

**INDEPENDENT REVIEW:
SELECTED UNCTAD TECHNICAL COOPERATION
PUBLICATIONS***

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Abstract

As part of its systemic effort to obtain feedback on its activities, the UNCTAD secretariat selected seventeen technical cooperation publications for a detailed independent review by experts. This report provides a detailed assessment on the utility and the quality of each publication. The results indicate that most of the publications were useful specifically for policy formulation as well as an excellent source of information. By illustrating practical experiences, a number of publications demonstrated feasible policy recommendations for government officials and practitioners. A few other publications were appreciated for their originality of ideas and innovative approaches to highly topical issues. According to the reviewer however, a number of publications were lacking in-depth analyses and thus did not lead to valid findings and conclusions. Some others had a weak coverage of critical issues in each subject area and out-of-date information.

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UNITED NATIONS CONFERENCE ON TRADE AND DEVELOPMENT



Executive Direction and Management

Programme, Planning and Assessment Unit¹

**Review of Selected Technical Cooperation
Publications of UNCTAD**

Executive Summary

As part of its systematic effort to obtain feedback on its activities, the UNCTAD secretariat selected seventeen technical cooperation publications for a detailed independent review by experts. This report provides a detailed assessment on the utility and the quality of each publication. It also contains suggestions for further improvements of each publication. The results indicate that most of the publications were useful specifically for policy formulation as well as an excellent source of information. By illustrating practical experiences, a number of publications demonstrated feasible policy recommendations for government officials and practitioners. A few other publications were appreciated for their originality of ideas and innovative approaches to highly topical issues. According to the review however, a number of publications were lacking in-depth analyses and thus did not lead to valid findings and conclusions. Some others had a weak coverage of critical issues in each subject area and out-of-date information.

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Table of Contents

1. Context
2. Methodology
 - ◆ Selection of publications
 - ◆ Selection of evaluators
 - ◆ Evaluation methodology
3. Results and Findings of the Questionnaire
 - A. Division on Globalization and Development Strategies
 - A-1. Proceedings of the Inter-Regional Debt Management Conference
 - A-2. Investing in Pre-emerging Markets
 - A-3. International Rules for Greenhouse Gas Emissions Trading
 - B. Division on Investment, Technology and Enterprise Development
 - B-1. Handbook on Foreign Direct Investment by Small and Medium-sized Enterprises
 - B-2. Survey on Best Practices in Investment Promotion
 - B-3. Handbook on Outward Investment Agencies and Institutions
 - B-4. The Science and Technology and Innovation Policy Review: Colombia
 - B-5. The Science and Technology and Innovation Policy Review: Jamaica
 - B-6. Women Entrepreneurs in Africa
 - C. Division for International Trade in Goods and Services and Commodities
 - C-1. Preparing for Future Multilateral Trade Negotiations
 - C-2. Profiting from Green Consumerism in Germany
 - C-3. Documentary Risk in Commodity Trade
 - D. Division for Services Infrastructure for Development and Trade Efficiency
 - D-1. The Challenge of the Third Generation Port
 - D-2. Electronic Commerce: Legal Considerations
 - D-3. Legal Aspects of International Trade
 - D-4. Supervision of Insurance Operations
 - D-5. Trade Efficiency in Cambodia

I. Context

The UNCTAD secretariat regularly seeks feedback on its activities. With respect to its publications, the secretariat's Programme, Planning and Assessment Unit conducts annual general surveys among member States of all publications issued in the previous year. In addition, programme managers carry out surveys of selected publications and also maintain records of media coverage of their publications the results of which are reported to member States. However, by and large these surveys have not yielded sufficient and informative feedback.

In the above light, and as a result of discussions within UNCTAD's intergovernmental bodies on the UNCTAD secretariat's publications policy and views expressed therein, it was decided to carry out an in-depth evaluation by experts of selected publications issued in the context of technical cooperation activities. Using a focused approach, a limited number of publications were evaluated by experts in much more depth and detail.

II. Methodology

Selection of publications

The evaluation has defined the term 'technical cooperation publications' as the publications issued under technical cooperation activities or to provide technical assistance in the form of policy advice between 1997 and 1999. The term 'publications' was used broadly to include training materials, handbooks, manuals, newsletters, technical publications, websites and CD-roms.

The process of selecting publications focused on whether they were clearly and directly utilised for technical assistance. The criteria for selection also included the likelihood that lessons learned from the evaluation could contribute to better planning. In this regard, newsletters and short papers were not regarded as good candidates. In order to avoid duplication of work, publications which had been regularly reviewed through readership surveys, were not selected. In addition, for technical reasons, websites and CD-roms were left out from the selection process.

Out of approximately three hundred in the full list compiled with the assistance of programme managers of technical cooperation publications issued between 1997 and 1999, seventeen publications were selected.

Selection of evaluators

Experts in relevant fields were approached to serve as the reviewers of the publications. They were selected from government ministries, academia and the private sector in both developed and developing countries. Taking into consideration the characteristics of each publication, an attempt was made to ensure an appropriate

professional² and geographical³ balance. . As a standard, three reviewers for each publication were selected.

Independence of the reviewer from the UNCTAD author division was a major criterion in selection of the reviewers. For this purpose, the United Nations University, as an independent research entity, was approached as a major source of potential reviewers

Evaluation Methodology

Based on their professional experiences in both practical and academic areas, the reviewers were requested to provide comprehensive, detailed and critical assessments from their point of view. Each assessment consisted of two parts: a two-page detailed assessment report addressing a number of key standard questions; and a questionnaire incorporating more detailed criteria.

In the detailed assessment report, the reviewers were asked to *assess the utility for the defined target readers and the quality of the publication*, although the form of the questions was adapted according to the nature and purpose of each publication.

The questionnaire asked the reviewers to assess: originality of ideas; topicality of issues; validity of recommendations and conclusions; quality of structure and presentation; technical accuracy of information; and, above all, utility for the defined target readers.

In the next section, the findings from both the questionnaire and the assessment report are integrated and described under two headings relating to the utility and the quality of the publications. Section (a) looks into the usefulness of the publication for the defined target readers and the coverage of the critical issues. Section (b) focuses on the quality of the publication involving presentation and structure, originality of ideas, and technical accuracy. General suggestions made by the reviewers for further improvements of the publication are also included under heading (b).

² The reviewers group composed of 14 from governmental agencies, 10 from academia, 11 from private sector and others.

³ The nationalities of the reviewers include the following countries: Argentina, Australia, Brazil, Canada, China, Colombia, Egypt, Estonia, Ethiopia, France, Germany, Greece, Indonesia, Japan, Malta, Mexico, Nigeria, Peru, Romania, Senegal, Switzerland, Tanzania, Thailand, United States, Uganda, Venezuela, Zambia.

III. Results and Findings from the Assessment

A. Division on Globalization and Development Strategies

A-1. Proceedings of the Inter-Regional Debt Management Conference (1997), 228p., UNCTAD/GDS/DMFAS/Misc.12

This publication is a compendium of case studies presented at the above Conference, aiming to provide policy makers with examples and analysis of critical elements in management of debt, such as the desirable institutional arrangements. It contains twenty-two presentations made by participants, including an executive summary and the text of an opening address by the UNCTAD Secretary General.

Evaluation

a) Utility of the publication to the defined target readers

The reviewers agreed that many of the contributions included in this publication as well as the practical examples provided by some of the country studies contained useful advice for policy-makers that could be put into practice. This publication clearly touched upon the main topical themes related to debt management involving debt management strategies and the institutional environment, integrated financial management systems, practices in debt management and regional co-operation. Some reviewers found particularly useful the discussion on information management systems, including DMFAS.

This publication also touches on another vital area, which is the selection of debt portfolio structures. Given the importance of this subject to debt management offices (DMO) and Ministries of Finance, it would perhaps be even more useful, from a practical point of view, if the subject of debt structure optimisation (indexed *versus* nominal domestic bonds and foreign bonds) strategies had been elaborated in more detail. The research from V. Miller, M.H. Simonsen, John A. Carlson, S. Fischer and Ilan Goldfajn tackles these areas in quite a comprehensive manner. One reviewer felt that the publication should have included possibilities and methods to enhance risk-adjusted returns in debt management by means of making use of various derivatives structures, since it would be valuable for debt managers to exchange experiences concerning arbitrage-funding concepts.

The publication has a fairly comprehensive coverage of the important issues. It is impressive that even the legal aspects of debt management have been discussed. For example, a convincing claim is made for the use of specialised advisors as part of the debt management team. In addition, a number of legal points are identified on which experts' advice may be profitably used at various stages in the borrowing transaction. In the meantime, the reviewer noted that more attention could perhaps be devoted to the critical legislation issues, where mistakes could be very costly and easy to materialize. The different legal clauses such as representations, warranties, covenants, events of default, remedies of events of default, indemnification clauses *per se* used in legal documents should be covered in more detail. One would also like to highlight the subject of transparency in further detail. Much of the crisis including

the Russian crisis has to do with transparency, moral hazard and corporate governance issues, which are undisputedly closely related.

The main proposed policy orientations include the following; (1) The aim of debt management should be to minimise the total costs of the entire debt portfolio over the longer term; (2) An independent debt office, as advocated by some contributors, may not be necessary, but it may help; in any event, it is important to have a clear legal framework governing the management of public debt; (3) A co-ordinated approach to borrowing, particularly in international capital markets, is a must; (4) The development of domestic debt markets can help reduce borrowing costs; (5) The management of the public debt can be improved through the use of modern information systems.

In particular, the publication sets out some excellent examples for a better debt management system, which do not cause chaotic financial distress, balance of payment crisis and/or fiscal sector bankruptcy, thus presenting feasible alternatives for policy makers in the highly indebted poor countries.

The core message from the publication to the policy makers with regard to increasing the efficiency of DMO and a wider spectrum macroeconomic efficiency is to undertake institutional transformation (building optimum horizontal *versus* vertical relations channels for DMO) in parallel with integrated information management systems reform. In this respect, the Nordic examples provide practical case studies on how to aim for synergies in the state sector and build up cost-efficient structures. Both the Philippines and the Argentina cases provide useful hindsight as to the challenges in implementing integrated information systems, by introducing the automatisisation of the government securities and the development of the Integrated Financial Information System. These different country presentations serve as a benchmark for the readers.

The focus of the publication was, however, rather limited to institutional issues related to debt management, with particular emphasis on financial information systems. Policy choices related to sources and types of financing, such as the currency and maturity mix and the attendant risks, were less explored. Neither was there any mention of broader issues, such as privatisation or monetisation, although both have been used as alternatives to debt finance, with significant effects on national economies. Issues related to international financial stability could also have been addressed in greater depth.

At the same time, one reviewer found that the presentation about risk management and A&L management was too limited. Based on his professional experiences the reviewer noted that, the publication touched upon the basic concepts of probability based on distribution analysis as a key concept behind modern risk management. However, this approach is useful for some of the relatively advanced countries and represents only one element in risk management. According to the reviewer's assertion, the publication would have been more valuable, if it elaborated the analysis on how one should select the most optimal risk management system, instruments and risk factors in line with the behaviour anomalies and development phase of each market the DMO is in both from the asset and liability side. In this

sense, the more traditional methods of risk management such as gap and duration analysis would have been more appropriate.

Overall, the publication was considered as a valuable handbook for debt management officials from ministries and central bankers as it adequately covers almost all the important areas. It develops an overall general picture of the main issues and possible solutions in debt management area. Therefore, it would also benefit professionals working in private and public sector audit, statisticians involved in compilation of debt and government finance data, and possibly, donors and credit-rating agencies.

b) Quality of the analysis

The reviewers noted that, generally, the analysis and explanations were presented in a sound, clear and understandable way. The quality of the presentation varied between contributions. Most were clear and concise but a few were written in poor English or were too sketchy. The reviewers made several references to some errors such as incomplete figures (page 148) and missing text (page 43) which could have been easily avoided.

All reviewers equally appreciate the original and innovative ideas and conceptualisation of new paradigms which were clearly explained. Some reviewers found that the Argentina case-study of building an integrated information management system relating many different sectors was quite original.

Concerning the findings and conclusions presented in the publication, all reviewers expressed their general satisfaction with their validity. The main findings and conclusions are related to debt management, information technology, best practices and regional cooperation. The publication shows that they are valid and feasible under two conditions: political decision and friendly coordination at several levels among different public organizations. The reviewers found that the findings and conclusions were relevant and applicable taking into account the specific conditions in every beneficiary country. Moreover, the presentations made by debt managers showed that the transformation and analysis conducted in their respective country or organizations were very productive and improved their debt management systems.

With regard to the feasibility of the recommendations provided in the publication, some reviewers commented that many of the papers were descriptive case studies and offer little in the way of policy prescriptions. Therefore, an addition of an executive summary which highlights and examines the main policy implications arising from various contributions would have been very useful. For example, as for the best practices in Part 3, a set of performance indicators developed by an African Research Institute was presented, which allow progress in debt management to be registered and evaluated across time and countries. However, one reviewer pointed out that more details on the measurement criteria used to evaluate performance could have been given.

On Part 4, *capacity building and regional co-operation*, (overview of the role of the UNDP and its activities in the field of debt management, and description of

regional initiatives to pool resources and provide training in debt and reserves management), one reviewer claimed that this section was sketchy and could have been more clearly presented.

As regards the discussion on "Internal control and audit"(page 116) first column, it is mentioned that for both internal control and audit, the focus should be on working with the management and staff to improve operations. The reviewers argued that the author should be clearer on what the term "improving operations" means. The main task of the auditor is to see whether people do what they are supposed to do. Auditors should propose improvements to the audit trails as regards operations such as to establish automatic audit trails to minimize probability of errors. The auditors should not step further, however, and start to improve the operations themselves with the clients, because this could lead to the mixing of responsibilities. This can be dangerous and is not regarded as best audit practices.

In the meantime, some individual contributions do include useful policy recommendations that can be implemented (for example, on sound advice on institutional issues related to debt management and the use of legal expertise in the debt management process).

Some papers provide an insight on portfolio management techniques, which can be applied even outside the field of debt management, including the management of external reserves. In particular, the paper discusses the establishment of benchmarks to assess the performance of debt managers and their response to changes in financial markets. The way in which the benchmark portfolio is constructed in Ireland can be applied to a wide range of financial market participants.

Bartel provides a blueprint for the establishment of an integrated financial management system. Tricarico and Nastri reinforce Bartel's recommendations, drawing up a useful list of functional and structural requirements to be considered in the design and implementation of public debt information systems.

Finally, some of the material included in country case studies, in particular those presented by Ltaifa and Valdehuesa, could be applied profitably elsewhere. More concretely, Ltaifa carefully develops the framework to measure external debt sustainability and to assess the performance of three Middle Eastern States. Valdehuesa describes measures taken by the Philippine Treasury to support the development of domestic debt markets, including the introduction of an electronic auction mechanisms and improvements to the securities settlement system. The reviewers regarded that this was a clear and comprehensive account of financial market reform that raises a number of points to be considered for implementation in other emerging markets.

A-2. Investing in Pre-Emerging Markets: Opportunities for Investment of Risk Capital in The LDCs (1997), 229p., UNCTAD/GDS/GFSB/3

This publication consists of presentations at a seminar aiming to identify investment opportunities in LDCs for interested foreign private investors, with special reference to the sectors of tourism, agro-related industries and infrastructure.

Evaluation

a) Utility of the publication to the defined target readers

The overall views of the reviewers was that this publication has only limited utility, mainly because its content does not reach the minimal knowledge level of fund managers who were stated target readers.

This criticism is partly due to the study's focus on portfolio investment, instead of direct investment. One reviewer argued that the risk capital comes to a country in the wake of the direct investment and that the portfolio investments go to countries with sound legal structure, developed banking system, creditworthy operator, logistical capabilities for operating capital movements, long records of a stable capital market and well-structured and smoothly-operating central securities authority. In this regard, the reviewer disagreed with the basic assumption of the publication that the risk capital is ready to go into a pre-emerging economy in many of the LDCs. Therefore, the reviewer considered that the publication should target more policy formulation aimed at addressing the challenges that LDCs face in specific sectors of investments. On the other hand, given that private investors have become increasingly sophisticated, there is little in the publication that private investors would obtain exclusively from this study. In short, the report does not have a strong comparative advantage against multitude of other sources.

b) Quality of the analysis

All reviewers equally criticised the point that the analysis and information provided in this publication are not compelling for the purpose of improving investment climate in LDCs and attracting potential investors. The following explanations were provided by the reviewers on a chapter-by-chapter basis.

Chapter II contains a conceptual description of the structure of equity funds as a channel for investments. The description is of good quality, though not original. Such information may be useful for LDCs which face informational barriers and limited human capacity. However, keeping in mind the original purpose of the document, the chapter was expected to provide suggestions for improving investment climate. In particular, it would have been useful to include a discussion on the mechanisms for regional cooperation for developing capital markets and human skills.

Chapter III contains standard information on tourism. It deals with this field in detail and it correctly identifies three primary risks (political and economic stability, transport facilities, health and security). However, most of the reviewers were critical considering this part just a desk study without innovative and original suggestions. In addition, a number of important factors were missing. First,

neighbouring countries were not analysed concerning tourist attractions, since most tour programs for these countries are carried out on a package basis for a region rather than a single country (e.g. a tour to Southeast Asian countries, not solely to Thailand). Second, the study ought to indicate how "open" each target country is, or, whether there are many or few foreign-oriented economic sectors or foreign firms, because tourism often gains as a by-product from visits by foreign investors. Third, when travel receipts are considered together with arrivals, some attention should also be paid to their degrees of volatility, not just their levels or growth rates, because foreign investors care for stability of their income stream as well. Fourth, not any time frame is mentioned in the chapter, although it is a crucial factor which affects decisions of both equity and venture capital investors when they calculate and compare different investment alternatives and their prospective rates of returns. Fifth, no detail is given to help the readers understand how required capital funds or liquidity can be mobilized in targeted countries, as tourism is not dependent only on labour. Sixth, although the chapter suggests a good set of factors to be considered with respect to the expanding potential, the reader cannot find introduction on where and how these factors were applied in evaluating the potential of selected countries.

Concerning country case studies, those on Bangladesh, Lao, Madagascar, and the Maldives need substantive refinement, whereas those on Nepal, Uganda, and Vanuatu provide relevant information in detail, including regulation, security of investment, incentives, funding, selection of projects, project analysis, investment procedure, and regional tourism development conditions.

Further, in the case studies, presentations are generally heterogeneous from one country to another. Whereas a degree of heterogeneity is understandable, the publication should have at least made an attempt to define a minimal set of criteria for evaluating the investment potential. Based on the review, it should have included such evaluating criteria as the duration for approving applications, the degree of convertibility, and the possibility of repatriation.

The reviewers provided some suggestions for improvements in the case studies. For example, taking into consideration that the project in Uganda, Ishasha safari camp, suggests an amazingly high rate of return, (pay back period of two years (page 47)), a reviewer proposed to include a pre-memorandum paper of this project, which would elicit a genuine interest.

Chapter IV adopts a good format consisting of the following components: macroeconomic prospects, investment in agro-industries, policy regime and incentive structure, major players and institutions. It would have been more useful to investors, however, if some other elements were added, such as market structure from a micro-perspective, market entry, advantages and disadvantages of foreign investors (e.g. land ownership, credit collateral) and optimal investment strategies (e.g. joint venture, franchise). The actual experiences of previous or current foreign investors could have been presented which would have served as useful guidelines for prospective investors, (e.g. the cases of CDC and IFC in Tanzania on page 74-75). Some statistical indicators should have been accompanied by an indicator of their degree of volatility, such as for sales volume, exports and global prices and political turnover. According to the evaluation, therefore, although this chapter contains a lot of data and analyses on the prospects in selected countries, it lacks cohesiveness and overall

conclusions stemming from the descriptive tables and discussions. Risk assessments are described but no information is provided on the magnitudes of return potentials. In addition, the information provided in this publication was not new to the countries mentioned.

Among the country cases presented in chapter IV, Zambia provides a better analysis and more comprehensive coverage than other countries. For instance, it gives examples of which companies invest in which industries and it deals concisely with investment liberalization together with incentives. Nevertheless, future prospects, expected rates of returns, and the time frame involved are missing.

The reviewers remarked that chapter V was outstanding in several regards. It illustrates new methods that multilateral organizations have employed as a means to encourage private parties to invest in basic infrastructure projects (pages 97-98), new channels to pool resources through direct investment funds to reduce risks (pages 99-100), partnership between private and public sectors (page 100). It also spells out explicitly main constraints on government revenue, politics, legal framework, social risks, pricing subsidy, and availability of foreign exchange (page 101). How to attract private investors and financing is well covered on page 109 and pages 110-111, respectively.

However, when investment opportunities are discussed on a country-by-country basis in the Appendices, there is no country for which all pertinent information, statistical details, and useful narrative analyses are in consonance with the conceptual framework stated at the beginning. Such absence was likely to leave potential investors with considerable vagueness and uncertainties, or even some doubts. If they were to make substantial commitments, as is frequently the case in infrastructure projects, private investors would have liked know more about ownership or protection, pricing or prospective rates of returns, available means of local cost financing, and pertinent time frame. The reviewer suggested a combination of various formats used for country studies relying on a descriptive part and a more practical section as it was in the case for Zambia. Further, the case studies should adopt the same format of presentation so that investors can make comparisons which are essential before investment decisions are made.

The last chapter on infrastructure is well written and organized. However, it draws many conclusions without supporting data.

A-3. International Rules for Greenhouse Gas Emissions Trading: Defining the Principles, Modalities, Rules and Guidelines for Verification, Reporting And Accountability (1999), 116p., UNCTAD/GDS/GFSB/Misc.6

This study is designed to provide a comprehensive explanation of the greenhouse gas emissions trading system. It introduces the concept, design, and implementation system including monitoring, certification, verification, compliance, enforcement, reporting and accountability. It also discusses how tools and insights derived from the historical experience of emissions trading can be used to address the provisions of article 17 of the Kyoto Protocol. It clarifies the pros and cons of the scheme and how to overcome the deficits of the scheme through designing.

Evaluation

a) Utility of the publication to the defined target readers

All reviewers agreed that the publication was of high utility, particularly as it offered guidance for domestic and international agenda setting and negotiations. The study provides comprehensive and detailed information of greenhouse gas emissions trading to all stakeholders, including policy-makers, industry, academic community and environmental NGOs. It highlights the critical issues, which are of cardinal importance in determining the success of any emissions trading regime. Its conclusions and policy recommendations are clear and quite useful for policy makers, negotiators and analysts. In this respect, the study has a great potential to contribute to policy formulation. For example, it can help negotiations for rule-making process toward the sixth Conference of the Parties to the United Nations Framework Convention on Climate Change (COP 6). Likewise, it promotes the process of establishing a domestic scheme of greenhouse gas emissions trading in some Annex I countries (industrialised countries), in accordance with the Kyoto Protocol.

For developing countries from non-Annex B party, who are interested in the Clean Development Mechanism, this study represents a practical guide to build up national institutional capabilities required to participate in the plurilateral emissions trading system. Further, the document gives arguments to help these countries to explore the options for voluntary commitments to opt-in to Annex B or to negotiate an acceptable amount of emissions during a given compliance period.

Although the complexity of the issue may exclude certain interested readers, the study has a high utility for non-policy makers as well. The assessment also noted that the study also offers a good bibliography.

With regard to the coverage of the key issues, the study sufficiently covers the most essential points to design the greenhouse gas emissions trading regime both internationally and domestically. Through its highly dynamic settings, findings and opinions in the discussion, it offers a coherent and comprehensive view of almost all possible topics in this area. It clearly explains how emissions trading is likely to evolve with illustrating the various choices that the decision-makers have to make. It goes one step further from the basic argument on how emissions trading works in a closed system or perfect market. It deals with the much more elusive issues that have

to be ironed out in order to establish a functioning emissions trading system under the uncertainties presented by the requirements of the multidimensional structure of the Kyoto Protocol (environmental effectiveness, economic efficiency, equity and political acceptability). In this regard, the study adequately covers all possible combinations of circumstances in the above-mentioned aspects that policy makers at both the national and the international levels are likely to be confronted with.

2) Quality of the analysis

All reviewers stated that the study provides precise and detailed analysis on the implications of alternative designs and operating rules of the Kyoto flexibility mechanisms. It achieves a clear description of the essential points for designing the successful emissions trading scheme. Besides, it is based on the experiences of the forerunners and extract the lessons learned from the experiences of similar schemes (the Acid Rain Programme and the New Zealand Fisheries License Trading; the Pilot Programme for Activities Implemented Jointly to reduce or sequester greenhouse gases which was established under the United Nations Framework Convention on Climate Change (UNFCCC)). It also indicates that a greenhouse gas trading system could involve prohibitive transaction costs, which is critical information for policy makers to consider.

The study was a comprehensive and well co-ordinated document among five leading experts. Unlike other similar studies which were simply a compilation of separate articles, this study succeeds in quite striking unanimity. The study is also bound to become an important reference on the design and operationalisation of an international emissions trading regime.

Several suggestions for the further improvements were made. Given that these concepts and all the Kyoto mechanisms have a relatively high degree of complexity, one reviewer suggested that a more detailed theoretical overview was desirable. Others suggested the inclusion of some graphics and basic economic concepts geared to explain and compare the efficiency advantages of trading in both options: allowances and credits (marginal cost curves for emissions reductions, and prices for allowances or credits in alternative frameworks depicting scenario of autarkic compliance, trading under Article 17 (only Annex B) and full global trading including the CDM (Article 12)). Especially non-economists would benefit from such additions. Graphs and diagrams may greatly enhance the explanation of the administrative system, both for Annex B trading and for the Clean Development Mechanism.

The reviewers further suggested that the study should add concrete examples of how to utilize the emissions market, and interaction between domestic emissions trading regime and other policies and measures. Some readers might be interested in why Article 6, Joint Implementation, is necessary in addition to emissions trading. Also some stakeholders asks for more explanations about the initial allocation examples of domestic emissions trading regime.

B. Division on Investment and Technology and Enterprise Development

B-1. Handbook on Foreign Direct Investment by Small And Medium-sized Enterprises: Lessons from Asia (1998), 200p., UNCTAD/ITE/IIT/6

This handbook analyses the role of small and medium-sized enterprises and their foreign direct investment in Asian countries, the problems they are facing and their impact. The key findings of this volume provide a framework for assessing the costs and benefits of different policies and the steps required for the necessary policy formulation and implementation.

Evaluation

a) Utility of the publication to the defined target readers

All reviewers considered the handbook valuable and useful for policy makers, mainly because of its elaborated practical policy recommendations. Given the fact that little work has been done in the area of foreign direct investment by SMEs in Asia, the reviewers appreciated the collection of comparative data and the attempt to illustrate SMEs problems and offer conclusions and recommendations.

On policy recommendations, the handbook provides a good review of the problems for SMEs, in particular the lack of resources. It concludes that SMEs should be assisted in identifying ways to use their scarce resources effectively. It also suggests that government should bring strong political commitment to create enabling policy environment for SMEs, based on the important role of SMEs in Asian economies. In this light, the handbook encourages the government to identify areas where they can be most effective in addressing problems faced by SMEs. Most of the reviewers noted the utility of Part III. Constructed as a Technical Cooperation Manual, it includes an extensive coverage of practical measures for host country government to follow. Some of the ideas presented in Chapters IX and X are original and hardly found in other sources. The study suggests that policy performance should be monitored against best-practice guidelines. Table X.1 (pp. 137-139), for instance, lists indicators that can be used to compare and assess policy effectiveness against best practices. Although not all indicators can be used by every developing country, such a list could serve as a basis for concrete proposals and discussions resulting in a country-specific set of performance indicators to be used for evaluating policy effectiveness.

In addition to a number of useful recommendations, the reviewers considered that the concept of "evolutionary approach" is highly valid. This approach enhances the strategy of a host government to attract FDI by "pushing the right buttons" along the whole chain of interactions established between the prospective FDI supplier and host countries SMEs. By the same token, the handbook makes a useful analysis of the factors considered to be important for SMEs when deciding to engage in inward and outward FDI. In addition, the reviewers noted that the findings and the recommendations of the handbook were easily transformed into policy action. The logical sequence of assessing the options for the host government (p.130) and practical steps to be taken could be a guide in formulating the inductive FDI policy for the decision makers. However, these conclusions should not be perceived as static

but should be regularly reviewed so as to accommodate any new changes within the SMEs sector.

b) Quality of the analysis

Overall, the reviewer assessed that the handbook contained an in-depth analysis of the problems of FDI concerning the SMEs. It was well researched and written. The strengths of the handbook involved: analysis of high quality, as reflected in the conceptual framework, the details of the information, and the strong application to the theory; the summaries on certain topics were clear and condensed; the definitional issues were treated convincingly. The handbook makes a good point in the favour of the theory that SME engaged in FDI are able to become a nucleus of development. It might also serve as useful future references for other papers, reports and manuals.

The handbook offered solid statistical analysis (annual variations of FDI inflows allowing for measuring the growth rate of SMEs FDI in the latter 1980's against the growth rate of SMEs FDI in the latter 1990's; FDI trends in Asia). This analysis helps to provide both practitioners and policy makers with a historical perspective of SME FDI. As the research in the field of SMEs suffers from a lack of pertinent and historical data, the handbook had a pioneering character.

With regard to the empirical data, the handbook offers a balanced approach to the challenging task of identifying the best practices. The tables presented are of real help (p. 75 and particularly, the experience drawn from the leading Asian economies – p. 78). The examples analysed throughout the handbook are covering a large array of situations in most of the Asian countries. However, two case studies, Myanmar and Vietnam, are too brief and not well analysed. Table X.2 and box X.2, an example of two-country comparison, are also not sufficiently detailed or concrete.

Furthermore, one should also note the excellent questionnaire (pp.183-195) used for their survey and the high rate of replies from the governments.

The handbook is well structured, starting from the importance of SMEs to the economic development, the linkage between SMEs and FDI, and to the overview of SMEs FDI. These three parts provide good foundation for the readers to obtain necessary background and knowledge. The policy lessons can be applied to the real situation.

B-2. Survey of Best Practices in Investment Promotion (1997), 71p., UNCTAD/ITE/IIP/1

This publication has been prepared to promote opportunities for foreign direct investment by facilitating the exchange of experiences on investment promotion. It discusses best practices based on a survey of investment promotion agencies (IPAs). Ultimately, the exercise should lead to drafting of the BEST PRACTICES ADVISORY MANUAL (page 3), based on the experience of the polled countries.

Evaluation

a) Utility of the publication to the defined target readers

The publication states that it is a first step towards developing criteria regarding what constitutes best practice in investment promotion, to determine what kinds of approaches work best, and in which kinds of situations. However, the reviewers reached the conclusion that it was difficult to see how these objectives could have been achieved with the results of questionnaire reported in Annexes I and II.

Even though it contains a wealth of information, the publication provides no empirical basis to assert their validity. For example, the publication admits that it omits the views of investors and relies only on the potentially 'promotional' views of the national investment promotion agencies (IPAs). This is, in the opinion of the reviewers, certainly a grave omission. Given this omission, the reviewers questioned the basis for 'defining and comparing best practice' presented in Part II of the publication. Likewise, they also questioned the source of the '50 questions foreign investors most frequently ask' (Table 5, pp. 22- 24). It is also pointed out that the questions under the category of "economic conditions and quality of life" are too sketchy.

Although 13 pages are devoted to reporting tables 1, 2, 3 and 4 which basically ranks countries by the amount of FDI inflows, they give no analytical foundation about the impacts of the investment promotion efforts of the countries, on the FDI inflows, despite the focus of the publication. Taking Nigeria as an example, one would find that it is ranked very high in the tables but the inflows have absolutely nothing to do with investment promotion efforts. FDI inflows into Nigeria and Angola or Congo go, according to the reviewers, into the extractive sector (mining).

In this sense, the publication faces its serious shortcomings by mismatching the title and the content. The title of the publication promises '*A Survey of Best Practices in Investment Promotion*'. A reader might, among other things, expect some case studies of the most successful investment promoters, detailing what they did, how they did it, and the results. A policymaker that reads the publication might expect to pick some concrete 'lessons' from the best practices. Unfortunately, this concrete element through illustrative country case studies is missing.

At the same time, the above-mentioned example brings out another crucial point, namely, the need to distinguish the types of investment. The quality of

investment certainly matters a great deal both in defining the determinants and also the kinds of investment promotion efforts required to attract them. Extractive sectors (mining, oil, diamond, etc.) might not require exactly the same kind of environment as manufacturing and services industries. In this regard, the publication can serve, at most, as background information and the real utility for the defined target readers and the defined purpose remain doubtful.

As far as converting a list of yes/no answers (with remarks that are referred to) the document does not go beyond generalities into specific suggestions for different groups of countries (e.g. highly indebted low income countries, other low income countries, middle income LDCs, NIEs etc.). The paper points to incentives (pp.30-31) as the most crucial aspect in being proactive in targeting investors. It is, therefore, surprising that the feasibility and relative importance of various incentives are not discussed further in relation to different groups of countries - even as one realizes that there are differences between the countries within any group (or, for that matter, among the regions within a particular country).

Above all, the conclusion that the handbook draws is far from the practical utility. It says the impact of the study on investment depends on 'unique characteristics of every country or region concerned, as well as the organizational structure of the IPA'(p.39). In the end, readers come up with the conclusion that an effective investment promotion requires the kind of investment climate which is safe, predictable, hassle-free, and highly profitable. At the same time, the conclusion implies that the above enabling environment still does not necessarily guarantee the expected results because an effective investment promotion depends on certain peculiar country characteristics. Therefore, the reviewers considered that policy makers could learn the least from the findings of the publication.

b) Quality of the analysis

With regard to the quality of analysis, the opinions of the reviewers were varied. On the one hand, a reviewer considered that the study has a balanced approach with clear concept and logical flows from the current status of FDI to the effectiveness of various practices. On the other hand, other reviewers were very critical that its analysis is too general to make an impact. According to them, what is presented as the 'best practices' appears to be the usual long laundry list of 'important things' that a country should have to be attractive to investors. As for the examples, one reviewer remarked that two aspects, namely, the incentive promotion and the excessive bidding, should have been dealt in great detail in the publication. In particular, the suggested way of a code of conduct between competing countries should have been associated with ideas on how practically it should be implemented.

The publication has received a number of suggestions for further improvements from the reviewers. The followings are some representative ones on chapter-by-chapter basis.

For chapter A, one reviewer noted it should have had a more systemic and in-depth analysis of the "determinants" of the investment flows, since this should be a crucial part of the paper. It was also argued that, when giving the global figures of

investment flows, the publication should have made a clear distinction between direct investments and portfolio investments, while the study dealt only with the first ones.

Chapter D does not address the topic announced. Some reviewers insisted that the text was a simple description of procedures followed by IPAs in various countries to attract investors, and not an evaluation of the promotion function in attracting FDI.

With regard to Part 2, the publication made a good attempt to define the best components. It is not clear however, what are the criteria to be used in qualifying the best practices.

Part 3, the most important part of the publication, does not fully overcome the difficulties of evaluating the effectiveness of various practices. Although the attempt to gauge the effectiveness by measuring the increment in FDI is valid, it does not complete the analysis. Moreover, it lacks a case study which would strengthen the proposed approach.

B-3. Handbook on Outward Investment Agencies and Institutions (1999), 50p., UNCTAD/IIT/IIP/8

This handbook is aimed at meeting the demand for a comprehensive listing of institutions and programmes that support outward investment, particularly to developing countries. It includes information on different outward investment agencies and institutions, the services and programmes that they provide, and cooperation arrangements that they maintain with other players in the field of investment.

Evaluation

a) Utility of the publication to the defined target readers

The reviewers agreed that policy makers would find the handbook a useful source of information for their investment promotion activities. The handbook seems to be more about presenting relevant information than offering a deep economic, legal or institutional analysis of the Outward Investment Agencies (OIAs). This emphasis is quite adequate, if the main purpose is to provide information to the practitioners. The document is well written with a clear executive summary and concise conclusions.

The tables and boxes in part B summarise the survey findings quite well. The descriptive information in the tables would be easy to utilise for quick reference. The boxes give more in-depth information about specific public agencies and (e.g. in box 10) private sector institutions. Some boxes such as those on ICIEC, MIFA etc. are both concise and informative. Others, such as the one on EXIM Bank of Thailand are too brief and not all that helpful.

The list of agencies and institutions dealing with outward investment, including the regional and multilateral institutions, was considered useful for investment promotion practitioners as it gives the co-ordinates of the institutions for further information and contacts and contains all important countries.

However, the limited scope of the survey may also limit the usefulness to the target readership. More specific information regarding particular institutions would enhance its usefulness to the practitioners. For example, areas where more information would be desirable related to technical assistance programmes to developing countries and institutional arrangements (pp.19-21). The example of C&L Deutsche Revision/Hermes is quite informative. A few more examples like this would help the reader to see the range and variations, and to decide if C&L Deutsche Revision/Hermes or other agency can serve as a model for practical purposes.

Apart from the lack of some information, the reviewers also remarked that there was no explicit discussion of future directions as the handbook is presented as a summary of findings from the survey. However, one would suggest, at least, an extension in the following areas: (a) expand the questionnaire to explore the role of cooperation and the nature of each of the three types of organizations more extensively; (b) provide more information on financial schemes and fiscal incentives

for specific OIAs; (c) provide boxes with more complete, up-to-date and usable coverage of the OIAs, especially for LDCs; (d) checking and updating the list of agencies and institutions dealing with outward investment in part II.

b) *Quality of the analysis*

The analysis of the handbook was considered concise, with rich illustrative materials including boxes on 'best practices' and charts.

The questionnaire for outward investment agencies is well structured. It should have contained, however, a question on the most frequent difficulties which OIAs and IPAs had to overcome in their mutual contacts. Nevertheless, the response rate of over 65 percent (p.9) is impressive. The threefold classification of the OIAs into outward investment promotion agencies (OIPAs); development finance institutions (DFIs); and investment guarantee schemes (IGSs) is also useful both analytically and for pinpointing the institutionally relevant details for practical purposes (e.g. specific investment guarantees).

Finally, the reviewers suggested the integrating of this handbook into the publication, *Survey of the Best Practices of Investment Promotion*, as these two publications address two sides of the same issue. It is possible, in some countries, that the same agency promotes both inward and outward investment. Thus, policymakers might value a single publication that concisely addresses the two issues. In particular, the approach taken in this handbook on OIAs might be more valuable to policymakers because of its richer illustrative materials on specific countries' experiences. Policymakers are particularly interested to know why the more successful ones succeed while others fail.

B-4. The Science, Technology And Innovation Policy Review: Colombia (1999), 161p., UNCTAD/ITE/IIP/5

B-5. The Science, Technology And Innovation Policy Review: Jamaica (1999), 156p., UNCTAD/ITE/IIP/6

These studies represent the results of intensive, yearlong national policy reviews which are intended to advance the national dialogue on the importance of innovation and technological change in Jamaica's and Colombia's development strategy. The purpose of these reviews are to enable participating countries to evaluate the effectiveness of a science and technology system on the basis of the economic performance of the country's national enterprises.

Overall Evaluation

a) Utility of the publication to the defined target readers

Given the importance for developing countries of understanding their innovation systems and design policies, the studies have a potential utility to contribute to the enhancement of the central aspects of competence and development in those countries.

In the assessment, however, there was doubt about the practical utility of the studies. One reviewer stated that policy implications provided were merely based on the findings not from the systematic research but rather on "anecdotal" evidence. For this reason, it is not easy for developing countries to put them into an action plan. This conclusion is too crucial to encourage the target readers to use the publication as sources of information or feasible policy recommendations in the respective countries.

b) Quality of the analysis

The studies are criticised by all the evaluators for the lack of methodology and efforts in conceptualisation. One reviewer claimed that the field mission should be conducted with hypothesis-based, well-designed and focused questionnaire on arrival. The studies fail to carry out the detailed surveys and mapping out of the existent science and technology (S&T) institutions.

The studies also suffer from lack of adequate data. Thus, the studies suffer from a lack of quantitative and qualitative information. There is insufficient general economic data such as production, trade, relative importance of the sectors chosen for in-depth analysis. Furthermore, little or no S&T comparative data is provided. In comparison, the IDB publication, *Economic and Social Progress in Latin America* for 1988 contains a special section on S&T in Latin America with a statistical appendix, including comparable data on various S&T and education indicators for countries such as Colombia and Jamaica. Similarly, UNESCO annually publishes S&T and educational data for all member countries. In this context, UNCTAD needs to consider its comparative advantage in conducting the research in this area, analysing the findings, and translate into feasible policy implications.

In order to be useful for the other developing countries and the countries in transition, the studies should be better structured, cover more issues and draw feasible policy recommendations. The reviewers pointed out that the deficiency is notable at both substantive and language levels.

Colombia:

a) Utility of the publication to the defined target readers

All reviewers made a number of suggestions for further improvements of this study. In particular, there are two major shortcomings. The first is the inadequate coverage of the critical issues of S&T and, the second is the unprofessional editing, structure and presentation quality.

As for the coverage of the issues, the "interactions" are not well addressed (Chap. 2 section E – Interactions - pg. 35-36). The study recognises the difficulty of dealing with this complex issue, particularly of obtaining reliable information. Nevertheless, the most important theoretical and policy problem posed by innovation systems is that innovations are generated not only by individuals and institutions, but also by the complex patterns of interactions. In the chapter, while there is the detailed analysis on some export-oriented sub-sectors such as flowers, coffee and sugar, the study hardly deals with other important sub-sectors that can be geared towards the internal markets. In addition to the coverage of sub-sectors, one reviewer was skeptical about the validity of the conclusion that the unilateral model for export crops should be universally tested. This is because the proposal is not based on the detailed analysis.

In the chapter on industry, on the contrary, the analysis concentrates on general trends, and no attempt is made to inform the reader about the sectoral differences. The institutional model for new partnerships between firms and research institutions is presented, but not assessed in-depth.

The study concludes that the model (if there is one), which apparently works for export crops, should be universally tested. However, the validity of the idea of a "model" for innovation systems is doubtful, considering that the relevant literature explicitly identify the diversity as a key characteristic of innovation systems. Further, there is not important mentioning to regional differences in Colombia, ignoring the regional dimension of innovation systems.

It should also be pointed out that the study does not touch the issue of governance system of innovation. More specifically, the focus on innovation as the essence of economic development means that national policy makers should be concerned with who makes investment decisions in the economy, what types of investment they make and how returns from investments are distributed. In this sense, innovation systems are dependent upon strategic decisions by business people. Their willingness to invest in the productive resources that can generate innovation will depend on how they evaluate their ability to overcome productive and competitive uncertainty. In the history of development in Colombia (as in Latin America as a whole) it is well established that local business and subsidiaries of multinational companies have significantly underinvested in innovation, following what has been termed as an adaptive strategy instead of an innovative strategy.

Finally, the human resource development system is also not properly addressed. In fact, there are at least three ways of delineating the innovation system. The first is the innovation system as rooted in the R&D system. This aspect is well

pursued in the study. The second is the innovation system as rooted in the production system. This point is partially covered by the study, since it explores the production dimension. However, it gives insufficient attention to the issue of governance system, particularly in what refers to the role of MNEs subsidiaries and local capital. The third includes the production and human resource development system. The human resource dimension has been recently introduced by economists in an attempt to compare different national innovation systems (skill level, education and labour market flexibility). The study did not cover these crucial issues.

With regard to the second deficit, all the reviewers criticised the poor editing, structure, and presentation of the document. Specific corrections on the study were made by all reviewers.

b) Quality of the analysis

The quality of the analysis is good. However, the fact that only limited interviews were conducted (covering one industry sector and three production groups, with no visits to any of Colombian technology centres) makes the validity of the recommendations very questionable. The general introduction to agriculture in Colombia is too long. The study does not provide recommendations which can lead to specific actions by policy makers. In short, it lacks a rationale for government intervention and clear proposal of the strategy that the country could pursue for developing S&T.

For the future, it is necessary to cover other sectors of the Colombian economy, and illustrate specific policy recommendations in clear and concise manner, so that other countries would also be able to use the relevant aspects and translate them into policy formulation in their own countries.

Jamaica:

a) Utility of the publication to the defined target readers

Compared to the study on Colombia, this publication could be regarded as a comprehensive one. It has, however, limitations with respect to its coverage. For example, there is hardly any discussion about who makes investment decision in the economy, what types of investment they make, etc. A quick reference to these issues can be found only in some sectoral chapters. The role of foreign investment *versus* local capital is also not explored in the study. In addition, the introduction lacks an organized set of general economic data about Jamaica in order to show the relative importance of the sectors chosen for an in-depth analysis.

The sectoral chapters are useful.

b) Quality of the analysis

The quality of the analysis is uneven. The sectoral analysis for tourism is a good one. However, the reviewers criticised the mixing of an analysis with recommendations within a paragraph /sentence (for example, italics section on p. 23, second and last paragraph) which will confuse the readers.

The music sector is excellent. The analysis on information technology is definitely too long, as can be seen in page 64-65 that explains a case study on one single company. This section offers too many details and individual examples despite the fact that this industry is a very small one in Jamaica. With regard to agro-processing sector, the analysis is good, but the section with tables also offers too many details (e.g. p. 94-98). Moreover, conclusions and policy recommendations is by far too long (23 pages) and mixes again recommendations with analysis. The main findings of the study (section A. on p. 104) are not clearly presented, thus its relevance being diminished.

Finally, the structure of the report is not consistent as different approaches were taken for different sectors.

B-6. Women Entrepreneurs in Africa: Experience from Selected Countries (1999), 55p., no identifier

This study was prepared for the national and regional seminars on "Enhancing the participation of women entrepreneurs in African economies, with special focus on LDCs". The study presents lessons from experiences gathered by UNCTAD and UNIDO in 11 African countries. It provides a profile of the typical female entrepreneur. It also identifies the major constraints faced by these women. The findings from both organizations' field research have been combined for the purpose of drawing more robust policy conclusions and recommendations.

Evaluation

a) Utility of the publication to the defined target readers

In general, the reviewers considered that the study has succeeded in transforming 235 interviews with women entrepreneurs into feasible policy recommendations. The need for an approach to assist the development of women SMEs has been well argued and sustained throughout the study. In this respect, it can contribute to raising the level of awareness of the problem for women entrepreneurs and to identify the issues to be tackled at the national level.

Because of its abundant data, the study can serve for as background information for analysing and recommending policies and measures. The statistical data provides relevant information about key aspects of SME activities. For example, it informs the readers of the SMEs contribution to employment creation, the obstacles that SMEs face and the sectors in which SMEs are concentrated. Since this kind of information is presented in a fairly concise manner, the study is useful for policy makers to extract relevant information for policy formulation. In this regard, reviewers noted that, as the successful data collection of this research shows, further efforts in cooperating with other international organisations such as UNIDO should be maintained and developed.

According to the evaluation, the great advantage of the study is its statistical data derived from 235 personal interviews with women entrepreneurs. Based on the findings from the research, the publication clearly presents the difficulties these women face in their day-to-day activities (lack of credit as the key constraint to the growth of these SMEs, lack of access to capital, market, and legal protection).

The study's recommendation to apply an integral approach towards women's SMEs development is valid and useful for policy designing.

Meanwhile, the study was criticised that it overlooked some other important points. Some reviewers pointed out that the study does not deal with the major reason: the constraints in the growth of women SMEs as compared to that of their male counterparts. With regard to the questionnaire, suggestions were made to add questions about the major reasons for becoming SME owners, the average age and the average start up capital.

b) Quality of the policy analysis

The advantage of the study is that it adds depth to the research findings by drawing information that is often ignored by other writers on women SMEs. For instance, most of other studies in women entrepreneurs tend to focus on structural factors, involving lack of access to technology and management skills, as major problems to SMEs development. But, this study goes further by identifying the socio-cultural impact on women SMEs.

However, the reviewers also mentioned that some of the ideas expressed in the study were limited to a general snapshot. The study would have been more useful if it could capture more systematically the changes over time.

C. Division for International Trade in Goods and Services and Commodities

C-1. Preparing for Future Multilateral Trade Negotiations: Issues And Research Needs from a Development Perspective (1999), 250p., UNCTAD/ITCD/TSB/6

This publication is based on issues discussed at an *ad hoc* Expert Group Meeting of the Secretary General of UNCTAD held in 21-22 September 1998. It aims to provide the reader with a comprehensive analysis of the issues that are likely to be on the future multilateral trade negotiation agenda in such fields as agriculture, services, electronic commerce, anti-dumping, standards, industrial tariffs, the TRIPS agreement, trade and competition, trade and investment, and special and differential treatment.

Evaluation

1) Utility of the publication to the defined target readers

This publication was evaluated to have effectively covered major topics to be discussed in the next multilateral trade negotiations. An important objective is to respond to the needs of developing countries for concise, timely and analytical inputs on selected key issues under negotiation in the WTO. The reviewers concluded that the publication essentially achieves this objectives, as each paper comprises a brief analysis of a selected topic from the perspective of developing countries.

Within each topic, the publication concentrates on developing countries' major concerns, offering policy advice of high quality and of practical use for policy makers in capitals and their representatives in trade negotiations. The publication offers a large amount of reliable information. It also provides some new recommendations on how to face possible trade conflicts and how to defend specific interests of developing countries in a more efficient manner. The publication proposes realistic and feasible solutions for developing countries, taking into account the negotiation positions of their partners and their capacity to offer concessions in specific areas.

The reviewers noted that the publication is the result of a workshop of senior staff of international organizations and high level researcher in both fields of trade and development. Although the main target readers are policy makers and trade negotiators, it certainly benefits other groups to obtain a better understanding of the position of developing countries in future trade negotiations. These groups could be intergovernmental and/or non-governmental organizations supporting and defending the interests of developing countries. They could also be industrialized countries and their various interest groups for the purpose of raising awareness about specific concerns of developing countries.

According to the review, the publication provides best options based on the results of the discussions during the workshops. The developing countries' point of view on major trade-related topics has been admirably taken into account in spite of the difficulty to address heterogeneous issues.

However, it should be also pointed out that some other important issues were not discussed (for example, trade and environment, trade and labour, public procurement and trade facilitation). Neither did it discuss the interest for developing countries to obtain exemptions to the rules in the field of medicines or specific technologies, which could significantly foster their development.

2) Quality of the policy analysis

The results of the assessment shows that policy analysis, findings and recommendations of the publication are accurate, precise, well-thought and balanced. In particular, the analysis of specific key services sectors for developing countries, such as tourism and computer-related services, comprises relevant and innovative information. Recommendations are well-specified and adapted to recent changes in the world economy.

Meanwhile, one reviewer advised that the country cases illustrated in the publication should not be classified by regions, but according to the following criteria; (1) emerging countries (such as Brazil and South Africa), (2) transition economies, (3) landlocked economies, (4) small island developing countries (Mauritius, for example), (5) least developed countries (including Cote d'Ivoire, Uganda, Nigeria), and (6) post-war economies. By doing this, the study will pay an attention to the diversity among many developing countries. Another, suggested the addition of empirical data, which could help the readers understand better specific policy options and illustrate the relevance of each topic for specific developing countries. Yet another, indicated that the participation in the workshop of major stakeholders representing civil society, including environmental NGOs and trade unions, could have enriched the discussion.

As for the presentation, specific terms are mentioned without further explanations, for instance, the Swiss Tariff Harmonization Formula (Chapter on Industrial Tariffs). The term might be obvious in the context of the workshop, but the general public might face the difficulty to understand the technical terminology.

C-2. Profiting from Green Consumerism in Germany; Opportunities for Developing Countries in Three Sectors: Leather and Footwear, Textiles and Clothing, and Furniture (1999), 66p., UNCTAD/ITDC/TED/3

This study on trade, environment and development issues, aims to encourage a pro-active strategy that attempts to narrow the technological gap between developed and developing countries. The purpose is to propose, for policy makers and export-oriented firms in developing countries, that they should closely assess the existing and emerging environmental requirements of export markets and investigate new technological opportunities, with the assistance of German partners.

Evaluation

a) Utility of the publication to the target readers

The reviewers showed that this study gave a good overview of green consumerism in Germany with rich information on ecolabelling and eco-standards. It is useful to raise the awareness of developing countries to fill the information gap, as well as to formulate appropriate policies.

All reviewers agreed that the study would benefit not only the target group but also professionals in other disciplines. It could also be useful to trade negotiators in developing countries, in a sense that the study could offer a better overview of environmental concerns in trade relations.

The distinctive merit of the study is the inclusion of information not provided by other sources. It gives a complete listing of relevant eco-labels in specific sectors. It also includes potential labels and standards, which could become relevant in the near future. Bearing in mind that there is still limited amount of literature which deals with practical advice for developing countries on how to face environmental trade hurdles, the study encourages export-oriented firms in developing countries to pursue a pro-active strategy.

However, it should be noted that the information provided sometimes exceeds the framework of the objective of the study. Some labels indicated are either not environmental ones at all, or to a limited degree, or are related to the export of products in a quite indirect manner.

The demand side sensitivity of consumers to green products has also been described with quotations from various studies. Some empirical illustrative data are shown as well, but no specific new analysis has been initiated on the topic in the framework of this study.

Producers' strategies towards greater public environmental awareness are pointed out in a systematic manner. Some empirical and illustrative data are mentioned, showing cost effects of environmental-friendly production methods, but no new cost-benefit analysis has been introduced by the study. This chapter explains how German producers have reacted to the change in clients' requirements. Nevertheless, it would be of great interest to know examples of foreign producers,

especially from developing countries, which have already adjusted their production to the new context.

b) Quality of the policy analysis

While the theme of this study is original, a large part is a summary of basic information of eco-labelling and eco-standards in Germany. Given the fact that green consumerism is still a recent phenomenon, and thus, there is still a limited number of publications which offers practical advice for developing countries with regard to specific sectors and countries, the study would have needed greater details in its policy analysis.

According to the review, the policy analysis of the study is of excellent quality, focusing on explaining the impact of green consumerism from the demand and supply side. For example, the conclusion of eco-extra costs of textile and clothing is based on the statistical data of table 6. Eco-comparison of mainstream mail business in Germany is done in table 5 with both quantitative and qualitative descriptions.

While no new statistical data analysis has been introduced by the study, highly illustrative analysis have been made describing various aspects/ impacts of green consumerism in Germany.

The study correctly identifies Germany to be a national case study for green consumerism. The issue of consumerism is fully addressed and adequately covered. This paper gives a thorough analysis of trend of green consumerism both from the demand side and supply side. On the demand side, this study summarizes that around 5-15% German consumers are "deep green", other 50% will buy eco-products with pre-condition, the remaining 40% of consumers does not take green products as a factor of purchasing decision. It had also summarized barriers resulting in a renunciation of environmentally sound consumer behavior. On the supply side, the interviews with representatives from industrial and trade associations reveal the environmental awareness. In chapter 3 of "Ecolabelling and Eco-standards in Germany", a complete description of official labels (The "Euro-Flower", the "European Energy label" of European Commission and the "White Swan" of Nordic Countries are also included.) Therefore, it can be concluded that the case study of German Consumerism is typical, the issue of green consumerism has been critically addressed and adequately covered.

Besides, the theme and all the recommendations of the study are highly original, although some of the points should be further elaborated in terms of their technical accuracy and basic assumptions. The structure and presentation of the study also rank highly.

The study goes beyond describing the status quo of green consumerism to identifying possible future regulations and standards. The practical utility of the study is strengthened by its provision of a large amount of practical and helpful information for producers in developing countries who intend to apply the approach.

The findings and conclusions of the study are thorough, valid and useful for exporters of the treated sectors. However, a pure green producer strategy among German producer is still limited because of its high costs and its weak return. In this context, it might be even more difficult for exporters from developing countries to apply a successful green strategy for the German market. Meanwhile, there are two bottlenecks. First one is that, given that the requirements to comply with German green standards are generally sophisticated, only relatively advanced countries will have a chance to develop a green strategy for their exports. Secondly, the feasibility of a green strategy applied to exports to Germany has been questioned by its high costs and its limited positive impact on consumption. Recommendations are derived from detailed quantitative study at micro-level. Rich data is provided for three sectors (textile and clothing, leather and footwear, and timber and furniture) in both the demand and supply side. Sufficient statistical data provided in the study helps to provide a sound qualitative judgement.

The study could have a higher impact if it takes one more step to advise how to implement policies and to tackle the existing barriers. It would be interesting to initiate an empirical study for specific sectors based on specific cases from developing countries.

Furthermore, it would be helpful if, within the framework of policy advise, more focus had been given to more practical considerations for developing countries, such as how to implement the recommended policies and how to tackle the existing barriers, for example, the limited size of certifying NGOs, or the complexity of certain labels incorporating different types of requirements, such as environmental and social criteria and language barriers. There are also cultural differences causing different understanding of environmental issues.

The study is well structured. It has an executive summary. References and notes are also provided. With the analysis and information provided in chapter, 2 to 4, promising market strategies for developing countries are recommended with general recommendation and sectoral strategies in chapter 5.

C-3. Documentary Risk in Commodity Trade (1998), 129p., UNCTAD/ITDC/Comm/Misc.31

This publication seeks to provide advice to governments, commodity producers, importers, and exporters on the use of risk management instruments in the very practical area of documentary risk. Focusing on commodity trade, it discusses the ways to reduce documentary risk, particularly those which relate to standard payment procedures.

Evaluation

a) Utility of the publication to the defined target readers

The reviewers noted that the usefulness of the publication went well beyond the target audience of importers and exporters. This is a well-structured and comprehensive document. Its depth is quite impressive in that it went into elaborating the roles of different parties who are concerned about documentary risk in commodity trade, namely banks, exporters, importers, International Chamber of Commerce (ICC), shipping and insurance companies, inspectors, etc. By doing so, it is not only of great practical use for everybody involved in commodity trade, but also of great educational value for teachers and students majoring in international business.

The reviewers also pointed out that the publication cover well all the parties and elements related to a Letter of Credit. First, there is a contract between buyer and seller, then buyer and his bank (issuing bank) working together to establish a Letter of Credit, followed by seller and his bank (advising/negotiating bank) working together to receive the Letter of Credit. By using a Letter of Credit, buyer risk is largely transferred to issuing bank risk. To cover issuing bank risk is to get the Letter of Credit confirmed, either openly or silently. Almost always, there are nearly always ways to remove this risk. All depends on cost and who is paying for it. The publication has elaborated step by step on all these areas, clearly and to the point.

In fact, Part I, II and III have done a good job of describing: the purpose of each document; the role of the banks in documentary credits; the responsibility of the trader in providing the appropriate documentation; and the consequences of poor documentation on the success of the transaction.

The reviewers argued that documentary risk is essentially a payment risk. The risk derives from the Letter of Credit. Payment by the Letter of Credit is cumbersome and labour-intensive. However, it seems that it is the only bridge between exporters and importers to facilitate a successful execution of a transaction, particularly when one party has some doubts about the counter-party. Concluding a deal may be easy, but the crucial thing is to get the payment. To manage documentary risk - payment risk - properly is, therefore, to get documents right, even down to each letter and punctuation and space between words. In this regard, this publication has put great emphasis on the characteristics of each document, on how to prepare them and on the mistakes that are likely to happen and how to avoid them.

As for specific comments, Part IV on "Errors and Fraud and ways to deal with them" gives examples on large scale fraud. Although these things can occur, one must remember that an overwhelming percentage of transactions concerns goods shipped by container where the risk of fraud may also be present but that the amounts involved are less tempting to dishonest traders. Also, the financial consequences to the trader are usually less serious.

b) Quality of the analysis

Overall, the content of the publication was considered substantive. One reviewer noted that the section that deals with the issues of electronic commerce, especially Bolero, was highly impressive. If successful, Bolero can not only serve security purposes, it can speed up document despatch thus avoid the use of Letter of Indemnity to release the cargo when the goods arrive before the documents. The frustration suffered by exporters and importers to push banks to check documents speedily and courier them timely so as to meet Letter of Credit deadlines and to avoid the use of Letter of Indemnity require the development of a new system. Bolero may be the solution.

The publication gains high appreciation for its substantive and in-depth content as well as specific utility for the defined target readers by elaborating the differentiated roles of banks, exporters, importers, shipping company, insurance company and inspectors. It is also valuable to teachers and students in international business. The argumentation is well structured and set out in a most comprehensive manner, from its emphasis on the characteristics of each document, how to prepare them, on the mistakes that are likely to happen, and how to avoid them. With regard to the feasibility and validity of recommendations and findings, it calls for minor improvements. However, the impact of the publication is unquestionable.

The publication is that whatever information from other sources has been cited, the reference is always given and this allow the reader to obtain further details from the sources.

For instance the Conclusion section, instead of only touching CAD () in comparison with Letter of Credit, could have been made more comprehensive if other payment methods, such as Document against Payment (D/P) and Document against Acceptance (D/A), were mentioned as well. Other improvements are suggested. Firstly, on page 21 under Chapter II B, the suggestion in bullet point 1 is not very practical. Much as banks or a party would like to have the guarantee from the parent company, increasingly, most subsidiaries are only partly owned by their parent companies. These subsidiaries are therefore responsible for their own profit and loss. To get parent company guarantee is becoming more and more difficult. As such, it is advisable to rely solely on the merits of the subsidiaries themselves and to gather information around these subsidiaries to smooth the decision making process. Secondly, it is indicated on page 34 that Inspection Certificate is a combined Certificate of Quantity and Quality. In reality, these two certificates are normally issued separately as Certificate of Quantity and Certificate Quality, as quantity and quality are two very different issues. Thirdly, the importance of Bill of Lading was not stressed enough. In trade practice, Bill of Lading is one single most important document amongst all other documents as it bears the title to the goods. Very often,

the issuing bank and applicant are less flexible if there are any discrepancies on Bill of Lading. Therefore, instead of mentioning that 'the B/L is one of the most important documents in international trade' and discussing about this document at the very end of the Chapter III on page 44, this part should be brought forward to the very front and given primary attention. Getting Bill of Lading right is of paramount important to ensure payment. Fourthly, in Box 20 on page 48, Letter of Indemnity is mentioned as a means to facilitate the delivery of the goods before the arrival of the documents. However, it should be stressed that Letter of Indemnity only indemnifies the shipping line. If fraud occurs, *i.e.* if the cargo is disposed of and documents later are rejected, the seller can only claim against the shipping line instead of the buyer. This complicates the issue and makes the transaction messy. Therefore, it is advisable that Letter of Indemnity is avoided as much as possible.

D. Division for Services Infrastructure for Development and Trade Efficiency

D-1. The Challenge of The Third Generation Port: Participants' Handbook (1999). 58p.

This handbook was prepared for the seminar to assist in the implementation of a programme of reform in the transport sector in developing countries, specifically to explore the way of enhancing organizational and management deficiencies in many ports.

Evaluation

a) Utility of the publication to the defined target readers

The reviewers, which included the participants of the seminar, commended the handbook as having high utility. This handbook successfully approaches the developing countries' existing problems by presenting elaborated discussion on the strengths, weaknesses, opportunities and challenges of developing countries' ports. It specifies such deficits as excessive transport costs, increasing import prices, reduced revenues for export commodities and lack of competitiveness in export markets. These problems are clearly described in the presentation of factual conditions and examples based on the researchers' observations on and analyses of developing countries' ports.

Therefore, the readers will benefit from the solutions, alternatives and recommendations offered in the handbook, by referring to the examples and the valuable information. The examples given in the handbook are original and are not found or discussed in other publications. It can be used not only for the implementation of port sector reform, but also for the familiarization with the reform. In this context, the handbook can also benefit the non-shipping businessmen and bankers who are interested in making investments in new activities around the ports. Furthermore, the participants who are engaged in education and training activities can utilize the whole handbook as a reference text and teaching material, as it contains the latest information on the subject matter.

The coverage of the critical issues is comprehensive. It covers such areas as the needs of trade and transport; implication of trade and transport for port management; the role of port; organizational structure of ports; port reform methods; guidelines for privatization, labour policies and cargo handling. The issuance of the handbook was timely as reforms of port structure are taking place in many developing countries.

While the coverage is comprehensive, the handbook could have also touched upon the political aspect because in many developing countries the political aspects have a strong influence on the implementation of a program of reform in the transportation sector.

One reviewer stressed the focus of the handbook on human resource management in the port sector. Taking into account the fact that human resource

development has been considered by a majority of entities in port as first priority for a long time, this focus on human resource development is absolutely right. A study by the World Bank mentions that "60% of development of a country is marked by the contribution of human resources, 25% of natural resources, and 10 % of the capital".

Furthermore, the reviewers considered that the handbook has practical utility. It can be used by the participants to seminars as guidelines in the implementation of reform in their workplace. The systematic steps of the informative presentation in the book also helps the readers to understand the latest trends of global shipping business. This comprehension will automatically raise the participants' awareness of their own conditions, and consequently encourage them to identify their particular problems.

To a large extent, port has been considered a vital entity in trade, economic, transport and employment sector. Due to its potential contribution, the reviewers concluded that there should be a continuous and comprehensive education and training to the port personal in order to promote and socialize the concept of third generation port. The handbook makes a contribution to this end.

b) Quality of the analysis

All reviewers agreed on the high quality of the handbook. The facts presented are very well organized.

It was suggested that the handbook can be improved by elaborating more on the cases and solutions. The example of Chilean Ports on page 8, for instance, is very interesting. Still, it would have been more useful to have additional explanation and details on what exactly they have done with the promotion and reorganization of their ports, so as to help other ports of developing countries facing similar problems. Similarly, the examples of Toronto and Antwerp can be more detailed. Another suggestion is to include an analysis of the following issues: globalization and new tendency with ports; port congestion and proposed tool to minimize it; decentralized port management; the risk of corruption; and management information system for new investors.

D-2. Electronic Commerce: Legal Considerations (1998). 59p., UNCTAD/SDTE/BFB/1

This study mainly reviews legal issues considered as impediments to the use of electronic means of communication in international trade. It explains and promotes the original thoughts and ideas formulated by legal experts of international trade organizations and, principally, of the UNCITRAL (The United Nations Commission on International Trade Law) Working Group on Electronic Commerce. The study is prepared with the aim of creating awareness and assisting developing countries in their efforts to accommodate electronic trading. In this light, it makes a number of suggestions and proposals for consideration by governments and commercial parties.

Evaluation

(a) Utility of recommendations for government officials and experts

All reviewers agreed that the study had a significant utility in providing broad background information on electronic commerce (e-commerce). It has contributed to identify the main international efforts to facilitate e-commerce, and the main legal issues that are traditionally involved in analysing e-commerce. The study has a good balance of maintaining high technical accuracy while summarising some extremely complex topics. Moreover, this achievement allows for further study of the topics, particularly considering the fact that many important sources are cited in the footnotes which themselves lead to other relevant sources.

The scope of the information gives the study a wide-range of utility. According to the review, although there are currently many studies dealing with e-commerce, they are organized mainly by professional category such as technological aspects and legal ones. In this context, this study stimulates developing countries to have a comprehensive picture on national policy in electronic commerce. It can assist government officials in formulating a general policy to facilitate and promote e-commerce. It can also be a significant source of information in case of drafting applicable legislation. Given the tremendous topicality of the issue, the study is also useful to those readers in fields such as technologists, business administration professionals, export and import traders, and economists. E-commerce involves co-operative inputs from all professions and disciplines.

The concepts are described in a clear and rational manner so that the document could be used as a introductory text for educational and training purposes. However, it should be also noted that, due to the constantly-changing nature of the subject matter, the study needs to be updated with additional sources of information in order to be used for further analysis and research.

All reviewers showed their great satisfaction with the findings and recommendations of the study. The principal recommendation is valid in that countries should review their legislation and consider applying the UNCITRAL Model Law to address potential impediments related to requirements for writing, signature, original and record retention to international trade. In order for a country to adjust its legal framework by utilizing the UNCITRAL approach, the state must first

conduct an analysis of its own legal infrastructure to determine how the proposed approach may be applied. In this regard, the study does achieve its purpose by motivating states to conduct an analysis of their laws and to consider the approach reflected in the UNCITRAL Model Law.

However, some reviewers considered that the recommendation (in paragraph 186) to establish an appropriate infrastructure, which includes rules and regulations on certification authorities, does not provide sufficient information. The study fails to take into account the fact that many aspects of e-commerce can be addressed within the existing legal framework. In this light, because regulations may also have an adverse effect on e-commerce, one should clearly identify the area of work in which further action need to be taken.

b) Quality of information and analysis

The quality of policy analysis in the study was considered to be generally good. Despite the fact that the situation in the area of e-commerce is changing quickly, the issues analysed in the document remain relevant and the analysis accurate. Method of policy analysis used in this study is mainly qualitative and results in sound and feasible policy recommendations.

However, some reviewers noted that this high quality of policy analysis does not guarantee the attainment of promoting e-commerce in developing countries, because it scarcely deals with issues specific to developing countries. For example, the topics of trust, electronic signatures, information security, confidentiality and the legal validity of electronic records are very much selected to the availability of cryptographic technology. As this technology is very expensive, trustworthy and secure electronic communications infrastructures may not be readily available to developing countries. In this regard, the paper does not give its attention to the legal implications of e-commerce in developing countries, and hence, the depth of the analysis is limited.

It was also noted that the study is theory-biased rather than practice-driven, and, hence, does not reflect the problems actually dealt with at national level. The important question of whether the state or inter-governmental regulation facilitate e-commerce or add obstacles is, therefore, not properly answered.

Overall, the study is well structured and presented. The first part, which gives the historical and up-to-date description of the main international initiatives, is followed by the second part, which contains the explanation of the main legal issues that have resulted from those international initiatives. This structure gives the readers a general framework of knowledge to handle the issues of e-commerce. However, the subject matter could have been more streamlined and manageable for the readers. More concretely, the introductory review of legal issues could have been followed by a description of the work and solutions developed by the international organizations.

For the most part, the subject chosen was described accurately from the sources cited. However, the study does not deal with or refer to certain legal aspects related to e-commerce, such as competition law, consumer protection, intellectual property protection, and privacy. Bearing in mind that these regulatory concerns are

increasingly affecting electronic transactions and are playing a significant role in either promoting or hindering e-commerce, a reference and an accurate treatment of these subjects would have been very useful. In addition, a brief reference to the work and interests of such international organizations as the OECD, WTO, WIPO, and APEC should have provided a more complete view of legal considerations of e-commerce at the international level. Furthermore, the study could have been suggested a number of websites which contains the practical examples of legislation based on the UNCITRAL Model Law

D-3. Legal Aspects of International Trade (1999). 61p., UNCTAD/SDTE/BFB/2

This publication focuses on the legal framework for export-import transactions and examines the risks inherent in international trade and the means by which they can be contained. It attempts to provide information on and raise awareness of the various legal aspects of international trade based on the assumption that such information is not easily accessible to many developing countries and countries in transition.

Evaluation

(a) Utility of the publication for importers and exporters

The publication provides an extensive and thorough source of background information that could be used to the benefit of government officials in such departments as commerce, trade and industry when formulating their policies. It is also valuable for legal practitioners with limited or no exposure to international trade law practice, as well as for importers and exporters.

The reviewers equally pointed out its distinct advantage of covering the basic issues of international trade transactions and documentation in one document. Above all, it covers a lot of issues that are not readily available to many developing countries.

Although the information is provided in a concise and efficient way, there were two drawbacks. First, the publication heavily relies on common law terminology and concepts, but has few references to civil law which is deeply rooted in most countries. Secondly, the absence of practical examples of problem situation makes the publication less valuable. A problem-based approach would have made the information more easily accessible.

Furthermore, one reviewer mentioned that the publication would benefit greatly by additional chapters on dispute settlements in international trade, sources of international trade law, intellectual property rights and distribution arrangement.

In order to make the publication more useful and valuable to the target readers, the reviewers made several recommendations. First, the publication could include a reference to electronic commerce, electronic transactions and documents, and how international trade transactions are affected by the constant evolution of this field. It is assumed that many of the target readers are likely to be familiar with the concept of e-commerce, and even already trading electronically. Thus, the publication could have been more valuable if an overview of the main legal obstacles which arise when parties enter into electronic transactions could have been added. One of the main obstacles is a lack of harmonization between such documents and customs standards. An overview would have filled this gap and would have increased its utility for importers and exporters.

As a guide for importers and exporters, the publication might focus on the requirements that must be met by invoices, certificates of origin, import and export manifests and other documents that must be submitted to customs.

(b) Quality of policy analysis

According to the assessment, the publication provides an excellent analysis of the nature, functions and application of Incoterms. The language is clear and concise.

On the other hand, the reviewers expressed their doubts about the up-to-dateness of the information provided in the publication. For example, although Incoterms 1990 are applicable until the end of this year, the publication should make a reference to the recently published Incoterms 2000.

Another example is that, in the chapter dealing with authentication of original documents (pg. 36), there should have been a more detailed reference to automated electronic documents and the issues related to their use, acceptance, probative value, enforcement mechanism.

D-4. Supervision of Insurance Operations: A Manual for Trainee Staff of Insurance Supervisory Authorities (INS/98/011). 87p., no identifier

This manual aims to respond to the need of insurance supervisory authorities in developing countries for training material on how to supervise insurance operations. The manual consists of four modules, a glossary, and four attachments. It targets developing countries, particularly those that are to introduce or recently have introduced reforms towards establishing insurance markets ruled by market economy principles and functioning under a liberalized environment. It is also meant for entry level staff of supervisory authorities in countries with an established market.

Evaluation

a) Utility of the publication to the defined target readers

The reviewers considered that the manual met its intended purpose, as an introduction to trainee staff to their supervisory role and in assisting them to obtain a better understanding of the role of the supervisory authority. At the same time, the manual is useful for government officials in developing countries including for countries which wish to introduce or have recently introduced legislative changes so as to establish insurance markets ruled by market economy principles and functions.

It provides an extensive glossary of insurance terms, which assists the reader to obtain a better understanding of the terminology used in the manual. However, it is important that they are extended to include other words and phrases commonly used in other jurisdictions beyond the terms generally used in the USA.

The manual addresses a critical void for developing countries in the area. At the time this manual was conceived, virtually no other materials existed to support the training of insurance supervisors. Although the manual has apparent shortcomings from a current perspective, this was resulted from the pioneering nature of its development.

The reviewers noted that, while the four attachments combined in the manual broadened the perspective, their inclusion added to the impression of an unfinished work. These attachments were oral presentations to the IAIS conference in 1995. Since many of the expectations at that time have since been realized, more definitive information could have been included in the manual, thus better serving the needs of new supervisory personnel.

Despite its shortcomings, according to the evaluation, the manual's usefulness in training insurance supervisory personnel at an elementary level cannot be doubted. It should be regarded as a product at an early stage of an ongoing project of great importance. It should evolve through periodic revision so that each revision provides an opportunity to improve the manual in the light of feedback. With a commitment to such a revision process, the more widely it is used, the more effective it will become.

As firms increase the risk in their portfolios, the possibility of failure increases. The challenge for insurance supervisors is to monitor the risk profile in

relation to the capital the owners have invested in the firm. Assuring the continuing solvency of the authorized firms in the market is the fundamental responsibility of insurance supervisors. They must engage in extensive financial analysis to ascertain the ability of the insurer to fulfill its promises to its customers. In this context, the urgency of training insurance supervisors in developing countries is greater than ever. Therefore, it should be emphasised that this manual is a useful tool for that purpose, and its effectiveness could be greatly increased. Specific learning objectives should be articulated and consensus of experts sought regarding their appropriateness. The manual should then be revised accordingly and disseminated as widely as possible.

With documented learning objectives in place, alternative forms of delivery are also possible. The same content could be delivered in training seminars, self-study kits, interactive computer versions, and Internet sessions. While these options would provide more access, documented learning objectives as benchmarks would also bring greater consistency to supervisory training. The present manual is a good beginning to a potentially momentous project.

The manual is generally well presented. However, it does not include ideas and facts that are unique to this manual. The country examples in the back provide interesting insights, and may not be available elsewhere. However, the material in the main part of the text is available from various sources.

The coverage of issues is well balanced. A training manual for insurance supervisory personnel should teach specific skills of financial analysis: accounting principles, interpretation of financial statements, ratio analysis of key relationships, valuation principles for various types of invested assets, valuation methodology for insurance liabilities, discounted cash flow analysis, and so on. Each of these skills should be stated as an expected outcome of any training based on the manual.

The most critical controls for supervising insurers are those designed to ensure that insurers, individually and collectively, have adequate financial resources to meet virtually every eventuality. The manual adequately covers these financial rules and regulations, (a) the requirement for companies to maintain a solvency margin at all times; (b) the requirements for guarantee funds and deposits; (c) the need for an insurer to have a minimum capital; (d) the need for insurers to maintain technical reserves to cover their liabilities; (e) rules on matching and localisation of assets and the requirement that assets of the company should be adequately spread to ensure that the company's investments are adequately spread and diversified so as to secure the safety, yield and marketability of its investments; (f) the obligation of the insurer to submit audited annual accounts. In some jurisdictions there is the requirement for insurers to publish these accounts; (g) the need for insurance accounts to be audited by auditors approved by the supervisory authority, that is, auditors who have experience in the drawing up and auditing of insurers accounts; and (h) the requirement for insurance companies, particularly life companies, to appoint actuaries.

It is pointed out that the English used in some of the manuals is very difficult to follow. Moreover, the manuals require updating. For example in the "Forward" (pg. Vi) it is stated that the NAIC serves as the Secretariat for the IAIS. This is no longer the position. To the reviewers' knowledge, the IAIS has its own Secretariat

whose offices are situated in Basle, Switzerland. Another out-of-date information is given in the Module One under the heading 'Supervisory Structure – Quasi-Independent'. Reference is made to the "Department of Trade and Industry". The authorities responsible for the supervision of insurance in the UK is now the Financial Services Authority and is a division of a supervisory authority that regulates other financial institutions, besides insurers, and hence should fall under 2.3 "Integrated Section or Department".

c) Quality of the analysis

No analysis contained in the publication for review

D-5. Trade Efficiency in Cambodia (1998). 58p., UNCTAD/SDTE/SMSE/MISC.1

This is the first pilot study of a national trade efficiency assessment, presenting a plan of action to improve trade efficiency in Cambodia in such areas as transport, telecommunications, business information and trade-related financial services, introducing the Trade Point Program.

Evaluation

a) *Utility of the publication to the defined target readers*

The reviewers stated that the study is objective and informative. The study has a good coverage of the major problems: lack of transport, telecommunications, trade-related information and financial services (banking and insurance); lack of comprehensive legal, and regulatory and supervisory system; lack of professionals and trained officials; lack of capital or funds to address the above mentioned issues; and the need to develop a politically stable and business-friendly environment. Based on this problem findings, the proposed plan of actions is feasible and relevant to the policy makers. It is, therefore, regarded as useful for target groups including Cambodian importers and exporters and their foreign partners.

b) *Quality of the analysis*

Regarding the quality of analysis, the reviewer doubted whether its depth is sufficient. The study did not overcome the difficulty in collecting necessary information and data. Without complete, up-to-date and reliable information, it is hard to substantiate the argument concerning policy analysis.

For instance, the 'background' section can be further expanded to include such issues as corruption and smuggling. While, there are no perfect and easy solution, for attaining the purpose of this publication, these problems should be addressed even if they are politically sensitive.

For the future direction of the study in this area, the reviewer noted that the approach used in this study is also applicable to LDCs like Cambodia where, following decades of devastation, armed conflict and isolation, institutional and infrastructural development aid from outside is badly needed. It is suggested that, if resources permit, it would be much more useful to move away from generalization and concentrate on a country-specific approach. The reviewers concluded that purely technical approach was not advisable, given the recent developments of globalization process and regional integration as well as the complexities of trade and trade-related issues.