



United Nations Conference on Trade and Development

Distr.: General
6 August 2012

Original: English

Trade and Development Board

Fifty-ninth session

Geneva, 17–28 September 2012

Item 10 of the provisional agenda

**UNCTAD's contribution 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's contributions

Note by the UNCTAD secretariat

Executive summary

Pursuant to General Assembly resolution 50/270B 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, social and related fields, as well as to the achievement of the internationally agreed development goals, including the Millennium Development Goals (MDGs). This document provides a brief review of the progress made in the relevant thematic areas and UNCTAD's contribution thereto.

Introduction

1. The 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). In this regard, 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.
2. The thirteenth United Nations Conference on Trade and Development (UNCTAD XIII), held in Doha (Qatar) in April 2012, agreed that: "UNCTAD should ... implement and follow up, as appropriate, relevant outcomes from global conferences and summits on development" (Doha Mandate, paragraph 18 (n)).
3. This note contains a review by the UNCTAD secretariat of progress made in the implementation of the outcomes of the major United Nations conferences and summits and the contribution of UNCTAD in this respect.

I. International trade

4. The important role of international trade in the promotion of economic development and the alleviation of poverty is explicitly recognized in the outcomes of major United Nations conferences and summits. These include the United Nations Millennium Declaration and the associated Millennium Development Goals, the World Summit Outcome, the Monterrey Consensus on Financing for Development, the World Summit on Sustainable Development, the Istanbul Programme of Action for Least Developed Countries, the Doha World Trade Organization (WTO) Ministerial Declaration, the Accra Accord and the United Nations Conference on the World Financial and Economic Crisis and Its Impact on Development. The Doha Mandate adopted by UNCTAD XIII in April 2012 also underlined that the effective integration of developing countries, in particular least developed countries (LDCs) and countries with economies in transition, into the multilateral trading system should remain a priority.

A. Progress made

5. World merchandise trade recovered quickly after the global crisis, by 22.8 per cent in 2010 and 19.3 per cent in 2011, surpassing its pre-crisis level by almost 13 per cent. World exports stood at \$18.2 trillion as of 2011, 43 per cent of which originate in developing countries. World trade in services reached \$4.2 trillion, 8 per cent higher than the pre-crisis level, after increasing by 10.6 per cent in 2011. In 2011, developing countries accounted for 30 per cent of world services exports.

B. UNCTAD's contribution

6. UNCTAD continued to provide members with policy analysis on how to maximize the impact of international trade on inclusive development. The evolution of the international trading system from a development perspective was discussed by the Trade and Development Board at its fifty-eight session in September 2011. UNCTAD also provided substantive support to member States during discussions of the sixty-sixth session

of the United Nations General Assembly on international trade and development issues. The 2011 General Assembly report (A/66/185) highlighted the need to conclude the Doha Round with a strong development dimension, and to strengthen coherence among the different layers and components of the international trading system – multilateral, regional, bilateral and unilateral. The third session of the Trade and Development Commission in June 2011 discussed the impact of the global financial and economic crisis on trade flows. UNCTAD also contributed to the ACP High-level meeting on Aid for Trade (Geneva, 22 June 2011) in preparation for the WTO Third Global Review of Aid for Trade.

7. UNCTAD provided substantive support to developing countries, including LDCs, Africa, small and vulnerable economies, and countries with economies in transition, in their participation in multilateral and regional trade negotiations. In particular, UNCTAD contributed to LDCs' analysis of various technical issues in the WTO Doha agenda negotiations, and facilitated the establishment of their own negotiating priorities. An LDC meeting was organized in preparation for the Eighth WTO Ministerial Conference in November–December 2011.

8. Technical assistance was delivered to a number of countries acceding to the WTO, including Algeria, Azerbaijan, Bosnia and Herzegovina, the Islamic Republic of Iran and the Syrian Arab Republic. Advisory services, field missions and capacity-building activities were also undertaken in Cape Verde (27–29 July 2011) and the Lao People's Democratic Republic (16–20 May 2011).

9. Advisory services were also provided on a more continuous basis, including for Yemen, on such issues as the preparation of responses to questions from other WTO members and other required documentations. Intensive training sessions and technical consultations, inter alia in preparation for the Working Party discussions, were organized, including for Afghanistan (26–28 September 2011), and Ethiopia with a particular focus on services commitments (14 December 2011). UNCTAD assisted Angola and Jamaica in preparing a comprehensive development-oriented policy framework, and carried out services policy reviews in Jamaica, Lesotho and Rwanda. UNCTAD finalized and disseminated two policy-oriented country studies entitled *Strengthening the creative industries*, for Mozambique and for Zambia respectively, in June 2011.

10. During the preparatory process for the United Nations Conference on Sustainable Development (UNCSD), which was held in Brazil in June 2012, UNCTAD, in collaboration with the United Nations Department of Economic and Social Affairs (UN DESA) and the United Nations Environment Programme (UNEP), organized an Ad hoc Expert Meeting on The Green Economy: Trade and Sustainable Development Implications from 8 to 10 November 2011 in Geneva. The meeting explored ways how the green economy could become a pro-development income-generating instrument through trade-led growth.

11. UNCTAD contributed to the Inter-agency and Expert Group on MDG Indicators, the *United Nations Millennium Development Goals Report 2011*, the report of the United Nations Secretary-General to the General Assembly on the implementation of the Millennium Declaration, and the *United Nations MDG Gap Task Force Report 2011*. Analytical inputs were provided to the following joint outputs: (a) *World Economic Situation and Prospects 2012* (with the Department of Economic and Social Affairs and the United Nations regional commissions) and (b) *Tariff Profiles 2011* (with the World Trade Organization and the International Trade Centre).

12. The third and fourth sessions of the Multi-year Expert Meeting on Services, Development and Trade: The Regulatory and Institutional Dimension in March 2011 and February 2012 considered steps to strengthen regulatory and institutional mechanisms in support of infrastructure services so that they could have a stronger positive impact on

development. The Global Services Forum, established on 19 April 2012 during UNCTAD XIII in Doha, brought together government and business leaders, regulators, coalitions and associations of services industries and civil society with the aim of elaborating new strategies to harness the potential of the services sector.

13. In relation to UNCTAD's work on transport and trade facilitation, the *Review of Maritime Transport 2011* reported on important developments in world seaborne trade. UNCTAD also prepared several technical publications, covering the negotiation and implementation of trade facilitation measures in multilateral and regional trade agreements. Moreover, UNCTAD's quarterly *Transport Newsletter* included articles on a range of transport and trade facilitation issues as well as on related events.

14. UNCTAD also organized several consensus and capacity-building events on transport and trade facilitation. This included the fourth session of the Multi-year Expert Meeting, held in December 2011 and focusing on Challenges and Policy Options for Transport and Trade Facilitation, as well as a round-table event at UNCTAD XIII entitled Paving the Way for Sustainable Freight Transport.

15. Moreover, UNCTAD continued to contribute to system-wide efforts made throughout the United Nations system to "act as one" in responding to the multiple challenges posed by climate change. An Ad Hoc Expert Meeting on Climate Change Impacts and Adaptation: A Challenge for Global Ports in September 2011 discussed how best to adapt ports to the impacts of climate change. It also prepared an UNCTAD-edited volume on *Maritime Transport and the Climate Challenge*.

16. Furthermore, UNCTAD's Port Training Programme trained 361 local participants and 75 trainers from 19 countries in 2011. As of June 2012, 290 participants and 56 trainers had been trained by the programme.

II. Commodities

17. The 2005 World Summit 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" (General Assembly resolution 60/1, para. 33). At the same time, the Monterrey Consensus stated that "multilateral assistance is also needed to mitigate the consequences of depressed export revenues of countries that still depend heavily on commodity exports" (para. 37). The General Assembly, in its resolution 61/190, reiterated the importance of maximizing the contribution of the commodity sector to sustained economic growth and sustainable development.

18. The Accra Accord called for policy actions to mitigate the impact of highly volatile prices and incomes, especially for agricultural commodities on commodity-dependent countries and poor farmers (para. 78). The Doha Mandate emphasized the need to secure adequate access to food and energy, including renewable energy, as well as to diversify from primary commodities to producing more skill- and technology-intensive manufactures and services so as to gradually integrate developing countries into global supply chains (para 4, 17 and 61). Furthermore, the negative impact of the global economic crisis on the commodity economy was recognized by General Assembly resolution 64/192, and the need to address excessive commodity price volatility was also underscored.

19. The World Summit on Food Security in 2009 called for promoting new investment to increase sustainable agricultural production and productivity; reduce poverty; and work towards achieving food security and access to food for all.

A. Progress made

20. Fluctuations in commodity prices have intensified, posing serious challenges for commodity-dependent developing countries. Efforts to address these in the context of the Group of Twenty (G-20) have focused on (a) better prevention and management, including through increasing transparency on physical markets; defining the parameters of international mechanisms to assist low-income developing countries in meeting higher food import bills; strengthening longer-term productivity, sustainability and resilience of agricultural production; and supporting the use of effective, market-based risk management options (e.g. weather insurance) integrated with social safety nets; and (b) better understanding of the evolution and drivers of commodity price fluctuations and their consequences for growth, income distribution, price stability, financial stability, economic policies, including monetary policy, and the regulation of commodity derivatives markets. While work in the G-20 has led to concrete proposals related to physical commodity markets, further international coordinated action is needed to improve the functioning of commodity derivatives markets, including through, but not limited to, better regulation.

B. UNCTAD's contribution

21. UNCTAD has implemented a broad range of activities, including intergovernmental and multi-stakeholder meetings, as well as technical cooperation activities, with a view to addressing key trade and development challenges in the commodities sector.

22. The fourth session of the UNCTAD Multi-year Expert Meeting on Commodities and Development and the third Global Commodities Forum made substantial contributions on how to respond to ongoing high prices and volatility in commodities markets, recommending: (a) studying the feasibility of emergency grain reserves in net food importing regions; (b) initiating a multilateral process to better define the biofuel mandate, so as to balance energy and food security priorities; and (c) formulating a balanced regulatory framework for commodities futures markets.

23. The 2011 Intergovernmental Forum on Mining, Minerals, Metals and Sustainable Development (IGF) produced a policy framework to enhance the contribution of mining to sustainable development based on a compendium of best practices. UNCTAD has also followed up on a recommendation made at its thirteenth Africa Oil, Gas, Mines, Trade and Finance Conference in Mali by improving access to data on the mineral value chain.

24. UNCTAD organized a Pan African Cotton Conference with three main objectives: increasing productivity and value addition as well as improving marketing. The outcome was a Road Map for the Cotton Sector, which is currently being considered for adoption by the New Partnership for Africa's Development (NEPAD) and the Comprehensive Africa Agriculture Development Programme (CAADP) for its regional agricultural investment programmes.

III. Investment and enterprise development

25. The Monterrey Consensus emphasizes the vital role of private international capital flows, particularly foreign direct investment (FDI), in national and international development efforts. The Johannesburg Plan of Implementation notes the role of FDI in achieving sustainable development. The World Summit outcome reiterates the resolution of world leaders "to encourage greater direct investment, including foreign investment in developing countries and countries with economies in transition to support their development activities and to enhance the benefits they can derive from such investments"

(paragraph 25), while also making commitments in related policy areas such as private sector development (23(e)), good governance to promote SME development (24(a)), and corporate responsibility and accountability (24(c)). In 2008, the Doha Declaration on Financing for Development emphasized the role of FDI as a “vital complement to national and international development efforts” (paragraph 23). More recently, the Istanbul Declaration from the Fourth United Nations Conference on the Least Developed Countries (UNLDC-IV) in May 2011 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 in promoting entrepreneurship, investment, competition, innovation and economic diversification...” (para. 8 (b)).

A. Progress made

26. Global foreign direct investment flows in 2011 exceeded the pre-crisis average, reaching \$1.5 trillion despite turmoil in the global economy. However, they remained about a quarter below their 2007 peak. FDI inflows increased in all major economic groupings – developed, developing and transition economies. Developing economies continued to account for nearly half of global FDI as inflows reached a new record high, driven by strong increases in developing Asia and Latin America. The poorest countries, however, remained in FDI recession for the third consecutive year, with flows to the least developed countries retreating by more than 10 per cent.

27. The growth of FDI was due in large part to cross-border acquisitions and increased amounts of cash reserves (retained earnings) kept in foreign affiliates. In 2012, the recovery of global FDI inflows is expected to be marginal, levelling off at \$1.6 trillion. Leading indicators are suggestive of this trend, with the value of both mergers and acquisitions (M&As) and greenfield investments retreating in the first five months of 2012. In the medium term, however, FDI flows are expected to increase at a moderate but steady pace, reaching \$1.8 trillion and \$1.9 trillion, in 2013 and 2014, respectively, barring any macroeconomic shocks.

28. In 2011, 47 new international investment agreements (IIAs) were concluded, bringing the total number of all investment-related agreements to 3,164 at the end of the year. In the first five months of 2012, another 12 IIAs were concluded. International investment rules have helped avoid a slide-back into protectionism and “beggar-thy-neighbour” policies in the aftermath of the global economic and financial crisis. In the recent past, however, some international investment rules and policies have increasingly been found to constrain domestic public policies, as evidenced inter alia by the rising number of investor–state arbitration cases. In this context, several countries embarked on a review of their IIAs and related investor–state dispute settlement systems.

B. UNCTAD’s contribution:

29. UNCTAD’s Investment, Enterprise and Development Commission is the only intergovernmental body within the United Nations dealing with investment and investment-related issues. The third meeting of the Commission (2–6 May 2011) emphasized that investment in basic infrastructure facilities was vital for economic development and examined related best practices. It was noted that FDI, possibly in combination with public–private partnerships, could make a critical contribution to resolving this bottleneck to development in many countries.

30. The third World Investment Forum (WIF2012, 20–23 April 2012), held in conjunction with UNCTAD XIII, was attended by more than 1,400 high-level investment

stakeholders, including global leaders, policymakers, and corporate executives. The meeting provided an opportunity to discuss new investment strategies and partnerships, with a focus on sustainable development and inclusive growth.

31. UNCTAD continued its work on analysing the impact of FDI on development. This year's *World Investment Report* focuses on investment policymaking, presenting a comprehensive Investment Policy Framework for Sustainable Development (IPFSD). IPFSD offers core principles, guidelines and options for national and international investment policymaking that support sustainable development. It will also serve as a new tool for technical cooperation and capacity- and consensus-building. The Report further presents and examines the latest data on FDI and traces global trends in FDI and in international production by transnational corporations (TNCs). In addition, UNCTAD recently launched the quarterly *Global Investment Trends Monitor* (GITM), which provides a timely periodic assessment of global FDI trends and prospects, and the *Investment Policy Monitor*, which reports on national and international investment policies.

32. The Monterrey Consensus stresses that to attract and enhance inflows of productive capital, countries need to achieve a transparent, stable and predictable investment climate. In this context, UNCTAD's new work programme on best practices in investment policymaking is of particular relevance. Topics such as "FDI in infrastructure", "Using FDI to build peace in post-conflict countries", and "How to attract FDI to less advantaged regions" feature among those selected for the more than 20 cases studies in preparation.

33. UNCTAD's Investment Policy Reviews (IPRs) and their follow-up activities are also designed to maximize the benefits of FDI in client countries by improving the regulatory, institutional and operational aspects of clients' investment frameworks. To date, UNCTAD has completed 32, almost half of them for LDCs, and work is underway in four more countries.

34. UNCTAD carried out a series of technical assistance activities in the area of investment promotion and facilitation. In 2011, more than 550 investment promotion officers and policymakers from 52 countries and territories (including three LDCs, three landlocked developing countries (LLDCs) and ten small island developing States (SIDS)) participated in investment promotion events, exchanging best practices and receiving training. The World Investment Forum 2012 staged a High-level Investment Promotion Conference, a Ministerial Roundtable to discuss the promotion of investment in sustainable development by sovereign wealth funds, Investment Promotion Awards for excellence in promoting investment for jobs and skills as well as training for officials of investment promotion agencies. Several recent investment promotion events focused on the promotion of low-carbon investment. Experiences gained in the training of diplomats in investment promotion were bundled in a handbook, which was published as part of the Investment Advisory Series.

35. UNCTAD continued its work on IIAs to foster investment for sustainable development. Research and policy analysis was furthered in several publications, including the *Issues in IIAs* series, the *IIA issues notes* (previously *IIAs Monitor*), the *Investment Policy Monitor*, as well as through the joint UNCTAD-OECD reports on G-20 investment measures. At the intergovernmental level, UNCTAD conducted its third annual International Investment Agreements Conference during the third World Investment Forum (WIF2012), whose deliberations contributed to the finalization of the IPFSD. UNCTAD also continued providing regional and national training courses as well as ad hoc technical assistance, such as advisory work on specific IIA negotiations. In 2011, 103 countries/territories benefited from UNCTAD's IIA work, of which 72 developing (21 LDCs). The IIA programme permanently interacts with a network of over 1,500 experts worldwide. Following the launch of the IPFSD, UNCTAD is now rolling out new technical assistance programmes based on this tool.

36. The Monterrey Consensus also urges special efforts in such priority areas as corporate governance and accounting standards. In this context, the twenty-eighth session of the Intergovernmental Working Group of Experts on International Standards of Accounting and Reporting (ISAR), which was attended by 230 experts from 74 countries, resulted in a policy guidance tool on accountancy development, including a measurement tool for accountancy development indicators. Throughout 2011, the secretariat continued to respond to the growing demand for UNCTAD assistance in the area of accounting and reporting.

37. In advance of the United Nations Earth Summit (Rio+20), UNCTAD organized in June 2012 the third meeting of the Sustainable Stock Exchanges Initiative (SSE). The Initiative, named by Forbes magazine as one of the World's Best Sustainability Ideas, aims at exploring how stock exchanges can work together with investors, regulators, and companies to enhance corporate transparency and performance on environmental, social and corporate governance issues. During the June 2012 meeting, five stock exchanges (including NASDAQ) with over 4,600 companies listed in developed and emerging markets signed up to promote sustainable development in their markets.

38. The Monterrey Consensus notes that in order to mobilize domestic financial resources for development, it is critical to foster a dynamic and well-functioning business sector. In this context, the secretariat developed a framework to support the design of policies to promote entrepreneurship, and initiated related advisory services at national and regional level. The secretariat also furthered its technical assistance in local enterprise development, including through the Empretec programme, now present in 32 countries. UNCTAD also supports networks of business development and other service providers.

IV. External debt and international financial cooperation for development

39. The 2000 Millennium Declaration, the 2002 Monterrey Consensus, the Johannesburg Plan of Implementation and the 2005 World Summit Outcome all underscored the importance of a timely, comprehensive and durable solution to the debt problems of developing countries. The 2008 Accra Accord of UNCTAD XII further underlined the importance of debt sustainability as an essential element underpinning growth and the importance of effective debt management in achieving national development goals in developing countries.

40. The Monterrey Consensus (2002) recognized the requirement for substantial increases in official development assistance (ODA), for the effective allocation and delivery of ODA and for exploration of innovative sources of finance in order to achieve internationally agreed development goals. The 2008 Doha Declaration on Financing for Development reaffirmed the essential role of ODA in the achievement of internationally agreed development goals, in particular the MDGs, and called for the fulfilment of ODA commitments by donors. The Declaration recognized that the global financial and economic crises risked undoing the recent gains made by developing countries in the area of debt, noting that the situation demands the implementation of bold initiatives to resolve the current debt problems of developing countries, including debt cancellation, particularly for Africa and LDCs.

41. The 2009 Outcome of the United Nations Conference on the World Financial and Economic Crisis and Its Impact on Development called for action to ensure the long-term debt sustainability of developing countries and to provide sufficient development resources to developing countries without unwarranted conditionalities. It emphasized that appropriate measures must be taken to mitigate the negative effects of the crisis on the

indebtedness of developing countries and to avoid a new debt crisis. In this context, countries could seek to, as a last resort, negotiate agreements on temporary debt standstills between debtors and creditors. The Conference endorsed efforts to explore the need and feasibility of a more structured framework for international cooperation in the restructuring of sovereign debt based on existing frameworks and principles.

42. The 2011 Programme for Action for the Least Developed Countries for the Decade 2011–2020 highlighted, as priority areas for action, the mobilization of financial resources for development and capacity-building, including ODA and external debt. It called for the monitoring of the debt situation in LDCs, as well as the exploration of new and improved debt instruments. The Programme of Action also highlighted the importance of responsible borrowing and lending practices for achieving long-term debt sustainability.

A. Progress made

43. Thus far, developing countries have remained largely resilient amidst the global financial uncertainty generated by the eurozone crisis. External debt ratios continued to improve in most developing regions (the exceptions are Latin America and South Asia) and also within the group of LDCs. However, many countries may be facing vulnerabilities related to increasing levels of domestic public debt. Moreover, the regional averages mask substantial heterogeneity, with a large number of countries still in debt distress or at high risk of debt distress, including some countries that just completed the Heavily Indebted Poor Countries (HIPC) Initiative.

44. The total external debt of the 48 countries that belong to the LDC group increased to an estimated \$170 billion over 2011 from \$158 billion in 2010. Most of the LDCs' external debt is long-term and the majority of long-term debt is owed to official creditors and by sovereign borrowers. Since a large share of LDCs' external debt is on concessional terms, the average debt service as a percentage of GDP and exports is lower compared with that of the average developing country. According to the most recent debt sustainability analyses, three LDCs (the Comoros, Guinea and Sudan) continue to be in debt distress and ten LDCs were classified as being at high risk of debt distress in 2011.

45. Progress on the HIPC Initiative has considerably slowed as it winds down. The last graduation to a new stage under the Initiative occurred in December 2010, when Guinea and Togo reached the completion point. As of mid-May 2012, 32 countries have reached the completion point and four countries (Comoros, Chad, Côte d'Ivoire, and Guinea) have reached the decision point. Of the 32 countries at the completion point, seven are classified as being at high risk of debt distress, 12 as being at moderate risk, and 13 as low risk. Of the remaining decision point countries, three are classified as being in debt distress and one is classified as being at moderate risk.

46. In 2011, ODA to developing countries from Development Assistance Committee (DAC) donors decreased by three per cent with respect to its 2010 level, while total net ODA excluding debt relief grants and humanitarian aid decreased by 4.5 per cent in real terms. This marks the first decline in ODA excluding debt relief in more than a decade, and appears to reflect the impact of the global recession on donors' aid budgets as well as renewed concerns in donor countries about the effectiveness of ODA. The uncertain global economic outlook is likely to continue to affect aid budgets, and should prompt high-level policy attention to the feasibility of achieving internationally agreed development goals in the area of aid, debt and trade (MDG8).

B. UNCTAD's contribution

47. UNCTAD regularly drafts the United Nations Secretary-General's report to the General Assembly on external debt sustainability and development, which includes a comprehensive analysis of the external debt situation of and debt servicing problems faced by developing and transition economies, with a special emphasis on LDCs.

48. UNCTAD has formulated a set of principles for responsible sovereign lending and borrowing practices following extensive consultations with prominent experts in the fields of law, finance and economics. The project seeks to establish internationally accepted principles for responsible sovereign financing, as a first step in the process of preventing (and if necessary resolving) future debt problems. The principles will set the framework for the elaboration of more detailed guidelines.

49. In 2011, UNCTAD's Eighth Debt Management Conference explored a range of issues, including the rising debt of the developed world and implications for developing countries, the draft principles for promoting responsible sovereign lending and borrowing, debt resolution mechanisms, optimal uses of risk management techniques, as well as capacity-building needs in developing countries.

50. UNCTAD also provided support to debtor countries in their preparations for negotiations on rescheduling or restructuring of bilateral official debt within the framework of the Paris Club. Since July 2011, Cote d'Ivoire, Guinea, and Saint Kitts and Nevis rescheduled their debt within the Paris Club framework. In addition, the secretariat continues to provide feedback and inputs to the preparation of the MDG Gap Task Force Report in the areas of external debt sustainability. The 2012 report focuses on the impact of the global crisis on meeting the targets outlined under MDG8, the global partnership for development.

51. The recent financial crisis has demonstrated the critical role of effective debt management. In this context, UNCTAD's Debt Management and Financial Analysis System (DMFAS) has continued to assist developing countries in strengthening their debt management capacity. To date, DMFAS has far provided technical assistance to the debt management offices of 69 mostly low and lower-middle income countries and 106 institutions.

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

52. The Doha Declaration on Financing for Development stressed the need to mobilize financial resources in support of the global partnership for sustainable development. The Declaration further recognized that new and highly globalized financial instruments are changing the nature of risks in the world economy, requiring continuing enhancement of market oversight and regulation.

53. The United Nations Conference on the World Financial and Economic Crisis and its Impact on Development of June 2009 stressed the need for prompt and decisive action in response to the crisis. In particular, the outcomes in General Assembly resolution 63/303 recommended several lines of action: (a) to encourage greater cooperation and coordination among countries' fiscal and economic action and avoid any forms of protectionism; (b) to encourage countries in a position to do so to utilize fiscal stimuli while ensuring long-term fiscal sustainability; (c) to recognize that developing countries and especially LDCs need additional short term liquidity and long term development financing; (d) to contain the effects of the crisis and improve global resilience; (e) to encourage and support South-

South cooperation and triangular cooperation; (f) to improve regulation and monitoring; and (g) to reform the international financial and economic system and architecture.

54. The Conference recognized that increases in global liquidity play a useful role in overcoming the financial crisis. The Conference encouraged “enhanced regional and subregional cooperation, for example, through regional and subregional development banks, commercial and reserve currency arrangements, and other regional initiatives, as contributions to the multilateral response to the current crisis and to improved resilience to potential future crises.”

A. Progress made

55. The global economy weakened significantly towards the end of 2011 and downside risks remain alarmingly high in mid-2012. UNCTAD research suggests that there is a very real danger of a repeat of the calamity in world markets that was unleashed in 2008–2009. Financial markets remain paralysed between bouts of fear and volatility, lacking the anchor that only a proactive and coordinated policy action can provide.

56. Progress in adopting the policies called for by the 2009 Conference has been inadequate. Financial re-regulation is progressing slowly and monetary system reform is limited. The orientation of macroeconomic policy, especially fiscal policy, is turning to austerity. This will hinder a sustained recovery of the world economy and open the door for new financial crises in the future. The gravest deficiencies in global economic governance continue to exist in international monetary and financial arrangements. Systemic deficiencies in global governance were the root cause of the emergence of unsustainable global imbalances and related trends in income inequality, undermining domestic demand unless offset by sufficiently strong credit growth. In recent years, UNCTAD has repeatedly stressed the need for a multilaterally agreed framework for exchange rate management that would focus on stability of real exchange rates at levels that are consistent with sustainable current account positions.

57. The failure to secure a convincing global recovery could also threaten country commitments to the Millennium Development Goals. Some two-thirds of developing countries are on track or close to meeting the goals, but the gap remains large in some countries, especially in sub-Saharan Africa, where the number of people suffering extreme poverty (below \$1.25 per day) might have increased. Expressed as a share of the total population, the picture is more favourable, with the incidence of extreme poverty falling in most regions. Progress towards poverty reduction has been most impressive in East Asia, underlining the fact that the attainment of MDG-related development outcomes depends on economic growth. Fulfilling ODA commitments is critically important for the world’s most disadvantaged countries and can also bring wider benefits in the long run to donor countries: the G-20 Seoul Development Consensus for Shared Growth in 2011 recognized that capacity-building to realize poor countries’ growth potential can also contribute to global rebalancing.

B. UNCTAD’s contribution

58. The *Trade and Development Report 2011* focuses on the post-crisis policy challenges in the world economy. It reviews recent trends in the global economy, concluding that the recovery is slowing down and presents strong downside risks. It shows that the widespread enthusiasm about system reform and supportive pro-growth macroeconomic policies when the crisis erupted has not lasted, and makes concrete proposals on how to advance with strengthened regulation of financial and commodity

markets, reform of the international monetary system, and the reorientation of fiscal policy. Building on its recent work addressing the economic downturn and related risks for developing countries, UNCTAD produced a number of short and accessible *Policy Briefs*.

59. Following a request by G-20 Ministers of Finance in November 2009, UNCTAD has continued to contribute to the G-20 Framework for Strong, Sustainable, and Balanced Growth. Notably, since 2011 UNCTAD has contributed analytical reports to the Framework Working Group on incomes policies as a tool for balanced growth, wage policies to stimulate growth, China's trade surplus and, in cooperation with DESA, on quantitative estimates of employment trends in different policy scenarios

60. In 2011, UNCTAD was also invited to contribute to the G-20 Working Group on Energy and Commodity Markets (co-chaired by Brazil and the United Kingdom). By early 2012, UNCTAD was preparing its contribution to the Working Group Report on "The impacts of excessive commodity price volatility on growth", with an emphasis on the impact of commodity price volatility on exchange rates, fiscal accounts and inflation.

61. Building on UNCTAD's work on regional cooperation and integration, in 2011 UNCTAD began preparations for a research and capacity-building project in Latin America and West Africa. The project aims to reinforce the ability of countries in the two regions to build resilience by conducting pro-growth macroeconomic policies in a challenging international financial framework. A major part of the project will be directed at building the capacities of senior policymakers from finance and economy ministries and central banks.

62. Finally, in the area of development statistics, the UNCTADstat statistical database continues to be updated regularly and improved through the addition of new indicators on trade, information and communication technology and maritime transport. By early 2012, statistics on international trade in services are being produced jointly by the UNCTAD and WTO in an effort to improve data quality and avoid duplication.

VI. Science and technology for development, including information and communication technologies

63. The World Summit on the Information Society (WSIS) adopted a common vision of a "people-centred, inclusive and development-oriented Information Society". The Summit also adopted four outcome documents that seek to translate this vision into concrete objectives, goals and targets to be met by 2015, along with a series of 11 action lines and main themes. The Commission on Science and Technology for Development (CSTD) has been designated by the 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 on e-business (C7) and contributes to measuring progress towards the WSIS targets through the Partnership on Measuring ICT for Development.

A. Progress made

64. Connectivity continues to improve, especially with regard to mobile telephones. Today, the number of mobile cellular telephone subscriptions almost equals the number of the world's inhabitants (although some people own more than one subscription, while in developing countries one subscription is often shared by multiple users). The International Telecommunication Union predicts that mobile networks will cover all inhabited areas worldwide by 2015. The proportion of people with a computer worldwide is expected to rise from one in fifty in 2008 to one in three by 2020, while the number of Internet users has more than doubled, to 2.5 billion since 2005.

65. Despite the positive developments towards narrowing the digital divide, constant attention is needed to ensure that developing countries are able to leverage ICT for development.

B. UNCTAD's contribution

66. UNCTAD's *Information Economy Report 2011* noted the importance of mobile broadband services for developing and transitions economies, in particular to support private sector development.

67. At the WSIS Forum 2012, which was jointly organized by ITU, UNESCO, UNDP and UNCTAD in May 2012 in Geneva, UNCTAD led a session on developing the domestic ICT sector of countries, and supporting sessions on measuring the WSIS targets.

68. UNCTAD continued to build capacity of relevant stakeholders, preparing cyberlaws and facilitating increased regional harmonization of cyberlegislation. The focus in 2011 was on projects in Africa and Latin America. Technical cooperation activities were undertaken in cooperation with United Nations regional commissions, UNCITRAL and regional secretariats, and included training, workshops and briefings, inter alia for Members of Parliament in Kenya.

69. UNCTAD continued to support the efforts of member States to improve the availability of ICT indicators by delivering regional training courses for country statisticians on the production of information economy statistics. UNCTAD also made all its ICT data available online. Another tool that countries can use in support of their policies is the Organization's ICT Policy Review framework, which was first implemented in Egypt. The resulting report was released in October 2011.

70. Following the outcome of the 2005 World Summit and as part of its implementation of its science and technology-related work programme, the UNCTAD Science, Technology and Innovation (STI) Policy Reviews support developing countries in assessing their STI-related policies. In 2011, the STIP reviews of El Salvador and the Dominican Republic were completed and published. Follow-up work commenced to support the implementation of the recommendations with Peru and El Salvador and was under discussion with the Government of the Dominican Republic. Discussions were initiated with the Governments of Oman and the Philippines on conditions and modes for conducting STIP reviews.

71. As the CSTD secretariat, UNCTAD continues to monitor WSIS implementation and follow-up at the international and regional levels and prepares the corresponding annual report of the Secretary-General. At its fifteenth session, the Commission adopted a draft resolution on "Assessment of the progress made in the implementation of and follow-up to the outcomes of the World Summit on the Information Society", for consideration by the Economic and Social Council.

72. UNCTAD has also strengthened its policy research work in the area of science, technology and innovation (STI) for development. The *Technology and Innovation Report 2011*, entitled Powering Development with Renewable Energy Technologies, was globally launched at several venues, including in Africa and Asia. The *Technology and Innovation Report 2012*, dealing with South-South collaboration for technology and innovation, is expected to be issued this October.

73. The third session of UNCTAD's Multi-year Expert Meeting on Enterprise Development and Capacity-building in Science, Technology and Innovation in January 2011 focused on the role of educational and research institutions in developing an innovative economy. Experts underscored the importance of building a strong national system of innovation, including through research and analysis, the implementation of

national STI policy reviews and other technical assistance, particularly in STI capacity-building. The fourth session took place in January 2012 and stressed the importance of developing capacities to identify and adapt technologies for local innovative uses, with a view to alleviating poverty and improving development opportunities in rural communities.

74. The Special Event on Information and Communication Technology for Knowledge Sharing held during the UNCTAD XIII Conference in Doha (Qatar) highlighted the potential of new technological solutions for enhancing developing and transition countries' training capacities in the field of trade and development.

VII. Competition law and policy

75. The United Nations Set of Multilaterally Agreed Equitable Principles and Rules for the Control of Restrictive Business Practices (1980) aims "to ensure that restrictive business practices do not impede or negate the realization of benefits that should arise from the liberalization of tariff and non-tariff barriers affecting international trade". The Sixth United Nations Conference to Review All Aspects of the Set of Multilaterally Agreed Equitable Principles and Rules for the Control of Restrictive Business Practices (United Nations Set), which was held in Geneva between 8 and 12 November 2010, affirmed the fundamental role of competition law and policy for sound economic development, recommended the continuation of the important and useful work programme within UNCTAD, and recommended that the General Assembly convene a Seventh United Nations Review Conference in Geneva, in the year 2015.

A. Progress made

76. While some progress has been made towards the adoption, reformulation or better implementation of competition laws and policies in developing countries and countries with economies in transition, many still do not have up-to-date competition legislation or adequate institutions for their effective enforcement.

B. UNCTAD's contribution

77. As a follow-up to the United Nations Set Conference, UNCTAD continued to support countries in building up their competition law and policy and related institutional frameworks. A number of activities were implemented under the COMPAL (programme for Latin America) and AFRICOMP (programme for Africa) programmes of UNCTAD, as well as for Asian countries and countries with economies in transition. With a view to ensuring coherence between overall governmental approaches to privatization and liberalization of trade and investment regimes, UNCTAD initiated the organization of ad hoc voluntary peer reviews on competition law and policy. The Organization carried out preparatory work in 2011 for conducting a tripartite peer review of competition policy of the United Republic of Tanzania, Zambia and Zimbabwe in 2012 as well as one for Mongolia. Also, preparatory work was undertaken by UNCTAD to ready the twelfth session of the Intergovernmental Group of Experts on Competition Law Policy. This includes consideration of the revision of several chapters of UNCTAD's Model Law on Competition.

78. In terms of assistance for creating capacities in LDCs to prepare and implement national and regional competition laws and frameworks dealing with anti-competitive practices, a consultation meeting was organized in June 2011 with Bhutan within the framework of its competition policy. Support was also provided to Sierra Leone in revising

its consumer protection law and drafting a competition law. In November 2011, UNCTAD, in cooperation with the West African Economic and Monetary Union (WAEMU), organized a regional workshop on investigative tools for case handlers in Lomé (Togo). The workshop was attended by 40 competition officials from eight WAEMU member States – all of them LDCs.

VIII. Countries in special situations

A. Least developed countries

1. Implementation of the Istanbul Programme of Action for LDCs for the Decade 2011–2020:

79. The Istanbul Programme of Action (IPoA), adopted by the Fourth United Nations Conference on the Least Developed Countries in Istanbul (Turkey) in May 2011, identifies policy measures and actions to support economic growth and development in LDCs in eight priority areas: (a) productive capacity; (b) agriculture, food security and rural development; (c) trade; (d) commodities; (e) human and social development; (f) multiple crises and other emerging challenges; (g) mobilizing financial resources; and (h) good governance at all levels. The IPoA also contains several quantitative and qualitative goals and targets, covering a wide range of social, economic and environmental issues. The goals and targets can serve as useful tools to track progress, benchmark performances and measure results of the implementation of agreed commitments in the priority areas.

2. UNCTAD's contribution

80. UNCTAD, within its mandates and in collaboration with United Nations agencies and other international organizations, has made important contributions to UNLDC-IV and the Istanbul Programme of Action. The pre-conference and side events organized by UNCTAD addressed issues related to building productive capacities in LDCs, sustainable tourism, commodities, and gender.

81. Immediately after UNLDC-IV, UNCTAD prepared a comprehensive assessment of the goals and targets of the IPoA together with its proposals for the way forward in the implementation of the Programme of Action. The report was considered at the fifty-eighth session of the Trade and Development Board, leading to a decision to mainstream the relevant commitments of the IPoA into the work of the UNCTAD secretariat and the intergovernmental machinery.

82. In order to support the objectives of the IPoA, UNCTAD implemented a project entitled “Economic Crises and Commodity Dependent LDCs: Mapping the exposure to market volatility and building resilience to future crises”. The project involved case studies examining the role of commodities and agricultural productivity in contributing to the graduation objective of the IPoA in selected countries in Africa and Asia, and reviewing and documenting the challenges arising from volatility of the commodities markets and the recent global economic, financial and food crises on LDCs’ prospects of meeting internationally agreed goals, including those contained in the IPoA.

83. Building on the findings of the case studies, UNCTAD organized a meeting of LDC experts and trade negotiators in Addis Ababa, Ethiopia, from 27 February to 1 March 2012. The outcome of the meeting served as a basis for the deliberations of the LDC Ministerial Meeting held during UNCTAD XIII in Doha, which addressed, among other things, the challenges and opportunities for meeting the graduation criteria by 2020. During UNCTAD XIII, the secretariat also organized the Special High-level Event on the Implementation of

the IPoA with a particular focus on issues related to graduation and structural transformation.

B. Small island developing States

1. Progress made in the elements of implementation of the Mauritius Strategy for the Further Implementation of the Programme of Action for the Sustainable Development of Small Island Developing States that are relevant to UNCTAD

84. In their mid-term review of the implementation of the Mauritius Strategy in September 2010, Member States recognized the need to support the resilience-building efforts of SIDS “more effectively”. This emphasis was voiced by the General Assembly in resolution 65/2, which called for a debate “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” (para. 33). The Economic and Social Council echoed this call in December 2011, in a resolution which in turn requested the Committee for Development Policy in 2013 to consider, inter alia, “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” (E/2011/44).

2. UNCTAD’s contribution

85. In an effort to enrich the growing international debate on possible responses to the vulnerabilities of SIDS, UNCTAD, jointly with the Indian Ocean Commission, organized an expert group meeting on 5–6 December 2011 in Mauritius. The meeting explored a range of possible international support measures for SIDS and highlighted the importance of enabling the United Nations 20-year SIDS denomination to evolve toward recognition of “SIDS status”.

86. UNCTAD continued to pursue its work programme of advisory services to the five small island developing States that are or will be confronted with the challenge of achieving a “smooth transition” from LDC to post-LDC life: Cape Verde, Maldives, Samoa, Tuvalu and Vanuatu. UNCTAD also actively participated, in 2012, in the General Assembly’s ad hoc open-ended working group to further study and strengthen the smooth transition process for the countries graduating from the least developed country category.

87. Other relevant activities included an Ad Hoc Expert Meeting on Climate Change Impacts and Adaptation: A Challenge for Global Ports, held in September 2011. The meeting provided an opportunity to share information, experiences and practices amongst a wide range of interested parties from the public and private sectors. Speakers from Mauritius and Barbados provided insights into some of the particularly important issues arising for small island developing States in the Pacific and in the Caribbean.

C. Landlocked developing countries

1. Progress made in the elements of implementation of the Almaty Programme of Action that are relevant to UNCTAD

88. The Almaty Programme of Action (APoA) provides the framework for national development policies in landlocked developing countries and international cooperation with their development partners in the areas of transit and trade facilitation, as well as for the strengthening of transport cooperation with transit developing countries. As the first ten

years of the APoA come to an end, the General Assembly adopted resolution 66/214, deciding to hold a comprehensive Ten-Year Review Conference of the APoA in 2014.

2. UNCTAD's contribution

89. UNCTAD assists landlocked developing countries with the implementation of the Almaty Programme of Action through research activities and the provision of support to the intergovernmental machinery, as well as through technical assistance activities in response to priorities listed in the Programme of Action.

90. In 2011, UNCTAD launched an interdivisional technical assistance project that aims to strengthen the national capacities of landlocked developing countries (LLDCs) such as Bhutan, Burkina Faso and Mali to attract more and diversified FDI inflows. UNCTAD has organized regional workshops to train and share best practices among the participating investment promotion agencies, and policymakers.

91. UNCTAD organized a LLDC Ministerial Meeting on the fringe of UNCTAD XIII in Doha in April 2012. At the meeting, Ministers requested UNCTAD's technical assistance to LLDCs in trade negotiations at the WTO, as well as UNCTAD's support in the preparation of the Ten-Year Review Conference of the APoA.
