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Promoting and strengthening synergies among the three pillars

## **Progress report on the implementation of the provisions of the Accra Accord related to the areas of work covered by the Investment, Enterprise and Development Commission**

**Note by the UNCTAD secretariat**

### *Executive summary*

This report provides information on the implementation of the provisions of the Accra Accord related to the areas of work covered by the Investment, Enterprise and Development Commission. It therefore deals with the areas defined in paragraphs 146–161 and 163 of the Accra Accord. In particular, it focuses on UNCTAD's work on policies and measures that can help developing countries boost their productive capacities and international competitiveness. The report places particular emphasis on the promotion and strengthening of synergies among the three pillars of UNCTAD's work. In addition, the report exemplifies the impact of UNCTAD work in the area of investment, technology and enterprise development. The work is carried out, inter alia, in close cooperation and through joint programmes with other international, regional and national institutions active in the fields of investment, technology and enterprise. This report is complemented by an annex presenting a list of outputs, and complementary information on specific technical cooperation programmes.

1. The Accra Accord (para. 146) states: “UNCTAD’s work on investment should continue to assist all developing countries, in particular least developed countries (LDCs) and countries with special needs, in designing and implementing active policies to boost productive capacities and international competitiveness... UNCTAD’s activities in this area should address in particular the needs of LDCs, as well as the specific needs and problems of landlocked developing countries (LLDCs), small island developing States (SIDS) and other structurally weak, vulnerable and small economies.”
2. UNCTAD has continued to assist all developing countries in its activities in the area of investment and enterprise development. In 2008, 153 countries out of UNCTAD’s 193 member States (79 per cent) benefited from at least one of the programmes and activities in these areas of work. The programme continued to ensure a balanced geographical coverage of its services, whilst paying particular attention to LDCs, LLDCs, SIDS and other structurally weak, vulnerable and small economies.
3. In 2008 only, the Division on Investment and Enterprise provided support to 30 of the 50 LDCs (60 per cent), 25 LLDCs, and 12 SIDS, especially through training. Most LDCs benefited from at least two different programmes, and received technical assistance in three related areas. It is also estimated that LDCs alone constitute more than one third of the beneficiary countries of the division’s main programme (capacity-building in foreign direct investment (FDI) statistics, international investment agreements, investment promotion and facilitation, investment policy reviews and follow-up to investment policy reviews, Empretec, business linkages). In addition, to be addressed in cross-sectoral publications, LDCs and countries with special needs are the subject of specific issues, such as FDI in LDCs at a Glance or the Investment Guides. Several intergovernmental debates focusing on the specific needs and problems of LDCs and countries with special needs were organized, such as the high-level Investment Forum on “Investing in landlocked developing countries” organized during the General Assembly’s high-level review of the Almaty Programme of Action (New York, 1 October 2008).
4. The Accra Accord (para. 147) requests UNCTAD to “continue to produce policy analysis on the development impact of FDI. It should focus on ways to maximize the net development benefits of FDI through appropriate host- and home-country policies.”
5. In 2008, the secretariat continued its in-depth analysis of the development impact of FDI with a view to helping developing countries maximize the net development benefit of FDI. Many of the major findings of this analysis were published in the *World Investment Report 2008*, which focuses on transnational corporations (TNCs) and the infrastructure challenge. The report examines the involvement of TNCs in infrastructure, especially electricity, telecommunications, transport and water. It maps the investments of infrastructure companies worldwide and in developing countries. It also discusses how some developing-country firms have become prominent investors in some infrastructure industries – and the implications of their foreign activities. The report further explores how the participation of TNCs mobilizes financial resources for infrastructure investment and how these activities affect industry performance. It highlights the complex policy challenges facing developing countries seeking to use TNCs to spur improvements in such fields as transport, water and electricity supply, and stresses the need for a framework of good governance, increased regional planning and active support of countries by their development partners.
6. In 2008, for the first time, the report was presented during the Trade and Development Board annual meeting. The Board noted that the choice of topic for the report was particularly timely, as high-quality infrastructure was essential to development and to the achievement of the Millennium Development Goals. The report also received wide public interest, as demonstrated in the global press coverage: its worldwide launch generated over 1,100 articles and interviews in 93 countries. In order to increase the

dissemination and outreach efficiency of the report, regionally-based seminars/workshops for high-level policymakers in developing countries continued to be organized, aiming at facilitating the understanding of the report and at increasing its usefulness for policymakers.

7. The Accra Accord (para. 147) also requests UNCTAD “to develop its activities in collecting and analysing data on TNC activity and relevant national and international laws and regulations, and strengthen its assistance to help LDCs formulate better policies on the basis of accurate and up-to-date information.”

8. During the reporting period, UNCTAD continued to collect and analyse data on TNC activities and FDI flows. The *World Investment Prospects Survey 2008–2010*, which was undertaken in March–April 2008, forecasts and examines future trends in FDI flows. The results are based on replies from 226 respondents drawn from the largest TNCs in the world. A large number of TNCs had already at that time felt the first impacts of the crisis and were overall less optimistic than in the previous survey regarding their medium-term investment prospects. However, a large majority of TNCs were still going through an underlying and persistent trend towards expanding the share of TNC production, employment and sales abroad. The survey suggests that this trend towards internationalization will affect all corporate functions, including research and development and decision-making centres, which so far have tended to remain in TNCs’ home countries.

9. UNCTAD intensified its technical cooperation activities to build institutional capacities for the collection and compilation of statistics on FDI and related information, and to strengthen regional cooperation among relevant institutions to harmonize data. In this area, specific attention was paid to LDCs, most of which are located in Africa. Further to the establishment of the Common Market for Eastern and Southern Africa (COMESA) FDI/TNC statistics task force in 2007, the secretariat is preparing a common statistical methodology and survey. To this end, UNCTAD organized the First COMESA/UNCTAD Regional Workshop on the Common Survey on FDI/TNC Statistics (25–28 August 2008) which was attended by some 40 representatives. In addition, national workshops are being held for the COMESA member States to assist officials in ministries and national agencies who deal with statistical issues on FDI prepare for the implementation of an effective survey system to collect and disseminate data on FDI flow and stock and activities of foreign affiliates. Seven countries (the Dominican Republic, Ethiopia, the Islamic Republic of Iran, Kenya, Malawi, Rwanda and Zambia) benefited from capacity-building training in FDI statistics. According to a survey conducted with the participants of these workshops, more than 85 per cent of participants were very satisfied with the sessions, which met the objectives of 89 per cent of the participants. A further 17 developing countries and organization have requested UNCTAD’s assistance in this area.<sup>1</sup>

10. In 2008, UNCTAD continued to assist member States in assessing their own FDI performance by producing and disseminating data on FDI and the activities of TNCs. Since the twelfth session of the Commission on Investment, the secretariat has published the *World Investment Directory: Africa*, launched during UNCTAD XII. Directories for West Asia, developed countries, and Southern Eastern Europe and the Commonwealth of Independent States will be published soon. A revised version of the UNCTAD *Manual of Statistics on FDI* is also being finalized. The manual enables countries to formulate effective policies to attract and benefit from FDI by addressing many of the challenges facing developing countries, especially LDCs, in collecting FDI data. Furthermore, the secretariat has continued to maintain its dedicated FDI statistics website

<sup>1</sup> The list includes Albania, Algeria, Burundi, Comoros, Egypt, the Libyan Arab Republic, Mauritania, Mauritius, Morocco, Seychelles, Sudan, Swaziland, the United Republic of Tanzania, Uganda, the Caribbean Community, COMESA, the Islamic Development Bank and the Pacific Forum.

([www.unctad.org/fdistatistics](http://www.unctad.org/fdistatistics)) which contains profiles for 142 countries, fact sheets for 187, and FDI in brief datasheets for 78.

11. The Accra Accord (para. 147) requests UNCTAD to “continue its policy-oriented research on issues related to the interaction of FDI and domestic investment, the relationship between official development assistance and FDI, the impact of FDI on industrialization and entrepreneurship, and the role of FDI in services, infrastructure development and the building of export capacity and human resources. Other issues include the linkages between foreign and domestic firms and best practices to encourage greater flows of investment that is conducive to development.”

12. The secretariat continued its policy-oriented research on a number of significant research areas, sometimes with a view to inputs for future *World Investment Reports*. These included the role of FDI in services, with the publication of the latest report, subtitled *FDI and Tourism, the Development Dimension: East and Southern Africa*, a collection of case studies of selected countries in the region. The main findings were disseminated by holding workshops in Kenya, Uganda and Mauritius. Meanwhile, the secretariat prepared West African country studies, rolling out a third phase of field studies in Senegal, Mali and Ghana. UNCTAD also addressed the impact of the current global financial crisis on global FDI flows. FDI and climate change was another area where the secretariat started collecting information and doing research on climate-friendly investment policies at both national and international levels, often in close cooperation with the United Nations Framework Convention on Climate Change. Another major area of research relates to the issue of food and agriculture. The main findings will be published in the *World Investment Report 2009*, which will examine TNCs, agricultural production and development.

13. The Accra Accord (para. 147) also requested UNCTAD to “further analyse investment from developing countries and countries with economies in transition, as well as explore the scope for deeper South–South cooperation”.

14. UNCTAD continued research and other initiatives to deepen and broaden knowledge on South–South FDI and developing country TNCs by examining a set of interrelated issues. These include (a) drivers, motivations, and policy and institutional influences on South–South FDI; (b) development implications and impact; and (c) the investment strategies of developing country TNCs, including how regional integration affects their investment behaviour. The 2008 programme of work was kick-started by an expert meeting leading to a series of reports which will be published in the *Current Studies in FDI and Development*. In the context of the Multi-year Expert Meeting on International Cooperation: South–South Cooperation and Regional Integration (Geneva, 4–5 February 2009), a session on FDI was organized.

15. Three issues of the journal *Transnational Corporations* have been published since the twelfth session of the Commission. They feature articles on investment from developing countries and countries in transition (Vol. 17, Nos. 1 and 2), and a stream of articles inspired by the FDI and development work of the late Sanjaya Lall (Vol. 17, No. 3).

16. The Accra Accord (para. 148) requests UNCTAD to “provide a platform for an international dialogue on best practice in investment policies. An inventory of best policy practices could contribute to a dialogue on policymaking know-how. UNCTAD, together with intergovernmental and regional organizations, particularly those from developing countries, and other partners, as well as the Organization for Economic Cooperation and Development (OECD), should engage countries at every development level to help ensure an institutional environment conducive to FDI and development. In the context of developing best practices in investment policies, it should endeavour to work with relevant regional development banks such as the African Development Bank, the Asian

Development Bank, the Inter-American Development Bank and the Islamic Development Bank.”

17. Responding to this new mandate, the secretariat launched a new work programme on best practices in investment policymaking. This involves international dialogue through our high-level participation (and facilitation of LDC participation) in the OECD–UNCTAD Global Investment Forum and the Ministerial Roundtable at UNCTAD XII. Based on the discussion and methodology endorsed at the Expert Meeting on Comparing Best Practices for Creating an Environment Conducive to Maximizing Development Benefits, Economic Growth and Investment in Developing Countries and Countries with Economies in Transition (Geneva, 24–25 September 2007), UNCTAD initiated the preparation of the following case studies of successful FDI policies of high development relevance:

- (a) Attracting FDI to small economies;
- (b) Using FDI to build in peace in post conflict countries;
- (c) Using FDI to build infrastructure: The case of roads;
- (d) Using FDI to build infrastructure: The case of electricity; and
- (e) How to devise a systematic competitiveness policy to enhance the contribution of FDI.

18. The Accra Accord (para. 149) requests UNCTAD to “support developing countries and countries with economies in transition in formulating and implementing investment policies and to assist them with relevant legislation and regulations, in line with their development strategies, as well as with their international obligations. Investment policy reviews (IPRs) and their follow-up, and assistance to national and subnational investment promotion agencies, play an important role in this regard. UNCTAD should consider a broader and more structural approach to the process of undertaking IPRs, under which UNCTAD would be entrusted with drafting the reviews, ensuring wider coverage of developing countries and elaborating on the development implications of FDI and the related investment framework. IPRs should be regularly updated so as to maintain the focus and follow up recommendations.”

19. In 2008, the secretariat finalized IPRs for the Dominican Republic, Mauritania, Nigeria, and Viet Nam. The IPR for Viet Nam was presented on 9 February 2009 in the presence of a large high-level delegation led by the Deputy Prime Minister and including the Vice Minister of Planning and Investment, the Vice Minister of Industry and Trade, as well as several private investors from large international corporations. The IPR for the Dominican Republic and Nigeria are due to be presented during this first session of the Investment, Enterprise and Development Commission. Another four IPRs (Belarus, Burkina Faso, Burundi and Sierra Leone) are at various stages of preparation.

20. The total number of completed IPRs amounts to 25, including 17 for African countries. As a result of the valuable recommendations put forward in the current IPRs, an additional 23 countries have requested them. An ad hoc meeting of experts on the impact of FDI was organized 9–10 December 2008 to discuss broader and more structural approaches to the process of undertaking IPRs.

21. IPRs are conceived as a process and the secretariat continued to offers substantial follow-up assistance to beneficiary countries. Since the last Commission, the secretariat maintained follow-up activities in eight countries. In Benin, UNCTAD contributed to the establishment of an investor tracking system, the provision of training to the one-stop-shop, and the training of diplomats in investment promotion. UNCTAD assisted the Government of Colombia with national regulatory reforms. The secretariat prepared two subregional diagnostic studies on investment potential for Ethiopia, as well as a targeting strategy for

the region of Oromia. In Ghana, the secretariat participated in the development of investment laws and the bilateral investment treaty (BIT) model, and is currently finalizing its reports reviewing the implementation of the IPR. In Morocco, UNCTAD's assistance contributed to the codification of investment-related laws and prepared a review of the international investment agreements concluded by Morocco with a view to elaborate a BIT model. The technical assistance extended to Rwanda aimed at supporting the Government with the implementation of the IPR recommendation on a "skills attraction and dissemination programme". In Zambia, UNCTAD established the Zambia Development Agency, and initiated the creation of the Zambia International Trade Commission. Work in this area also includes the preparation of a Bluebook on Best Practices in Investment Promotion for Nigeria to provide the Government with an action plan of practical measures that could contribute to improving the investment environment within a period of 12 to 18 months.

22. The Accra Accord (para. 150) requests UNCTAD, "in its advisory services, analytical work and capacity-building programmes in the field of investment promotion, [to] develop pragmatic tools and investment guides and identify best practices. In UNCTAD's advisory services, attention should be paid to the issues of interest to all developing countries, particularly issues of relevance to LDCs, such as good governance in investment promotion. Investment guides should be produced for all LLDCs requesting one, subject to the availability of extrabudgetary resources."

23. In 2008, the Division on Investment and Enterprise launched a new investment advisory series – toolkits for investment promotion practitioners. To date, three issues have been published. Preparation for three additional issues of the series is underway. The first volumes of this new series were well received by investment promotion practitioners and acknowledged as providing them with "key tools and techniques".<sup>2</sup>

24. Advisory services – including investor targeting sector strategies, development of investment promotion agency (IPA) client charters, policy advocacy strategies, and institutional support and advice – were provided to El Salvador, Ethiopia, Ghana, Honduras, Indonesia, Kenya, the Lao People's Democratic Republic, Mauritius, Palestine and Tobago. Regional and interregional workshops were held in Brazil, Ghana, Trinidad and Tobago, and the Bolivarian Republic of Venezuela. Overall, more than 300 officials from 65 developing countries and economies in transition were trained on investment promotion and facilitation issues, including good governance. In addition, 38 investment promotion officials from 19 developing countries, including seven LDCs, participated in four study tours to Malaysia, the Netherlands, Sweden and Tunisia, exposing them to the latest investment promotion practices and techniques, and providing them with opportunities to meet business groups in these countries.

25. In 2008, the secretariat prepared investment guides for Benin, the Lao People's Democratic Republic and Morocco, bringing the total number of completed guides to 15. UNCTAD also developed a new tool, the i-Track system, which aims at managing investors' online applications for investment licenses, and at enabling IPAs to track investors through their investment cycle. In 2008, the installation of such a system was completed in Ghana. The same system is being installed in Benin and the Lao People's Democratic Republic, and a request has been received from Malawi.

26. With a view to increased dissemination of best practices in investment promotion to practitioners from developing countries, two major initiatives were launched in 2008. Held in Accra, in parallel to UNCTAD XII, the first World Investment Forum (WIF) looked at

<sup>2</sup> Raju Jaddoo, Managing Director of the Board of Investment, Mauritius, letter dated 3 July 2008.

the role of FDI in economic development and improved methods of investment promotion. Several events constituted the WIF. These included two summit sessions, a Global Leaders Investment Debate (GLID), and the meeting of the Investment Advisory Council (IAC). The GLID focused on ensuring that FDI would benefit the poorest in the new dynamics of the investment landscape. The IAC addressed emerging challenges in the investment and development nexus. Three interactive investment stakeholders' sessions, three business networking events and four capacity-building workshops on investment promotion were also organized. Conceived as a multi-stakeholders' approach, the forum attracted 650 participants, including high-level policymakers, investment promotion executives and business leaders

27. A high-level Investment Forum on "Investing in landlocked developing countries" was also organized during the General Assembly's high-level review of the Almaty Programme of Action. The forum brought together policymakers and private sector practitioners from LLDCs, as well as current and prospective international investors. They analyzed current trends in FDI flows to LLDCs, exchanged experiences and best practices, and explored future opportunities for FDI to these countries.

28. The Accra Accord (para. 151) requests UNCTAD to "continue to help developing countries participate in the debate on international investment agreements (IIAs). It should focus on the development dimension of IIAs and examine the effects of IIAs. UNCTAD's work in this area should include policy analysis and capacity-building in relation to the negotiation and implementation of current and future bilateral and regional investment agreements, management of investor-State disputes, alternative means of dispute settlement, the approach to investment promotion and the effects of IIAs."

29. Responding to this mandate, and with a view to further the understanding of the development dimension of IIAs and their effect, UNCTAD prepared five studies of the series on International Investment Policies for Development on Investment-State Dispute Settlement and Impact on Investment Rulemaking, Investment Promotion Provisions in International Investment Agreements, International Investment Rule-making: Stocktaking, Challenges and the Way Forward, Identifying Core Elements in Investment Agreements in the Asia-Pacific Economic Cooperation (APEC) Region, and the Protection of Essential Security Interests in International Investment Agreements. The preparation of three additional issues is underway. Furthermore, the first generation series on Key Issues in IIAs is being revised, with three forthcoming updated publications. The last two *IIA Monitors* addressed the latest developments in investor-State dispute settlement and the recent developments in IIAs.

30. The first session of the Multi-year Expert Meeting on Investment for Development (10-11 February 2009) was devoted to the development dimension of IIAs. The meeting addressed the development implications of the proliferation of investment agreements, and identified and clarified the key issues to be further analysed in order to enhance the capacity of developing countries to harness the development potential of IIAs. A total of 221 experts, negotiators, IIA practitioners and academic experts attended the meeting, which took the form of an interactive debate among experts exchanging experiences and views on key emerging issues and best practices, labelled "collective advisory services". Participants' assessments were overwhelmingly positive and underlined by the fact that experts agreed to continue this exchange on an annual basis. The meeting was preceded by a meeting on the "Feasibility of an Advisory Facility on International Investment Law and Investor-State Disputes for Latin American Countries", during which experts debated various options and approaches to assisting developing countries from Latin America in avoiding, settling, managing and defending the State in investor-State disputes.

31. In the area of technical cooperation, in 2008 UNCTAD received a record number of requests to help developing countries coping with complexities of IIAs, and the related

negotiation and implementation challenges. Overall, more than 1,000 government officials from 94 countries benefited from UNCTAD's technical assistance in this area, through 19 regional training courses, conferences and national workshops. Feedback from participants was very positive. Although beneficiaries of the technical assistance in the area of IIAs generally tend to point out the complexity of the topic, they are unanimous in acknowledging the quality of the assistance provided: "The workshop was a success...what might have been a tedious complex topic came alive and gave rise to interesting discussions."

32. In response to the growing incidence of investment disputes, UNCTAD also organized the fourth regional training course on managing investment disputes (Costa Rica, 17–26 November) for 36 participants from 15 Latin American countries, as well as two regional conferences. The first one – held in Cairo, Egypt, on 14 and 15 May – involved 109 participants from Arab countries and aimed at equipping government officials and practitioners with the necessary capacity to avoid and manage investor–State disputes. The second conference on alternative methods of investor–State dispute resolution gathered 33 participants from Eastern, South-eastern and Central Asian countries, and was held in Kiev, Ukraine on 2 and 3 June.

33. UNCTAD continues to be the leading source of information on IIAs. A number of tools are being maintained, including databases of BITs, double taxation treaties, free trade agreements and investor–State dispute settlement cases. The e-network of IIA experts, which makes it possible to disseminate information and discuss key issues of concern to the IIA community, has more than 1,200 members. The participants of the multi-year expert meeting called on this network to serve as a platform on which to continue sharing experiences and views on key and emerging issues.

34. Paragraph 152 of the Accra Accord requests UNCTAD to "analyse voluntary enterprise policies on corporate social responsibility and other codes of conduct as a complement to national legislation with a view to identifying best practices for maximizing the development impact of corporate activities, in particular by TNCs. UNCTAD should coordinate its activities in this area with other relevant international bodies, including the Organization for Economic Cooperation and Development (OECD), the World Bank, the United Nations Industrial Development Organization (UNIDO), the United Nations Global Compact and the International Organization for Standardization (ISO) Working Group on Social Responsibility, to maximize the value added of its work."

35. Responding to this mandate, the secretariat has prepared its 2008 review of the corporate responsibility performance of large emerging market enterprises. With a view to identifying best practices for maximizing the development impact of corporate activities, this study sheds light on voluntary enterprise policies on environmental, social and governance issues among 40 of the largest enterprises in 10 of the largest emerging markets. At the occasion of the twenty-fifth anniversary of the Intergovernmental Working Group on International Standards of Accounting and Reporting, a workshop was organized on the "Policy Context for Responsible Investment", which examined the relationship between investors, regulators, and enterprises and the role of voluntary enterprise policies on corporate social responsibility (CSR) in attracting investment.

36. In 2008, UNCTAD continued to provide technical assistance to the ISO Working Group on Social Responsibility, the International Chamber of Commerce Committee on CSR, and the OECD Roundtable on CSR, as well as a number of civil society and academic institutions. In an effort to synergize its CSR work within UNCTAD, a joint project is being planned for 2009 with UNCTAD's Virtual Institute to analyze CSR issues in South America. UNCTAD also signed a Memorandum of Understanding to build a partnership and closer working relations with the Global Reporting Initiative and continues to



coordinate activities in this area with other relevant international bodies, including the office of the United Nations Global Compact.

37. Paragraph 153 of the Accra Accord requests UNCTAD, “taking into account the World Intellectual Property Organization (WIPO) Development Agenda and without prejudice to the work undertaken in other forums, to, within its mandate, continue to undertake research and analysis on trade and development aspects of intellectual property, including in the areas of investment and technology.”

38. Pursuant to this mandate, UNCTAD continued in 2008 to undertake research and analysis on intellectual property. Responding to a request from the East African Community (EAC), the secretariat prepared a comparative study of provisions of the EAC Partner States’ (Burundi, Kenya, Rwanda, the United Republic of Tanzania and Uganda) Patent Laws. In doing so, it analysed the extent to which key Agreement on Trade-Related Aspects of Intellectual Property Rights (TRIPS) flexibilities relevant for access to medicines had been incorporated in their national legislation. In collaboration with Thailand’s Department of Intellectual Property (DIP) and Germany’s Capacity-Building International (InWEnt), UNCTAD organized, in December 2008, a regional symposium on flexibilities in the international intellectual property rules and the local production of pharmaceuticals for 52 participants from Association of South-East Asian Nations (ASEAN) countries. The symposium benefited from research undertaken in the context of the finalization of UNCTAD’s draft Reference Guide to Using Intellectual Property Rights to Stimulate Pharmaceutical Production in Developing Countries.

39. Country-level technical assistance on intellectual property and development issues was provided to the Governments of the Maldives, Rwanda, Thailand and Uganda, as well as, in collaboration with UNCTAD’s Virtual Institute, to Foreign Trade University, Hanoi, Viet Nam. In particular, UNCTAD participated in a joint mission with the World Health Organization (WHO), the World Trade Organization (WTO) and the United Nations Development Programme (UNDP) in Thailand, at the request of Thailand’s Ministry of Public Health, to advise the Government on TRIPS flexibilities for public health. Also, in response to a request of technical assistance from the Government of Thailand (Ministry of Commerce, DIP), an advanced draft of the advisory report on “The Interface of Intellectual Property and Competition Law in Thailand: International and Comparative Perspectives” was presented to DIP and local stakeholders from the Government, private sector, academia and civil society in December 2008.

40. Following separate requests from the Governments of Rwanda and Uganda, UNCTAD initiated, in collaboration with the International Centre for Trade and Sustainable Development (ICTSD), advisory work on a needs assessment for intellectual property-related technical assistance and the elaboration of IP policy and implementation strategies for Rwanda, as well as a report on the development dimensions of intellectual property for Uganda. The overall objective of these activities is to ensure coherent domestic approaches to intellectual property and investment issues in various industrial sectors.

41. UNCTAD’s work on trade and development aspects of intellectual property was further recognized when it was named as a stakeholder in the Global Strategy and Plan of Action on Public Health, Innovation and Intellectual Property, adopted by World Health Assembly Resolution 61.21 (May 2008). UNCTAD and WHO reviewed, in late 2008, the possibilities for joint activities to facilitate the implementation of certain elements contained in the Plan of Action. UNCTAD was also selected as a collaborative partner under recommendation 40 of WIPO’s Development Agenda. In that context, UNCTAD and ICTSD initiated, in late 2008, research and analysis on a number of intellectual property-related issues listed in the WIPO Development Agenda. The purpose of the new series of UNCTAD–ICTSD Policy Briefs is to provide for some concrete proposals on how to implement the recommendations contained in the WIPO Development Agenda.

42. Finally, in an effort to promote consensus-building among Geneva-based intellectual property stakeholders, UNCTAD and ICTSD organized, throughout 2008, a number of round table discussions on various topical issues, such as (a) the future of the intellectual property aspects of the WTO Doha Round of trade negotiations; (b) technology transfer under the TRIPS Agreement; (c) the potential of university patenting for innovation in developing countries; (d) intellectual property enforcement and development implications; and (e) lessons learnt from intellectual property-related technical assistance.

43. The Accra Accord (para. 154) requests UNCTAD to “strengthen its activities in research and analysis, technical assistance and consensus-building with regard to stimulating enterprise development and business facilitation. Measures should be identified to enable enterprises, especially small and medium-sized ones in developing countries, to comply with international standards, promote their technological and innovation capacities, access new technologies and enhance their participation in global value chains.”

44. Responding to this mandate, the secretariat continued its consensus-building work with regard to stimulating enterprise development and business facilitation. The first Multi-year Expert Meeting on Enterprise Development Policies and Capacity-building in Science, Technology and Innovation (STI), organized in Geneva (20–22 January 2008), aimed at identifying policies and best practices that encourage the creation and promote the international competitiveness of small and medium-size enterprises (SMEs). Discussions focused on policy measures to promote entrepreneurship and enterprise formation, and the main elements identified for implementing an entrepreneurship policy were reviewed. The meeting also aimed at identifying effective means to apply STI to development and, in particular, to improve the levels of productivity and competitiveness of the enterprises of developing countries as a means to contribute to the fight against poverty.

45. With a view to further the understanding and capacity of developing countries to develop policies aimed at stimulating enterprise development and business facilitation, the secretariat is currently finalizing its study on “Integrating Developing Countries’ SMEs into Global Value Chains.” It includes six cases carried out in collaboration with OECD in Africa, Asia and Latin America in various industries, highlighting the relationship between selected TNCs and their local suppliers. The secretariat is also finalizing the Accounting and Financial Reporting Guidelines for Small and Medium-sized Enterprises (SMEGA): Level 3 Guidance, which aims at identifying measures to enable SMEs to be able to comply with international standards. In the area of business facilitation, UNCTAD aims at proposing a standard for the transparency of administrative procedures, which is to be discussed during this session of the Investment, Enterprise and Development Commission, under agenda item 4, “Creating an environment conducive to productive capacity-building”. UNCTAD also revised its work programme to make provision for a new publication on business facilitation.

46. Through its Empretec programme, UNCTAD continued to expand its technical assistance in the area of enterprise development. Empretec installations were followed up in the Dominican Republic, Ecuador, Peru, Romania, the United Republic of Tanzania, and Zambia. The programme also successfully launched two new initiatives in 2008. The first Empretec Women in Business Awards was organized during UNCTAD XII in Accra, Ghana. The ceremony contributed to raising the profile of women entrepreneurs’ contribution to economic development. The second initiative, which was presented to stakeholders at the Empretec Africa Forum, was a strategic plan to establish a specialized regional network for re-energizing and expanding Empretec centres in Africa. The initiative was recognized for its practical and concrete contribution to SMEs’ development. The annual Empretec Directors’ Meeting which took place in São Paulo during the Global Entrepreneurship Week in November 2008 was attended by Empretec directors from 22

countries. The participants discussed Empretec activities, plans for expansion of training, and considered new strategic directions for the programme.

47. Paragraph 154 also requests UNCTAD to “analyse the linkages between small and medium-sized enterprises and foreign affiliates in order to increase the development benefits of FDI and enhance the international competitiveness of firms from developing countries”.

48. With a view to further analyze the linkages between SMEs and foreign affiliates, UNCTAD prepared a study on “Creating business Linkages: a policy perspective”.

49. In the area of technical assistance, the installation of the Business Linkages programme progressed in Argentina, Brazil, Uganda, Mozambique, the United Republic of Tanzania, and Zambia. In Uganda, at the end of the pilot phase of the programme, it has been observed that SMEs can grow up to 460 per cent, increase employment up to 100 per cent and improve productive efficiency up to 25 per cent. Thanks to improved business skills, SMEs in Uganda also expanded and diversified their business products. In Brazil, the UNCTAD–GTZ linkages project in Brazil, enlisting 20 TNCs and some 180 SMEs, also produced notable results. A business diagnostic of 27 SMEs in the North-eastern State of Pernambuco supplying three large TNCs (Philips, Gerdau Ameristeel and Alcoa) showed, for example, that the smaller firms raised their sales volumes and significantly upgraded the quality of their products and their general management skills following 10 months of technical training to eliminate “weaknesses” identified by the partner TNCs. A number of TNCs have already agreed to participate in the programme in Zambia.

50. The Accra Accord (para. 155) requests UNCTAD to “help developing countries, including by building their technical capacity, to improve their e-government practices in order to enhance the transparency and simplification of government procedures in areas such as investment and the creation and development of enterprises”.

51. Responding to the requests of the several developing countries to build local capacities to improve their e-government practices, UNCTAD provided assistance to Colombia, El Salvador, Guatemala, Mali, Nicaragua, and Viet Nam in managing and further implementing the e-regulations system. This e-government tool is designed to bring total transparency in administrative procedures related to enterprise creation and operations. Already operational in more than eight countries, the system presents step-by-step procedures, from the user’s point of view, indicating requirements, costs and duration, and giving online access to forms, civil servants contact data and complaint channels.

52. The Accra Accord (para. 156) requests UNCTAD, “through the Intergovernmental Working Group of Experts on International Standards of Accounting and Reporting (ISAR), to help developing countries participate in the processes that set internationally recognized accounting and reporting standards and codes. Alongside development partners, UNCTAD should assist developing countries in building the technical capacity and institutions needed for the implementation of such standards and codes. It should continue to contribute to the field of environmental accounting and reporting with a view to promoting a harmonized approach among member States. UNCTAD should continue to support developing countries and countries with economies in transition in adopting and implementing the International Financial Reporting Standards (IFRS).”

53. The Intergovernmental Group of Experts on ISAR held its twenty-fifth anniversary session in 2008. The session was attended by a record 325 experts, including several ministers. A high-level segment was organized, during which the role of international accounting and reporting standards and codes in promoting financial stability was discussed against the background of the financial crisis. The meeting reviewed practical implementation issues of the IFRS, including SMEGA Level 3 Guidance, capacity-building in corporate accounting and reporting, and non-financial reporting in the areas of corporate

governance and corporate responsibility. In commemoration of the milestone of the twenty-fifth anniversary of the first meeting of the group of experts, a number of high-level profile networking events were also organized. Two technical workshops complemented the meeting: (a) one on public sector accounting standards; and one on (b) investment and environmental, social and governance disclosure. In their responses to a questionnaire circulated to gather participants' feedback on the session, all respondents indicated they were satisfied with the organizational aspects of the session.<sup>3</sup>

54. The Accra Accord (para. 157) requests UNCTAD to “continue to provide policy analysis and capacity-building on prudential regulatory frameworks, the establishment of competitive insurance markets and human resources development. UNCTAD should also assist countries in the development of their insurance sector with a view to creating benefits for development. In this context, assistance should be provided especially to countries in Africa and small economies that are particularly vulnerable to catastrophic risks.”

55. The secretariat convened a meeting on Capacity-Building for the Insurance Sector in Africa (23 February 2009) to discuss challenges facing the insurance industry in Africa and identify areas where UNCTAD can contribute to the strengthening of the insurance sector in the continent.

56. In 2008, the UNCTAD Insurance Programme continued to provide advisory and technical assistance to developing countries, including, inter alia, collaboration with the African Insurance Organization and the African Centre for Catastrophe Risks. Assistance was also provided to the Government of Afghanistan in establishing a customs bonds insurance guarantee facility. Furthermore, two technical assistance projects for Morocco and Tunisia – on capacity-building and facilitating access to insurance, banking and financial services for SMEs – were initiated.

57. The Accra Accord (para. 158) states: “UNCTAD should further strengthen its research and analysis in the area of science, technology and innovation, including information and communication technologies (ICTs), and should promote effective international and national policies, in collaboration with other relevant international organizations working in this area.”

58. In order to strengthen its research and analysis activities in the area of STI, work has been undertaken in 2008–09 with a strong emphasis on immediate policy applicability to support developing countries in their efforts to harness knowledge and technology, to facilitate technology absorption and to promote faster innovation by their enterprises. A first priority has been to explore the role of STI to increase agricultural productivity in developing countries, as part of the measures to address the pressing challenges created by the global food crisis.

59. Also in 2008, work started on revamping the *Information Economy Report* into a trends-oriented, slimmer and more focused publication. UNCTAD's first country analysis of the impact of ICT on business activities was published. The study, entitled Measuring the impact of ICT use in business: The case of manufacturing in Thailand, had been prepared jointly with the Thailand National Statistical Office.

60. The Accra Accord (para. 158) further declares that UNCTAD “should also draw lessons from successful experiences with the transfer and diffusion of technology through all channels, including FDI. It should also enhance its support to the efforts by developing countries, in particular LDCs, to respond to technological changes and assess the effectiveness of domestic innovation policy.”

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<sup>3</sup> About 92 percent of respondents indicated that they found the session to be useful.

61. The priority for work in this area was given to supporting the developing countries – and LDCs in particular – to respond to their technological challenges by enhancing their technology and innovation policies and institutions. The main vehicle for the delivery of this support was the Science Technology and Innovation Policy (STIP) reviews, which were carried out in four countries during 2008 and 2009 (Angola, Ghana, Lesotho and Mauritania). Of these, the STIP review of Angola has already been completed and the other three will be completed during 2009. The outcome of the STIP review of Angola, undertaken in partnership with UNDP and in consultation with the Government of Angola, was presented at the eleventh session of the United Nations Commission on Science and Technology for Development (CSTD) in May 2008. It pinpoints a number of structural, institutional and financial bottlenecks that hinder technological learning and capacity-building in the country, and formulates policy options for the Government to consider in ensuring a strong STI component in its development strategies. Emphasis was given to the contribution that STI can make to help Angola move up the chain of commodity exports and into global manufacturing networks.

62. The Accra accord (para. 158) also requests that “UNCTAD should help strengthen North–South and South–South cooperation in harnessing knowledge and technology for development, and assist developing countries and countries with economies in transition through science, technology and innovation policy reviews and related technical assistance.”

63. In order to support South–South cooperation in the area of STI, UNCTAD has launched a network of Centres of Excellence, whose aim is to strengthen links and facilitate mobility among the scientific community in developing countries. The network operates with leading scientific and technological institutions in developing countries, which collaborate as hubs of learning and training, and carry out advanced and basic training courses for scientists and researchers from these countries. An expanded website platform has been implemented to facilitate interaction among members of the network and participants of the training courses. The network benefits from a large audience in the developing world’s scientific community and a database of over 400 scientists, researchers and various contacts in the academic world. The demand for the training courses has been very large, despite the fact that some of these cater to a narrow group of experts. For example, the training course on Cybersecurity received over 100 applications for a total of 15 openings. In total, over 580 applications have been received for 133 openings.

64. The Accra Accord (para. 159) states: “UNCTAD should also contribute to consensus-building in the international debate on science and technology for development, including ICTs and their implications for development, and continue to provide support as the secretariat to the CSTD. UNCTAD should continue to help developing countries to participate effectively in international discussions on technology transfer and knowledge-sharing, and to identify policy options and best practice in this area. UNCTAD should furthermore continue to assist developing countries in identifying ways and means to operationalize technology transfer clauses in international agreements and in the outcomes of major United Nations conferences and summits in order to maximize their potential benefits.”

65. The main aspect of UNCTAD’s work with regard to intergovernmental activities in the field of science and technology for development concerns the provision of secretariat services to the United Nations CSTD. The broad mandate of the CSTD is to examine and advance the understanding of the role of science and technology in development. This includes the formulation of recommendations and guidelines on science and technology matters within the United Nations system. In addition, the CSTD is coordinating the World Summit on the Information Society (WSIS) follow-up process at the international and regional levels. The eleventh session of the CSTD was held in Geneva from 26 to 30 May

2008. The intersessional panel of the CSTD was held in Santiago, Chile, from 12 to 14 November 2008, organized jointly by UNCTAD and the Economic Commission for Latin America and the Caribbean.

66. At its eleventh session, the commission considered two priority themes:

(a) Development-oriented policies for a socio-economically inclusive information society, including access, infrastructure and an enabling environment; and

(b) Science, technology and engineering for innovation and capacity-building in education and research.

67. The commission also undertook the second annual review of progress made in the implementation of and follow-up to the outcomes of the two-phase WSIS. The commission recommended one draft resolution and three draft decisions to the United Nations Economic and Social Council for its consideration.

68. The Accra Accord (para. 160) states: “UNCTAD should continue to provide technical assistance to countries in the area of ICT, notably on ICT policy reviews, pro-poor policies, legal and regulatory frameworks, and measuring the information economy, including through the Partnership on Measuring ICT for Development launched at UNCTAD XI.”

69. During 2008, UNCTAD saw growing demand for its ICT-related technical assistance. Work in this area is focused on three main areas – ICT and law reform, measuring ICT for development, and ICT Policy Reviews – and last year reached all developing-country regions.

70. In the area of ICT and law reform, UNCTAD provided targeted technical assistance with a view to fostering more effective cyberlaws, especially in the context of regional integration. Projects were conducted in Africa, Asia and Latin America. For example, UNCTAD helped the EAC Regional Task Force on Cyberlaws in preparing a regional legal framework for the harmonization of cyberlaws. A final draft was submitted to the Secretary-General of the EAC in November 2008. In Latin America, some 100 Government and private sector representatives from member States of the Latin American Integration Association (ALADI) were trained through distance learning and face-to-face training workshops organized by UNCTAD. In Asia, technical assistance was primarily offered to Cambodia and the Lao People’s Democratic Republic in the framework of the regional TrainForTrade project. Further to the draft cyberlaws prepared in 2007 for the two countries, actions of awareness-raising on the legal implications of ICT were organized by the Government of Cambodia throughout the country using the Khmer distance learning version of the training course developed by UNCTAD on the Legal Aspects of E-Commerce. Additional needs have been identified to facilitate the adoption of the cyberlaws in Cambodia and the Lao People’s Democratic Republic to comply with the e-ASEAN initiative.

71. In the area of measuring ICT for development, UNCTAD continued to play a leading role in the context of the Partnership on Measuring ICT for Development. In 2008, it published *The Global Information Society: a Statistical View 2008*. UNCTAD furthermore revised its *Manual for the Production of Statistics on the Information Economy*, an essential tool for national statistical offices that are involved in the collection of ICT data. The revised version of the manual will be presented at the fortieth session of the United Nations Statistical Commission in February 2009.

72. In June 2008, UNCTAD conducted an advisory mission to Nepal to assist the Government in the development of its work on ICT measurement. As a result of the mission, national stakeholders agreed to create a high-level Coordination Committee for ICT statistics and to consider the establishment of a national framework for collecting and

producing ICT statistics. UNCTAD also assisted the Government of Tunisia in setting up a process of collection and analysis of statistics on ICT use in enterprises. A regional training course on the production of statistics on the information economy took place in Incheon, Republic of Korea. It was hosted by the United Nations Economic and Social Commission for Asia and the Pacific Training Centre for Information and Communication Technology for Development, and delivered in collaboration with the United Nations Statistical Institute for Asia and the Pacific. The course was attended by 24 participants from 16 countries. UNCTAD also contributed to the Fourth Regional Workshop on the Information Society Measurement in Latin America and the Caribbean (held in San Salvador, El Salvador).

73. Preparations for the first ICT Policy Review conducted by UNCTAD got underway in 2008. The pilot review will be undertaken for Egypt.

74. The Accra Accord (para. 161) states: “UNCTAD should contribute to the implementation of the World Summit on the Information Society (WSIS) action lines on capacity-building, an enabling environment, e-business and e-science, in cooperation with other relevant international organizations. UNCTAD, also in its capacity as secretariat to the Commission on Science and Technology for Development, should assist the Commission in implementing its mandate on the follow-up to the WSIS outcomes.”

75. As mandated by paragraph 108 and by the annex of the Tunis Agenda for the Information Society, UNCTAD – in cooperation with the International Trade Centre UNCTAD/WTO, Universal Postal Union and International Labour Organization – organized the third WSIS Follow-up Action Line Facilitation Meeting on “E-business” on the theme of “E-Commerce as a key facilitator for SME competitiveness”. The meeting took place in May 2008 and brought together about 30 WSIS stakeholders to address the issue of the contribution of e-commerce to development. In May, a “Global Event on Measuring the Information Society” was hosted by UNCTAD and organized by the Partnership on Measuring ICT for Development in Geneva. The partnership’s work on information society measurements can benefit the follow-up of the WSIS, since it can help assess the progress towards the achievement of the WSIS goals. Immediately after the global event, the partnership presented a progress report of its work to the eleventh session of the CSTD, under its agenda item on the WSIS follow-up.

76. Paragraph 163 of the Accord requests “the UNCTAD e-Tourism initiative, launched at UNCTAD XI, [to] continue to be implemented, with a view to promoting the contribution of tourism to development”.

77. Responding to this mandate, UNCTAD developed a new training package (five training modules and an ICT tool: the Data Collector) aiming at building local consensus on e-business solutions in the tourism sector of developing countries. Designed for both public and private audiences, this package aims at equipping local stakeholders with behavioural, organizational and technological tools required for a successful implementation of e-business models in the destination. As a follow-up to an UNCTAD regional workshop on tourism for development issues held in Mali (October 2008), a first series of capacity-building workshops will be conducted in Mauritania, Guinea, Burkina-Faso and Mali.