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FOLLOW-UP TO THE OUTCOME OF THE TENTH SESSION OF THE CONFERENCE

OUTCOME OF THE FIRST PART OF THE THIRTY-FIFTH SESSION OF THE
WORKING PARTY ON THE MEDIUM-TERM PLAN
AND THE PROGRAMME BUDGET

**DRAFT UNCTAD SECTION OF THE UNITED NATIONS
MEDIUM-TERM PLAN FOR THE PERIOD 2002-2005**

PROGRAMME 9. TRADE AND DEVELOPMENT

1. The overall purpose of the programme is the integration of developing countries into the world economy in a manner that enhances the development opportunities offered by the globalization process while helping to shape international economic relations in the twenty-first century. The mandates for the programme flow from the role and responsibilities assigned to the secretariat of UNCTAD by: the General Assembly, beginning with its resolution 1995 (XIX), by which UNCTAD was established; the quadrennial United Nations Conference on Trade and Development; the Economic and Social Council; and the Trade and Development Board and its subsidiary bodies. Mandates for the coming four years are set out in the “Bangkok Declaration: Global Dialogue and Dynamic Engagement” and “Plan of Action” adopted at the tenth session of UNCTAD in February 2000 (TD/386 and 387).

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2. The programme will be implemented by UNCTAD and the International Trade Centre UNCTAD/WTO (ITC). The Centre's original mandate derives from General Assembly resolution 2297 (XXII). In its resolution 1819 (LV), the Economic and Social Council affirmed the role of ITC as the focal point for United Nations technical cooperation activities in trade promotion. ITC receives policy guidance from its parent bodies, UNCTAD and WTO, and general direction from the annual meetings of the Joint Advisory Group, an intergovernmental body open to States members of UNCTAD and members of WTO.

3. Governments at UNCTAD X recognized that ensuring that all countries enjoy the benefits of globalization requires meeting complex policy challenges which arise, particularly at the macroeconomic level, from the growing interdependence of the various spheres of economic activity, including particularly trade, finance and investment, and the downside risks which this interdependence sometimes carries. Governments reiterated that, as the focal point within the United Nations for the integrated treatment of trade and development and the interrelated issues in finance, technology, investment and sustainable development, UNCTAD is pre-eminently placed to examine these issues and to build consensus on policies in a globalizing world from a development perspective. This perspective should keep in mind the "Evaluation of the developmental impact of globalization" as outlined in the Plan of Action.

4. In order to achieve these objectives, UNCTAD acts as a forum for intergovernmental discussions, supported by discussions with experts, aimed at consensus-building; undertakes research and analysis *inter alia* to provide substantive inputs for these discussions; and provides related technical assistance tailored to the needs of beneficiary countries, concentrating on capacity-building. In this respect, UNCTAD will also undertake the new activities agreed to at UNCTAD X, including the provision of training courses on key issues on the international economic agenda. The focus of UNCTAD's work will be on four areas of activity: globalization and development; investment, enterprise development and technology; trade in goods and services and commodity issues; and services infrastructure for development and trade efficiency. The strategy to be followed takes into account Governments' emphasis at UNCTAD X on UNCTAD's role as the focal point for the United Nations system for least developed country (LDC) issues. It will also take into account issues such as economic cooperation among developing countries, and a gender perspective aiming at achieving gender equality in all economic sectors. The special needs and interests of small island developing States, landlocked developing countries, structurally weak and vulnerable economies and economies in transition will also be taken into account, as specified in Part II of the Plan of Action. UNCTAD will continue its work with the private sector, non-governmental organizations, academia and parliamentarians with a view to addressing the challenges and opportunities of globalization and making progress towards a better and fairer integration of developing countries into the world economy.

5. For its part, ITC will complement the research, policy and normative work of its parent bodies, UNCTAD and WTO, by concentrating on operational issues related to the provision of information, product and market development, institutional development and support services for trade promotion, export development and international purchasing and supply management.

6. UNCTAD will be responsible for subprogrammes 9.1 to 9.5, while ITC will be responsible for subprogramme 9.6.

Subprogramme 9.1: Globalization, interdependence and development

7. The principal mandate of the subprogramme is contained in Section II.A of the Plan of Action (TD/386), which will be implemented with the following objective and strategy.

A. Globalization, interdependence and development

Objective

8. The objective of the subprogramme is to contribute to international debate on the evolution and management of the consequences of globalization and to promote policies and strategies at the national, regional and international levels that are conducive to human development.

Strategy

9. The Division on Globalization and Development Strategies will be responsible for this subprogramme. Through dissemination of its analytical work and provision of a forum for exchange of views and perspectives, the subprogramme will aim at contributing to increased understanding of the implications of global interdependence, macroeconomic reforms and structural adjustment for sustained economic growth and sustainable development, as well as to greater coherence of global economic policy-making and identification of policy approaches and actions with a focus on their effects on growth and development. Issues to be taken up will include the debt problems of developing countries, trends in official development assistance (ODA) flows, and the role of regional integration. The subprogramme will aim at bringing a development perspective to financial and monetary issues by focusing on finance for development and by contributing to the debate on the reform of the international financial system. Through its analysis, the subprogramme will aim to support developing countries in the design of sound domestic macroeconomic and financial policies and of policies to improve the positive effects of globalization and to minimize the negative ones; in strengthening their domestic forces of growth through capital accumulation; and in their institutional reforms and capacity-building in the context of the indispensable foundation for the

realization of people-centred sustainable development, such as expanding and strengthening the democratic basis of institutions and ensuring sound public administration. Specific technical assistance will be provided on debt management and for the capacity-building of Palestinian institutions. Work in the subprogramme will take into consideration the experiences in the implementation of the Programme of Action for LDCs for the 1990s and will aim at contributing to the implementation of the Barbados Programme of Action for the Sustainable Development of Small Island Developing States and related General Assembly resolutions, and at addressing the needs of landlocked and transit developing countries and structurally weak, vulnerable and small economies.

Expected accomplishments

10. The expected accomplishments of the subprogramme will be increased understanding of issues and improved ability of policy makers to design appropriate policies and strategies related to the evolution and management of globalization, global interdependence and their implications for development policies and prospects.

Indicators of achievement

11. Achievement will be measured by:

- Timeliness, usefulness, degree of implementation, and quality as measured by readership and other surveys, of the subprogramme's research and analysis programme;
- Member States' views on the practical value and impact on the development prospects of developing countries of policy recommendations, as expressed in the conclusions of the regular review of the work programmes undertaken by intergovernmental bodies; and
- Degree of implementation, effectiveness and impact of technical cooperation activities, as assessed by indicators contained in the relevant project documents.

B. Development of Africa

Objective

12. The objective of this subprogramme is to increase understanding of the economic development problems of Africa and to promote action required at the national, regional and international levels for the acceleration of African development and fuller participation and positive

integration of African countries into the world economy. It will also contribute to consensus-building on regional and international policy actions in support of African development.

Strategy

13. The Division for Globalization and Development Strategies will be responsible for the subprogramme. The subprogramme will undertake research on specific challenges to the development of Africa, coordinate analytical work of UNCTAD in support of the objectives of the United Nations New Agenda for the Development of Africa (UN-NADAF), and contribute to regional and subregional integration as well as to various other international initiatives on Africa, including cooperation with other United Nations bodies and organizations in the context of the United Nations System-wide Special Initiative on Africa, in view of UNCTAD's role as lead agency for the trade access and opportunities cluster of the Initiative.

Expected accomplishments

14. The expected accomplishments will be increased understanding of national and international policy choices to promote African development in the areas of expertise of UNCTAD.

Indicators of achievement

15. Achievement will be measured against targets in UN-NADAF and other relevant international initiatives, and by the quality of debate, outcomes and initiatives in response to work undertaken by the subprogramme in the relevant intergovernmental bodies and other relevant organizations and fora.

Subprogramme 9.2: Investment, enterprise and technology

16. The principal mandate of the subprogramme is contained in Section II.B of the Plan of Action (TD/386), which will be implemented with the following objective and strategy.

Objective

17. With a view to increasing beneficial international investment flows to developing countries and the benefits they derive from those flows, the objective of this subprogramme is to improve understanding of issues and policy choices in international investment, enterprise internationalization and technology transfer, to strengthen developing countries' abilities to formulate and implement

policies, measures and action programmes in these areas, and to promote understanding of emerging issues in order to strengthen those countries' ability to participate in discussions and negotiations.

Strategy

18. The Division for Investment, Technology and Enterprise Development will be responsible for this subprogramme. The subprogramme will continue to strengthen the Division's role as the major source of comprehensive information and analysis of international investment, focusing on the development dimension and on the integration of investment, technology and enterprise development issues. It will support developing countries' efforts to respond to technological and scientific changes and to develop policy instruments for facilitating technology transfer. It will conduct research and policy analysis with a view to improving the understanding of key policy issues related to the role of foreign investment, technological capacity-building and enterprise internationalization, including small and medium-sized enterprises (SMEs). It will also provide analysis and support international consensus-building on the role of international arrangements for the purpose of attracting and benefiting from foreign investment, enhancing technological capacity and promoting enterprise. Through its related technical assistance, the subprogramme will focus on enhancing national ability to formulate and implement policies to attract and benefit from foreign investment, strengthen technological capacities and foster the development of enterprises. The subprogramme will also analyse the implications of foreign portfolio investment for development.

Expected accomplishments

19. The expected accomplishments will be an improved understanding of issues related to international investment, enterprise internationalization and technology transfer; the improved ability of policy makers to design appropriate policies and strategies by attracting and benefiting from foreign investment, strengthening technological capacities and fostering the development of enterprises at the national, regional and international levels; and increased understanding of key concepts of treaties and the development dimension of international investment agreements.

Indicators of achievement

20. Achievement will be measured by:

- Timeliness, usefulness, degree of implementation, and quality as measured by readership and other surveys, of the subprogramme's research and analysis programme;
- Member States' views on the practical value and impact on the development prospects of

developing countries of policy recommendations, as expressed in the conclusions of the regular review of the work programmes undertaken by intergovernmental bodies; and

- Degree of implementation, effectiveness and impact of technical cooperation activities, as assessed by indicators contained in the relevant project documents.

Subprogramme 9.3: International trade

21. The principal mandate of the subprogramme is contained in Section II.C of the Plan of Action (TD/386), which will be implemented with the following objective and strategy.

Objective

22. With a view to assisting developing countries to integrate themselves more fully into, and derive benefits from, the international trading system and to increasing their participation in world trade, the subprogramme aims to improve understanding of current and emerging issues in international trade of concern to developing countries and to enhance ability to address those concerns in the areas of agriculture, services, electronic commerce, competition law and policy and the trade-environment-development nexus. The subprogramme will address these objectives *inter alia* by fostering more effective participation of developing countries in multilateral, regional and subregional trade negotiations and their enhanced participation in the WTO itself (by submissions to the General Council and other bodies), and by contributing to the progress of accessions to the WTO and to progress in regional and subregional trade arrangements.

Strategy

23. The Division for International Trade in Goods and Services, and Commodities will be responsible for this subprogramme. The strategy will involve: empirical research and policy analysis to identify the parameters of the development dimensions of the multilateral trading system and the implications of existing and emerging multilateral trade rules for the development prospects of developing countries; analysis of market access issues, including maximizing market access benefits for LDCs; supporting developing countries in multilateral trade negotiations and in the pursuit of regional integration; analytical work to assist developing countries in multilateral negotiations on agriculture; analysis of issues related to trade liberalization in the services sector and to international proposals on electronic commerce; supporting intergovernmental consensus-building in trade by facilitating the establishment of a positive agenda for developing countries in future trade negotiations, including ways to address constraints faced in deriving full benefits from the world trading system; assisting developing countries and countries with economies in transition to identify

effective trade policy tools for development, to accede to the WTO and to expand trade between those groups of countries; providing training to developing countries and interested countries with economies in transition on key issues on the international trade agenda; providing assistance through the Joint Integrated Technical Assistance Programme to Selected Least Developed and Other African Countries; enabling developing countries to address competition law and policy and consumer protection issues, including the relationship between competition and competitiveness and trade-related aspects of competition; assisting developing countries in the development of their export-oriented commodity sectors, particularly their supply capacities, focusing on diversification; and helping to ensure balance in the trade and environment debate by highlighting issues of concern to developing countries, strengthening the development dimension and identifying issues that would yield potential benefits to developing countries, including in the trade-related areas of public health, biodiversity, transfer of environmentally sound technologies, and biotechnology.

Expected accomplishments

24. The expected accomplishments of the subprogramme will be strengthened capacities of developing countries to formulate, articulate and implement appropriate policies and strategies to participate effectively in, and derive maximum benefit from, international trade, including enhanced capacities for multilateral trade negotiations.

Indicators of achievement

25. Achievement will be measured by:

- Timeliness, usefulness, degree of implementation, and quality as measured by readership and other surveys, of the subprogramme's research and analysis programme;
- Member States' views on the practical value and impact on the development prospects of developing countries of policy recommendations, as expressed in the conclusions of the regular review of the work programmes undertaken by intergovernmental bodies; and
- Degree of implementation, effectiveness and impact of technical cooperation activities, as assessed by indicators contained in the relevant project documents.

Subprogramme 9.4: Services infrastructure for development, trade efficiency and human resources development

26. The principal mandate of the subprogramme is contained in Section II.D of the Plan of Action (TD/386), which will be implemented with the following objective and strategy.

Objective

27. The objective of this subprogramme is to enhance the capacity of developing countries and countries with economies in transition to improve their competitiveness in international trade by building an efficient trade-supporting services infrastructure, including through the use of information technologies.

Strategy

28. The Division for Services Infrastructure for Development and Trade Efficiency will be responsible for this subprogramme. The subprogramme will aim at assisting developing countries through policy analysis, consensus-building and, where appropriate, technical assistance programmes to build more efficient trade-supporting services in the areas of customs, transportation, banking, insurance, tourism and microenterprises and to enhance the availability of skills, knowledge and capacities relevant to the conduct of foreign trade. Emphasis will be placed on facilitating trade through increased and more effective use of information technologies, especially the development-related aspects of electronic commerce, and providing assistance to government institutions and enterprises and supporting their networking with academic institutions, so as to promote human resource development (HRD), including the gender dimension, and to maximize the benefit of HRD activities to enterprises.

Expected accomplishments

29. The expected accomplishments will be more efficient trade-supporting services and more effective human resource development in beneficiary countries of technical assistance, and an improved understanding of policy options and strategies in these areas.

Indicators of achievement

30. Achievement will be measured by:

- Timeliness, usefulness, degree of implementation, and quality as measured by readership and other surveys, of the subprogramme's research and analysis programme;
- Member States' views on the practical value and impact on the development prospects of developing countries of policy recommendations, as expressed in the conclusions of the regular review of the work programmes undertaken by intergovernmental bodies; and
- Degree of implementation, effectiveness and impact of technical cooperation activities, as assessed by indicators contained in the relevant project documents, as well as through the benchmarking of trade-supporting services.

Subprogramme 9.5: Least developed countries, landlocked developing countries and small island developing States

31. The principal mandate of the subprogramme is contained in Section II.E of the Plan of Action (TD/386), as well as in General Assembly resolutions related to LDCs, landlocked developing countries and small island developing States, and will be implemented with the following objective and strategy.

Objective

32. The objective of this subprogramme is to contribute to the progressive and beneficial integration and participation in the global economy and international trading system of LDCs, landlocked developing countries and small island developing States, including through the implementation of the outcomes of the Third United Nations Conference on LDCs and contribution to the Integrated Framework for Trade-Related Technical Assistance to LDCs, and to contribute to the graduation of LDCs.

Strategy

33. The Office of the Special Coordinator for the Least Developed, Landlocked and Small Island Developing States will be responsible for this subprogramme. It will pursue its objective by building on the coordination undertaken in the run-up to the Third United Nations Conference on LDCs by following up, monitoring and assessing the progress in the implementation of the outcomes of the Conference, General Assembly resolutions and other international initiatives, and by promoting the United Nations system-wide coordination of that implementation and following up the Integrated Framework for Trade-Related Technical Assistance. It will also continue to facilitate the implementation of the Global Framework for Transit Transport Cooperation between Landlocked

and Transit Developing Countries and the Donor Community and contribute to the implementation of the relevant aspects of the Barbados Programme of Action for the Sustainable Development of Small Island Developing States. It will further contribute to the consideration by the General Assembly and other relevant intergovernmental fora of the specific problems of LDCs, landlocked developing countries and small island developing States, and coordinate technical assistance activities within UNCTAD in favour of those countries.

Expected accomplishments

34. The expected accomplishments will be effective implementation of outcomes of the Third United Nations Conference on LDCs; progress in the implementation of the Global Framework for Transit Transport Cooperation between Landlocked and Transit Developing Countries and the Donors Community; effective contribution to the implementation of the Barbados Programme of Action in aspects relevant to UNCTAD; and focused and well-coordinated technical assistance provided to LDCs, landlocked developing countries and small island developing States for their beneficial integration into the global economy and international trading system.

Indicators of achievement

35. Achievement will be measured by:

- Timeliness, usefulness, degree of implementation, and quality as measured by readership and other surveys, of the subprogramme's research and analysis programme;
- Member States' views on the practical value and impact on the development prospects of developing countries of policy recommendations, as expressed in the conclusions of the regular review of the work programmes undertaken by intergovernmental bodies; and
- Degree of implementation, effectiveness and impact of technical cooperation activities, as assessed by indicators contained in the relevant project documents.