly and effective. With regard to country-level backing, after path-breaking support to India, technical support was provided to the Islamic Republic of Iran, Kazakhstan, Ukraine, Nigeria and Ethiopia.

29. UNCTAD continued to work on defining the concept and implementation plan of the Pan African Commodity and Derivatives Exchange (PACDEX), a mechanism which has attracted considerable attention. The efforts enjoy the strong political backing of the African Union, which has turned to UNCTAD for technical assistance. UNCTAD also convened the Emerging Market Forum at the 27th Annual International Futures and Options Industry Conference, participated in the Conference and prepared, jointly with the Swiss Futures and Options Association, a publication on "The World's Commodity Exchanges: Past-Present-Future" as the official Conference book.

30. UNCTAD organized the annual Africa Oil and Gas Trade and Finance Conference in Algeria (April 2006), which brought together over 800 government and industry participants with an interest in the oil and gas industry. They debated and shared experiences on issues

such as finance, risk management, technology development, energy mix, and local content. The conferences have come to play a crucial role as a platform for creating backward and forward linkages between the energy and finance sectors, and for designing policies to ensure that oil and gas wealth serves long-term development objectives.

31. As regards biofuel finance, UNCTAD co-hosted, with the ECOWAS Bank, a regional workshop on jatropha plantations⁶ and biofuel production in Accra, Ghana. The same partners have also launched a fund for financing plantations of jatropha trees and biofuel production, complementing the possibility of utilizing funding under the Clean Development Mechanism in the Kyoto Protocol.

32. In the areas of knowledge management and market transparency, UNCTAD continued to work on the electronic portal *Infocomm*. This has grown to contain 40 commodity profiles, with information on all aspects of commodity markets and regularly updated links to other sites with the latest price information. Infocomm is by far UNCTAD's most visited website, with more than 200,000 hits per month. It is used worldwide by government and industry representatives, as well as by universities and researchers. In 2006, *Infoshare* was further improved at the local level. The programme aims to bring relevant and timely commodity market information to small producers. UNCTAD manages, together with cooperating partners, a number of websites on mining-related subjects, including one for general information exchange with UNEP; on best practices in mining with UNEP, ICMM and DfID; and a regional website for Latin America in cooperation with local partners.

33. UNCTAD prepared a training package on the economics of commodity production and trade in cooperation with UNCTAD's Virtual Institute. The package comprised five modules designed for academic teachers and researchers in developing countries, in particular LDCs, in the area of commodities production and trade and their implications for developing countries. The package was field-tested in the United Republic of Tanzania and Senegal and the course was also delivered in Geneva to 29 graduate students from the University of Dar Es Salaam. Training on commodity issues was further provided in the context of paragraph 166 training courses.

34. UNCTAD was active in maintaining and strengthening existing partnerships on commodities and in establishing new ones, continuing the close cooperation with international organizations both inside and outside the United Nations system, such as the Common Fund for Commodities, FAO, ITC, World Bank, WTO, DESA, the United Nations Regional Commission, the United Nations University/WIDER, international commodity organizations, universities, research institutions, the private sector and banking. UNCTAD staff participated in and made substantive presentations on commodities at numerous conferences organized by other entities. However, the International Task Force on Commodities is not yet operational, due to difficulties in mobilizing sufficient extrabudgetary support.

V. TRADE IN SERVICES AND DEVELOPMENT IMPLICATIONS

In line with São Paulo Consensus paragraph 99, UNCTAD should continue to strengthen its policy-oriented analysis, consensus-building and capacity-building activities on services, with the support of the donor community, to help to ensure development gains for

⁶ Jatropha is a tree that is common in many parts of Africa, the nuts of which yield an oil that can be used to produce biodiesel.

developing countries in the following areas: (a) assisting developing countries in strengthening their domestic supply capacities and increasing their participation in services trade; (b) carrying out assessments of trade in services in line with paragraph 95 of the São Paulo Consensus; (c) undertaking sector-specific studies in areas, sectors and modes of interest to developing countries; (d) Helping developing countries develop capacities to establish their own negotiating priorities and negotiate trade agreements, including on GATS and regional trade agreements; (e) analysing domestic regulations and GATS rules from a development perspective.

35. *Action:* In the post-Hong Kong (China) environment and despite the suspension of the Doha Round, UNCTAD has continued to assist developing countries, particularly LDCs, and countries with economies in transition, in enhancing their understanding of issues involved in building services supply capacities and policy framework. Advisory missions were conducted in several Latin American countries (Bolivia, Uruguay, Peru, and Ecuador) to assist them with the definition of a national strategy for services negotiations at the multilateral and regional levels. Several high-level seminars and workshops were also organized on the interface between Latin American regional integration and GATS negotiations at the multilateral level.

36. With regard to assessments of trade in services, several studies have been finalized to advance the debate on the impact of the liberalization of trade in services in developing countries in overall terms and on a sector-specific basis, with an emphasis on reduction of poverty and achievement of development. National sectoral studies have been concluded in Indonesia, Madagascar, Senegal and Cameroon, as well as for Andean countries. Other studies are under way in Latin America, Central Africa, and Southern Africa under the SADC Project. The assessment exercise involved contribution and exchange of experience with other regional, international organizations as well as NGOs.

37. As regards sector-specific studies, UNCTAD has prepared a background note for the Expert Meeting on Universal Access to Services (TD/B/COM.1/EM.30/2), which analyses characteristics of key essential services sectors, how national policies to ensure universal access differ across sectors and countries, and what can be done at the international level to promote access. It places particular emphasis on how to harness services trade and trade liberalization as a tool for improving universal access to essential services. UNCTAD also prepared a note on "Trade and development aspects of logistics services" (TD/B/COM.1/AHM.1/2) that draws attention to the role of logistic services in enabling developing countries to integrate into global markets. These papers served as background notes and facilitated intergovernmental deliberations and consensus-building respectively in the Expert Meeting on Universal Access to Services (Geneva, 14–16 November 2006) and the ad hoc Expert Meeting on Logistic Services (13 July 2006).

38. UNCTAD continued to contribute to the ongoing international debate on migration. Issues surrounding GATS Mode 4-related trade continued to feature in analytical work undertaken in UNCTAD. In addition, UNCTAD continued its direct involvement in the collaborative work among international organizations through the Global Migration Group (GMG) events, such as the Workshop on Labour Migration (March 2006) and the International Symposium on International Migration and Development (June 2006), in the run-up to the High-level Dialogue on Migration and Development (September 2006). UNCTAD also participated in and contributed to relevant meetings organized by, for example, IOM, WTO, the World Bank and other UN bodies such as ECOSOC.

39. In November, UNCTAD organized a consultation meeting for LDCs to examine the way forward in the services negotiations from the development perspective of LDCs.

40. Throughout 2006, UNCTAD implemented a project on “Support to SADC Regional Integration and Multilateral Trading System”, with European Commission (EC) financial support. The project provides technical assistance in institution- and capacity-building to the SADC Secretariat, SADC negotiating machinery and SADC government officials, helping them to initiate and conduct negotiations on trade in services regionally as well as addressing the challenges from parallel negotiations in the SADC and the European Union (EU) under the Economic Partnership Agreements (EPA), and under the WTO GATS negotiations. National training workshops and seminars were organized in all member States to build the expertise of trade officials. National assessment studies in priority services sectors and papers were commissioned on issues relevant to SADC regional integration. Ad hoc working materials and studies were also prepared to address specific issues identified during the regional and multilateral negotiations. UNCTAD/SADC also organized two Trade Negotiating Forums to review developments in the WTO and progress in negotiations on economic partnership agreements (EPAs). The creation of synergies with the Southern African Customs Union (SACU) and the Common Market of Eastern and Southern Africa (COMESA) is also a major objective of the project.

41. UNCTAD’s work on financial services has been further strengthened in assessing the opportunities that developing countries may have with regard to the liberalization of these services in developed country markets under the GATS. In addition, the impact of adopting alternative approaches in the ongoing multilateral negotiations under the GATS in the context of liberalization of banking services in developing countries is still being analysed.

42. With regard to development analysis of GATS rules and domestic regulation, work continues in the area of data and information gathering in the area of subsidies and State support measures. Such work focused on domestic regulations since they have emerged as an important component in a number of sectoral studies, including professional services, distribution and insurance services. Technical assistance activities have also been conducted to assist developing countries in drafting their proposals in the field of domestic regulation.

VI. TRADE, ENVIRONMENT AND DEVELOPMENT

UNCTAD should continue its policy-oriented analysis, consensus-building and capacity-building activities, with the support of the donor community, in the areas of trade, environment and development, and should in particular: (a) further develop the Consultative Task Force (CTF) on Environmental Requirements and Market Access for Developing Countries, as a project-based activity, and encourage interested Member States to participate actively in relevant country- and sector-specific CTF activities; (b) strengthen its work under the BioTrade Initiative, in particular national biotrade programmes, and follow-up partnerships launched at the World Summit on Sustainable Development and at UNCTAD XI to promote trade, export diversification and investment in biotrade; (c) assist developing countries in making use of the trade and investment opportunities arising from the Kyoto Protocol, including the Clean Development Mechanism (CDM), as a project-based activity; (d) continue and strengthen its work on environmental measures affecting trade of developing countries, and in the area of environmental goods and services; (e) assist developing countries in identifying tariffs and regulatory measures affecting trade in renewable energy goods and equipment, in ascertaining which developing countries have -

or can develop - the capacity to supply components for such equipment, and in possibly including them under the mandate provided for in paragraph 31(iii) of the Doha Ministerial Declaration; and (f) continue exploring trading opportunities for environmentally preferable products; in this connection, the Commission welcomes the work carried out by the International Task Force (ITF) on Harmonization and Equivalence in Organic Agriculture of UNCTAD, FAO and the International Federation of Organic Agricultural Movements (IFOAM).

43. *Action:* The Consultative Task Force (CTF) on Environmental Requirements and Market Access for Developing Countries decided to launch the two following clusters of activities: (1) an in-depth feasibility study to create an online portal that guides users in developing countries on, and facilitates access to, existing online information clearing-houses on mandatory and voluntary environmental requirements (ERs); and (2) sector-focused project activities on proactive adjustment strategies to meeting ERs in export markets of electrical and electronic equipment (EEE) and horticultural products. Regarding EEE exports, CTF activities have facilitated the exchange of national experiences on proactive adjustment strategies to comply with new ERs in key export markets. Beneficiary country countries included China, Malaysia, the Philippines and Thailand – the four countries that account for almost half of total EEE imports of OECD countries (excluding intra-EU trade).

44. CTF activities included a focus on EurepGAP, a harmonized standard, which may gradually replace multi-tier standards; the latter present market entry hurdles and significant cost factors, in particular for producers from developing countries. CTF activities reviewed the question of how national circumstances (regulatory, agronomic and social) and developmental priorities in developing countries can be reflected in EurepGAP-benchmarked national codes on good agricultural practice (GAP). Particular emphasis has been placed on the interests and concerns of small producers. These activities foster stakeholder dialogue at the national and subregional level on national GAPs and pool the expertise of other relevant institutions, in particular FAO, UNESCAP and GTZ. Benchmarking national GAP codes are of strategic importance in bringing about the harmonization of private sector standards. They ensure a degree of predictability, transparency and consistency enabling developing country suppliers to further develop and apply the “rules of the game”. These activities were based on three series of country case studies (in Asia: Malaysia, Thailand, and Viet Nam; in Latin America: Argentina, Brazil, and Costa Rica; and in Africa, Ghana, Kenya, and Uganda), the results of which are being prepared for publication in three reports.

45. The CTF held its annual meeting (Geneva, 3–4 July 2006), at which participants reviewed the work of that body to date and discussed future activities and ways to increase its impact. Participants were updated on the CTF's ongoing research into the establishment of an online portal on environmental requirements. A feasibility study on this subject was prepared, and the CTF is now looking into the possibility of partnering with pre-existing information sources in order to improve access to information for developing country exporters.

46. With regard to environmental measures affecting trade of developing countries, UNCTAD held the wrap-up workshop of the three-year DFID-funded Project "Building Capacity for Improved Policy Making and Negotiation on Key Trade and Environment Issues". Recent work under this project has focused on strengthening analytical and institutional capacity in adjusting to, and complying with, more stringent environmental and related health requirements. These activities also provided a useful background to and input

into the UNCTAD's Consultative Task Force on Environmental Requirements and Market Access for Developing Countries.

47. UNCTAD continued its assistance designed to strengthen the capacity of developing countries to address the negotiating mandate provided for in paragraph 31(iii) of the Doha Ministerial Declaration – the liberalization of international trade in environmental goods and services. UNCTAD has provided substantive backstopping to the negotiations conducted at Special Sessions of the WTO Committee on Trade and Environment and has contributed to the technical information sessions held in conjunction with the negotiations. A series of consultative meetings were organized for Geneva-based delegations to the CTESS at their request. The meetings were supported by substantive documentation prepared by UNCTAD to help the delegations apply the criteria set at the technical information session to the WTO compilation of environmental goods as well as to address other, legal (WTO law) and technical issues implicit in the various negotiating proposals. After the suspension of the Doha negotiations, and in order to help interested delegations view the negotiations from the broader perspective of sustainable development, UNCTAD organized a workshop on EGS Liberalization and its Contribution to Fulfilling the MDGs in Asia and the Pacific, held in Bangkok on 19 and 20 October 2006.

48. A series of country case studies on the prospects and challenges for trade negotiations in environmental goods and services (EGS) were carried out under the aforementioned DFID-funded project. These studies focused on six countries in Central America and the Spanish-speaking Caribbean (Cuba, Dominican Republic, Guatemala, Honduras, Nicaragua and Panama), and are currently being compiled into a monograph (Environmental Goods and Services in Central America, Cuba and Dominican Republic: International context and national experiences), which will also offer additional analysis by the UNCTAD secretariat.

49. In cooperation with UNEP, under the CBTF, UNCTAD conducted a national workshop in Quito, Ecuador (17–18 July 2006) to help policymakers deal with technical issues relating to product coverage, negotiation of modalities and any implementation problems that customs administrations may have to handle. These activities have been useful in promoting better understanding of the proposals submitted to date at the WTO CTE Special Session.

50. UNCTAD participated in the 6th meeting of the International Task Force on Harmonization and Equivalence in Organic Agriculture (ITF)⁷ (Stockholm, 9–14 October), attended by governmental and non-governmental stakeholders from more than twenty countries currently participating in the ITF as well as representatives from WTO, OECD, UNEP, UNECE and the private sector, including certification bodies, accreditors, trade and international NGOs. Among the items discussed was the feasibility of an Organic Sector Multilateral Agreement (MLA) for Recognition among Accreditation Bodies, Updates from ITF Members and Country Reports, and Best Practices for Organic Marketing Regulation, Standards and Certification: Guidance for Developing Countries. Discussions at the meeting drew on the recent publication by UNCTAD of the ITF Strategy on Solutions for Harmonizing International Regulation of Organic Agriculture. Volume 2, Background papers of the International Task Force on Harmonization and Equivalence in Organic Agriculture.

⁷ In response to the trade difficulties generated by the plethora of organic regulations and standards, UNCTAD joined forces with FAO and IFOAM to launch, in February 2002, the International Task Force on Harmonization and Equivalence in Organic Agriculture (ITF), as an open-ended platform for dialogue among stakeholders.

51. The UNEP-UNCTAD CBTF project “Promoting Production and Trading Opportunities for Organic Agricultural Products in East Africa” continued its activities to contribute to sustainable rural development, food security and poverty reduction in Kenya, the United Republic of Tanzania and Uganda, by promoting the production and export of organic agricultural products, and regional cooperation in this sector. Activities included a Regional Workshop on Organic Agriculture in East Africa (Arusha, 6 March 2006). This workshop discussed the results of four background studies prepared under the CBTF project, including an initial overview study and studies on food security, best practices for governments and organic markets. In addition, the finalized national background documents and progress reports on Integrated Assessment of the Organic Agriculture Sector were also presented, along with the work of the Regional Standards Technical Working Group. The workshop was followed up by the third and fourth meetings of the Regional Standards Technical Working Group in May and December 2006, and a back-to-back East Africa Policy Workshop on Organic Agriculture and Organic Standards Forum (Nairobi, 11–14 December 2006). These activities provided opportunities to exchange information, share experiences and strengthen networking between project stakeholders and other interested parties, and to contribute to existing regional cooperation between Kenya, the United Republic of Tanzania and Uganda.

52. UNCTAD's work on organic agriculture continued with a workshop in Bangkok (18–19 October 2006) on Maximizing the contribution of organic agriculture to achieving the Millennium Development Goals in the Asia and Pacific Region. Participants addressed the questions of how organic agriculture can contribute to achieving MDGs in the Asia and Pacific region, and what policy measures and actions Governments in the region could take to enhance this contribution, at the national and regional levels.

53. UNCTAD continued its work on the trade and development aspects of traditional knowledge by publishing an Analysis of Options for Implementing Disclosure of Origin Requirements in Intellectual Property Applications (UNCTAD/DITC/TED/2005/14), which contributed to international debates on the relationship between TRIPS and the Convention on Biological Diversity, and also by participating in fora including CBD Working Groups, WIPO and WTO-TRIPS sessions.

54. The BioFuels Initiative, which promotes the use and production of biofuels as an emerging trade and investment opportunity for developing countries, organized a brainstorming seminar on biofuels on 22 June 2006. The seminar brought together delegates from at least 15 UNCTAD Member States, as well as representatives from various institutions, organizations and relevant initiatives. It addressed issues and concerns related to the production of biofuels such as the opportunities and challenges of biofuels for the agricultural sector and food security for developing countries as well as regulatory, trade and development implications of biofuels production. It also provided insights on how best to move the Initiative forward.

55. In implementing the BioFuels Initiative, UNCTAD has established key partnerships with various UN agencies, institutions and organizations such as the Food and Agriculture Organization (FAO), UNEP, UNEP-Risoe, the United Nations Framework Convention on Climate Change (UNFCCC), the International Energy Agency (IEA), the World Bank and the G8 Global Bioenergy Partnership, among others. The Initiative, together with its partners, provides developing countries with access to sound economic and trade policy analysis, capacity-building activities and consensus-building tools.

56. The Biotrade Initiative, which promotes trade and investment in biodiversity-based products and services in developing countries with a view to furthering sustainable development, supported BioTrade national programmes in Bolivia, Brazil, Colombia, Costa Rica, Ecuador, Peru, Uganda, Venezuela and Viet Nam as well as regional programmes in the Amazon and Andean regions. In collaboration with its partners, workshops have been conducted in implementing biotrade activities at the national and regional levels.

57. A workshop on Biodiversity and the Global Market Economy (13–14 November 2006) brought together representatives from the different biodiversity-related multilateral environmental agreements (MEAs) and provided an informal platform for discussions in exploring the challenges and opportunities faced in implementing these agreements in the context of the global market economy. As a result of the workshop, an informal MEA network was formed and has committed itself to work on the issues of private sector engagement, incentive measures and international trade within the scope of individual mandates of the various biodiversity-related conventions.

58. The BioTrade Initiative has been in the forefront in addressing cross-cutting issues on trade such as verification and certification schemes for biotrade products. Producers taking part in the BioTrade programme have expressed an interest in having their efforts recognized by the market. In response to this, the BioTrade Initiative has carried out a study on the possibilities for a verification/certification mechanism for BioTrade, which led to the development of an enabling framework: the Ethical Union for BioTrade.

59. UNCTAD, through the BioTrade Facilitation Programme (BTFP), has successfully played the role of key facilitator for trade in biodiversity products and services through market information, business development, market access and consolidation and enabling legislation. The BTFP has provided assistance to developing countries on specific issues related to trade and investment, complementing the work developed by the national and regional BioTrade Programmes. It has supported value chains of biodiversity products and services that are consistent with biotrade principles and criteria. Selected value chains include natural ingredients, ecotourism, wildlife for the pet trade, native cocoa, tropical flowers and foliage, crocodile leather and meat.

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