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UNCTAD contributions to the implementation of and follow-up to the outcomes of the major United Nations conferences and summits in the economic and social fields

Progress made in the implementation of the outcomes of the major United Nations conferences and summits, and UNCTAD contributions

Note by the UNCTAD secretariat

Executive summary

Pursuant to United Nations General Assembly resolution 57/270 B and paragraph 18 (n) of the Doha Mandate, UNCTAD should contribute to the implementation of and follow-up to the outcomes of the major United Nations conferences and summits in the economic and social and related fields. UNCTAD also contributes to the implementation of the Addis Ababa Action Agenda and the 2030 Agenda for Sustainable Development.

The present document provides a brief review of the progress made in the relevant thematic areas and UNCTAD contributions thereto during the period July 2015 – June 2016.

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Introduction

1. The United Nations General Assembly, in its resolution 57/270 B, stressed the need to “make maximum use of existing United Nations mechanisms for the purpose of reviewing the implementation of commitments made within the United Nations system in key areas of development” (para. 27). To this end, it invited the Trade and Development Board to “contribute, within its mandate, to the implementation and to the review of progress made in the implementation of the outcomes of the major United Nations conferences and summits, under its relevant agenda items” (para. 27 (a)).

2. The thirteenth session of the United Nations Conference on Trade and Development, held in Doha in April 2012, agreed that UNCTAD should “implement and follow up, as appropriate, relevant outcomes from global conferences and summits on development” (Doha Mandate, para. 18 (n)).

3. The present document is a review of progress made in the implementation of the outcomes of the major United Nations conferences and summits and UNCTAD contributions in this respect during the period July 2015–June 2016.

I. International trade

A. Progress made

4. Seven years after the financial crisis the global economy is still facing subdued growth and demand, and financial fragility. Trade continues to grow at a rate of 2.5 per cent, yet at a slower rate than in the decade prior to the crisis of 2008–2009 (6.8 per cent). International trade remains largely characterized by the movement of physical goods; however, trade in services has continued to grow, albeit from a lower base. The multilateral trading system has experienced further setbacks, and the terms of trade of many of the world’s most vulnerable countries have deteriorated due to high commodity dependence and falling commodity prices.

B. UNCTAD contribution

5. UNCTAD has assisted member States in addressing the challenges associated with a changing trade environment to harness the many benefits of an open economy while minimizing the costs.

6. At the Expert Meeting on Trade as a Tool for the Economic Empowerment of Women on 23–24 May 2016, experts discussed how to ensure coherence between trade and the economic empowerment of women, and cast light on ways to design and implement “transformative actions” for gender equality and women’s economic empowerment, according to the 2030 Agenda for Sustainable Development and the Addis Ababa Action Agenda on financing for development.

7. The fourth session of the Multi-year Expert Meeting on Trade, Services and Development held on 18–20 May 2016 examined experiences and lessons learned in promoting coherence between policies, regulations and trade liberalization to support the services sector. Several participants highlighted the importance of the meeting’s discussion in promoting a better understanding on key policy issues affecting the services economy and trade.

8. UNCTAD national green export reviews aim to support countries in the identification and transition towards a greener development path to enhance economic growth, poverty

alleviation and environmental sustainability. In this regard, UNCTAD has undertaken national stakeholder workshops in Ethiopia, on 22–23 December 2015, and Oman, on 23–24 February 2016.

9. The Agreement on Trade Facilitation of the World Trade Organization requires the publication and availability of information about import and export procedures and regulations. As part of its ongoing work on data collection on non-tariff measures, UNCTAD organized an ad hoc expert meeting that took stock of issues related to the classification of non-tariff measures and initiated a process to continuously oversee that classification so that it remains relevant for the needs of policymakers, researchers and businesses. UNCTAD oversaw training workshops on classification of and data collection on non-tariff measures in Cambodia, Indonesia, Kenya, Singapore and Spain. Furthermore, UNCTAD and the Economic Research Institute for the Association of Southeast Asian Nations (ASEAN) and East Asia undertook a joint project on non-tariff measure data collection and classification in 10 member States of ASEAN, namely, Brunei Darussalam, Cambodia, Indonesia, the Lao People's Democratic Republic, Malaysia, Myanmar, the Philippines, Singapore, Thailand and Viet Nam. The cooperation of UNCTAD and the Economic Research Institute brought the project to a successful close, establishing a database of non-tariff measures of ASEAN (<http://asean.i-tip.org>) and producing country reports containing analysis based on the non-tariff measures collected.

10. In 2015, UNCTAD continued and further expanded technical assistance to and capacity-building for developing countries and least developed countries with a view to awareness raising and implementation of specific provisions of the Agreement on Trade Facilitation of the World Trade Organization. In particular, UNCTAD provided assistance in strengthening national trade facilitation committees, one of the key provisions of the Agreement, to facilitate domestic coordination and implementation of the Agreement. UNCTAD also contributed to the revision of the United Nations recommendation on establishing national trade facilitation bodies.

11. The UNCTAD report, *Trading into Sustainable Development: Trade, Market Access and the Sustainable Development Goals*, provided a mapping of the new trade landscape for policymakers to help them navigate in the design, implementation and assessment of trade policy. It also examined the complex interactions between market access conditions – customs tariffs, non-tariff measures and physical connectivity to markets – and the determinants of sustainable development.

12. Since the adoption of the Set of Multilaterally Agreed Equitable Principles and Rules for the Control of Restrictive Business Practices by the General Assembly in its resolution 35/63, UNCTAD has played a key role in assisting developing countries and countries with economies in transition in the establishment of competition regimes. UNCTAD started the implementation of its Middle East and North Africa programme on strengthening institutions and capacities in the areas of competition and consumer protection policies. The programme, whose activities will run for several years, has eight members: Algeria, Egypt, Morocco, Tunisia, Lebanon, Jordan and the Occupied Palestinian Territory.

13. The seventh United Nations Conference to Review all Aspects of the Set of Multilaterally Agreed Equitable Principles and Rules for the Control of Restrictive Business Practices was held from 6 to 10 July 2015. The Conference conducted voluntary peer reviews of competition law and policy in Albania, Fiji and Papua New Guinea, and received a proposal for the revision of the United Nations guidelines for consumer protection, prepared by the UNCTAD secretariat and the associated working groups. The proposal was adopted by the United Nations General Assembly on 22 December 2015 in its resolution 70/186. The revised guidelines include new chapters on financial services, electronic commerce (e-commerce), good business practices, dispute resolution and redress. The United Nations General Assembly resolution also established an intergovernmental group of experts on

consumer protection law and policy within UNCTAD to monitor the implementation of the guidelines. The group of experts will also serve as a forum for exchange of best practices and will provide technical assistance to and capacity-building for developing countries and economies in transition.

14. On 8–10 May 2016, UNCTAD in partnership with the Commonwealth Secretariat and the International Ocean Institute held the International Seminar on Oceans Economy and Trade: Sustainable Fisheries, Transport and Tourism to take stock and consider innovative ideas and best practices to implement Sustainable Development Goal 14. The seminar highlighted the strong interdependencies of ocean-based sectors and relevant implications for strategically coordinated policies in support of the conservation and sustainable use of oceans and their resources. UNCTAD launched its report, *Sustainable Fisheries: International Trade, Trade Policy and Regulatory Issues*, which presents the argument for the sustainability of fisheries and outlines a transformative agenda for future sustainable fisheries and how to reverse the current tragedy of the oceanic commons.

15. UNCTAD continued its implementation of the United Nations Development Account project entitled “Building the capacities of developing countries to shift towards sustainable freight transport”. In March 2015, UNCTAD organized a training and capacity-building workshop in Nairobi to build the capacity of East-African landlocked and transit countries in designing, developing and implementing sustainable freight transport strategies and solutions. Phase II of the project is targeting small island developing States of the Caribbean and aims at also building their capacity to implement sustainable freight transport systems.

16. The fourth session of the Multi-year Expert Meeting on Transport, Trade Logistics and Trade Facilitation on 14–16 October 2015, focused on sustainable freight transport systems – opportunities for developing countries, provided a platform for substantive discussions and policy dialogue on key issues at the interface of sustainable development and freight transport.

II. Commodities

17. The 2005 World Summit Outcome emphasized “the need to address the impact of weak and volatile commodity prices and support the efforts of commodity-dependent countries to restructure, diversify and strengthen the competitiveness of their commodity sectors”. A decade later, the United Nations sustainable development summit adopted the 2030 Agenda for Sustainable Development; its Sustainable Development Goal 2, target 2.c, aims at adopting measures to ensure the proper functioning of food commodity markets and their derivatives and to facilitate timely access to market information, including food reserves.

18. Several developing countries continue to be highly dependent on primary commodities as their principal source of export revenues, employment, income generation and domestic saving, and require additional sources of growth.

19. The twelfth session of the United Nations Conference on Trade and Development, held in Accra in April 2008, provided the all-inclusive mandate which anchors the work of the UNCTAD secretariat in the areas of commodities trade and development (Accra Accord, para. 91). The Doha Mandate calls on assisting commodity-dependent developing countries to identify and implement appropriate policies at all levels to address the impacts of volatility of commodity prices and to formulate sustainable and inclusive development strategies, particularly those that increase value addition and economic diversification (para. 27).

A. Progress made

20. In 2015, the prices of most commodities in the agriculture sector, energy (oil and gas) and metals (copper, nickel and iron ore) declined. For many commodity markets, the general downward trend in prices was also combined with short-term fluctuations. These developments have had significant impact on the economies of commodity-dependent developing countries and the actors along global value chains, from the fields to end consumers.

B. UNCTAD contribution

21. UNCTAD implemented a broad range of activities, including policy analysis, intergovernmental meetings and technical assistance, to assist commodity-dependent developing countries in addressing commodity-related challenges and harnessing the gains from commodities production and trade.

22. The eighth session of the Multi-year Expert Meeting on Commodities and Development, held on 21–22 April 2016, discussed recent developments and new challenges in commodity markets and policy options for commodity-based inclusive growth and sustainable development. Experts discussed and reviewed the secretariat's efforts to strengthen commodity production in commodity-dependent developing countries and improve food security and export competitiveness with the aim of achieving the Sustainable Development Goals.

23. UNCTAD collaborates with members of the UN-Energy, the mechanism for inter-agency collaboration in the field of energy, to help create a coherent approach towards a sustainable energy system, especially in developing countries. On 23–26 November 2016, UNCTAD organized the seventeenth African Oil, Gas and Mines Trade and Finance Conference and Exhibition in Khartoum, which brought together over 700 participants. The Conference focused on creating more stable and decent jobs, promoting economic growth, protecting the environment and fostering social inclusion. The development of local content was recognized as the key driver for job creation, capacity-building and technology transfer.

24. UNCTAD also convened a panel discussion entitled “Price slump in commodities: Financial implications for commodity exporters” on 17 December 2015, as part of a series of high-level events organized together with the Government of Kenya in parallel with the Tenth Ministerial Conference of the World Trade Organization in Nairobi. The panel of distinguished speakers explored the impact of the current downturn in the commodity supercycle on external debt sustainability in commodity-dependent developing countries and discussed core policy implications.

25. The UNCTAD *Commodities and Development Report 2015* focused on key issues faced by smallholder farmers in developing countries such as agrifood, commodities production and sustainable development. The report offers policy recommendations on the conditions for smallholders to fulfil their potential as sustainable business enterprises integrated into domestic, regional and international markets.

26. The UNCTAD market information on agricultural commodities programme, an Internet portal on commodity trade and market information, was updated with 11 selected agricultural products: banana, cocoa, coconut, coffee, cotton, gum Arabic, mango, palm oil, pineapple, soy beans and tea. Efforts have also been made to expand commodities profiles, originally prepared in French, by starting to add English and Spanish translations.

III. Investment and enterprise development

27. The outcome of the first International Conference on Financing for Development (2002), the Monterrey Consensus, emphasized the importance of international private capital flows, notably foreign direct investment, to support national and global development efforts. More recently, the outcome of the third International Conference on Financing for Development (2015), the Addis Ababa Action Agenda, recognized "... the important contribution that direct investment, including foreign direct investment, can make to sustainable development" (para. 45). The Agenda requested "UNCTAD to continue its existing programme of meetings and consultations with Member States on investment agreements" (para. 91).

28. In 2011, the declaration of the Fourth United Nations Conference on the Least Developed Countries underlined that a "dynamic, well-functioning and socially responsible private sector, small and medium-sized enterprises in particular, and an appropriate legal framework are crucial for promoting entrepreneurship, investment, competition, innovation and economic diversification" (para. 8 (b)). The need to provide targeted assistance to structurally weak, small and vulnerable economies was reiterated in the 2030 Agenda for Sustainable Development, which called for "... official development assistance and financial flows, including foreign direct investment, to States where the need is greatest, in particular least developed countries, African countries, small island developing States and landlocked developing countries, in accordance with their national plans and programmes" (Sustainable Development Goal 10, target 10.b).

29. In 2012, the United Nations Conference on Sustainable Development highlighted the importance of a number of areas of UNCTAD work programme on investment, including foreign direct investment, enterprises and corporate governance. In its outcome document, entitled "The future we want" (General Assembly resolution 66/288, annex), the Conference called for an "enabling environment at the national and international levels, as well as continued and strengthened international cooperation, particularly in the areas of finance, debt, trade and technology transfer, as mutually agreed, and innovation, entrepreneurship, capacity-building, transparency and accountability" (para. 19).

30. In 2015, the United Nations summit for the adoption of the post-2015 development agenda echoed the United Nations Conference on Sustainable Development by calling for support for enterprise development ("promote development-oriented policies that support productive activities, decent job creation, entrepreneurship, creativity and innovation, and encourage the formalization and growth of micro-, small- and medium-sized enterprises, including through access to financial services," Sustainable Development Goal 8, target 8.3). The outcome document also emphasized the importance of several other areas of UNCTAD work programme, including: corporate governance ("Encourage companies, especially large and transnational companies, to adopt sustainable practices and to integrate sustainability information into their reporting cycle," Sustainable Development Goal 12, target 12.6), business facilitation ("Develop effective, accountable and transparent institutions at all levels," Sustainable Development Goal 16, target 16.6) and investment promotion ("adopt and implement investment promotion regimes for least developed countries," Sustainable Development Goal 17, target 17.5).

A. Progress made

31. In 2015, foreign direct investment flows increased to \$1.76 trillion (+38 per cent), their highest level since the global economic and financial crisis of 2008–2009. The share of developed economies in world foreign direct investment inflows leapt from 41 per cent in 2014 to 55 per cent in 2015, reversing a five-year trend during which developing and

transition regions had become the main recipients of global foreign direct investment. Foreign direct investment to developing economies, excluding Caribbean financial centres, increased to a new high of \$765 billion (+9 per cent).

32. Following three years of decline, foreign direct investment outflows from developed economies increased by 33 per cent to \$1.1 trillion, led by Europe and, to a lesser extent, by Japan. As a result, developed countries were responsible for 72 per cent of global foreign direct investment outflows in 2015, up from 61 per cent in 2014. Foreign direct investment outflows declined in most developing and transition economies, with the notable exception of China; its outward foreign direct investment remained high, rising from \$123 billion to \$128 billion.

33. Thirty-one new international investment agreements were concluded in 2015, for a total of 3,304 treaties, most with provisions related to sustainable development. There were 70 known new investor–State dispute settlement cases in 2015, a record annual number of cases. The share of developed countries is on the rise with one third of claims raised under the Energy Charter Treaty. Most claimants come from developed countries.

B. UNCTAD contributions

34. In 2015, UNCTAD dedicated its *World Investment Report* to the reform of international investment governance, with a view to promoting a sustainable development dimension. The report provided an analytical assessment of the regime of international investment agreements and investor–State dispute, as well as patterns of global corporate taxation. The report proposed a road map to reform the international investment regime and an action menu to help countries drafting model investment treaties to better support the Sustainable Development Goals. With regard to taxation, the report offered policy options for the alignment of tax policies aiming to stem corporate tax avoidance and evasion with investment policies promoting foreign private participation in national economies.

35. The outcome of the 2014 World Investment Forum was reflected in a Chair’s summary of the ministerial round table, which provided timely inputs to discussions during the third International Conference on Financing for Development (Addis Ababa, 13–16 July 2015) and the United Nations summit for the adoption of the post-2015 development agenda (New York, United States of America, 25–27 September 2015).

36. In line with the outcomes of major conferences, UNCTAD, through policy analysis and technical assistance, supports several countries, particularly least developed countries, in institutional capacity-building to foster a pro-development investment climate. With regard to investment promotion, UNCTAD continued to work closely with investment promotion agencies towards increasing both the visibility and viability of green investment promotion opportunities, including through its online platform on green foreign direct investment. The 2015 Investment Promotion Awards honoured investment promotion agencies or excellence in web-based promotion of green foreign direct investment. UNCTAD also continued to work with outward investment agencies by performing a formal review of 101 agencies assessing their engagement with the Sustainable Development Goals.

37. In 2015, UNCTAD continued its investment policy reviews of developing countries. Reviews of 43 countries, half of which are least developed countries, have been completed to date, and work continues on five other reviews (Bosnia and Herzegovina, the Congo, Kyrgyzstan, Madagascar and the Sudan), as well as the first regional investment policy review for South-Eastern Europe.

38. UNCTAD continued to support countries in defining reform options that can better align the international investment agreement regime with sustainable development principles. The launch of the updated UNCTAD Investment Policy Framework for Sustainable

Development is a principal contribution in this area, and countries continue to access the framework to remodel their international investment agreement policies. To date, 100 countries have used the Investment Policy Framework to review their international investment agreement networks, and about 60 countries have used it to design treaty clauses. UNCTAD also published its road map for reform of the international investment agreement regime, which provides options for countries seeking to reform their national and investment policies, and pathways to reform the multilateral investment environment. As called for by the Addis Ababa Action Agenda (para. 91), UNCTAD continued consensus-building efforts, in particular through the Multi-year Expert Meeting on Investment, Innovation and Entrepreneurship for Productive Capacity-building and Sustainable Development at its fourth session, held in March 2016, which addressed the issue of the transformation of the international investment agreement regime. UNCTAD also continued to assist countries in negotiating investment agreements through capacity-building activities.

39. The Sustainable Development Goals, as well as the outcome of major conferences, urge special efforts in the area of corporate governance. In this context, the Sustainable Stock Exchanges Initiative has become a strong enabler to promote responsible corporate behaviour. In 2015, the Initiative member stock exchanges grew to 48 exchanges from 52 countries, representing nearly \$48 trillion in market capitalization. On 4–6 November 2015, UNCTAD also organized the thirty-second session of the Intergovernmental Working Group of Experts on International Standards of Accounting and Reporting with discussions on monitoring compliance and enforcement of international reporting requirements.

40. The outcome document of the 2030 Agenda for Sustainable Development, as well as earlier outcome documents, including the Monterrey Consensus and that of the United Nations Conference on Sustainable Development, called for the mobilization of private finance for development, and the critical need to foster a well-functioning business sector. In this context, UNCTAD continued its technical assistance on business facilitation, including its e-regulations and e-registrations portals that promote transparency and better governance in the business sector, as well as improving the operating environment for small businesses. UNCTAD also supported entrepreneurship development through the dissemination of its Entrepreneurship Policy Framework, which aims at supporting countries in the design and implementation of effective policies to create a conducive environment for small businesses.

41. In line with the Beijing Declaration and Platform for Action of the Fourth World Conference on Women, which called for the advancement of women's rights, including their economic independence, UNCTAD continued to prioritize women's empowerment in its activities. The Empretec programme advanced the development of women's entrepreneurship, notably through its Women in Business Awards that highlighted the achievements of women-led businesses in 12 developing countries and least developed countries.

IV. Coherence of the international monetary, financial and trading systems

42. The United Nations Conference on the World Financial and Economic Crisis and Its Impact on Development, held in June 2009, initiated a dialogue on the transformation of the international financial architecture needed to avoid a repetition of the world financial and economic crisis of 2008–2009. The crisis exposed important risks and vulnerabilities in the international financial and economic system. This was also reflected in UNCTAD Doha Mandate and reaffirmed in the Addis Ababa Action Agenda of the Third International Conference on Financing for Development in 2015, both of which expressed a strong political commitment to address the challenge of financing and creating an enabling environment at all levels for sustainable development in the spirit of global partnership and solidarity.

A. Progress made

43. Global growth rates are still below pre-crisis levels. The world economy has continued on a slow growth path of around 2.5 per cent on average since the crisis of 2008–2009. More than seven years after the crisis, there are still deflationary tendencies, declining wage shares and substantial underutilization of labour. In spite of the historically low interest rates since the crisis, there is a shortage of effective global demand. At the same time, profit shares are rising, coupled with excessive financial leverage, a significant debt overhang and large, short-term, volatile financial flows.

44. International trade grew by 6.8 per cent per year in the two decades prior to the crisis, in contrast with its growth rate of 2.5 per cent from the start of the crisis, which is in line with the growth of world gross domestic product. In addition, most international commodity prices fell significantly in 2014 and 2015, continuing a downward trend from their peaks of 2011–2012. The increase in interest rates of the Federal Reserve System of the United States is signalling an end to expansionary monetary policy in developed countries. It also signals the end of a period of large capital inflows to developing countries, with a net outflow of capital from developing countries already registered in the last 12 months.

45. The three trends of capital outflows, sluggish international trade and declining commodity prices do not bode well for the economic prospects of developing countries. Deceleration of the growth dynamic in many countries is in all likelihood bound to continue. Fragilities and vulnerabilities are evident in some cases; however, the policy space needed to address those adverse trends is restricted in most developing countries.

B. UNCTAD contributions on global and macroeconomic issues

46. The *Trade and Development Report, 2015: Making the International Financial Architecture Work for Development* reviewed recent trends in the world economy, examining the tepid recovery in developed countries and the impact of financial spillovers and drop in commodity prices in the developing economies. The report also addressed the shortcomings of the international monetary and financial system, which is unable to properly regulate the provision of international liquidity and allow for countercyclical policies in support of stable growth. The report examined persistent shortcomings in the regulation of international banks, showing that high leveraging, procyclicality and short-termism remain firmly in place. Such a combination of international financial instability and inadequate regulation recurrently leads to external debt crises, while the global economy still lacks a fair and efficient sovereign debt workout mechanism. The present regime has a recessionary bias that can undermine debt sustainability and a pro-creditor bias. Finally, the international system also needs mechanisms to provide long-term finance for development. The report examined a number of reforms that may help to make the international financial architecture work for development.

47. The active role of UNCTAD in providing fresh policy insights to the Group of 20 continued. UNCTAD collaborated with the International Labour Organization in preparing various presentations to meetings of the Strong, Sustainable and Balanced Growth Framework Working Group, the Group of 20 forum for technical discussion on macroeconomics, trade and finance, stressing the relevance of inclusiveness as an essential component of growth strategies. UNCTAD also highlighted aggregate demand measures to sustain employment instead of relying on labour market flexibility. Following a series of meetings in 2015, UNCTAD notion that growth strategies need to include policies to lead to a reduction of inequality became widely shared by international organizations, including International Monetary Fund, the Organization for Economic Cooperation and Development and the World Bank. Furthermore, the UNCTAD proposal for a more expansionary fiscal stance and other measures to support aggregate demand began to be more widely accepted in

2016. Such changes of view have been translated into policy actions by various Group of 20 countries, such as Argentina, Brazil, Canada, China, Germany, Indonesia, Italy, Saudi Arabia and the United States.

48. UNCTAD continued activities within a Development Account project on South–South regional financial and monetary integration, with a particular focus on West and Central Africa and Latin America and the Caribbean. In West Africa, further research on the effects of monetary union shed important insights about the potential challenges of a single currency area. A preliminary study on the use of sovereign wealth funds raised questions about the link between public and private investment. In Latin America, new research confirmed the need for real economy interventions to support the ambitions of regional and financial mechanisms, especially in the case of interregional infrastructure projects. In November 2015, UNCTAD co-hosted, with the Government of Ecuador, a seminar on financial integration and cooperation in the region, attended by senior policymakers from regional development banks, central banks, ministries and United Nations agencies.

C. UNCTAD contributions on debt and development finance issues

49. As stipulated by the General Assembly, UNCTAD is entrusted with the preparation of the annual report on external debt and development of the United Nations Secretary-General. The 2015 report reviewed the recent evolution of debt indicators of developing countries and countries with economies in transition. The report analysed the growing challenges faced by developing countries in maintaining and managing debt sustainability as a result of changes in the global economic environment, shifts in the composition of their external debt and the increased incidence of natural disasters.

50. UNCTAD has continued to respond to emerging problems and challenges that areas of debt and development financing pose to developing countries, as called for by the outcomes of major United Nations conferences and summits. As a major institutional stakeholder in the financing for development process, UNCTAD is a core contributor, in the area of debt and debt sustainability, to the preparation of the report of the Inter-Agency Task Force on Financing for Development. The inaugural Inter-Agency Task Force report was launched in March 2016. UNCTAD took part in a high-level round table discussion on debt and systemic issues at the Economic and Social Council forum on financing for development in April 2016 (New York, United States), as well as related side events.

51. UNCTAD continued to play an important role in consensus-building on issues of debt and development finance. UNCTAD served as the secretariat of the Ad Hoc Committee on Sovereign Debt Restructuring Processes. The outcome was the adoption of the Basic Principles on Sovereign Debt Restructuring Processes in General Assembly resolution 69/319, a reflection of growing concerns about renewed sovereign debt crises and long-term debt sustainability in the context of continued global economic fragility, an issue that has been the focus of UNCTAD work for many years. In addition, UNCTAD serviced the General Assembly negotiations for its resolution 70/190 on external debt sustainability and development.

52. UNCTAD organized a high-level round table at United Nations Headquarters in December 2015, which brought together over 70 participants and experts, to discuss the role played by non-cooperative funds (so-called vulture funds) in sovereign debt markets and debt restructuring. Participants from the private and public sectors, as well as from civil society and academia, agreed on the urgency of continuing the debate and to work towards feasible remedies, in particular in view of the increased likelihood of sovereign defaults and debt distress in developing countries in the near future.

53. UNCTAD also assisted five least developed countries (Bangladesh, Haiti, Mauritania, Nepal and Togo) through its Development Account project on building capacity in regulatory and institutional sovereign debt governance. In 2015, UNCTAD organized two workshops in Jamaica and Nepal to analyse gaps in regulatory and institutional frameworks in sovereign debt governance, as well as to discuss possible policy options.

54. The UNCTAD Debt Management and Financial Analysis System programme, a leading provider of technical cooperation and advisory services in debt management, continued its assistance to developing countries in order to improve their capacity to manage debt in a sustainable manner, with a specific focus on least developed countries. Working directly at the country level in 57 countries and with 85 institutions during the reporting period to deliver practical assistance in this critical area, the programme helped strengthen the capacity of users in day-to-day management of public liabilities and production of reliable debt data for policymaking purposes.

V. Science and technology for development, including information and communications technologies

55. The World Summit on the Information Society (WSIS) adopted four outcome documents with concrete objectives, goals and targets, to be met by 2015, along with 11 action lines and main themes. UNCTAD, through the Commission on Science and Technology for Development, was designated by the United Nations Economic and Social Council to act as the focal point in the system-wide follow-up to the WSIS outcomes. In addition, UNCTAD is a co-facilitator of the action line related to e-business and contributes to measuring progress towards the Summit targets through the Partnership on Measuring Information and Communication Technologies for Development.

A. Progress made

56. The Tunis Agenda for the Information Society requested the General Assembly to carry out an overall review of the implementation of WSIS outcomes in 2015. The review was concluded by a two-day high-level event meeting on 15–16 December 2015, as mandated by the General Assembly in its resolution 68/302. The outcome document of the high-level meeting assessed progress to date, identified gaps and challenges and made recommendations for the future. In its outcome document, the General Assembly called for close alignment between the WSIS process and the 2030 Agenda for Sustainable Development, and it recommended the outcome of the next review (to be held in 2025) to be an input into the review process for the 2030 Agenda for Sustainable Development.

57. The follow-up and implementation of WSIS outcomes continue to be relevant for achieving the 2030 Agenda for Sustainable Development.

B. UNCTAD contributions

58. From May 2015 to May 2016, UNCTAD chaired the United Nations Group on the Information Society, the inter-agency mechanism that coordinates substantive and policy issues in the implementation by the United Nations of the WSIS outcomes. UNCTAD coordinated the preparation of a joint statement by the Chief Executives Board to the General Assembly high-level meeting on the overall review of the implementation of the WSIS outcomes in December 2015.

59. As United Nations Group on the Information Society Chair, Commission on Science and Technology for Development secretariat and WSIS co-organizer, UNCTAD contributed substantively to the high-level meeting that concluded the overall review of the implementation of WSIS outcomes on 15–16 December 2015. UNCTAD submitted the 10-year review of progress of WSIS* prepared by the Commission on Science and Technology for Development as an input for the overall review. The outcome, General Assembly resolution 70/125, recognized the critical role of information and communications technology (ICT) in achieving development and the need to align the WSIS process and the 2030 Agenda. It reaffirmed the General Assembly commitment to the WSIS outcomes and recognized the multi-stakeholder approach in the implementation. The resolution called for the continued work of United Nations Group on the Information Society and the yearly WSIS Forum.

60. The Commission on Science and Technology for Development continued to monitor the implementation of and follow-up to the outcomes of WSIS at the international and regional levels, and prepared the corresponding annual report of the Secretary-General. As part of the annual follow-up activities, a high-level round table entitled “Review of progress made in the implementation of WSIS outcomes” was organized at the nineteenth session of the Commission, held from 9 to 13 May 2016. The Commission discussed ways to create synergies between the implementation of WSIS outcomes and the implementation of the 2030 Agenda for Sustainable Development. As mandated by General Assembly resolution 70/125, the Chair of the Commission decided the composition of the Working Group on Enhanced Cooperation on 3 May 2016.

61. UNCTAD co-organized the WSIS Forum 2016, together with International Telecommunication Union, the United Nations Development Programme and the United Nations Educational, Scientific and Cultural Organization. UNCTAD participated in the high-level segment, co-facilitated the action line on e-business and moderated and spoke at various sessions. UNCTAD highlighted in particular the potential of ICT to support Sustainable Development Goal 17, target 11, on trade growth for least developed countries, the need to ensure that the digital economy grows in an inclusive and sustainable manner, and the importance of ICT statistics to support the 2030 Agenda. In that context, UNCTAD continued to make significant contributions to the work of the Partnership on Measuring Information and Communication Technologies for Development.

62. Building on the findings of the *Information Economy Report 2015* on how to unlock the potential of e-commerce for developing countries, UNCTAD further contributed to the WSIS action line on e-business through its E-commerce Week in April 2016. During the week, multiple stakeholders discussed e-commerce in the global economy, the implications of data protection and privacy for trade and development, the forthcoming eTrade for All initiative to maximize the economic opportunities opened by e-commerce and improving official statistics on e-commerce.

* UNCTAD/DTL/STICT/2015/3.

VI. Countries in special situations

A. Least developed countries

1. Progress made in the implementation of the Programme of Action for the Least Developed Countries for the Decade 2011–2020

63. In accordance with paragraphs 41 (o) and 41 (p) of the Doha Mandate, UNCTAD has been actively supporting the goal of the Programme of Action for the Least Developed Countries for the Decade 2011–2020 (Istanbul Programme of Action) of enabling at least half the number of least developed countries to meet the criteria for graduation from least developed country status by 2020 (para. 28). That role contributes to the implementation of the Istanbul Programme of Action for the present decade through research and policy analysis as well as technical cooperation. In May 2016, the midterm review of the Istanbul Programme of Action, which took place in Antalya, Turkey, attempted to track the progress made and identify ways to move forward in the achievement of the set goals.

2. UNCTAD contributions

64. *The Least Developed Countries Report 2015* addressed the challenges of rural transformation in least developed countries and argued that poverty-driven rural–urban migration fuels excessive rates of urbanization in several least developed countries. The report provided recommendations on ways and means to transform rural economies. UNCTAD also prepares the *Economic Development in Africa Report*, which is helpful to the many African least developed countries. The *Economic Development in Africa Report* has been arguing for deliberate, concerted and proactive measures to promote structural transformation and for the decoupling of growth from the depletion of natural resource. Structural transformation cannot be achieved without a focused effort to promote the policies appropriate to the circumstances of the country concerned.

65. UNCTAD made substantive contributions to the midterm review of the Istanbul Programme of Action held on 27–29 May 2016 and organized a high-level side event entitled “Fostering Structural Progress towards Graduation from Least Developed Country Status”. It also co-organized an event, with the Food and Agriculture Organization of the United Nations and the International Fund for Agricultural Development, on mobilizing investment in the rural agenda in least developed countries.

66. UNCTAD implemented a project to improve the ability of selected least developed countries to export fish to both developed and developing countries. The project included research and analysis on export development and diversification and on problems faced by Cambodia, the Comoros, Mozambique and Uganda in meeting international standards. UNCTAD also prepared a training manual on building the capacities of least developed countries to upgrade and diversify their fish exports, which included ways and means of improving national food safety and quality standards in compliance with international sanitary and phytosanitary standards.

67. UNCTAD developed and implemented a project on strengthening the capacities of trade and planning ministries of selected least developed countries (Bhutan, Ethiopia, Kiribati, the Lao People’s Democratic Republic, Lesotho and Senegal) to develop and implement trade strategies conducive to poverty reduction. UNCTAD prepared a policy handbook on trade mainstreaming, which drew lessons from the beneficiary countries’ experiences and provided insights on designing and implementing effective trade strategies in least developed countries. The handbook will be used as a tool to conduct capacity-building activities in other least developed countries and serves as a guide to policy development in developing countries.

B. Small islands developing States

1. Progress made in the implementation of the Small Island Developing States Accelerated Modalities of Action Pathway

68. In 2010, the General Assembly in its resolution 65/2 called for “concrete recommendations” and to “consider what improved and additional measures might be needed to more effectively address the unique and particular vulnerabilities and development needs” of small island developing States. In the 2014 SIDS Accelerated Modalities of Action Pathway (Samoa Pathway), countries reinforced their pledge “to take urgent and concrete action to address the vulnerability of small island developing States”, which has fuelled UNCTAD commitment and action in support of the resilience-building efforts of these countries.

2. UNCTAD contributions

69. UNCTAD continues to propose a reform of the criteria to identify graduation cases of least developed countries which are also small island developing States. It calls on giving greater weight to the vulnerability criterion in order to rule out *forced* graduation for countries that face high vulnerability. Jointly with other regional and international partners, UNCTAD is providing technical assistance to six small island developing States (Kiribati, Sao Tome and Principe, Solomon Islands, Timor-Leste, Tuvalu and Vanuatu), with a focus on resilience-building and structural economic progress.

70. UNCTAD is also supporting the proposal of having a specific category for small island developing States for special international measures to support their resilience-building efforts.

71. Ongoing UNCTAD work in the field of climate change for maritime transport includes a United Nations Development Account project entitled “Climate change impacts on coastal transport infrastructure in the Caribbean: Enhancing the adaptive capacity of small island developing States”.

C. Landlocked developing States

1. Progress made in the implementation of the Vienna Programme of Action for Landlocked Developing Countries for the Decade 2014–2024

72. In 2014, the Vienna Programme of Action for Landlocked Developing Countries for the Decade 2014–2024 was adopted to provide a new holistic programme to address the challenges faced by landlocked developing countries. The programme aims at contributing to the eradication of poverty stemming from a landlocked condition, through the implementation of specific actions in identified priority areas.

2. UNCTAD contributions

73. In line with the Vienna Programme of Action, UNCTAD has been supporting landlocked developing countries in commodity diversification, value addition and structural economic transformation.

74. The follow-up to the second United Nations Conference on Landlocked Developing Countries took place in Livingstone, Zambia, in 2016. On that occasion, UNCTAD organized an event on promoting structural transformation in landlocked developing countries. In April 2016, UNCTAD participated in a national workshop on mainstreaming the Vienna Programme of Action for landlocked developing countries in Mongolia. The workshop aimed at systematically integrating, at the level of planning, implementation and review, the Vienna

Programme of Action with the purpose of addressing the special development needs of Mongolia.

75. In 2015, UNCTAD published a paper entitled *Facilitating the Participation of Landlocked Developing Countries in Commodity Value Chains*. The paper puts forward empirical and historical evidence suggesting that diversification, value addition and retention are primary considerations for the sustainable development of landlocked developing countries. The paper drew lessons from five case studies that analysed the experiences of selected industries in Botswana, Mongolia, Paraguay, Uzbekistan and Zambia. UNCTAD research argues that the case for diversification from primary commodities is stronger than ever for landlocked developing countries, where commodities are a large share of exports. Landlocked developing countries must establish appropriate institutions capable of cooperating with private sector investors in order to build the necessary infrastructure for value added production.

76. In January 2015, UNCTAD took part in a national workshop in the Lao People's Democratic Republic on strategies for the preparations for the country's graduation. The workshop had the objective of assisting policymakers, ministers and government officials in the Lao People's Democratic Republic in preparing for eventual graduation. UNCTAD argues that countries likely to meet graduation criteria in the near future, such as the Lao People's Democratic Republic, should use graduation as a mobilizing and catalysing factor for long-term, broad-based and sustainable development to avoid the low- or middle-income trap.
