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Progress report on the implementation of the agreed conclusions and recommendations of the Commission since UNCTAD XI

Note by the UNCTAD secretariat*

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 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 that have been adopted since UNCTAD XI by the Commission on Trade in Goods and Services, and Commodities. The text in italics refers to the agreed recommendations and conclusions adopted by the Commission at its ninth session (14–18 March 2005), while the text in bold italics refers to those adopted at its eleventh session (19–23 March 2007).¹

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

¹ The Commission did not adopt any recommendations at its tenth session (6–10 February 2006).

I. Trade and Millennium Declaration goals

“In view of UNCTAD’s contribution to the implementation of international development goals, including those contained in the Millennium Declaration, and to the 2005 comprehensive review of the latter, the Commission recommends that UNCTAD should:

- (a) Contribute to 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 66 of the São Paulo Consensus.”*
(TD/B/COM.1/73, para. 2)

“Trade for growth and development and the timely and full realization of the internationally agreed development goals and objectives, including those contained in the Millennium Declaration, are a priority. The Commission therefore welcomes the recent resumption of the Doha negotiations and trusts that all concerned are working for an ambitious, balanced and comprehensive and development-oriented outcome. WTO accession and post-accession challenges also remain important considerations, and the Commission requests UNCTAD to continue its work in this area. The Commission agrees that UNCTAD continue to assist developing countries and countries with economies in transition in strengthening their informed and effective participation in trade negotiations and regional trade agreements.” (TD/B/COM.1/88, para. 3)

“The Commission underlines the contribution that UNCTAD can make to the follow-up of major UN Conferences, including the Monterrey Consensus on Financing for Development.” (TD/B/COM.1/88, para. 14)

1. **Action.** The UNCTAD secretariat has strengthened awareness and understanding in developing countries (particularly in the least developed countries (LDCs)) and countries with economies in transition about the contribution of international trade to the achievement of the Millennium Development Goals (MDGs), creating the basis for more informed pro-poor trade and development policymaking and negotiations. These activities have enhanced knowledge and skills related to the use of trade as an instrument of economic growth and development. Specific areas addressed through the implementation of a development account project on trade and the MDGs, including through regional seminars, have included negotiations in the World Trade Organization (WTO) on environmental goods and services, non-tariff measures affecting trade in environmental goods, organic agriculture and opportunities for commodity production and trade in promoting the MDGs, specifically for African countries.

2. Salient documentation prepared has included: reviews of developments in the post-Doha work programme of particular concern to developing countries, as a key

basis for the Trade and Development Board's annual reviews on this subject; preparation of the reports on international trade and development submitted by the Secretary-General of the United Nations to the General Assembly, as well as policy analyses on the international trading system and negotiations for reports prepared by United Nations departments on the follow-up to the Millennium Declaration, the Monterrey Consensus, the *World Economic and Social Survey* and the *World Economic Situation and Prospects 2007*; technical studies on international trade and trade negotiations topics; documents prepared for the Commission itself; and reports on, and contributions to, meetings of various WTO bodies.

3. UNCTAD is a member of the Inter-agency and Expert Group on MDG Indicators and has contributed data and analysis to the update of the 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 Group prepared the *Millennium Development Goals Report* in 2006 and 2007 and the United Nations Secretary-General's annual report to the General Assembly on the implementation of the Millennium Declaration.

4. UNCTAD secretariat research has analysed: (a) the implications of tariff and non-tariff issues for non-agricultural market access and agriculture negotiations; (b) the nexus between trade, poverty reduction and development, with a focus on LDCs; (c) the implications of trade agreements for economic and social adjustments in developing countries; and (d) interactions among factors affecting trade and human development, which UNCTAD has analysed by developing the Trade and Development Index (TDI). The findings have been disseminated to policymakers by various means, including through workshops and on the Internet. Capacity-building support has been provided to developing-country trade negotiators, policymakers and other stakeholders. The MDGs have been highlighted in UNCTAD's support for the WTO Doha Round of trade negotiations, mainstreaming trade issues into national trade and wider development processes, including through public-private partnerships, biotrade and competition policy. As a follow-up to the Sixth WTO Ministerial Conference, national and international meetings on the development dimension of the Doha Round have been organized. National stakeholder dialogues on the Doha negotiations and the development of pro-poor, sector-specific trade strategies have been promoted. For instance, the UNCTAD/DFID/India Project on Strategies and Preparedness for Trade and Globalization in India has promoted such dialogue and strategies to take advantage of emerging trade opportunities, specifically in the sectors of agriculture, small and medium-sized enterprises (SMEs) and textiles and in the marine sector.

5. The secretariat has also organized or participated in meetings on Aid for Trade, including a conference on Aid for Trade held in Geneva in collaboration with the Commonwealth secretariat,² which helped prepare countries for the deliberations of the WTO Aid for Trade Task Force. A major publication on Aid for Trade is being prepared by UNCTAD with the United Nations regional commissions, the United Nations Development Programme (UNDP), the United Nations Environment Programme (UNEP) and the United Nations University. This will be discussed at an UNCTAD XII pre-event on Aid for Trade in January 2008 in Thailand, with a view to suggesting ways forward in implementing the global and regional aspects of aid for trade.

² "Aid for Trade: report on a conference organized by UNCTAD and Commonwealth secretariats" (United Nations, Geneva 2006, UNCTAD/DITC/2006/1).

6. Selected African countries have continued to benefit from the Joint Integrated Technical Assistance Programme (JITAP), developing trade-related institutional capacity-building activities and preparedness for the Doha negotiations. African countries also identified their common interests in the Doha negotiations and negotiations on economic partnership agreements between the African, Caribbean and Pacific group of States (ACP) and the European Union (EU) through a regional trade capacity development programme supported by UNDP.

7. The secretariat has also: undertaken a large number of advisory and technical missions to developing countries, in particular LDCs and African countries, and their regional organizations on the Doha Round, ACP-EU trade negotiations and regional trade negotiations; organized many training courses, seminars and workshops (including contributing to training in accordance with para. 166 of the Bangkok Plan of Action) on multilateral and regional trade negotiations, accession to WTO, commercial diplomacy, trade and environment, and the Generalized System of Preferences (GSP) and other trade preferences; participated in and prepared background material and presentations for a number of events on multilateral and regional trade negotiations; and implemented several technical assistance projects covering trade negotiations and topics and specific programmes for different countries. Commercial diplomacy training modules and other distance-learning materials and techniques on different trade topics have been developed or updated. WTO accession has continued to be a major area of UNCTAD's technical assistance programme, with 19 acceding countries (including all acceding LDCs) being assisted. Under the project on dispute settlement in international trade, investment and intellectual property, the secretariat has continued, among other things, to produce and disseminate training modules on dispute settlement in international trade, investment and intellectual property.

8. At its fifty-third and fifty-fourth sessions, the Board conducted in-depth reviews of developments and issues in the Doha Round of particular concern to developing countries. These reviews helped to raise awareness and build consensus on key issues in the negotiations from the perspective of developing countries.

II. New and dynamic sectors of world trade

“The Commission takes note of the report of the Expert Meeting that launched the process of sectoral review of new and dynamic sectors in world trade and considered outsourcing of IT-enabled services; renewable energy products, including bio-fuels; and textiles and clothing. It welcomes the particular attention given to the needs of developing countries, including LDCs. It decides that annual sectoral reviews of new and dynamic sectors of world trade should continue to be held by an expert meeting. It also recommends that UNCTAD undertake capacity building activities at national, subregional and regional levels through pilot projects to assist developing countries to participate in such sectors, including those contained in the report of the Expert Meeting (TD/B/COM.1/EM.26/3). The Commission invites donor countries and institutions to support such capacity-building efforts.” (TD/B/COM.1/73, para. 3)

“The Commission recognizes that strengthening the participation of developing countries, in particular LDCs, and countries with economies in transition in new and dynamic sectors of world trade would generate new development opportunities. It agrees that UNCTAD should continue its work in this regard.” (TD/B/COM.1/88, para. 9)

9. **Action.** Reviews of new and dynamic new sectors of world trade have been conducted by intergovernmental expert meetings annually, helping to identify

opportunities for developing countries in these sectors. In 2005 and 2006, these meetings have reviewed national and international policies and measures to enhance developing countries' participation in the fields of electronics, fish and fishery products, and steel and related products. The meetings have also considered issues related to adjusting to a changing energy economy, biofuels and oil and gas in Africa and LDCs. The expert meeting on the "participation of developing countries in new dynamic sectors of world trade: the South-South dimension", held in October 2007, focused on factors influencing developing countries' export diversification into new and dynamic sectors of trade among developing countries, and recommended strengthening South-South trade in such sectors and proposed an UNCTAD research agenda. With financial support from Norway, the secretariat is undertaking research and workshops to strengthen the participation of selected developing countries, particularly LDCs and African countries, in dynamic and new sectors of world trade.

10. UNCTAD and the Royal Philips Electronics Corporation, in cooperation with countries of the Southern African Development Community (SADC), are engaged in a public-private partnership for establishing an energy-saving light-bulb industry in the SADC region. The partnership is aimed at developing the electronics industry in the region and promoting exports. UNCTAD provided assistance on the applicable customs tariffs for energy-saving lamps and components, rules of origin and technical standards.

11. UNCTAD is also promoting trade in creative industry products and services in world trade, including new forms of marketing of digitized creative content. Policy analysis, technical assistance, cooperation within the United Nations system and networking with relevant bodies is being undertaken in this area to strengthen and integrate local creative economies into national strategies and global markets. A high-level panel on the creative economy and industries for development is planned for January 2008, and several creative economy activities will be featured at UNCTAD XII.

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 utilization and improvement of preferential schemes. UNCTAD should continue to support South-South trade initiatives, including the GSTP." (TD/B/COM.1/73, para. 4)

"The Commission took note that the Fifth UN Conference to Review all Aspects of the UN Set of Principles and Rules for the Control of Restrictive Business Practices that will 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." (TD/B/COM.1/73, para. 5)

"The Commission expresses concern about the increased use of non-tariff barriers (NTBs) in international trade that risk neutralizing the gains of tariff liberalization for all countries, but particularly on products of export interest to developing countries. In particular, standards and technical regulations must be developed transparently and applied non-discriminatorily, and should not pose unnecessary obstacles to trade. The Commission agrees that UNCTAD continue its innovative work on NTBs, including through the UNCTAD Secretary-General's Group of Eminent Persons on Non-tariff barriers and the Multi-Agency

Task Force, which is working on identifying, classifying and quantifying NTBs, including border and behind border measures, with a special focus on issues and problems faced by developing countries, in particular LDCs, so that they can be effectively addressed in trade negotiations. UNCTAD should also continue its work on environmental requirements and market access under its Consultative Task Force on Environmental Requirements and Market Access for Developing Countries, in cooperation with other relevant organizations, as appropriate.” (TD/B/COM.1/88, para. 8)

“The Commission notes the importance of stimulating competitiveness and agrees that UNCTAD should continue its work on competition policies, in accordance with, inter alia, paragraphs 72 and 95 of the São Paulo Consensus and the UN Conference Review Conference to Review All Aspects of the Set of Multilaterally Agreed Equitable Principles and Rules for the Control of Restrictive Business Practices, and continue to strengthen the effective formulation and implementation of national and regional competition policies and laws best suited to development needs.” (TD/B/COM.1/88, para. 12)

12. **Action.** The expert meeting on methodologies, classifications, quantification and development impacts of non-tariff barriers (NTBs), held in September 2005, discussed technical and research issues and the strengthening or formation of partnerships with relevant international organizations and other stakeholders. The Secretary-General of UNCTAD subsequently set up a group of eminent persons on non-tariff barriers (GNTB) to make recommendations regarding the definition, collection, classification, quantification and dissemination of NTBs data, using the Trade Analysis and Information System (TRAINS) database and technical cooperation activities. Subsequently, a multi-agency support team was established to provide technical material in support of the GNTB’s work. This work resulted in 2007 in agreed common and substantially upgraded definitions and classification of NTBs by all participating organizations. A new project aimed at improved data collection for several pilot countries started in October 2007.

13. The TRAINS database has been enlarged to cover over 50 countries’ new tariff schedules since January 2007, bringing country coverage to 163. The World Integrated Trade Solution (WITS) – jointly developed by UNCTAD and the World Bank – allows users to access this data on the Internet and is widely used as an information source. Approximately 3,000 new WITS licences were issued between January and October 2007. Training workshops were carried out in 2007 at government institutions in Bolivia, Ecuador, Guatemala, India, Indonesia, Peru, Sri Lanka, the United Republic of Tanzania and the United States of America. Training sessions were also organized at the United Nations University, the United Nations Economic and Social Commission for Asia and the Pacific (ESCAP) and the Australian National University. TRAINS now also provides data for the calculation of MDG indicators on market access.

14. UNCTAD presented an enhanced version of the Trade and Development Index (TDI) in November 2007.³ It has added new components and indicators, bringing the TDI to a total of 11 components and 34 indicators. A new feature is the inclusion of country profiles for each of the 123 countries represented in the analysis.

15. In June 2007, UNCTAD, WTO and the International Trade Centre (ITC) jointly published *World Tariff Profiles 2006*, which contains information on applied and bound customs tariffs for more than 150 countries. This will be a regular annual publication, providing a new source of analytical tools for trade negotiations.

16. Regarding competition policies, the UNCTAD secretariat has: (a) assisted developing countries and their regional and subregional groupings in adopting,

³ *Developing Countries in International Trade 2007: Trade and Development Index*, UNCTAD/DITC/TAB/2007/2.

reforming or implementing competition policies and legislation, building institutional capacity, and promoting a competition culture among government officials and other stakeholders; (b) monitored trends, including the prevalence of anti-competitive practices or concentrated market structures, and measures taken by Governments to address them; (c) facilitated international cooperation; and (d) disseminated information, periodically reviewed the Model Law on Competition and produced voluntary peer reviews on competition law and policy. The Competition and Consumer Protection Policies for Latin America (COMPAL) programme of assistance for five Central and Latin American countries (Bolivia, Costa Rica, El Salvador, Nicaragua and Peru) has been implemented with support from the Swiss State Secretariat for Economic Affairs (SECO). Among other things, this programme has produced studies, manuals and training workshops targeting various stakeholders. The secretariat has published a range of documentation on national and international competition issues, including reports submitted to the annual sessions of the Intergovernmental Group of Experts on Competition Law and Policy and to the Fifth United Nations Conference to Review All aspects of the Set of Multilaterally Agreed Equitable Principles and Rules for the Control of Restrictive Business Practices. The Conference, which adopted a long-term programme of work for UNCTAD in this area, initiated the practice of voluntary peer reviews on competition policy. Reviews have been held so far on the policies of Jamaica, Kenya, Tunisia, the West African Economic and Monetary Union (WAEMU) and two member States of the latter (Benin and Senegal).

17. In 2007, competition workshops and advisory missions were organized in Bhutan, Cambodia, Indonesia, Saudi Arabia and Trinidad and Tobago; COMPAL events were held in Bolivia and Costa Rica; training seminars on WAEMU competition rules were organized in cooperation with the WAEMU secretariat in Côte d'Ivoire, Guinea Bissau and Togo; and study tours for judges, competition officials or legal drafters from Botswana, Indonesia, Saudi Arabia and WAEMU were organized to competition-related institutions in Germany, Sweden and Switzerland. UNCTAD has also been working closely with the Southern African Customs Union (SACU) to operationalize the SACU agreement on common policies on competition and unfair trade practices, including through studies and the organization of seminars in Namibia, South Africa and Swaziland.

18. UNCTAD assisted Guinea, Mozambique and the United Republic of Tanzania in building institutional capacities to comply with sanitary and phytosanitary requirements and private sector standards, thus improving the competitiveness of their agricultural exports. Similar preparatory assistance was provided for the Solomon Islands and Vanuatu.

IV. Preferences, South–South trade and regional and global trade agreements

“... UNCTAD ... should continue to work on the challenges and opportunities of trade liberalization, particularly in the area of preference erosion, as well as utilization and improvement of preferential schemes. UNCTAD should continue to support South–South trade initiatives, including the GSTP.” (TD/B/COM.1/73, para. 4)

“UNCTAD should continue its work on promoting awareness and understanding, among developing countries and countries with economies in transition, of better utilization of trade preferences available under the GSP, including through publication of handbooks on the GSP schemes.” (TD/B/COM.1/88, para. 4)

“Regional trade agreements have proliferated in parallel to the evolution of the multilateral trading system. The Commission recognizes the need to determine how these regional trade agreements can contribute to development and to understand the interface between these processes and efforts to strengthen the multilateral trading system. It agrees that UNCTAD can contribute to the examination of such interface issues as well as assisting developing countries and countries with economies in transition in enhancing their negotiating capacities to deal with trade agreements.” (TD/B/COM.1/88, para. 6)

“The Commission emphasizes South–South trade opportunities arising from the South's new dynamism in international trade, in particular in intra- and interregional South–South trade, and how this can complement North–South trade. The ongoing third round of GSTP negotiations has the potential for further boosting South–South trade expansion and economic cooperation to complement strengthened South–South regional integration processes and North–South trade and economic cooperation. The Commission agrees that UNCTAD increase its focus on South–South trade in commodities, services, and new and dynamic sectors of world trade, as well as on the GSTP, networking among South–South regional trade agreements and analytical tools.” (TD/B/COM.1/88, para. 7)

19. **Action.** The UNCTAD secretariat continued its work on trade preferences, South–South trade and the interface between regional trade agreements and the multilateral trading system, assisting developing countries and their regional groupings in increasing the utilization of the trading opportunities provided under preferential arrangements, such as the GSP, including by addressing rules-of-origin requirements. Several national and regional advisory missions and workshops have been undertaken dealing with the relationships between the negotiations within the Free Trade Area of the Americas and the WTO agreements. UNCTAD has provided ACP States with advisory services and has organized workshops for them on the ACP-EU negotiations on economic partnership agreements, as well as cooperating in events organized by other agencies in this area.

20. The secretariat has analysed ways to take advantage of the new dynamism and geography of South–South trade. Analytical and advisory support has been provided for South–South or related initiatives, including: efforts to create an India-Mercosur-SACU trilateral free trade area while continuing India-Mercosur and Mercosur-SACU negotiations; the development of the New Asian-African Strategic Partnership (NAASP); and the SACU-European Free Trade Area (EFTA) negotiations. The findings of an UNCTAD/International Development and Research Centre (IDRC) publication on “Competition provisions in regional trade agreements (RTAs): how to assure development gains” were disseminated.

21. Under an EU-financed project, technical assistance on institution and capacity-building on services assessment and negotiations was provided to SADC countries. A study on the implementation of SADC protocols affecting trade in services was also finalized. Eleven national workshops were organized in SADC member States and national assessment studies on trade in services are being undertaken in all these States. The secretariat has also supported services assessments and preparations for: (a) negotiations for developing a regional framework on services trade; (b) participation in GATS negotiations; and (c) the challenges associated with parallel negotiations between SADC and the EU on economic partnership agreements. In implementing the project, synergies were created with SACU and with the Common Market of Eastern and Southern Africa (COMESA).

22. UNCTAD's Global System of Trade Preferences among Developing Countries (GSTP) project has provided technical and administrative support to the GSTP Agreement, the GSTP Committee of Participants and the third round of GSTP

negotiations. The GSTP received a boost with the accession, in November 2006, of Mercosur, comprising Argentina, Brazil, Paraguay and Uruguay. The GSTP Negotiating Committee meeting of December 2006 decided to conclude negotiations by the end of 2007.

23. The secretariat continues to develop its new South–South trade information system. It provides information on country-to-country trade flows among developing countries at the most disaggregated level, including for LDCs.

24. A high-level event on networking with regional trade agreements of developing countries was convened during the eleventh session of the Commission. It discussed possibilities for establishing effective networks among RTAs of developing countries, with a view to promoting dialogue on South–South integration. It encouraged UNCTAD to play an active role in providing institutional support to such networking through a specially established institutional framework.

25. The Global Network of Export-Import Banks and Development Finance Institutions (G-NEXID) was created in 2006 with UNCTAD support. G-NEXID (which currently has 11 members) serves as a forum for promoting South–South trade and development finance cooperation, research, networking and information exchange on best practices in trade and project finance. UNCTAD hosted the annual meeting of the G-NEXID (Geneva, March 2007) to discuss South–South cooperation and joint activities. Financing issues, including for commodity trade, are addressed by G-NEXID.

26. UNCTAD XII pre-events on South–South trade in Asia and the role of regional trade agreements are planned for March 2008, in cooperation with the Government of Japan.

V. Commodities

“As emphasized in paragraphs 64, 74 and 100 of the São Paulo Consensus, and as a contribution to fulfilling the 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 contribute to 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 contribute to operationalizing the Task Force;*
- (c) Enhance its work in the area of commodity finance, in both the conceptual development of innovative schemes and 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.” (TD/B/COM.1/73, para. 6)*

“The Commission invites the international donor community to enhance extrabudgetary support to UNCTAD in fulfilling its mandate in the area of commodities.” (TD/B/COM.1/73, para. 7)

“The Commission considers that competitiveness and returns from commodity production and trade and supporting diversification away from commodity dependency are priorities for the international community with regard to developing countries, especially for African countries and LDCs and countries with economies in transition. Commodity market volatility, including in the energy sector, has trade and development implications that need to be addressed. The Commission agrees that UNCTAD should continue to promote international cooperation and partnerships on commodities, to provide assistance to developing countries on commodity sector development and trade and to render advice to commodity producers on options in order to increase their participation in global value chains and markets, financial and risk management of commodities, commodity exchanges and sustainable development of commodities. UNCTAD should continue its work on agricultural, forestry and fishery products, metals and minerals, and oil and oil products, as well as on biofuels through the Biofuels Initiative. The Commission recognizes that foreign investment could make an important contribution to developing infrastructures in commodity-producing developing countries, in particular LDCs, as well as increased value addition in those countries, in particular in the energy sector.” (TD/B/COM.1/88, para. 2)

27. **Action.** The UNCTAD secretariat provided assistance and policy support to commodity-dependent developing countries through meetings, technical assistance or other activities relating to, among other things: the role of commodities in poverty reduction and food security; specific products like cotton; enabling small commodity producers and processors in developing countries to reach global markets; diversification; compliance costs on sanitary and phytosanitary and agrifood standards; and the African energy sector. UNCTAD has been active in the establishment of an important partnership, the Intergovernmental Forum on Mining, Minerals, Metals and Sustainable Development and has undertaken studies on metals and minerals. Reports have been made to the General Assembly of the United Nations on world commodity trends and prospects.

28. An electronic portal, Infocomm, was developed as a central element of UNCTAD’s market transparency work in commodities and has grown to contain 40 commodity profiles with information on all aspects of commodity markets and regularly updated links to other sites with up-to-date price information. The Infoshare programme, which aims to bring timely commodity market information to small producers, was developed and was presented to the Economic and Social Council in Geneva in July 2007.

29. UNCTAD also manages, together with cooperating partners, websites on mining-related subjects, including general information and best practices in mining, as well as a regional website for Latin America.

30. The UNCTAD secretariat serviced the United Nations Conference on Olive Oil, which was held in Geneva from 25 to 29 April 2005, and the negotiations on a successor agreement to the International Tropical Timber Agreement in 2006. A partnership with the International Tropical Timber Organization has been developed to improve the dissemination of statistics, studies and information and enhance market transparency and information.

31. The secretariat also provided technical support to the WTO deliberations on mechanisms for implementing the Marrakesh ministerial decision on measures concerning the possible negative effects of the reform programme on least-developed and net food-importing developing countries. Support has been provided to developing countries in their commodity-related activities in the WTO.

32. Substantive inputs were provided for the UNCTAD *World Investment Report 2007: Transnational Corporations, Extractive Industries and Development*.

UNCTAD's Iron Ore Trust Fund, the world's most authoritative and quoted source of information on the iron-ore market, continued its regular publications.

33. As a follow-up to the November 2006 conference on financing investments in growing jatropha trees and producing biofuels, a joint initiative by UNCTAD and the Economic Community of West African States (ECOWAS) Bank for Investment and Development was launched. The Fund on Africa Biofuels Finance and the Clean Development Mechanism has been introduced to promote investment in the biofuels sector in Africa.

34. The UNCTAD secretariat published the first of a new series on innovative financing in the commodity sector and dynamic industries, entitled "Leveraging offshore financing to expand non-traditional export: the case of the horticulture sector". The series aims to promote international best practices in innovative financing mechanisms for the commodity sector and dynamic industries.

35. UNCTAD held the eleventh annual African Oil and Gas, Trade and Finance Conference and Exhibition, the largest multi-stakeholder energy event in Africa, in Nairobi in May 2007. A follow-up activity was the Africa-India Hydrocarbon Conference (Delhi, November 2007). These conferences enhance South-South cooperation in the field of energy, both at the governmental and business levels.

36. Assistance has been provided to developing countries on analysing agricultural commodity chains with new innovative tools, to gather and disseminate strategic information and to empower the stakeholders along the commodity chains. UNCTAD organized jointly with the Food and Agriculture Organization of the United Nations (FAO), Multi Commodities Exchange of India Ltd. and State Bank of India an international conference entitled "Agri revolution: financing the agricultural value chain" (Mumbai, March 2007). An UNCTAD expert meeting on the trade and development implications of financial services and commodity exchanges was organized in September 2007. UNCTAD has also coordinated a group comprising leading commodity exchanges, to study agricultural commodity exchanges in key developing economies.

37. Activities for the dissemination of a university training package on the economics of commodity production and trade (produced in cooperation with the UNCTAD Virtual Institute) for professors and students from developing countries are continuing.

38. A sustainable commodity initiative has been developed (jointly with the International Institute for Sustainable Development, the International Institute for Environment and Development, AidEnvironment and other bodies) to promote consideration of social and environmental sustainability issues in international commodity policy. Cooperation has initially focused on coffee, where initiatives have been taken on the provision of technical assistance, financing for smallholders and assessing the costs and benefits to small producers of sustainability labels and standards. In 2007, progress was made in extending the initiative to more commodities. In October 2007, UNCTAD hosted a multi-stakeholder dialogue on social and environmental issues in the world's banana industry, organized jointly with civil society and industry groups.

39. In May 2007, the first UNCTAD XII pre-event on commodities was organized by the secretariat in Brasilia, Brazil, in cooperation with UNDP, the Common Fund for Commodities and the ACP secretariat. The meeting proposed a comprehensive global initiative on commodities, identifying national and international policies and initiatives to address supply capacity limitations, ensure effective participation of commodity producers in the value chain, help them diversify their commodity production and export base and foster an international enabling environment. A

brainstorming meeting on commodities was organized in Geneva on 27–28 September 2007 in preparation for UNCTAD XII, and proposed an international plan for commodities in the context of UNCTAD XII.

VI. Trade in services and development implications

“In line with São Paulo Consensus paragraph 99, and taking note of the report of the Expert Meeting on Trade and Development Aspects of Professional Services and Regulatory Frameworks (TD/B/COM.1/EM.25/3), 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 contribute to assuring development gains for 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) Deepening work on business and professional services in the areas identified in the above-mentioned report of the Expert Meeting, including outsourcing of such services;*
- (e) Helping develop capacities in developing countries to establish their own negotiating priorities and negotiate trade agreements, including on GATS and regional trade agreements; and*
- (f) Analysing domestic regulations and GATS rules from a development perspective.” (TD/B/COM.1/73, para. 8)*

“The services economy, trade and liberalization play an increasingly important role for development, including through the GATS and regional trade agreements, and open up new opportunities and challenges. In order to realize the full potential of this sector, the Commission emphasizes the need to build and support competitive services supply capacity and to put in place adequate policy, regulatory and institutional frameworks in developing countries. The Commission agrees that UNCTAD increase its focus on services assessment, trade negotiations and impact on development.” (TD/B/COM.1/88, para. 10)

40. **Action.** The UNCTAD secretariat has helped many developing countries, particularly LDCs, and countries with economies in transition, through studies, advisory missions and workshops, to understand the issues involved in building services supply capacity and a pro-poor development framework (including access to essential services), to define strategies for trade negotiations (including the interface between regional and multilateral processes) and to generate data for such negotiations. Several national services assessments have been conducted to examine policy and regulatory frameworks and the impact of trade liberalization, both generally and on a sectoral basis, including in Latin America, Central Africa and Southern Africa under the SADC project. The assessment exercise has involved exchanges of experiences with other regional and international organizations as well as non-governmental organizations.

41. Assistance has also been provided to Geneva-based delegations, especially on the negotiations on requests and offers and on rule-making under the General Agreement on Trade in Services (GATS). A consultation meeting to examine services

negotiations from the LDC perspective was held for LDCs. Specialized group training has been provided on negotiating skills in the services area in Geneva and in various countries. Assistance has been provided at regional meetings, in particular in regional meetings organized by SADC, the Andean Community, landlocked developing countries and the Association of Southeast Asian Nations (ASEAN), as well as by the African and Latin American groups in UNCTAD. Customized assistance was provided to individual delegations, and also collectively to a number of countries, on issues of common interest. Special assistance was provided to ASEAN countries and some Arab countries on energy services.

42. The secretariat has undertaken research in such sectors as distribution, insurance, financial services, domestic regulation, outsourcing and universal access to services or logistics services. As some of these studies highlighted the importance of domestic regulation, data has been gathered on subsidies and State support measures and a report published on domestic regulation and GATS. Intergovernmental expert meetings were organized on universal access to services or logistics services in 2006, and on financial services and tourism services in 2007. Technical assistance was provided to assist developing countries in drafting their proposals relating to domestic regulation.

43. UNCTAD has profiled issues pertaining to the negotiations on temporary movement of natural persons supplying services (Mode 4). A workshop on services was organized jointly with the Organization for Economic Cooperation and Development (OECD) in Geneva in June 2006, for trade negotiators and policymakers on the current GATS negotiations, particularly the request-offer process and sector-specific negotiations such as those relating to logistics and related services, construction and related engineering services, and energy services. UNCTAD also collaborates on the trade and development aspects of migration issues with other international organizations through the Global Migration Group and participates in and contributes to workshops and meetings organized by other bodies

44. Specific work has been undertaken on the financial services sector, in assessing the opportunities for developing countries in liberalization of these services in developed country markets. The impact of adopting alternative approaches in the ongoing WTO negotiations on the liberalization of banking services in developing countries has also been analysed.

45. Monitoring the negotiations in WTO and examining the various proposals, including those regarding specific commitments, rule-making in areas of domestic regulation and subsidies, has been an important part of this work. UNCTAD has also continued to develop the Measures Affecting Services Trade (MAST) database for undertaking cross-country, cross-sectoral analysis of legal measures applied to services.

VII. 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 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 to make 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 their possible inclusion under the mandate provided for in paragraph 31(iii) of the Doha Ministerial Declaration; and*
- (f) Continue exploring trading opportunities for environmentally preferable products; 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).” (TD/B/COM.1/73, para. 9)*

“... UNCTAD should also continue its work on environmental requirements and market access under its Consultative Task Force on Environmental Requirements and Market Access for Developing Countries, in cooperation with other relevant organizations, as appropriate.” (TD/B/COM.1/88, para. 8)

“The Commission considers that positive economic, social and environmental objectives could be addressed by developing opportunities at the interface between trade, environment and development. The Commission agrees that UNCTAD should continue to strengthen the BioTrade programme and its positive development impact on both the production and exports of biodiversity products and services and its work on the production of and trade in environmental goods and services and organic agriculture. UNCTAD should continue to pursue its work on environmental goods, services and technologies in the context of trade policy and negotiations as well as in the broader context of sustainable development.” (TD/B/COM.1/88, para. 11)

46. **Action.** The Consultative Task Force on Environmental Requirements and Market Access for Developing Countries (CTF), which holds annual meetings in Geneva, launched two clusters of activities: (1) an in-depth feasibility study to create an online portal that guides users in developing countries and facilitates access regarding online information clearing houses on mandatory and voluntary environmental requirements; and (2) sector-focused projects on proactive adjustment strategies for meeting environmental requirements in export markets of electrical and electronic equipment and horticultural products. Regarding electrical and electronic equipment exports, CTF activities have facilitated an exchange of national experiences on strategies to comply with new environmental requirements in key export markets. Beneficiary country countries have included China, Malaysia the Philippines and Thailand. CTF activities have included a focus on EurepGAP, a harmonized standard, reviewing how national circumstances and priorities of developing countries can be reflected in EurepGAP-benchmarked national codes on good agricultural practice (GAP). Particular emphasis has been placed on the interests of small producers and stakeholder dialogues at the national and subregional levels have been undertaken, as well as collaboration with other organizations. 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 CTF has recently particularly focused on the developmental and market-access impact of private voluntary standards for fresh fruit and vegetable producers and exporters in developing countries. The results of this work have been synthesized in several books, with a regional focus. The key findings and conclusions also found their way into WTO discussions on private standards, notably in the Committee on Sanitary and Phytosanitary Measures and the Committee on Trade and Environment (CTE), with the aim of setting up international trade and environment committees, as well as at national level discussions, feeding into better policymaking.

47. Regarding environmental measures affecting trade of developing countries, support was provided to developing countries in addressing these issues through a project funded by the UK Department for International Development (DFID) on building capacity for improved policymaking and negotiation on key trade and environment issues – the findings of the work were disseminated at a workshop. 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 and has provided valuable input for CTF activities. A series of country case studies on the prospects and challenges for trade negotiations in environmental goods and services have been carried out under this project and are currently being compiled in a monograph (“Environmental goods and services in Central America, Cuba and Dominican Republic: international context and national experiences”).

48. The secretariat has continued to provide capacity-building assistance to developing countries regarding the Doha Round negotiations on environmental goods and services, including through consultative meetings, and support in the negotiations and related technical information sessions, to raise awareness of the trade and development implications in these areas.

49. The potential contributions of environmental goods and services liberalization, including on organic agriculture, for fulfilling the MDGs in Asia and the Pacific were explained and understanding promoted among policymakers at workshops in Bangkok in October 2006.

50. UNCTAD participated in the sixth meeting of the International Task Force on Harmonization and Equivalence in Organic Agriculture (ITF)⁴ (Stockholm, October 2006), which was attended by a wide range of stakeholders. The discussions drew on the UNCTAD publication on the ITF strategy on solutions for harmonizing international regulation of organic agriculture. Another publication, “Background papers of the International Task Force on Harmonization and Equivalence in Organic Agriculture” (UNCTAD/DITC/TED/2007/1), seeks to identify solutions to international trade challenges arising from the numerous public and private standards and regulations for organic products prevailing worldwide. The seventh meeting of the ITF was scheduled to take place in Bali in November 2007.

51. The UNEP-UNCTAD Capacity-Building Task Force on Trade, Environment and Development (CBTF) project “Promoting production and trading opportunities for organic agricultural products in East Africa” continued to contribute to sustainable rural development, food security and poverty reduction by promoting the production and export of organic agricultural products, as well as to regional cooperation in this sector. Several regional workshops, including the East African Organic Conference – Unleashing the Potential of Organic Agriculture (Dar-es-Salaam, United Republic of Tanzania, May–June 2007), were held and provided the basis for the development of

⁴ In response to the trade difficulties generated by the plethora of organic regulations and standards, UNCTAD has joined forces with FAO and the International Federation of Organic Agriculture Movements (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.

an East African organic product standard (the first regional standard on organic agriculture in the developing world) and its launch by the Prime Minister of the United Republic of Tanzania on 29 May 2007. It is expected to boost organic trade and market development in the region. Documentation published includes: "Overview of the current state of organic agriculture in Kenya, Uganda and the United Republic of Tanzania and the opportunities for regional harmonization" (UNCTAD/DITC/TED/2005/16) and "Best practices for organic policy: what developing country Governments can do to promote the organic agriculture sector" (UNCTAD/DITC/TED/2007/3).

52. In collaboration with DFID and ITC, the CBTF organized an information session in London in September 2007 to highlight the implications of the proposed ban on air-freighted organic produce from developing countries into the United Kingdom. The session resulted in a joint statement by ITC, UNCTAD and UNEP highlighting the low energy usage in organic farm production in developing countries. The CBTF also organized the International Symposium on Environmental Requirements and Market Access: Turning Challenges into Opportunities, held in Geneva in October 2007, to discuss the challenges and opportunities for market access for developing countries offered by environmental standards and technical requirements in organic agriculture and electrical and electronic goods.

53. The secretariat has continued its work on the trade and development aspects of traditional knowledge by publishing the "Analysis of options for implementing disclosure of origin requirements in intellectual property applications" (UNCTAD/DITC/TED/2005/14). It contributed to international debates on the relationship between trade-related aspects of intellectual property (TRIPS) and the Convention on Biological Diversity. The secretariat also participated and provided analytical input in various forums, including the working groups of the Convention, WIPO and WTO, on an international legal instrument for access to and equitable sharing of benefits of traditional knowledge. These helped to promote wider awareness of the trade and development implications.

54. The BioTrade Initiative, which promotes trade and investment in biodiversity-based products and services in developing countries to further sustainable development, supported biotrade national programmes in many countries, as well as regional programmes in the Amazon and Andean regions. Workshops have also been conducted in implementing biotrade activities at the national and regional levels. The initiative has studied possibilities for a verification/certification mechanism for BioTrade, and this study has led to the development of an enabling framework called the Ethical Union for BioTrade. The BioTrade Facilitation Programme has assisted developing countries on specific trade and investment issues, complementing the work of national and regional biotrade programmes. The programme has supported value chains of biodiversity products and services. A workshop on biodiversity and the global market economy (November 2006) stimulated the formation of an informal network of organizations involved with biodiversity-related conventions, which will work on issues of private sector engagement, incentive measures and international trade.

55. The UNCTAD Biofuels Initiative intensified activities in 2007 in response to the high level of interest by developed and developing countries alike in this emerging issue. The activities included: technical studies on some of the most sensitive issues in the debate on biofuels; intergovernmental meetings which have provided a forum for discussing, in particular, the trade and development dimension of the emerging biofuels market; an in-depth assessment of the biofuels perspectives of a developing country (Guatemala); and participation in a large number of meetings and initiatives organized by organizations within the United Nations system, Governments, non-governmental organizations and academia. These activities help address the issues in a

sector that presents clear development potential for contributing to slowing down the process of global warming and enhancing energy security, as well as possibly providing opportunities to diversify agriculture production and raise rural incomes. At the same time, increased production and use of biofuels bears some risks related to land diversion, food security, biodiversity preservation, water use and the participation of small farmers in the market. UNCTAD and the Energy Planning Agency of the Ministry of Mines and Energy of Brazil are jointly organizing a pre-UNCTAD XII event entitled “Biofuels: an option for a less carbon-intensive economy”, in Brazil in December 2007, to discuss the trade and development dimension of climate change, including aspects of the biofuels market.

VIII. Assessment

56. UNCTAD secretariat activities in response to the agreed conclusions and recommendations adopted by the Commission on Trade in Goods and Services, and Commodities since UNCTAD XI have widened and deepened ongoing efforts to create a body of knowledge and skills in developing countries (particularly LDCs) and countries with economies in transition on utilizing trade as an instrument of economic growth, transformation and development. The existing substantial body of research, databases and policy conclusions on a large number of trade and trade-related subjects has been enhanced; intergovernmental deliberations and consensus-building on such subjects within both UNCTAD and other forums have been supported; and information and capacity-building has been provided for policymakers, negotiators and other stakeholders, setting the basis for more informed pro-poor trade and pro-development policymaking and negotiations. Such activities have often been undertaken in collaboration with United Nations and other international and regional organizations, national Governments and regional bodies, and private sector, civil society and other bodies. UNCTAD staff have also participated as resource persons in a large range of events organized by other entities, thereby helping to share UNCTAD’s accumulated knowledge on trade as an engine of growth and development, and promoted its initiatives among policymakers, practitioners, experts and donors. Such activities have promoted the implementation of the São Paulo Consensus in respect of the international trading system and trade negotiations.

57. UNCTAD’s programmes benefit from financial support from developed and developing countries and donor institutions, which has been useful in strengthening and widening impact in countries and regions. The secretariat gratefully acknowledges these contributions. The secretariat’s activities have been evaluated positively in evaluation questionnaires distributed at events, as well as in recent external evaluations. The secretariat conducts self-assessments of its performance in order to improve its delivery and impact. However, it should be noted that demands for targeted assistance in trade in goods, services and commodities continue to exceed the assistance that can be provided by UNCTAD within its available resources. The provision of financial assistance by donors to existing and new projects is thus crucial to enhancing UNCTAD’s capacity to respond and address the multiplying needs and requests on a timely and sustained basis and at an adequate level. More practical policy-oriented options and best practices in the use of trade as an engine of growth, development and poverty reduction need to be identified by the Commission on Trade in Goods and Services, and Commodities for follow-up at the international, regional and national levels. Finally, in 2007 the secretariat expended considerable efforts on supporting intergovernmental deliberations and the preparations for UNCTAD XII.