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Review of progress in the implementation of the Programme of Action for the Least Developed Countries for the Decade 2001–2010:

**(b) Sectors of key interest to the least developed countries in the
implementation of the Programme of Action for the Least Developed
Countries for the Decade 2001–2010: Export competitiveness –
policy issues and priorities**

UNCTAD-wide activities in the implementation of the Programme of Action for the Least Developed Countries for the Decade 2001–2010: Seventh progress report

Report by the UNCTAD secretariat*

Executive summary

The present report is prepared pursuant to the decision of the Trade and Development Board 476(L) of 17 October 2003. It is aimed at assisting the Board in its annual review of progress in implementation of the Programme of Action for the Least Developed Countries for the Decade 2001–2010. It will also serve as the contribution by UNCTAD to the annual reviews by the United Nations General Assembly and Economic and Social Council of progress made in implementing the programme.

Paragraph 41 of the Accra Accord states that “UNCTAD must strengthen its special focus on the needs of the least developed countries and Africa across all areas of its mandate”, while paragraph 212 emphasizes that technical cooperation by UNCTAD should continue to address, in particular, the needs of the least developed countries and the African continent. The report describes the 2007 activities of UNCTAD undertaken in favour of least developed countries through its three pillars: research and policy analysis, consensus-building and technical cooperation.

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

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Introduction

1. The Third United Nations Conference on the Least Developed Countries, held in Brussels in May 2001, adopted the Programme of Action for the Least Developed Countries (LDCs) for the Decade 2001–2010. The programme aims to significantly improve the human conditions of more than 600 million people in 49 LDCs during the decade. Its overarching goal is to make substantial progress toward halving the proportion of people living in extreme poverty in the LDCs by 2015 and to promote the sustainable development of these countries.
2. In order to achieve the above-mentioned aims and goals, the programme underlines the importance of an integrated approach to addressing the development challenges facing the LDCs. This requires a strengthened and improved development partnership on the one hand, and consistency and coherence between the different policies and strategies at the national and global levels on the other hand. The programme also seeks to achieve a balanced approach to the economic, social and environmental components of sustained economic growth and sustainable development of the LDCs. The programme fully recognizes the shared responsibilities and commitments of the LDCs themselves and their development partners in achieving the programme's overarching goals and objectives.
3. Paragraph 114 of the programme invites the United Nations General Assembly to consider holding, towards the end of the decade, a fourth United Nations Conference on the LDCs in order to make a comprehensive appraisal of the implementation of the current Programme of Action and to decide on subsequent action. Accordingly, the General Assembly, in resolution 62/203 adopted on 19 December 2007, requested the United Nations Secretary-General "to prepare a note during the sixty-second session of the General Assembly outlining the modalities of such a conference, including its preparatory process".
4. The present report is prepared pursuant to decision 476(L) of the Trade and Development Board and provides comprehensive information on the 2007 activities of UNCTAD in support of the LDCs in the areas of research and policy analysis, consensus-building and technical cooperation.

I. *The Least Developed Countries Report 2007: Knowledge, technological learning and innovation for development*

5. The UNCTAD LDC reports continue to be the main output of the secretariat's research and policy analysis work on the LDCs. The 2007 report attempts to respond to the following questions: (1) how science, technology and innovation policies (STIP) geared toward technological catching-up can be integrated into the development and poverty reduction strategies of the LDCs; (2) how do stringent investment policy regimes affect technological development processes in the LDCs, and what are the policy options for improving those countries' learning environment; (3) how can the loss of skilled human resources through emigration be addressed; and (4) how can aid for science, technology and innovation, as part of official development assistance, be used by the LDCs and their development partners to support technological learning and innovation in these countries?
6. In responding to the above questions and other related issues, the report reveals the critical importance of knowledge, technological learning and innovation in global production and value addition. It argues that, for the LDCs, the current market-based patterns of technology flows to these countries (trade, foreign direct investment and licensing) are not contributing to narrowing the global knowledge

divide. Consequently, there is a danger that the LDCs will be increasingly marginalized if they do not boost the knowledge content of their economies and diversify through learning and innovation. As in the previous reports, the main policy message of the 2007 report is that the key to achieving sustained development and poverty reduction in the LDCs is to put the development of productive capacities – and the related expansion of productive employment – at the heart of national and international policies. Approaches will thus need to be reoriented to concentrate on facilitating the process of diversification through capital accumulation and accelerating technological learning, with a view to generating changes in the structure of the economy that favour sectors with higher domestic value added.

7. The fifty-fourth session of the Trade and Development Board deliberated on the policy findings and conclusions of the report and adopted agreed conclusions. A high-level thematic round table was organized during the twelfth session of the United Nations Conference on Trade and Development (UNCTAD XII), held in Accra, Ghana, on 20–25 April 2008. Drawing on the policy conclusions of the 2006 and 2007 reports, the round table closely examined possible approaches to and priorities in developing productive capacities in the LDCs, including the corresponding role of knowledge, technological learning and innovation. There was a broad consensus during the deliberations that the policy approach outlined by the UNCTAD secretariat in its series of reports on the LDCs outlined ways of responding effectively to the development challenges faced by those countries.

II. Support for the participation of the least developed countries in UNCTAD XII

8. For several years, UNCTAD has provided substantive and technical support for the LDCs with a view to improving their participation in major global conferences and summits. In 2007, the secretariat developed and implemented a project (INT/OT/BP) designed to assist the LDCs in their participation in the preparatory process for UNCTAD XII and the conference itself. As part of the project funded by the Governments of Austria and Norway, a comprehensive assessment of important trade and development challenges facing LDCs was undertaken, based on sector-specific case studies of key export items of the LDCs and on a series of national case studies.¹ Also as part of the project, UNCTAD organized a preparatory expert meeting in Arusha, the United Republic of Tanzania, on 22–24 October 2007. The expert meeting adopted recommendations, in the form of negotiating proposals, which greatly contributed to the participation of the LDCs in the preparatory processes for UNCTAD XII and the conference itself.

9. The secretariat published a document on the final outcome of the project (UNCTAD/ALDC/2008/1) containing a synthesis of the sector-specific case studies and country case studies, lessons learned and policy conclusions, as well as the recommendations of the expert meeting. The publication is made available to the current session of the Board as one of the background documents for its review of progress in the implementation of the programme (item 4 of the provisional agenda). In the long term, commodities diversification should be seen as key to sustaining economic growth and development in the LDCs. The national and sector-specific case studies also indicate that, despite the many and complex obstacles, there is considerable scope for many LDCs to join the group of successful exporters, particularly those exporting oil, copper, coffee, cocoa, groundnuts and textiles, for

¹ On Benin, Bhutan, Burkina Faso, Burundi, Mozambique, Rwanda, Senegal, Sudan and Uganda. The studies were presented at an expert meeting in Arusha and are available at: www.unctad.org

example. Horticulture, fishing and tourism are also areas in which there is significant export potential for the LDCs.

III. Contribution to the triennial review of the United Nations list of least developed countries

10. UNCTAD has been making substantive and technical contributions to the work of the Committee for Development Policy,² and to the work of the Economic and Social Council in reviewing the list of LDCs. Particular recognition was given to the work of UNCTAD on vulnerability profiles of LDCs that were meeting graduation thresholds. The profiles, which were drawn up at the request of the committee, are of paramount importance, as they reveal the structural problems faced by these economies and thus allow the Committee to respond soundly to the question of graduation. This work was integrated into the standing mandates of UNCTAD by General Assembly resolution 59/209. In addition to this specific contribution, UNCTAD has consistently supported the work of the Committee in developing and refining the LDC identification criteria by providing conceptual, methodological and statistical inputs.³ In 2007, several LDCs⁴ also benefited from the direct advisory services and technical assistance activities of UNCTAD, such as activities focused on assessing structural progress and enhancing the institutional capacities of potential graduating countries, as well as on devising a strategy for their smooth transition.

IV. International trade and related areas

11. UNCTAD helps the LDCs derive development gains from international trade in goods and services, and commodities. The overall objective of such work is to help alleviate poverty and promote access to essential services for a better livelihood. In 2007, UNCTAD assisted the LDCs in the key areas listed below.

A. Trade negotiations, commercial diplomacy and development

12. UNCTAD continued to assist the LDCs – both as a group and individually – in their preparations for and participation in the Doha non-agricultural market access negotiations.⁵ It also provided support for negotiations on trade in services, trade facilitation, the World Trade Organization (WTO) rules, trade-related aspects of international property rights, and development issues, such as aid for trade. The secretariat also assisted LDCs with market-access issues and, in particular, preference erosion and duty/quota-free market access in favour of these countries. UNCTAD also continued to provide support to LDCs for accession⁶ to WTO, regional trade negotiations among developing countries and negotiations between

² The Committee for Development Policy replaced the previous Committee for Development Planning in 1998.

³ *Assessing structural progress in countries that are deemed eligible for graduation: Implications for the triennial review of the list of LDCs.* UNCTAD (10 January 2008). *Do they demonstrate “structural progress”? A summary of assessment of seven graduation cases: Cape Verde, Maldives, Samoa, Equatorial Guinea, Kiribati, Tuvalu and Vanuatu.* UNCTAD (10 January 2008).

⁴ Cape Verde, Equatorial Guinea, Kiribati, Maldives, Samoa, Tuvalu and Vanuatu.

⁵ These included a consultation meeting on taking forward the recommendations of the WTO task force on aid for trade, organized by the Geneva office of the African, Caribbean and Pacific Group of States, in collaboration with the Commonwealth Secretariat, UNCTAD and WTO (Geneva, 26–27 April 2007).

⁶ In 2007, technical and advisory support, including a Geneva-based study tour and training courses, was provided for Ethiopia, the Lao People’s Democratic Republic, Sao Tome and Principe, Sudan and Yemen. Intensive training sessions on managing working party meetings on accession were also organized in Geneva and in the relevant capitals for members of the negotiating team of the countries concerned.

African, Caribbean and Pacific countries and the European Union on economic partnership agreements.⁷ Such support included services assessments and preparations for: (1) regional negotiations with a view to developing a regional framework on services trade; (2) participation in the WTO General Agreement on Trade in Services (GATS) negotiations; and (3) the challenges associated with parallel negotiations between the Southern African Development Community and the European Union on economic partnership agreements. Furthermore, UNCTAD provided institutional support to several LDCs through the Joint Integrated Technical Assistance Programme for Selected Least Developed and Other Developing Countries (JITAP).⁸

13. As part of its comprehensive work on services, UNCTAD also helped LDCs to: assess the contribution of the services sector to their development; reform that sector with an emphasis on development; improve access to essential services; and generate important data and reference material for multilateral and regional negotiations on trade in services. In 2007, the LDCs benefited from technical assistance focusing on the request-offer process for GATS negotiations and technical assistance for rule-making negotiations on the modalities for the special treatment of LDCs, domestic regulations and mode 4. Substantive support was provided to a meeting on WTO negotiations on services, held in Port Louis, Mauritius, on 13–14 September 2007. The work of the secretariat enabled LDCs to play a more proactive and constructive role in the post-Hong Kong and WTO Doha Round negotiations. It also helped strengthen those countries' institutional, human and entrepreneurial capacities to negotiate, implement and take advantage of WTO agreements.

B. Competition law, consumer policies and development

14. During 2007, the secretariat gave extensive support to LDCs in areas related to competition law, consumer policies and development at the national, sub-regional and regional levels. The overall objective of the work of the secretariat is to help improve the institutional capacities and competitiveness of and the overall business environment in beneficiary countries.

15. At the regional and sub-regional levels, UNCTAD prepared a voluntary peer review of regional competition policy for the eight countries of the West African Economic and Monetary Union.⁹ Peer reviews are part of a technical assistance programme which is designed to provide a concise, factual assessment of and policy recommendations on the major impediments to creating viable and competitive markets in the LDCs. In this context, in 2007 a regional meeting and training workshop were held in Benin and Senegal respectively. The meeting in Benin was to discuss the recommendations of the peer review and relevant follow-up, while the regional training workshop in Senegal aimed at upgrading the skills of national judges and improving their understanding of the interface between regional and national courts. The secretariat also assisted the Southern African Customs Union

⁷ Assistance was also provided, in cooperation with the United Nations Development Programme, in preparing and servicing a regional workshop for sub-Saharan African countries on economic partnership agreements: Investment, competition and public procurement issues held in Brussels on 13–14 July 2007. Substantive contribution was also made to events, including a meeting of experts organized by Secretariat of the African, Caribbean and Pacific Group of States to discuss such agreements and related institutional and legal issues (Brussels, 9–11 October 2007).

⁸ Support provided in 2007 included a JITAP high level workshop of the inter-institutional committees on the Doha negotiations (Geneva, 9–11 July) attended by trade officials and experts from Malawi, Mali, Mauritania, Mozambique, Senegal, Uganda, the United Republic of Tanzania and Zambia other JITAP countries. Further support was provided, in cooperation with WTO and International Trade Centre, for setting up a WTO reference centre and national enquiry points on the multilateral trading system in Malawi, Mali, Mauritania, Mozambique, Senegal and Zambia.

⁹ Seven of the eight States members of the union are LDCs.

(SACU) in making the provisions of the 2002 SACU agreement on common policies on competition and unfair trade practices operational. UNCTAD, the SACU Secretariat and government ministries responsible for trade organized national consultative meetings and information-gathering workshops for the development of a SACU Cooperation Agreement on Competition Policy Enforcement and an annex on unfair trade practices to the SACU agreement. The final version of the agreement was submitted in December 2007 to the SACU Secretariat for approval and follow-up. A network between the Western African Economic and Monetary Union and the competition organs of its member States was also created.

16. At the national level, several LDCs also benefited from the work of the secretariat in various areas of competition law and consumer policies in 2007.¹⁰ The services of a resident expert were provided to the Malawi Competition Agency for a period of three months to help it launch its operations, while competition-policy and development-related research and policy analysis work by UNCTAD addressed the impact of anti-competitive practices on the trade and development prospects of, in particular, such LDCs as Benin, Bhutan, Burkina Faso, Cambodia, Guinea-Bissau, Lesotho, Mali, Niger, Senegal and Togo.

C. Trade, environment and development

17. LDCs from the Eastern African region have continued to benefit from activities¹¹ undertaken by the joint United Nations Environmental Programme and UNCTAD Capacity-building Task Force on Trade, Environment and Development. The East African Organic Products Standard, one of the task force's initiatives, was established and approved by the East African Standards Committee in March 2007. The standard is the second regional organic standard in the world, and the first to have been developed through a genuine collaboration between the public, private and civil society actors. The immediate aim of the standard is to reassure consumers that products labelled "organic" are grown in accordance with standardized methods based on ecosystem management and the non-use of artificial fertilizers and pesticides. The new standard is expected to boost organic trade and market development in the region, raise awareness about organic agriculture among farmers and consumers, and create a unified negotiating position that will help East African organic farmers gain access to international markets. Through its BioTrade initiative, UNCTAD has also helped strengthen the capacity of LDCs to develop sustainable business that will assist the commercialization of biodiversity products in Mozambique, Uganda and Zambia, among others.

18. In 2007, the task force also produced the study entitled *Best Practices for Organic Policy: What developing country governments can do to promote the organic agriculture sector* (UNCTAD/DITC/TED/2007/3), which offers guidance as to how LDCs can develop appropriate policies for the organic sector, including on standards and regulation, markets, production, training and research. In addition,

¹⁰ At the national level, a roundtable was organised in Phnom Penh, Cambodia, on 13 June 2007, at which representatives of the Government and the private sector of Cambodia helped design an institutional framework for the application of the competition law. Similarly, two national workshops for stakeholders in consumer protection issues, including the presentation of the consumer protection bill of Cambodia, were held in Bhutan in 2007.

¹¹ National integrated assessment projects were completed for the countries in the Eastern African region, including Uganda and the United Republic of Tanzania. The East African Organic Conference in Dar-es-Salaam, the United Republic of Tanzania, was organized in May 2007, in collaboration with Food and Agriculture Organization, International Trade Centre and the International Federation of Organic Agriculture Movements. The conference attracted 250 participants and mobilized support for organic agriculture as a market-access and sustainable-development opportunity. The "Good agriculture practices in Eastern and Southern Africa: Practices and policies" workshop, attended by several countries including LDCs, was also held in Nairobi, Kenya, in March 2007 by UNCTAD, the Food and Agriculture Organization and the Kenyan National Task Force on Horticulture.

analytical case studies were published in the study entitled *Private-sector standards and national schemes for good agricultural practices: implications for exports of fresh fruit and vegetables from sub-Saharan Africa: Experiences of Ghana, Kenya and Uganda* (UNCTAD/DITC/TED/2007/13).

D. Commodities and development

19. In 2007, the secretariat implemented a broad range of capacity-building and technical cooperation activities¹² on commodities and related areas, including in many LDCs; for example, a joint project with the World Bank and the International Council on Mining and Metals on the challenge of mineral resource endowments was developed and implemented.¹³ In the same way, the Central African Republic, Chad, Comoros, Equatorial Guinea, Malawi, Mali, Senegal, Somalia and Sudan participated in the eleventh meeting of the African Oil and Gas, Trade and Finance Conference held in Nairobi, Kenya, in May 2007. Further commodities-related activities of the secretariat included a pre-event to UNCTAD XII, the India-African Hydrocarbon Conference, which was held in New Delhi, India, on 6–7 November 2007.¹⁴ The event contributed to the efforts to enhance South-South cooperation in the energy sector, both at the government and business level.

20. Regarding financing of the commodities trade, UNCTAD hosted the annual meeting of the Global Network of Export-Import Banks and Development Finance Institutions in Geneva on 22–23 March 2007. The meeting brought together 13 national and regional institutions – serving more than 80 countries – to discuss South–South cooperation and to identify opportunities and implementation activities for 2007–2008. In addition, UNCTAD organized an international conference on the agri-revolution and financing the agricultural value chain, held in Mumbai, India, on 15–17 March 2007. The event was organized jointly with the Food and Agriculture Organization, the Multi Commodities Exchange of India Ltd. and the State Bank of India and brought together 150 participants from countries such as Afghanistan and Bangladesh. The main aim of the conference was to examine best practices in the use of agricultural value chains as a mechanism for offering financial services to the chains’ participants. In Bamako, Mali, on 11–12 December 2007, UNCTAD, in collaboration with the United Nations Development Programme, organized a regional workshop on improving the value chain in the cotton sector in Africa through the development of trade and investment, with a particular focus on South-South cooperation. The event bolstered the “cotton initiative” (see document TN/AG/GEN/4) by examining ways of improving access to financing, investments and the development of cotton trade. Eight LDCs (including Benin, Burkina Faso, Chad, Mali, Niger, Senegal and Uganda) participated in the regional workshop.

¹² Projects to help LDC exporters to comply with sanitary and phytosanitary requirements and private sector standards were implemented in Guinea, Mozambique and the Pacific Islands. A sanitary and phytosanitary project in Mozambique was also launched in April 2007. UNCTAD organized training workshops on issues related to organic standards and certification in Mozambique in August and October 2007, and on sanitary and phytosanitary requirements and costs of agrifood safety and quality requirements in Vanuatu in August 2007.

¹³ The websites www.natural-resources.org/minerals and www.goodpracticemining.org, containing information on the project and on best practices in mining, were jointly developed by UNCTAD, the United Nations Environment Programme, the International Council on Mining and Metals and the Department for International Development of the United Kingdom. The Development Bank of Zambia, the Eastern and Southern African Trade and Development Bank, the Bank for Investment and Development of the Economic Community of West African States and the Africa Export-Import Bank also participated in the project.

¹⁴ LDCs that participated in this event include: Chad, Comoros, Ethiopia, Malawi, Mauritania, Niger, Rwanda, Senegal, Sudan, Somalia and Uganda.

E. Integrated Framework for Trade-related Technical Assistance to Least Developed Countries

21. Currently, 45 countries are participating in the integrated framework:¹⁵ Diagnostic Trade Integration Studies (DTIS) and validation workshops have been completed for 30 countries;¹⁶ 15 are at various stages in the DTIS process;¹⁷ while one further LDC is undergoing technical review, pending admission.¹⁸ UNCTAD continued to participate actively in the DTIS process, either by providing substantive comments before the completion of the DTIS or by participating in the DTIS main missions. UNCTAD arranged pre-DTIS workshops and advisory missions, and provided support for participation in integrated framework meetings such as the DTIS validation workshops. UNCTAD helped the Lao People's Democratic Republic and Sierra Leone develop projects on rules of origin and improving capacity for trade policy formulation and trade information respectively. UNCTAD, in cooperation with the International Trade Centre, also contributed to the *Programme d'appui au développement des exportations* (support programme for export development) in Benin. In Sao Tome and Principe, UNCTAD worked on a capacity-building project for the country's department of commerce funded by bilateral donors. For more details on the integrated framework, see TD/B/55/CRP.1.

V. Investment and enterprise development

22. As part of a United Nations Development Account project,¹⁹ UNCTAD launched a technical assistance project for the Common Market for Eastern and Southern Africa, which aims to enhance the capacity of national investment agencies to compile, disseminate and analyse data on foreign direct investment and operations of transnational corporations, for example. Such work includes helping improve institutional capacities so that the importance of transnational corporations in the economies of beneficiary countries can be assessed and investment-friendly policies formulated. It also aims at strengthening networking and building partnerships among the countries of the region for foreign direct investment and data compilation and reporting on transnational corporations. UNCTAD also completed an investment policy review²⁰ of Mauritania which focused on investment promotion and an investment guide for Benin in 2007. During the year, the secretariat also initiated a study of best practices in post-conflict economies which took the case of Mozambique as example.

¹⁵ Afghanistan, Angola, Benin, Burkina Faso, Burundi, Cambodia, Cape Verde, the Central African Republic, Chad, Comoros, the Democratic Republic of Congo, Djibouti, Eritrea, Ethiopia, the Gambia, Guinea, Guinea-Bissau, Haiti, Kiribati, the Lao People's Democratic Republic, Lesotho, Liberia, Madagascar, Malawi, Maldives, Mali, Mauritania, Mozambique, Nepal, Niger, Rwanda, Samoa, Sao Tome and Principe, Senegal, Sierra Leone, Solomon Islands, Sudan, Timor-Leste, Togo, Tuvalu, Uganda, the United Republic of Tanzania, Vanuatu, Yemen and Zambia.

¹⁶ Angola, Benin, Burkina Faso, Burundi, Cambodia, the Central African Republic, Chad, Comoros, Djibouti, Ethiopia, the Gambia, Guinea, the Lao People's Democratic Republic, Lesotho, Madagascar, Malawi, Maldives, Mali, Mauritania, Mozambique, Nepal, Niger, Rwanda, Sao Tome and Principe, Senegal, Sierra Leone, Uganda, the United Republic of Tanzania, Vanuatu, Yemen and Zambia.

¹⁷ Afghanistan, Cape Verde, Democratic Republic of Congo, Eritrea, Guinea-Bissau, Haiti, Kiribati, Liberia, Niger, Samoa, Solomon Islands, Sudan, Timor-Leste, Togo and Tuvalu.

¹⁸ Equatorial Guinea.

¹⁹ The "Support for decision-making and policy formulation on foreign direct investment in the context of the Millennium Development Goals and the Monterrey Consensus" project. This project's beneficiary LDCs are: Burundi, Comoros, the Democratic Republic of the Congo, Djibouti, Eritrea, Ethiopia, Madagascar, Malawi, Rwanda, Sudan, Uganda, the United Republic of Tanzania and Zambia.

²⁰ The secretariat also launched investment policy reviews in three other LDCs: Burkina Faso, Burundi and Sierra Leone, while Benin, Ethiopia and Rwanda benefited from a number of follow-up activities to implement recommendations arising from completed reviews.

23. In the area of investment promotion, several training workshops²¹ and study tours were organized in 2007, from which many LDCs benefited. The capacity-building project on good governance in investment promotion and facilitation – from which the Maldives and Rwanda benefited in 2007 – continued through the implementation of the recommendations of the Good Governance in Investment Promotion advisory report. UNCTAD also continued to deliver training and ad hoc technical assistance on international investment agreements to several LDCs, including: Angola (on recent developments in such agreements) and the Lao People’s Democratic Republic (on technical issues concerning the free-trade-agreement negotiations with Japan). As regards intellectual property rights, UNCTAD held two regional workshops on developing local productive and supply capacities in the pharmaceutical sector in Ethiopia and the United Republic of Tanzania.

24. Uganda completed the pilot phase of the UNCTAD Business Linkages Programme.²² Since its inception in 2005, the project has brought five transnational corporations together with a number of small and medium-sized enterprises in the following sectors: agribusiness (1,500), telecommunications (13), real estate (6) and manufacturing (4). Given the success of the initial phase, all the transnational corporations that participated in the programme pledged to participate and assist in the further expansion of the programme. One of the key benefits demonstrated by the pilot phase is that the Linkage Programme helped upgrade domestic suppliers and make them “partnership ready”. The programme also proved to be an important mechanism for enhancing the business skills of small and medium-sized enterprises both in urban and rural areas. With a view to expanding the pilot phase of the programme, in 2007 UNCTAD organized two entrepreneurship training workshops in the United Republic of Tanzania for local entrepreneurs and business owners. The training, based on the methodology of the Entrepreneurial Development Programme (Empretec), was part of the UNCTAD effort to launch the Business Linkages Programme and to set up an Empretec centre in the country.

VI. Technology and logistics

A. Automated System for Customs Data (Asycuda) programme

25. The Asycuda++ system became operational in several countries. Recent beneficiaries of the system include Afghanistan, Guinea, Madagascar, Mauritania and Togo, while agreements to support existing and/or extension projects were signed with Cambodia, the Central African Republic, Chad, Haiti and Timor-Leste. In the East African region, five national projects (including for Comoros, the Democratic Republic of the Congo and Eritrea) are now being implemented, in cooperation with the Secretariat of the Common Market for Eastern and Southern Africa. In 2007 further regional cooperation activity was begun with the Secretariat of the Central African Economic and Monetary Union to assist in the development and implementation of a regional transit system through the Asycuda programme. The secretariat also provided substantial technical assistance (through the Emergency Customs Modernization and Trade Facilitation Project funded by the World Bank) to Afghanistan in 2007; for example, to assist the country with legal and regulatory matters such as the drafting of a new legal framework for the Afghan

²¹ These include: a study tour organized for professional and executive staff from Afghanistan, Samoa and Solomon Islands, hosted by the Japan External Trade Organization; a workshop organized to train Angolan trade representatives on various investment promotion and trade-related issues; and a training workshop on investor targeting and aftercare held in Addis Ababa, Ethiopia, for staff of the Ethiopian Investment Agency.

²² The programme aims to make small and medium-sized enterprises more competitive by creating and strengthening business linkages between transnational corporations and domestic suppliers.

transport sector and new rules and regulations governing carrier companies in the country.

B. Trade and transport facilitation activities

26. In 2007, UNCTAD completed the “Capacity-building in Trade and Transport Facilitation for Landlocked and Transit Developing Countries” project, funded by the United Nations Development Account. The main aim of the project was to provide support for the development of business and cross-border clusters through public-private partnerships. The clusters were built along selected transit corridors in Africa and Asia, namely the Trans-Caprivi Corridor linking Namibia to Zambia and the Bangkok-Vientiane Corridor linking the Lao People’s Democratic Republic to Thailand. The project also helped establish a collaborative and functional network among such stakeholders as customs and port authorities, terminal operators, freight forwarders, customs brokers and other border authorities of the countries concerned. This then helped to improve day-to-day transport and trade-facilitation operations. In 2007, the secretariat also organized a course in Dakar, Senegal, on transport and trade facilitation in accordance with the Bangkok Plan of Action.

C. Science, technology and innovation policy (STIP) reviews

27. Angola and Mauritania benefited from the science, technology and innovation policy (STIP) review programme of UNCTAD. The STIP review of Angola was presented to the eleventh session of the United Nations Commission on Science and Technology for Development, held in Geneva in May 2008. The review provided a basis for an open exchange of views and sharing of experiences by policymakers and other stakeholders on such issues as investment, capacity-building, human resources development and technology transfer. The STIP review of Angola also allowed the identification of sector-specific recommendations in agriculture, education and health, and measures to create an enabling environment for innovation in the country. LDCs also benefited from the secretariat’s new Network of Centres of Excellence on Science and Technology (NOCE) initiative,²³ which was launched in 2007. The NOCE initiative emphasizes the importance of South-South cooperation as a means of placing technology at the service of development and reversing the negative impact of the brain drain. Over a hundred young scientists from developing countries – of which 46 were LDCs – benefited from the initiative.

D. Information and communication technologies (ICTs): e-commerce and e-tourism

28. In 2007, the secretariat provided advisory services for the Governments of Cambodia and the Lao People’s Democratic Republic on issues related to ICTs, to help the countries prepare draft e-commerce legislation in the context of a regional and harmonized e-commerce legal framework. Round tables for stakeholder consultation were organized in Cambodia and the Lao People’s Democratic Republic in 2007 to present the draft e-commerce law and to discuss its legal implications for the trade and development prospects of the two countries. UNCTAD also provided assistance to the Secretariat of the East African Community

²³ A joint project of UNCTAD and the United Nations Commission on Science and Technology for Development, the NOCE initiative is for outstanding scientific institutions in the developing world that are willing to operate as regional hubs of research and training. The initiative aims to enhance specific skills of young scientists and engineers from other developing countries, strengthen the links within the scientific community in developing countries, and to raise awareness about state-of-the-art technologies for development.

in drafting regional e-commerce legislation; a regional cyberlaw task force²⁴ was consequently formed in 2007. Two further regional workshops²⁵ were organized in 2007 on information society measurements, namely, deployment of ICTs and their use in developing countries.

29. With regard to e-tourism, UNCTAD continued to assist LDCs in the preparation, revision and/or implementation of national policies. The various activities of the secretariat helped beneficiary countries better understand the development implications of the use of ICTs in tourism sector. UNCTAD also assisted in building institutional capacities for stakeholders, for example, by assisting the establishment of public-private partnerships on tourism. The purpose of such partnerships is to collectively manage and promote tourism destinations using ICTs. Country case studies on the use of ICTs in the tourism sector were also carried out in Cambodia and the Lao People's Democratic Republic. The secretariat organized a number of training workshops²⁶ on ICTs and sustainable tourism for public, private and civil society actors.

E. The Virtual Institute, TrainForTrade and the Course on Key International Economic Issues²⁷

30. The UNCTAD Virtual Institute continued to help academic institutions²⁸ in LDCs strengthen their capacity to teach and research trade and development issues. In 2007, with the assistance of UNCTAD, seven academics from Mozambique, Senegal, Uganda and the United Republic of Tanzania came to Geneva to work on specific research projects of interest to their respective countries. In the same year, 21 master's degree students in international trade from the United Republic of Tanzania benefited from a course delivered by UNCTAD staff on the economics of commodity production and trade. Two more researchers from Senegal also received help in adapting the Virtual Institute's teaching material on commodities to the needs of their country's academic institutions.

31. As part of the UNCTAD TrainForTrade programme, 14 distance-learning tutors took part in a four-day workshop²⁹ in Dakar, Senegal, in April 2007. The workshop focused on ways of facilitating the management of distance-learning sessions and accessing the TrainForTrade learning platform in the tutors' respective countries. In the field of port management, operators from the ports of Cotonou in

²⁴ Members of the task force were drawn from ministries and relevant government departments; regional associations of legal and other professionals, such as the East African Law Society, the East African Magistrates and Judges Association and the East African Business Council; and from the Secretariat of the East African Community (its legal department, the East African Court of Justice and the East African Legislative Assembly). The first regional meeting of the task force was organized in January 2008.

²⁵ A workshop, held in Addis Ababa, Ethiopia, on 7–9 March 2007, was organized in cooperation with the Economic Commission for Africa, the International Telecommunications Union and UNCTAD. A second regional capacity-building workshop on information society measurements for Western Asia was held in Cairo, Egypt, on 20–21 June 2007, in cooperation with the Economic and Social Commission for Western Asia, UNCTAD, the Arab Regional Office of the International Telecommunications Union and the Organization for Economic Cooperation and Development.

²⁶ Further training workshops were organized in Antsirabe, Madagascar, in July 2007 and Vientiane, the Lao People's Democratic Republic, in November 2007. In addition, UNCTAD organized an Asia-Pacific conference and two workshops on e-tourism in Kota Kinabalu, Malaysia, in March 2007, in which LDCs from the region (Bhutan, Cambodia, Maldives, Nepal and Solomon Islands) participated. A distance-learning seminar was also organized for Benin and Burkina Faso in November 2007.

²⁷ Formerly, the "Paragraph 166" course.

²⁸ The University of Dar-es-Salaam in the United Republic of Tanzania, the Cheikh Anta Diop University in Senegal, the Eduardo Mondlane University in Mozambique and the Makerere University in Uganda benefited from advisory services on curricular development.

²⁹ The first workshop was attended by participants from Benin, Guinea, Madagascar, Mali, Mauritania, Senegal and Togo. A second similar workshop was organized for Burkina Faso, Cape Verde, Guinea, Mali, Mauritania, Senegal and Togo with the help of local tutors trained through the UNCTAD distance learning programme. Following the workshops, decision-makers from those eight countries gathered in Geneva to discuss possible technical cooperation activities in the field of sustainable tourism for development, thanks to funding received from the Government of Belgium.

Benin, Dakar in Senegal, and Lomé in Togo, participated in a three-week instructor-training workshop organized in Marseille, France, at the beginning of 2007. Also during 2007, the ports of Cotonou, Conakry in Guinea, Dakar, Lomé, and Phnom Penh and Sihanoukville in Cambodia received assistance from the secretariat in the area of port management and related areas. In Asia, as part of a regional project for Cambodia and the Lao People's Democratic Republic, the secretariat organized 17 relevant workshops, of which two were regional "train-the-trainers" courses.

F. Debt Management and Financial Analysis System (DMFAS)

32. UNCTAD technical assistance in the area of debt management and financial analysis includes development, installation and maintenance of specialized software to meet the operational, statistical and analytical needs of beneficiary countries. The programme also contributes to institutional and human capacity-building efforts through training and advisory services, debt data validation and basic debt analysis. In 2007, 29 institutions in 22 LDCs³⁰ benefited from technical assistance provided as part of the DMFAS programme, of which 17 countries are currently using DMFAS in the day-to-day management of their debt. Cambodia became the latest beneficiary of the system in 2007, and negotiations on the implementation of DMFAS by two more LDCs (Cape Verde and Comoros) have started.

VII. Conclusion

33. As in previous years, the LDCs significantly benefited in 2007 – both individually and as a group – from the UNCTAD-wide activities in implementing the Programme of Action. Further efforts by donors, beneficiary countries and the secretariat are needed to ensure the continuity and sustainability of capacity-building projects and programmes. Predictability of resources, ownership capacities of LDCs and continuity and sustainability of capacity-building activities are critical to enhancing the substantive and developmental impact of the wide-ranging activities of the secretariat on LDCs. In this regard, the UNCTAD Least Developed Countries Trust Fund remains an important vehicle for initiating, designing and implementing technical cooperation and capacity-building activities in LDCs. However, the need to diversify the sources of funding of the trust fund remains, as only a few donors have made contributions to the fund recently.

34. In the light of the extensive activities of UNCTAD and in order for LDCs to accelerate their economic growth and development, improve their export competitiveness and take better advantage of recent commodity-price booms, the following areas will require urgent action and policy attention at the national and international levels: reducing trade transaction costs; developing human and institutional capacities; and commodity diversification and value addition, including through enhancing the role of foreign direct investment in their economy and building their overall productive capacities.

³⁰Angola, Bangladesh, Burkina Faso, Burundi, Cambodia, the Central African Republic, Chad, the Democratic Republic of Congo, Djibouti, Ethiopia, Guinea-Bissau, Haiti, Madagascar, Mauritania, Rwanda, Sao Tome and Principe, Senegal, Sudan, Togo, Uganda, Yemen and Zambia.



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**Review of progress in the implementation of the Programme of Action
for the Least Developed Countries for the Decade 2001–2010:**

**(b) Sectors of key interest to the least developed countries in the
implementation of the Programme of Action for the Least Developed
Countries for the Decade 2001–2010: Export competitiveness –
policy issues and priorities**

**UNCTAD-wide activities in the implementation of the
Programme of Action for the Least Developed
Countries for the Decade 2001–2010:
Seventh progress report**

Report by the UNCTAD secretariat

Corrigendum

Paragraph 5, second sentence, line 6

For investment policy regimes read intellectual property rights

Paragraph 12, second sentence, line 5

For international property rights read intellectual property rights