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ACTIVITIES UNDERTAKEN BY UNCTAD IN FAVOUR OF AFRICA

Report by the Secretary-General of UNCTAD*

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INTRODUCTION

1. The Trade and Development Board considers annually, at one of its executive sessions, a report on UNCTAD's activities in favour of Africa. The present document is the tenth in the series since the fifteenth executive session of the Board. It provides an overview of research and analysis being undertaken by UNCTAD with regard to Africa's development, as well as a summary of specific activities, including advisory services and technical cooperation, in each sector falling under UNCTAD's mandate. This report complements and updates the information in document TD/B/EX(37)/2, which was submitted to the thirty-seventh executive session of the Board in July 2005.

2. The United Nations General Assembly, in its resolution A/RES/60/222, requested the United Nations system to provide assistance to the African Union and the New Partnership secretariats and to African countries in the context of the NEPAD. It is recalled that the Board, in its agreed conclusions 484 (LII), requested that UNCTAD should, within its mandate, continue to undertake in-depth analysis and provide policy advice on African development, including attaining sustainable growth and development with the objective of achieving the MDGs.

3. Various UNCTAD divisions and programmes have continued their close cooperation and collaboration with the NEPAD Secretariat and have made specific contributions to it, as well as to the work of its Steering Committee. UNCTAD has also reported its activities to the Office of the Special Adviser on Africa for inclusion in the Secretary-General's Report on United Nations System Support to NEPAD. The reports of the various inter-agency clusters, as well as individual contributions by organizations of the UN System to the implementation of NEPAD, are also presented to the Committee for Programme and Coordination (CPC) in New York.

4. UNCTAD's activities in favour of Africa are generally consonant with the requirements arising from NEPAD as described in paragraph 3 (a)–(f) of document TD/B/EX(35)/2 presented to the thirty-fifth executive session of the Trade and Development Board.

I. POLICY RESEARCH AND ANALYSIS

5. The UNCTAD secretariat prepared a report on "Economic Development in Africa: Rethinking the Role of Foreign Direct Investment?";[†] a summary version of this report was presented to the Trade and Development Board in all UN languages at its fifty-second session. This report concluded that there was a need to take a more critical approach to evaluating the size, quality and impact of FDI in African countries, and suggested that policymakers should pay much greater attention to the costs and benefits of FDI rather than being singularly preoccupied with attracting FDI. Accordingly, the report argued for a more balanced and more strategic approach to FDI tailored to African economic conditions and development challenges.

6. The Board's deliberations on this item led to the adoption of agreed conclusions in which it welcomed the lively debate stimulated by the report with a view to reconsidering

[†] UNCTAD/GDS/AFRICA/2005/1.

what might be needed to make FDI in Africa more effective, productive and beneficial. In this context, the African Union has asked the Subprogramme on the Development of Africa to assist it in preparing a study on ways and means of harmonizing FDI legislation at the national and regional level, particularly in the extractive sector.

7. Research and analysis in the area of commodities of interest to Africa have continued with the preparation of the following studies: "*Costs of agri-food safety and SPS compliance: Tanzania, Mozambique and Guinea, Tropical Fruits*" (UNCTAD/DITC/COM/2005/2), "*Trends in World Commodity Trade, Enhancing Africa's Competitiveness and Generating Development Gains*" (UNCTAD/DITC/COM/2005/7); "*Progress in the Development of African Commodity Exchanges*" (UNCTAD/DITC/COM/2005/9); "*Enhancing Commodity Financing and Managing Shocks in Africa*" (UNCTAD/DITC/COM/10); "*The Exposure of African Governments to the Volatility of International Oil Prices, and What to do About it*" (UNCTAD/DITC/COM/2005/11); and "*Improving the Sustainability of Cotton Production in West Africa*" (UNCTAD/DITC/COM/2005/12).

A. The least developed countries

8. In response to the request by the Trade and Development Board,[‡] UNCTAD undertook a study on the "*Erosion of Preferences for the Least Developed Countries: Assessment of Effects and Mitigating Options*" (TD/B/52/4).[§]

Mid-term Review of the Programme of Action for LDCs for the Decade 2001-2010

9. The UN General Assembly in its resolution 59/244, decided to hold a comprehensive Mid-term Review of the Programme of Action (PoA) at its sixty-first session in 2006 and called on all UN agencies and organizations, in particular UNCTAD and the UNDP, "to provide substantive and technical support for the review process". At its fifty-second session, the Trade and Development Board also requested UNCTAD to "make a substantive contribution" to the review of progress in implementation of actions and commitments of the PoA. UNCTAD has developed a project covering seven LDCs** — five African and two from the Asia and Pacific region. The objective of the project is to make a substantive and qualitative assessment of where LDCs and development partners currently stand in implementing their respective commitments and agreed targets. The project would also assist in reviewing the performance of these countries in relation to the international support measures granted to them, and the domestic policies and initiatives undertaken by their respective governments. The outcome of this exercise is expected to be fed into the Comprehensive Global Mid-term Review by the General Assembly in 2006.

[‡] The fiftieth session of the Trade and Development Board in its agreed conclusions 476 (L) (2003) requested that UNCTAD undertake "research and analysis concerning the consequences for LDCs of the possible erosion of trade preferences resulting from further trade liberalization, and as appropriate, recommend measures to assist the LDCs to mitigate the adverse consequences".

[§] A more detailed account of the content of the study and the Trade and Development Board's consideration of it will be reported to the Board's fifty-third regular session under the item related to LDCs.

** Bangladesh, Burkina Faso, Cape Verde, Ethiopia, Mozambique, Nepal and Uganda.

B. Landlocked developing countries

10. Other research and analysis focused on Landlocked Developing Countries (LLDCs) and on both the ways and means to improve the efficiency of transit-transport systems, and on addressing the special problems and challenges faced by transit developing countries. The study on the *‘Effective Participation of Landlocked Developing Countries in the Multilateral Trading System’* (UNCTAD/LDC/2005/3, Parts I+II), served as a background policy document for the 2005 Ministerial Conference of Trade Ministers of LLDCs held in Asuncion, Paraguay in August 2005 to prepare for the WTO Hong Kong Conference. The Hong Kong Ministerial Declaration urged members to adopt specific measures that would facilitate the fuller integration of small, vulnerable economies into the multilateral trading system without creating a sub-category of WTO Members. It was also decided to monitor the progress of the small economies’ proposals in the negotiations and other bodies of the WTO, with the aim of providing responses to the trade-related issues of small economies as soon as possible, but no later than 31 December 2006.

II. SECTORAL ISSUES

A. International trade

1. ITC/UNCTAD/WTO Joint Integrated Technical Assistance Programme to Selected Least Developed and Other African Countries (JITAP)

11. JITAP is executed jointly by ITC, UNCTAD and WTO, and contributes to building sustainable capacities for effective and enhanced participation of partner African countries and their enterprises in the multilateral trading system. In 2005 JITAP assisted the following 16 beneficiary countries (Benin, Botswana, Burkina Faso, Cameroon, Côte d'Ivoire, Ghana, Kenya, Malawi, Mali, Mauritania, Mozambique, Senegal, Tunisia, Uganda, United Republic of Tanzania and Zambia) in undertaking national preparations for the sixth WTO Ministerial Conference with the significant involvement of local stakeholders, subsequent to a regional meeting (19–22 July) on the Doha negotiations of key members of inter-institutional committees from the 16 JITAP countries. Such preparations helped these countries to be effective interlocutors at Ministerial preparatory meetings of African countries, LDCs and Arab States. Impact studies on WTO Agreements have been completed for Botswana, Malawi and Zambia. At the sixth WTO Ministerial Conference, a JITAP side event was held on 14 December to exchange experiences. It was recognized that JITAP has assisted beneficiary countries in better understanding, developing and adjusting policies, measures, institutions and resources to utilize trade liberalization as an engine of trade expansion, development and poverty reduction. Reference centres on the multilateral trading system and national enquiry points have been established, strengthened and operationalized in most of the 16 beneficiaries. Over 360 professionals (including about 91 women) in partner countries were trained and acquired deeper knowledge and negotiating skills on the multilateral trading system. Export sectors strategies of partner countries have been developed that will facilitate export development. A value chain approach to help in diversification of commodity-dependent African countries was integrated into the JITAP programme.

2. Integrated Framework for Trade-Related Technical Assistance to Least Developed Countries

12. The Integrated Framework for Trade-Related Technical Assistance to Least Developed Countries (IF) is a multi-agency and multi-donor undertaking for the coordinated delivery of trade-related technical assistance and institutional capacity-building activities in LDCs. Currently, there are 28 countries^{††} (23 from Africa) to which the IF is extended. Diagnostic Trade Integration Studies (DTIS) have been completed for 13 countries and DTIS Validation Workshops have so far been held in 14 countries. In addition, implementation meetings with the donor community have been held in Burundi, Cambodia, Madagascar, Mauritania, Nepal and Senegal. UNCTAD's participation in the DTIS process has included substantive contributions to the DTIS chapters on investment and trade facilitation in the following African countries: Benin, Chad and Rwanda.^{‡‡}

13. UNCTAD has recently released an operational IF manual on the “*Integrated Framework (IF) for Trade-Related Technical Assistance for Least Developed Countries*” (UNCTAD/LDC/2005/2); this manual has proved useful in assisting beneficiary and potential IF countries, in better understanding the IF process.

3. Other trade-related technical assistance

Support on trade negotiations

14. In 2005 UNCTAD implemented a series of technical assistance projects to support African countries in participating more actively in the WTO negotiations on trade facilitation. These activities include: organization and participation in several workshops in Angola, Namibia, United Republic of Tanzania, Tunisia and Zambia; publication of the UNCTAD *Handbook on Trade Facilitation* intended to guide users in creating the institutional structure for processing trade facilitation measures; preparation of technical notes aimed at assisting Geneva- and capital-based negotiators to better understand the scope and implications of the various trade facilitation measures proposed in the context of the WTO negotiations.

4. Trade, environment and development

15. In respect of trade and sustainable development, the long-term objective of the technical cooperation and capacity-building programme is to enhance the capacities of African and other developing countries, to analyse issues at the interface between trade, environment and development, and address them at the national, regional and international levels in a manner consistent with their development priorities. Current technical cooperation and capacity-building activities in favour of an African focus on market access, especially with regard to environmental requirements and export competitiveness, including trading opportunities for environmentally preferable products, and trade liberalization in environmental goods and services (EGS).

^{††} Angola, Benin, Burkina-Faso, Burundi, Cambodia, Chad, Djibouti, Ethiopia, The Gambia, Guinea, Lao PDR, Lesotho, Madagascar, Malawi, Maldives, Mali, Mauritania, Mozambique, Nepal, Niger, Rwanda, Sao Tome and Principe, Senegal, Sierra Leone, Tanzania, Uganda, Yemen, and Zambia.

^{‡‡} A fuller account of the activities under the IF will be provided to the Trade and Development Board at its fifty-third regular session.

16. On market access, UNCTAD's activities are aimed at assisting African and other developing countries in devising a more pro-active, anticipatory strategic approach to environmental and related health requirements in key export markets. In this regard, the *Consultative Task Force on Environmental Requirements and Market Access for Developing Countries* (CTF) is working to assist developing countries in the development of national or subregional codes on good agricultural practices (GAP) for horticultural produce that can be benchmarked to the GAP of the Euro Retailer Produce Working Group (EurepGAP). In 2005, a series of country case studies, including one for Kenya, examined experiences among developing countries in developing national GAP codes that reflect national circumstances and development priorities. Further studies focusing on African countries are planned for 2006.

17. Under the UNEP-UNCTAD Capacity-Building Task Force on Trade, Environment and Development (CBTF), a new project on 'Promoting Production and Trading Opportunities for Organic Agricultural Products in East Africa' commenced in the 2004-2005 period, targeting Kenya, Uganda and the United Republic of Tanzania. The aim of the project is to contribute to sustainable rural development, food security and poverty reduction in the three countries by promoting the production and export of organic agricultural products, as well as regional cooperation in this sector. The implementation phase started in June 2005.

18. Under its BioTrade Initiative,^{§§} UNCTAD is supporting the development of a national BioTrade programme in Uganda in promoting trade and investment in biological resources, generating employment, fostering economic development and promoting the sustainable use of Uganda's natural resources.

19. Through PhytoTrade Africa, UNCTAD is also supporting six countries in Southern Africa — Botswana, Malawi, Namibia, South Africa, Zambia and Zimbabwe — in undertaking research and development activities to address constraints in preventing the realization of sustainable trade in priority species. The focus is on the development of quality indicators, undertaking quality gaps assessments and improving processing technologies. Results would allow PhytoTrade Africa to develop biodiversity-based products, which can be traded successfully, thereby generating income for poor rural communities in the region and fulfilling the initiative's objectives.

20. UNCTAD launched its BioFuels Initiative in June 2005 to promote the use and production of biofuels as an emerging trade and investment opportunity for developing countries. In December 2005, exploratory missions to three East African countries (Kenya, United Republic of Tanzania and Uganda) were conducted to assess the potential of biofuels production. Initial findings show that these countries are suited to the production of biofuels.

5. Competition law and policy

21. UNCTAD continues to develop and implement capacity-building activities on competition law and policy, which are tailored to the needs of the African countries. Activities are demand-driven and implemented for African countries and their regional integration groupings (which are also seeking to establish a regional competition policy), such as the Central African Customs and Economic Union (UDEAC), UEMOA (West

^{§§} Further information can be found at: <http://www.biotrade.org>

African Economic and Monetary Union), Southern African Custom Union (SACU) and COMESA. Beneficiaries have included: Angola, Benin, Botswana, Burkina Faso, Chad, Egypt, Guinea, Kenya, Lesotho, Madagascar, Malawi, Mali, Mauritania, Mozambique, Namibia, Swaziland, Sudan, Uganda, United Republic of Tanzania, Zambia and Zimbabwe.

22. UNCTAD has also undertaken a number of regional and subregional workshops to assist African countries formulate regional competition rules, including the SACU and COMESA regional groupings. With regards to COMESA, the Council of Ministers adopted a set of regional community rules in January 2005 and are currently preparing the application guidelines of these community rules. For SACU, the first draft of a regional competition agreement has been prepared by UNCTAD and was reviewed by the SACU Standing Technical Committee in Windhoek, Namibia in July 2005. Work on the final draft agreement is being prepared by UNCTAD and will be submitted to the Standing Technical Committee in the fall of 2006.

23. Within the framework of a regional TrainForTrade project, a Distance Learning of Training of Trainers on Competition Law and Policy was held for Benin, Burkina Faso and Mali on the formulation and the implementation of competition law and policy to training high-level officials from the above-mentioned countries.

6. Commodities

24. On 22 November 2005, in the context of the Second Committee of the General Assembly, UNCTAD organized a Panel on the 'Challenges for International Commodity Policy – the Cotton Problématique', in cooperation with the Government of Benin, and prepared an issues note on the topic.

25. UNCTAD has developed a pilot database sharing system, Infoshare, to gather and share quantitative information on commodity prices (including farm gate, export and import prices), intermediate production and marketing costs (transportation and storage) as well as qualitative information (e.g. national quality standards and stakeholders). A pilot phase was launched to collect information on the cocoa sector in Cameroon in order to collect data on this sector and identify entities, and allow the National Cocoa and Coffee Board, to manage this information and use Infocomm as a tool to publish it nationally or internationally. In May 2005, the Infoshare system was selected by the United Nations Department of Public Information (DPI) as one of the "ten stories the world should hear more about".

26. UNCTAD implemented a range of advisory, technical assistance and capacity-building activities on commodities and development. These included:

- Provision of substantive contributions to the African Union's Second Extraordinary Conference of Ministers of Trade on Commodities, 21–23 November 2005 in Arusha, Tanzania, in cooperation with the Common Fund for Commodities. At the same time, UNCTAD assisted African countries in the establishment of a new pan-African commodity exchange under the auspices of the African Union. This was endorsed in the Arusha Declaration.
- Organization of a workshop on mineral wealth management (19–20 May 2005) in Uganda in cooperation with the United Nations Economic Commission for Africa (UNECA).

- National workshops were organized on Agri-food Safety and SPS for Tropical Fruits in Guinea (28–30 July 2005), Mozambique (26–27 May 2005) and Tanzania (14–15 April 2005). The national workshops presented a framework that facilitated to quantify costs of compliance associated with agricultural safety standards and SPS. As a follow up, the Standard Trade Development Facility (STDF) will finance technical assistance activities in Mozambique and Guinea. The implementation of the follow-up programme for Guinea started in November 2005. The follow-up project for Mozambique is scheduled for March 2006. A subregional workshop on sanitary and phytosanitary regulations was held in cooperation with ITC in Zambia.
- A round table meeting on “Improving the Sustainability of Cotton Production in West Africa” was organized in Bamako, Mali on 28 February and 1 March 2005.
- Organized and serviced the ninth African Oil & Gas Trade and Finance Conference on 31 May – 3 June 2005 in Maputo, Mozambique.

7. Trade Negotiations and Commercial Diplomacy

27. Support to developing Africa's trade negotiation capacity: As one of the implementing agencies of the project on Trade Capacity Development for sub-Saharan Africa, financed by UNDP during 2005, UNCTAD organized and participated in two workshops for African countries, one on services (Geneva, 25–26 April) and the other on agriculture and NAMA negotiations (Nairobi, 29 June to 1 July). The recommendations of these two workshops were widely disseminated, particularly during meetings and workshops organized in preparation for the sixth WTO Ministerial Conference in Hong Kong, China. UNCTAD also undertook a number of advisory missions essential in providing information on the Doha Round trade negotiations, particularly in sectors such as services.

28. UNCTAD attended and contributed substantively to a series of high-level preparatory events of African countries for the sixth WTO Ministerial Conference, including the African Union Trade Ministers' Conference in Cairo (June 2005) and in Arusha (November 2005). It also assisted in retreats organized by the AU Mission in Geneva on critical issues affecting African countries.

29. UNCTAD's assistance was instrumental in strengthening capacities of African trade negotiators, both in Geneva and in capitals, to identify their individual and common negotiation issues and interests in the Doha negotiations.

8. Regional trade

30. A project, financed by the EC, in favour of SADC countries entered into effect in the second quarter of 2005 to provide technical assistance on institution- and capacity-building to SADC, and SADC government officials in conducting negotiations on trade in services in interregional and multilateral processes. The first regional workshop held in Cape Town, under the auspices of the SADC Trade Negotiating Forum (TNF) on Services played an important role in kick-starting the project activities. The Services TNF was immediately followed by a meeting of SADC senior officials on 21–22 September and a SADC ministerial meeting on 23 September 2005 to prepare for the sixth WTO Ministerial Conference. The meetings enabled SADC countries to elaborate recommendations for SADC's participation in the sixth WTO Ministerial Conference.

31. Three national training workshops were organized in Zimbabwe, Swaziland and the United Republic of Tanzania, aimed at sensitizing and building awareness among stakeholders on the services negotiations being held at the regional, intraregional and multilateral levels. Stakeholders included different government ministries and agencies, the private sector, non-governmental organizations and academia dealing with issues related to trade in services.

9. New initiatives

32. In 2005, UNCTAD prepared a number of forward-looking analyses that raised awareness and contributed to facilitating intergovernmental dialogue and consensus-building on a number of issues of important trade and development implications for African and other developing countries. The following are noteworthy in this regard:

33. The Trade and Development Index (TDI) was developed and released in a new annual publication on "Developing Countries in International Trade 2005". It covers a number of African countries in its analyses.

34. A new series on "Trade, Poverty and Cross-Cutting Development Issues" was launched with the first publication "*Towards a New Trade 'Marshall Plan' For Least Developed Countries: How to Deliver on the Doha Development Promise and Help Realize the United Nations Millennium Development Goals?*" (UNCTAD/DITC/TAB/POV/2005/1).

35. One of UNCTAD's new initiatives has been to promote the participation of developing countries, especially African countries, in new and dynamic sectors of world trade. Following a series of studies and intergovernmental debate on some of these sectors, UNCTAD plans to initiate a country/subregional level follow-up activity in southern Africa on the electronics sector, in collaboration with the Philips Corporation.

36. UNCTAD is backstopping the third round of GSTP negotiations in which several African countries are participating and several more have indicated an interest in joining; the countries that have to date applied for accession include Burkina Faso, Burundi, Madagascar, Rwanda, Mauritania and Uganda. The GSTP offers African countries with an opportunity to secure preferential market access in other developing countries.

10. Training activities

- *Building capacity through human resources development*
- *TRAINFORTRADE*

37. In 2005, UNCTAD organized several training and capacity-building activities for African countries under its TRAINFORTRADE programme, which implements technical cooperation projects based on analyses of training needs, tailor-made courses and training of trainers.

38. Eight new training centres for the delivery of distance learning sessions were identified, six of which are in Africa (Central African Republic, Chad, Democratic Republic of Congo, Equatorial Guinea, Sao Tome and Principe and Senegal).

39. Under the distance learning project *Capacity-Building Programme on Training in Selected International Economic Issues*, new training relationships were established in 2005,

including with the Secretariat of the Economic and Monetary Community of Central African States (CEMAC). During the TRAINFORTRADE mission undertaken in March 2005, the CEMAC secretariat requested the delivery of the distance learning course on multilateral trade negotiations on agriculture to the Secretariat and CEMAC Member States, as well as to Sao Tome and Principe. Ninety-one participants from seven countries participated in the course organized in September 2005. The objective of the course was to strengthen the capacities and understanding of decision makers and commercial negotiators in charge of multilateral trade negotiations on agriculture and implications for national development policies.

40. Cooperation with other regional grouping has also continued in 2005 and organizations such as ECOWAS, UEMOA, COMESA, SADC and UMA requested *TRAINFORTRADE's* assistance in developing joint training and capacity-building programmes in key areas of trade and investment.

TRAINFORTRADE Port Training Programme (PTP)

Regional activities:

41. A training of trainers' workshop was held in the Port of Marseille (France) between 12 and 23 September 2005. The workshop was organized in cooperation with the French Institut de Formation et d'Echanges Portuaires, and received the support of the Regional Council of the French Provence-Alpes-Côte d'Azur region. Fifteen participants from Benin, Cameroon, Guinea, Senegal, Togo, Tunisia and Algeria attended the workshop. Participants exchanged views on the problems they encountered and the possible solutions, with the support of the network of port training centres.

42. Two distance learning tutors' workshops on managing distance learning sessions were held in 2005. The first of these was organized from 10 to 13 May 2005 in the Ports of Douro e Leixões, Portugal and attended by 13 participants from Benin, Cameroon, Cape Verde, Senegal, Togo and Tunisia. The second workshop was held from 8 to 12 August 2005 in Conakry, Guinea, for four tutors from the Conakry Autonomous Port.

National activities:

43. The fourth promotion of the PTP in Senegal was launched on 22 March 2005, with the participation of thirteen port agents. The 250-hours, eight-module course on Modern Management of Ports was delivered twice a week until September 2005. The third promotion of the programme for Cameroon is underway with twenty-three participants. In 2005 Guinea, Togo and Tunisia have all launched their second promotions with 11, 18 and 12 participants, respectively. Participants from Cameroon, Guinea and Senegal are currently preparing their final theses to obtain the TRAINFORTRADE certificate, while those from Togo and Tunisia have already presented theirs. Eleven Tunisian participants out of 12 have obtained their certificate, as well as 17 out of the 18 participants from Togo.

44. All of these network countries have used the distance learning version of the module 5c on Port Computerization and Electronic Data Interchange.

The Virtual Institute on Trade and Development

45. The UNCTAD Virtual Institute on Trade and Development, a partnership launched at UNCTAD XI and aiming to strengthen teaching and research of international trade and

development issues in member country academic institutions, continued to provide support to universities and research institutes in Africa.

46. In addition to the University of Mauritius and the University of Dar-es-Salaam, the Cheikh Anta Diop University of Dakar became a member in June 2005. The three universities took an active part in the first meeting of the Virtual Institute network (Geneva, 11–15 July 2005); representatives of the three universities established links with different UNCTAD divisions and programmes during their stay in Geneva.

47. In order to reach out to a wider academic audience in Africa, the Virtual Institute, in cooperation with the Commodities Branch and the University of Dar-es-Salaam, organized a professional development workshop from 16 to 20 January 2006 for university teachers and researchers in Africa on the economics of commodities production and trade. The workshop was attended by 15 participants from eight African countries (Eritrea, Mauritius, Mozambique, Senegal, Tanzania, Uganda, Zambia and Zimbabwe). The three Virtual Institute member universities from the region also sent their staff to attend the workshop. The workshop sought to enhance participants' knowledge and understanding of commodities production and trade and to build on existing research and teaching skills on commodities. Following the workshop, several universities decided to integrate the training package — in its entirety or in part — into their graduate and undergraduate courses.

11. Building capacity through e-applications

The e-Tourism Initiative

48. The UNCTAD e-Tourism Initiative focuses on the development and the implementation of ICT-based tools that could help countries tap directly the international market by strengthening local capacities through local involvement and ownership and with an emphasis on SMEs. Key elements of the initiative include an Electronic Tourism Platform (ETP) designed to allow participating countries to organize, market and sell their own tourism services online; training courses in e-tourism, e-marketing and e-businesses, as well as the creation of public and private sector partnerships in the e-tourism sector. In Africa, a seminar on the training course on “ICT and tourism for development” was held in Mali in September 2005 with the participation of 25 high-profile participants representing civil society, NGOs and various government entities. A similar course is envisaged for Cape Verde and Madagascar in the coming months. Furthermore, project proposals have been prepared for Guinea, Mali and Senegal, and discussions are ongoing with the Arab Maghreb Union (UMA). Discussions have started with the Brazilian Ministry of Tourism on possible assistance to African Portuguese-speaking countries, which would complement activities in the area of free open source software (FOSS) already launched by UNCTAD.

B. Services development

1. Trade Point Programme

49. Following a request from the Ministry of Foreign Trade of Sudan in July 2005, a new Trade Point subsidiary was opened in Atbara, River Nile State, Sudan. The Arab Regional Trade Point Meeting sponsored by the Ministry of Foreign Trade of Sudan took place in Khartoum in May 2005, brought together Trade Point representatives from Egypt, Yemen, Jordan, Morocco and the United Arab Emirates, as well as representatives from the Islamic Development Bank in Jeddah. UNCTAD participated in the preparation of technical

reports on the status of regional Trade Points and trained participating Trade Points in the use of free-of-charge World Trade Point Federation (WTPF) Internet content data management tools.

50. As a result of UNCTAD assistance provided to Egypt in the past years, bilateral training activities were also undertaken between Trade Points in the region; one of these activities involved Egyptian Trade Points training Sudan Trade Point operators in the organization and implementation of Trade Point activities in September 2005.

51. UNCTAD also provided support to the annual world meeting of the WTPF in Thailand in November 2005, during which Trade Points from Benin, Burkina Faso, Mozambique, Tanzania and South Africa were able to benefit from training in the use of online tools.

2. Automated System for Customs Data (ASYCUDA)

52. ASYCUDA is installed in more than 30 countries in Africa. Many of these countries were already using the previous release of the system (ASYCUDA version 2) and the process for the migration to ASYCUDA++ already started at the beginning of the decade. Most of the migration projects have now been completed and the system is being used on a daily basis by Customs and traders in Benin, Botswana, Burkina Faso, Burundi, Cape Verde, Republic of Congo, Ethiopia, Gabon, Malawi, Namibia, Niger, Rwanda, Sudan, United Republic of Tanzania, Zambia and Zimbabwe. Migration projects are continuing, or have been launched, in Cameroon, Guinea (Conakry), Madagascar, Nigeria and Central African Republic. A feasibility study mission was undertaken in Equatorial Guinea. In October 2005, the implementation of ASYCUDA World started in Côte d'Ivoire. This is latest web-based release of the system, and it is foreseen to become operational in 2006.

53. A regional centre exists in Ouagadougou, Burkina Faso, to support national projects and other regional centres are envisaged in Bangui, Central African Republic and Lusaka, Zambia.

54. Customs and IT staff from the user countries are frequently and successfully recruited as UNCTAD experts for the technical assistance projects; this makes it possible to develop a fruitful exchange of experiences and contributes to South-South cooperation.

55. Most of these projects are directly funded by the countries themselves thus showing their interest in implementing the system as a tool for improvement of Customs efficiency and trade facilitation.

3. Transport and transit

56. In June 2005, UNCTAD initiated field activities of a project funded by the UN Development Account aimed at providing landlocked and transit developing countries with sustainable capacity to design and implement regional trade and transport facilitation initiatives.

57. The selected pilot transit corridor in Africa is the TransCaprivi corridor, linking the port of Walvis Bay in Namibia and Lusaka in Zambia. A business cluster has already been created and is now operational in Namibia as of June 2005. In November 2005, a workshop took place in Lusaka that brought together Zambian and Namibian stakeholders from both the

private and public sectors; a further meeting will take place in Walvis Bay in June 2006 to discuss the implementation of identified measures to improve the corridor's performance.

58. Additional research work undertaken by UNCTAD on LLDCs focused on the transit-transport systems in the West and Central African landlocked and transit developing countries.

59. In September 2005, UNCTAD held an expert meeting on "*Trade Facilitation as an Engine for Development*". The meeting provided a forum for exploring emerging issues and examining trade and transport facilitation policy and action alternatives that would support countries' development strategies. The meeting was attended by 14 African countries and one African regional trade grouping (COMESA).

4. ICT and e-business

60. Further to the consultations held with the Arab Maghreb Union in 2004, UNCTAD was invited to participate in the conference on ICT and the Development of Trade (Tangiers, 28 February – 2 March 2005) organized by the UMA, UNECA and ICTDAR (UNDP). The recommendations that were formulated on this occasion supported UNCTAD's technical assistance project in the area of e-commerce, e-tourism, investment and statistics.

61. UNCTAD participated actively in the WSIS Tunis (November 2005), through the (co-) organization of WSIS parallel events, workshops and a series of presentations and advisory services at UNCTAD's exhibition stand, including on the following areas: ICT measurement, e-tourism, financing ICTs, ICTs and MDGs, women in the information society and free and open source software. UNCTAD also organized two WSIS Thematic Meetings in 2005 on the "*Economic and Social Implications of ICT*" (January 2005) and on "*Measuring the Information Society*" (February 2005). UNCTAD also participated in the Pan-Arab Conference on WSIS held in Cairo in May 2005.

5. ICT measurement

62. In the area of ICT measurement and indicators, UNCTAD has worked very closely with other members of the Partnership on Measuring ICT for Development, including UNECA, to assist developing countries in their efforts to develop ICT indicators. In June 2005, UNCTAD participated in and contributed to the UNECA Scan-ICT workshop and training for members of the Scan-ICT II programme (Cameroon, Ethiopia, Gambia, Ghana, Mauritius, Mozambique, Rwanda, Sudan and Swaziland).

63. In September 2005, UNCTAD participated in a capacity-building workshop of the South African initiative on measuring the Information Society, providing expert advice on core ICT indicators, methodology and data collection issues.

64. UNCTAD's website on measuring ICTs is the only global online source of information on ICT measurement, particularly for developing countries, and includes a variety of resources on African countries.

6. Advance Cargo Information System (ACIS)

65. ACIS, a computerized system to track cargoes, has been introduced in a number of African railways systems and some ports in the course of the past decade. During 2005, UNCTAD monitored the evolution of transport networks in the region and prepared a

preliminary report to use it in road transport. The continuation of the ACIS programme is contingent on requests from interested parties and availability of funds.

C. Debt, finance and development

1. Paris Club

66. UNCTAD has continued to provide support to African and other debtor countries in preparing their negotiations on the rescheduling or restructuring of bilateral official debt within the framework of the Paris Club. In 2005, technical support activities for improving debt management strategies were further supplemented through regional workshops under the project "Capacity-building for Debt Sustainability in Developing Countries". A meeting to discuss the regional experiences of African countries in debt management and sustainability issues was organized in Zimbabwe in November 2005. It was attended by officials from Ministries of Finance and Central Banks of 15 African countries.

67. Since the last report, five African countries rescheduled their debt with Paris Club creditors. After reaching the completion point in April 2005, Paris Club creditors met in May 2005 to discuss the case of Rwanda. The country's debt was treated under Cologne terms, equivalent to the cancellation of \$82.7 million of external debt. Furthermore, Paris Club creditors agreed to cancel an additional \$7.7 million of external debt on a bilateral basis. The two treatments led to the cancellation of all the Paris Club debt of Rwanda. Zambia also reached the completion point in April 2005, and the Paris Club meeting to provide debt relief under the HIPC Initiative took place in May 2005. Official bilateral creditors provided a debt cancellation on Cologne Terms, equivalent to \$1.403 billion. As in the case of Rwanda, on a bilateral basis, creditors decided to go beyond the Cologne Terms, and pledged to cancel another \$393 million of Zambia's external debt. The Paris Club also agreed to re-profile 50 per cent of the payments due on the remaining debt over the period 2005–2007. In September 2005, Burundi reached the decision point, and was granted interim relief under the Cologne Terms. Also in September 2005, a renewed agreement was reached for Sao Tome and Principe, which had reached the decision point in 2000, but its economic programme with the IMF was derailed in 2001, and the previous Paris Club agreement did not come into effect. As a result of a new IMF programme, a new debt rescheduling agreement was reached with Paris Club creditors on Cologne Terms. In October 2005, Nigeria reached an agreement with the Paris Club on a comprehensive treatment of its debt. Under the agreement, \$18 billion of Nigeria's debt to the Paris Club will be cancelled, while the remaining \$12 billion owed to Paris Club creditors will be prepaid in two phases. The restructuring of Nigeria's debt was unique in two ways: It was the first country to obtain a Paris Club debt restructuring following the signing of a policy support instrument with the IMF rather than having a classic IMF programme; it was also the first country to calculate its external debt sustainability taking into account its investment needs to reach the MDGs.

2. Debt Management and Financial Analysis System (DMFAS)

68. In 2005, the DMFAS Programme added Algeria and the Democratic Republic of Congo to the list of countries in Africa now receiving direct technical assistance in debt

management from the Programme.^{***} Altogether, the Programme now cooperates with 24 African countries.^{†††}

69. During 2005, the Programme fielded nine missions (central staff) to African countries. Five of these missions were related to the implementation of DMFAS activities (Algeria, Republic of Congo, Madagascar, Togo and Zimbabwe) within existing projects. Four needs assessment missions were undertaken to new countries (Cape Verde, Morocco, Nigeria and Comoros). Furthermore, UNCTAD participated in four workshops or meetings on debt issues. These included participation in a MEFMI^{†††}/COMSEC/IMF/UNCTAD regional workshop on debt statistics (Uganda); in a multi-stakeholder dialogue meeting on debt issues organized by the UN Office of the Department of Economic and Social Affairs (Mozambique); at an IMF/Joint African Institute statistics workshop (Tunisia); and in a workshop organized by AFRITAC on debt strategy (Niger).

70. DMFAS consultants spent a total of 20 weeks working in seven African countries (the Republic of Congo, Democratic Republic of Congo, Gabon, Sudan, Uganda, Zambia and Zimbabwe), mainly to provide training in debt management. In addition, four countries sent delegations to Geneva for DMFAS training, which was provided by DMFAS central staff (Côte d'Ivoire, the Republic of Congo, Gabon and Togo).

71. Pursuing its efforts to seek an arrangement to decentralize its DMFAS-related activities in Africa, in April 2005 UNCTAD signed a technical cooperation agreement with Pôle Dette.^{§§§} This agreement officially foresees the setting up of a regional DMFAS training and support centre within the premises of Pôle Dette in Yaounde, Cameroon. The creation of the regional DMFAS unit will be the central objective of a common DMFAS-Pôle Dette project. The project's intention, in the medium term, will be to reinforce Pôle Dette's capacities to provide technical assistance in debt recording to those of its member countries using the DMFAS system. It will also aim at strengthening UNCTAD's capacities to provide technical assistance on a regional basis. Funding for this project, a large share of which will be for the direct benefit of Pôle Dette, will be sought for in 2006.

^{***} Technical cooperation project activities cover the installation of the Programme's specialized debt management software, the Debt Management Financial and Analysis System (DMFAS), as well as training and assistance in its effective use. In particular, the system enables debt officers to establish a complete and up-to-date debt database and to provide timely and accurate debt statistics.

^{†††} These are: Algeria, Angola, Burkina Faso, Burundi, Central African Republic, Chad, the Republic of Congo, Côte d'Ivoire, the Democratic Republic of Congo, Djibouti, Egypt, Ethiopia, Gabon, Guinea Bissau, Madagascar, Mauritania, Rwanda, Sao Tome and Principe, Senegal, Sudan, Togo, Uganda, Zambia and Zimbabwe.

^{†††} MEFMI is a regionally-owned institute with the following 13 member countries: Angola, Botswana, Kenya, Lesotho, Malawi, Mozambique, Namibia, Rwanda, Swaziland, Tanzania, Uganda, Zambia and Zimbabwe. Its mission is to build human and institutional capacities in the areas of macroeconomic and financial management. Five of the countries belonging to MEFMI actively collaborate with the DMFAS Programme (Angola, Rwanda, Uganda, Zambia and Zimbabwe).

^{§§§} Pôle Dette is the technical training unit of the Central Bank of the West African States (BEAC) and the Bank of Central African States (BCAEO). It organizes training and capacity-building activities on debt and financial management for the Central Banks in the following member countries: Benin, Burkina Faso, Cameroon, the Central African Republic, Chad, the Republic of Congo, Côte d'Ivoire, Equatorial Guinea, Gabon, Guinea Bissau, Mali, Niger, Senegal and Togo. Eight of these countries actively collaborate with the DMFAS Programme: Burkina Faso, the Central African Republic, Chad, Republic of Congo, Côte d'Ivoire, Gabon, Guinea Bissau and Togo.

D. International investment and enterprise development

72. Throughout 2005, UNCTAD continued to provide extensive support to Africa on investment and enterprise development with a total of 50 African countries having benefited from at least one of the technical assistance programmes. During the year, over 140 days of training courses and workshops were organized in and for Africa.

73. UNCTAD continued to cooperate with the NEPAD Secretariat on areas related to investment promotion, science and technology and peer reviews. In particular, the Investment Policy Reviews programme provides relevant inputs for the NEPAD review exercise.

74. In the framework of the investment for development partnership, UNCTAD joined up with the China-Africa Business Council (CABC) to promote Chinese investment in Africa. As a first step, the summaries of the investment guides were translated into Mandarin and distributed in China.

1. Investment issues analysis

75. The *World Investment Report 2005* (WIR05) reported buoyant FDI inflows to Africa in 2004. Inflows rose in 40 out of the 53 African countries and are expected to rise again in 2005 as a result of continued high demand for commodities, a more stable policy environment and increasing participation by TNCs in infrastructure projects.

76. The *World Investment Directory: Africa* is in preparation and expected to be published in mid-2006. Another statistical publication, *FDI in Least Developed Countries at a Glance 2005/2006*, covers 33 African LDCs was also prepared for publication in 2006. These publications present country profiles for each country on data on FDI and activities of TNCs. Also in the effort to enhance FDI data compilation and quality of statistics in the region, a number of government officials and high ranking national experts participated in an Expert Meeting on Capacity Building in the Area of FDI: Data Compilation and Policy Formulation in Developing Countries held in Geneva from 12 to 14 December 2005.

77. Investment guides to Kenya and Tanzania as well as its first regional guide, the East African Community (Kenya, Tanzania and Uganda) were launched in 2005.

78. Progress has been achieved in preparing a book on *Asian Investment in Africa: towards a New Cooperation among Developing Countries* within a UNDP-financed project on needs assessment to attract Asian FDI into Africa and it is now expected to be published in 2006. This volume will be released in mid-2006 and should serve as a major input by UNCTAD to the New Asian-African Strategic Partnership (NAASP).

2. Policies and capacity-building

Investment Policy Reviews

79. Two IPRs were prepared for Benin and Kenya bringing to 11 the total number of African states to have benefited from a review.**** A further four IPRs for African countries (Morocco, Nigeria, Rwanda and Zambia) are at different stages of preparation. In addition,

**** The others being Algeria, Botswana, Egypt, Ethiopia, Ghana, Lesotho, Mauritius, Tanzania and Uganda.

the IPR model has been adapted to address the specific needs of war-torn countries through the *Invest in Peace* initiative — an issue currently being addressed for Rwanda.

80. In order to enhance the value of each review, the UNCTAD secretariat places great emphasis on the provision of follow-up support aimed at implementing the recommendations of the IPRs. As part of this effort, an implementation report on the Investment Policy Review of Egypt was recently published. Seven African countries received follow-up assistance in 2005 (Botswana, Egypt, Ghana, Lesotho, Kenya, Tanzania and Uganda).

81. The Investment Compass database has been updated and a user guide has been published. The Compass now includes 55 countries, more than half of whom are African countries.

82. In partnership with the Japan Bank for International Cooperation, three *Blue Books in Best Practice in Investment Promotion and Facilitation* were produced for Kenya, Tanzania and Uganda. The Blue Books are an innovative tool designed to provide governments with a concise, user-friendly assessment of major impediments to investment and clear policy recommendations. These measures have a short turn-around time and beneficiary governments commit to implementing them within an agreed timeframe, usually 12-18 months. The Blue Book initiative was recognized by Africa Investor Magazine which 'highly commended' the Blue Books at its annual investment awards. The latter were also the subject of a special report on CNBC Europe.

Investment promotion: Advisory Service on Investment and Training (ASIT)

83. In 2005, ASIT provided training in policy advocacy for investment promotion agencies (IPA) from seven African countries at a workshop in Nairobi, Kenya. As a follow-up to UNCTAD's Investment Policy Review of Botswana, an investor targeting strategy for the garments sector was finalized. Development of an investor targeting strategy for Kenya also started. UNCTAD assisted the Government of Lesotho in the preparation of FDI legislation. The Investment Gateway programme, an Internet-based interactive platform for investment promotion, is being installed and developed in Djibouti. A diagnostic study on the investment climate of the CEMAC region was finalized and presented at a workshop in Libreville, Gabon.

84. Advisory work was carried out in Mali to improve governance in investment promotion. In Uganda, assistance was provided in reviewing and evaluating the use of a client charter as a tool to improve public services to investors. The TEAM Uganda government initiative, which aims to improve public service delivery to investors by 49 government institutions, also received support. In Ethiopia, a new project started with the Ethiopian Investment Commission to help implement recommendations from an UNCTAD report on Good Governance in Investment Promotion (GGIP) and UNCTAD's Investment and Innovation Policy Review.

International Investment Agreements (IIAs)

85. African countries require additional technical capacity and expertise to participate effectively in discussions and/or negotiations of International Investment Agreements (IIAs) and to implement them accordingly. Recent trends in international investment rule-making (continued proliferation of IIAs at the bilateral, regional and inter-regional levels, increasing sophistication and complexity of provisions, overlapping of commitments, increases in investor-State disputes) are likely to place additional burdens on governments. The secretariat

has assisted African countries through research and policy analysis, and technical assistance. In particular, it assisted the COMESA Secretariat and Member States in the elaboration and negotiation of the COMESA Common Investment Area (CCIA) through legal advice and participation in the three CCIA Regional Negotiating Fora organized in March and August 2005, and in March 2006. This assistance will continue with the finalization and implementation of the CCIA.

86. The secretariat also organized and facilitated a round of BIT negotiations for Francophone African countries in Brazzaville, Congo. Twenty-five negotiators representing nine countries held 22 bilateral meetings which resulted in the conclusion of six agreements.

87. A training programme for IIA negotiators from Lusophone countries (including five African countries) was delivered in Portuguese and comprised a preparatory interactive course and a face-to-face session.

3. Technology

88. During the World Summit on the Information Society, UNCTAD organized a high-level roundtable on "Financing ICT through FDI" in cooperation with the African Development Bank. In the follow-up to the roundtable, it was suggested that UNCTAD and the ADB should co-organize a forum on investment in ICT infrastructure in Africa during 2006.

89. In the framework of the partnership programme with the State of Geneva's project on "Connect Africa", the secretariat continued to assist African countries in developing human resources in the area of ICTs. The aim of the project is to provide customized training to ICT engineers and technicians from LDCs in Africa. Lesotho was chosen as the pilot country and training has been provided to a number of ICT engineers and technical personnel. The project is now being implemented in Mali.

90. A Science, Technology and Policy Review (STIP) for Angola is under preparation. The STIPs are designed to help developing countries take stock of their national innovation systems, identify their strengths, weaknesses and opportunities and develop appropriate policies to integrate science and technology into national development strategies.

91. At the end of 2005, UNCTAD reached an agreement with the governments of Germany and the United Kingdom to launch a project on "Technical Assistance and Capacity-Building in African LDCs on the Establishment of Pharmaceutical Production Capacities". This will assist these countries to formulate investment and intellectual property laws which are conducive to the local production of essential medicines.

4. Enterprise development

92. In 2005, the EMPRETEC Programme has consolidated its presence in Anglophone and Francophone Africa. There are currently 13 operational EMPRETEC/Enterprise centres in Africa.^{††††} To date, the African EMPRETEC/Enterprise Centres have organized about 300 Entrepreneurship Training Workshops (ETW) and there are now more than 7,000 trained Empretecops (entrepreneurs who attended an ETW).

^{††††} Angola, Benin, Botswana, Ethiopia, Ghana, Mauritius, Morocco, Mozambique, Nigeria, Senegal, South Africa, Uganda and Zimbabwe.

93. In 2005, UNCTAD produced case studies on enhancing SME competitiveness through internationalization, such as through business linkages with TNCs in South Africa and Uganda, and by investing abroad in South Africa.

94. UNCTAD provided technical assistance to the UNDP-TICAD Unit for Africa, as an official member of the Consultative Committee of the newly established Asia-Africa Business Council (AABC), and took part in the finalization and concretization of the AABC strategy and action plan during its incubating process. The Asia-Africa Business Council is conceived as a consultative body and resource centre involving members from African and Asian private sectors with a clear mandate for discussion on policy issues and alleviation of constraints affecting trade and investment between Asia and Africa.

95. In 2005 UNCTAD started its Business Linkage Programme in Uganda that is being implemented by Enterprise Uganda in collaboration with Uganda Investment Authority (UIA). The two-year pilot aims at facilitating business linkages in agro-business, real estate development, retail merchandizing, manufacturing and telecommunication.

5. Insurance

96. UNCTAD's long-standing mandate on insurance was renewed at UNCTAD XI, with a particular focus on the needs of Africa and LDCs. In response, the secretariat is currently seeking funding for five new projects which will benefit the whole of Africa. These have been confirmed as five priority needs by the African Insurance Organization, which represents the continent's governments and their insurance sectors. In 2005 UNCTAD also conducted technical assistance and review mission for restructuring of Burundi's insurance legislation and its Insurance Regulatory Authority. Following the success of the AIO/UNCTAD Conference on Catastrophe Insurance, the inaugural Annual General Meeting of the African Centre for Catastrophe Risks was held in Casablanca in April 2005.

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