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Division on International Trade in Goods and Services, and Commodities

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**Activity Report 2008 of
the Division on International Trade in Goods and Services, and Commodities**

Report by the secretariat

Executive summary

UNCTAD is the focal point of the United Nations for the integrated treatment of trade and development and interrelated issues in the areas of finance, technology, investment and sustainable development. Within UNCTAD, the Division on International Trade in Goods and Services, and Commodities (DITC) is responsible for the subprogramme on international trade. This divisional report for 2008 is the fifth annual report by the division. It provides an overview and illustrative range of the division's outputs in 2008 (unless indicated otherwise) in implementing the Accra Accord mandates of UNCTAD XII on international trade (paragraphs 89 and 90, 94–106 and 170), an assessment of the results and lessons learned that can be applied to improve the quality, effectiveness and impact of programme implementation. It also responds to the request in the Accra Accord in paragraph 206 for secretariat activity reports.

The subprogramme on international trade was established by the United Nations General Assembly under subprogramme 3 of section 12 (Trade and Development) of the United Nations programme budget for 2008–2009, as adjusted by the Trade and Development Board to reflect the Accra Accord. This report provides an overall assessment of outputs by the division in 2008 and includes the specific support provided to least developed countries (chapter I), followed by a report on progress towards meeting each of the four expected accomplishments (intermediate goals) of subprogramme 3, achieved by the relevant branch of the division, namely on trade negotiations (chapter II), trade analyses (chapter III), competition and consumer policies (chapter IV) and trade and environment (chapter V).

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Chapter I: Objective of the Subprogramme on International Trade

Objective of the organization: To assure developmental gains from international trade, the trading system and trade negotiations in goods and services and to enhance the commodity sector's contribution to the development process for the effective and beneficial integration of developing countries and countries with economies in transition into the global economy (A/62/6 (Sect. 12)).

1. The Subprogramme on International Trade falls under the responsibility of the Division on International Trade in Goods and Services, and Commodities. The division is composed of the following units: Office of the Director; Competition and Consumer Policies Branch; Trade Analysis Branch; Trade, Environment, Climate Change and Sustainable Development Branch; and Trade Negotiations and Commercial Diplomacy.¹ The United Nations 2008–2009 programme budget allocated \$24,358,100 to the Subprogramme on International Trade (including commodities).² This comprised \$23,701,700 for the funding of 85 regular budget posts and \$656,400 for non-post requirements covering consultants and experts, staff travel and printing of publications.

2. The development objective for the 2008–2009 biennium pursued by the division is to contribute to the effective and beneficial integration of developing countries and countries with economies in transition into the global economy. It aims to do so by working to assure developmental gains from international trade, the trading system and trade negotiations in goods and services, and to enhance the commodity sector's contribution to the development.

3. In 2008 a major result was the substantive preparations for and outcome of UNCTAD XII (Accra, Ghana in April). Working with other divisions of UNCTAD, the Division on International Trade in Goods and Services, and Commodities contributed to servicing the needs of the conference by producing the Secretary-General's report (TD/413) on "Globalization for development: the international trade perspective" (UNCTAD/DITC/2007/1), several pre-conference events, two interactive thematic round tables (South–South trade and commodities), several parallel events (competition law and policy, trade and investment between developing countries and transition economies, biodiversity sustainable use, biofuels, sustainability standards, Amandla (light bulb) project with Royal Philips), Creative Africa and the Global System of Trade Preferences (GSTP) Senior Officials and Ministerial Meetings. The division also helped service the member states' negotiations on the Accra Accord, including supporting the Group of 77 (G77) and China in articulating its common views. It also assisted the Trade Minister of Ghana, the President of UNCTAD XII, during the conference. This contributed to facilitating negotiations and consensus by member states on the Accra Accord including on "Key trade and development issues and the new realities in the geography of the world economy trade".

4. Subsequent to UNCTAD XII, and based on strategic guidance provided by the UNCTAD Secretary-General including through the Accra Accord Steering Group and pursuant to member states' recommendations, the division has oriented its work towards the implementation of the Accra Accord. For example, the division has moved towards amalgamating its technical cooperation programmes into four main thematic areas. It has also grouped its publications into three main series for the 2010–2011 biennium. The division has been particularly active in making substantive inputs for and leading the substantive preparation of several of the Secretary-General's ad hoc task forces on emerging development challenges such as the global food crisis, the energy crisis, the Trade and Development Board high-level event and climate change. Efforts to publicize the division's work were increased, with the support of the Communication, Information and Outreach Unit. These are some examples of greater collaboration by the division with other UNCTAD divisions.

¹ In August 2008, consistent with paragraph 183 of the Accra Accord, the former Commodities Branch of the Division was transformed into the Special Unit on Commodities and commenced reporting directly to the Secretary-General of UNCTAD on substantive matters.

² This amount represents 20.8 per cent of the total allocation to UNCTAD for the biennium.

5. UNCTAD cooperates closely with other international organizations and fosters coordination of system-wide United Nations activities in the area of trade and development. With respect to system-wide efforts in the United Nations to bring about greater coordination and synergy and to produce joint outputs, the International Trade Cluster of the Executive Committee of the Economic and Social Affairs (ECESA) is led by the division.³ Members of the cluster coordinated their budgetary proposals on international trade for the United Nations 2010–2011 programme budget preparations. International Trade Cluster members also contributed to the preparation, with the United Nations University, of a publication on *Aid for Trade and Development – Global and Regional Perspectives* (forthcoming).

6. In parallel, the division undertook activities that strengthened developing countries' abilities to participate in trade negotiations in goods and services, in particular the World Trade Organization (WTO) Doha Round, as well as in negotiating accession to the WTO; South–South trade, including facilitating the second round of negotiations under the GSTP; analysis of new and dynamic sectors of world trade and addressing non-tariff barriers; addressing competition and consumer protection issues and dealing with anti-competitive practices; opportunities arising from the trade, environment and development nexus such as biofuels, biotrade, and organic agriculture; and enhancing the commodity sector's contribution to the development process.

7. The specific outputs included: 17 publications; 10 press releases and highlights; 84 training events/seminars/workshops that benefited some 3,935 participants of which 190 were female; and 310 advisory missions. The division's staff continued to speak to a wide audience on issues regarding trade in goods and services, and commodities, and participated in various events organized by other UNCTAD divisions, international organizations or governments. The division also made substantive contributions to UNCTAD-wide activities like Paragraph 166 courses, the high-level event of the Trade and Development Board fifty-fifth session (September),⁴ work under the Trade and Productive Capacity Cluster of the United Nations Chief Executive Board, and implementation in "One UN" pilot countries of issues such as competition policy (Albania, Mozambique and Rwanda) and WTO accession (Cape Verde).

8. Additionally, the division hosted the Third Annual Meeting of the General Assembly of the Global Network of Exim Banks and Development Finance Institutions (G-NEXID), which took place from 8–9 April and brought together 15 regional institutions serving more than 80 countries to discuss South–South cooperation and identify opportunities and concrete activities to implement in 2008–2009. Its next meeting will be in Geneva in May 2009.

9. Also with regard to South–South cooperation, the division continued to service the Agreement on Global System of Trade Preferences among Developing Countries and supported its second (São Paulo) round of negotiations. In April 2008 in Accra (Ghana), ministers of developing countries members of the GSTP defined the basic parameters of a linear formula cut for exchanging preferential tariff concessions: at least 70 per cent product coverage of national tariff lines and depth of tariff cuts between 20 per cent and 40 per cent. They instructed their Geneva delegations to work further on the technical details of the modalities. In Geneva, the band of possible tariff cuts was narrowed down between 25 per cent and 30 per cent but this was linked to proposed adjustment of the product

10. Following the adoption by the Trade and Development Board of the topic of “International Cooperation: South–South Cooperation and Regional Integration” for the multi-year expert meeting, the division participated in an interdivisional working group that prepared and serviced the meeting (Geneva, 4–5 February 2009). Further, with regard to expert meetings, the division led an UNCTAD-wide effort to prepare and service the meeting on mainstreaming gender in trade policy (Geneva, 10–11 March 2009).

11. The division continued to maintain a high implementation rate of programmed outputs. At the end of 2008, the division had implemented 49 per cent of the total mandated outputs in the programme budget for the 2008–2009 biennium.⁵ This is a major accomplishment bearing in mind that the division was legislated to deliver about 25.4 per cent (884) of total UNCTAD outputs (3,476) for the biennium, with 20.8 per cent of the regular budget resources. Transition economies and developing countries from all regions benefited from activities implemented by the division. Least developed countries (LDCs) and African countries in particular benefited from the division’s technical assistance and training activities. In carrying out its activities, the division cooperates with a wide range of partners including public, private and intergovernmental organizations, non-governmental organizations (NGOs), international and national agencies.

12. Regarding technical cooperation, the division’s expenditure in 2007 amounted to \$6,163,000 which represented 19.6 per cent of UNCTAD total expenditure on technical cooperation for 2007.⁶ The division’s technical cooperation programmes benefited from financial support from donor countries including Canada, Denmark, Finland, France, Germany, Italy, Japan, Netherlands, Norway, Spain, Sweden, Switzerland and the United Kingdom; some developing countries; and institutional donors such as the Common Fund for Commodities, the European Union (EU), the United Nations Development Programme (UNDP), the United Nations Environment Programme (UNEP), the United Nations Foundation, the Standards and Trade Development Facility and the United Nations Development Account. Also, many activities have been implemented through cooperative arrangements with countries, institutions, the private sector, academia and nongovernmental organizations. The division gratefully acknowledges these contributions and seeks continued support for its programmes as it moves towards implementing the new thematic cluster approach of UNCTAD. The division is responsible for four of the 17 UNCTAD thematic clusters on technical cooperation, namely: (a) capacity-building for trade negotiations and commercial diplomacy; (b) trade analysis capacities and information systems; (c) competition policy and consumer protection; and (d) trade, environment and development.

13. Several development challenges emerged in 2008 and the division undertook work, especially through interdivisional collaboration, to assist developing countries and the international community in responding to them through trade-related measures. This included in particular the global food crisis, the changing energy economy and climate change. The division is also a member of the Secretary-General’s Ad Hoc Task Force on the Global Food Crisis established in May 2008, to articulate the UNCTAD response and to contribute to the United Nations Secretary-General’s High-Level Task Force on the Global Food Crisis. The task force contributed to the Food and Agriculture Organization’s (FAO) High-Level Conference on World Food Security in June. The task force prepared the publication on *Addressing the Global Food Crisis: Key Trade, Investment and Commodity Policies in Ensuring Sustainable Food Security and Alleviating Poverty* (UNCTAD/OSG/200871). This was circulated at the FAO Conference and at the fifty-fifth session of the Trade and Development Board and the hearing with the civil society.

14. The division is also a member of the Secretary-General’s Task Force on Energy, created in July. The task force has produced a report on the changing energy economy and the implications for trade, investment and development. The division is also a member of (and leads) the UNCTAD Climate Neutral Initiative Working Group that has been requested by the Secretary-General of UNCTAD to

⁵ Data available on 23 January 2009.

⁶ TD/B/WP/202.

reflect on and identify options on how to reduce, mitigate and offset UNCTAD greenhouse gas emissions. The group formulated the UNCTAD Climate Neutral Initiative under which it is one of the first United Nations agencies to commit to reducing its greenhouse gas emissions by 20 per cent by 2020.

15. With regard to international trade, the division also contributed to efforts aimed at enhancing international consensus on strengthening the development work of the United Nations, including to the United Nations General Assembly and to the preparatory events for the Follow-up International Conference on Financing for Development to Review the Implementation of the Monterrey Consensus.

16. With the deterioration of the global financial and economic crises, the Secretary-General of UNCTAD created two ad hoc interdivisional task forces, namely on “systemic issues and economic cooperation” (November 2008) and on “the impact of the economic crisis on trade and development in developing countries” (February 2009). The division is participating in these task forces which will provide analyses as to the impact of the global crises especially on developing countries, make suggestions on coping measures and support intergovernmental deliberations on these issues. The division is also monitoring the trends of the impact on trade and development in developing countries.

17. The twelfth session of the Commission on International Trade in Goods and Services, and Commodities, held on 7 and 8 February, considered the trade perspective of globalization’s contribution to development and the role of UNCTAD. Supported by the secretariat’s background note (TD/B/COM.1/90), the commission’s deliberations highlighted some key trade and development issues at the forefront of globalization and how these can be harnessed to maximize development gains for developing countries and minimize the attendant costs. These helped prepare and inform member states on their participation in preparatory deliberations for UNCTAD XII.

18. The following chapters will indicate that LDCs (and African countries) have received focused and tailored assistance from UNCTAD with implementation. Apart from activities under the three pillars of UNCTAD work that benefit developing countries generally, including LDCs, some of the customized support to LDCs included:

- (a) Monitoring and reporting on the proportion of developed country imports from developing countries and LDCs, admitted free of duty;
- (b) Supporting Rwanda in developing a pro-poor trade policy framework;
- (c) Assisting LDCs individually and as a group in their preparations for participation in the WTO Doha agenda negotiations;
- (d) Assisting Nepal and Uganda in undertaking national services policy reviews;
- (e) Supporting LDCs, including Afghanistan, Bhutan, Cape Verde, Ethiopia, Lao People’s Democratic Republic and Yemen, in the process of acceding to the WTO;
- (f) Holding a training session on the Generalized System of Preferences (GSP) schemes and rules of origin for Yemen;
- (g) Launching of the Amandla light bulb project in Lesotho with the Royal Philips Corporation;
- (h) Strengthening the creative industries in Mozambique and Zambia through an African, Caribbean and Pacific (ACP) project;
- (i) Supporting Uganda in a pilot project to identify and classify non-tariff barriers;
- (j) Providing training in Cambodia and Guinea on UNCTAD trade databases and analytical tools;
- (k) Supporting the implementation of competition rules and consumer policies and strengthening competition agencies in the eight member states of UEMOA (the West African Economic and Monetary Union), all of which are LDCs except for Côte d’Ivoire, as well as in Bhutan, Malawi, Rwanda and Zambia;
- (m) Promoting production and trading opportunities for organic agricultural products in East Africa that will benefit LDCs like the United Republic of Tanzania;
- (n) Implementing the Sustainability Assessment Programme in the United Republic of Tanzania;
- (o) Supporting national biotrade activities in Uganda.

Chapter II: Trade Negotiations and Commercial Diplomacy Branch

Improved understanding and better ability of developing countries, including non-members of the World Trade Organization, to analyse, formulate and implement appropriate trade policies and strategies in international trade, the international trading system and trade negotiations and an improved international trading environment facilitating market access and entry conditions for the exports of developing countries (expected accomplishment (a) of the secretariat in subprogramme 3, table 12.13 (A/62/6 (Sect. 12))). This corresponds to Accra Accord paragraphs 89, 90, 94, 95, 97, 105–107 and 170.

19. The Trade Negotiations and Commercial Diplomacy Branch helped countries clarify and explore the development dimension of the international trading system, particularly under the WTO Doha Round negotiations, with a focus on meeting the Millennium Development Goals (MDGs), against the backdrop of the intensified trade negotiations. The branch, following UNCTAD XII, has oriented its work to meeting the mandates provided by the Accra Accord in paragraphs 89, 90, 94, 95, 97, 105–107 and 170.

20. Through its integrated work in three pillars, the branch contributed to generating evidence-based analysis, promoting constructive intergovernmental deliberations and filling capacity gaps in developing countries and economies in transition as they relate to the international trading system and trade negotiations. The branch facilitated intergovernmental deliberations in reiterating commitment to the multilateral trading system and its development component. Its analytical work helped policymakers and negotiators identify policy priorities and options, assess developmental implications and support their negotiating positions. Its capacity-building activities helped developing countries draw benefits from the international trading system. Overall, the branch helped in moving multilateral and regional trade negotiations forward, especially by assisting countries in making informed decisions and building confidence and consensus on how to ensure that trade negotiations and their results have a positive impact on development and poverty eradication objectives.

A. Intergovernmental deliberations and consensus building

21. UNCTAD XII: The branch provided substantive servicing to the Preparatory Committee, and subsequently the Committee of the Whole, in respect of subtheme 2 of the conference on “Key trade and development issues and the new realities in the geography of the world economy”. It also provided technical support towards the preparation of Ministerial Declaration of G77 and China to UNCTAD XII. It also prepared and serviced a pre-UNCTAD XII event on the trade and development implications of international tourism for developing countries (19–20 November 2007).

22. United Nations General Assembly: Since the launching of the WTO Doha Round of multilateral trade negotiations in 2001, the United Nations General Assembly has paid particular attention to reviewing progress in the negotiations. The branch prepares the annual United Nations Secretary-General’s report on “International trade and development” to inform the General Assembly on recent developments in international trade. The 2008 report highlighted the negotiating and policy issues emerging in the Doha negotiations in the run-up to and following the WTO mini-Ministerial meeting in July. UNCTAD participated in the discussions of the sixty-third session of the General Assembly (the Second Committee) on the subject, together with the President of the Trade and Development Board.

23. Trade and Development Board: The branch prepared and serviced the board’s deliberation at its fifty-fifth session in September under the agenda item “an evolution of the broader international trading system and of international trade from a development perspective”. The secretariat’s similarly titled note facilitated the deliberations. The intergovernmental deliberations benefited from keynote addresses by the UNCTAD Secretary-General and the WTO Deputy Director-General, as well as high-

level panel discussions. The main issues raised are reported in the president's summary (which was also provided to the United Nations General Assembly).

24. Commission on International Trade in Goods and Services, and Commodities, and expert meetings: For the twelfth session of the commission (7–8 February), the branch reported on two expert meetings on services namely “Trade and development implications of financial services” (20–21 September 2007) and the UNCTAD XII pre-event on the trade and development implications of international tourism for developing countries.

25. Working Party on the Medium-Term Plan and the Programme Budget: The fifty-first session of the working party (1–5 September) reviewed the progress made in the implementation of recommendations contained in the evaluation of UNCTAD trade-related technical assistance and capacity-building on accession to the World Trade Organization, based on the progress report prepared by the secretariat. The working party noted the programme as “unique and comprehensive” and reiterated its invitation to donors and potential donors to make multi-year contributions to increase predictability in the planning and implementation of assistance, and encouraged the secretariat to continue its efforts to strengthen the programme.

26. Expert meeting: Following the adoption by the Trade and Development Board of the topic of “Services, development and trade: the regulatory and institutional dimension” for the multi-year expert meeting, the first session was prepared by the branch (Geneva, 17–19 March 2009).

B. Research and analysis

27. A number of thematic, sector and country-specific analyses were prepared by the branch and others are being processed for publication. These technical reports are utilized in national and regional negotiation forums and for trade policy formulation and implementation. They include the following:

- (a) Assuring development gains and poverty reduction from trade, the labour mobility and skills trade dimension (UNCTAD/DITC/TNCD/2007/8);
- (b) Aid for Trade: helping to maximize the gains from trade for developing countries (UNCTAD/DITC/2008/2);
- (c) Report of the International Conference on Moving towards Gender Sensitization of Trade Policy, New Delhi, India, 25–27 February 2008 (UNCTAD/DITC/TNCD/2008/2);
- (d) Infrastructure services, development and trade: the regulatory and institutional dimension (TD/B/C.I/MEM.3/CRP.1);
- (e) Towards SADC services liberalization: balancing multiple imperatives (UNCTAD/DITC/TNCD/2008/4);
- (f) Intellectual property – turning it into developing countries' real property (UNCTAD/DITC/TNCD/2008/3);
- (g) Flexibilities for developing countries in agricultural negotiations (UNCTAD/DITC/TNCD/2008/1);
- (h) Services and trade in services in Andean Communities countries (UNCTAD/DITC/TNCD/2008/5);
- (i) Handbook on Generalized System of Preferences: the scheme of the European Communities (UNCTAD/ITCD/TSB/Misc.25/Rev.3);
- (j) GSP Newsletter No. 9 (UNCTAD/DITC/Misc/2008/3).

C. Advisory services, technical assistance and capacity-building

28. With extra-budgetary support from donors, the branch has developed and implemented a large number of technical assistance and capacity-building projects for developing countries, especially LDCs and African countries, as well as countries with economies in transition. It also provides advisory support to Geneva-based as well as capital-based trade policymakers and negotiators.

29. WTO Doha Round of multilateral negotiations and regional trade agreements: The branch assisted Geneva- and capital-based trade negotiators and policymakers in developing countries in their preparations for participation in the Doha negotiations particularly on the modalities for agriculture, non-agricultural market access (NAMA) and services, as well as on trade facilitation, WTO rules, trade-related aspects of intellectual property rights (TRIPS) and development issues such as Aid for Trade, in the run-up to the July mini-Ministerial meeting and its follow-up towards December. Substantive support was provided to ministerial and other high-level meetings of regional groupings such as for LDCs (27–28 February, Maseru). Important capacity-building support was provided, including in services negotiations, contributing to greater preparedness and technical capacities in developing country trade negotiators. Support was given through advisory services and analytical support extended to country groupings including LDCs, African Union and ACP states, and individual countries including Azerbaijan, Barbados, Belarus, Benin, the Bolivarian Republic of Venezuela, Botswana, Cape Verde, Côte d’Ivoire, Democratic Republic of the Congo, Egypt, Gabon, Guinea, India, Indonesia, Iraq, Islamic Republic of Iran, Jamaica, Kenya, Kyrgyzstan, Lesotho, Mauritius, Namibia, Nepal, Nicaragua, Nigeria, Oman, South Africa, Sudan, Swaziland, Syrian Arab Republic, Uganda, United Republic of Tanzania, Yemen and Zambia.

30. Support on WTO accession (pre-, during and post-accession): The branch assists 19 acceding countries, including all acceding LDCs, in their WTO accession negotiations. Such assistance includes advisory services on policy and regulatory reform, institution building, training of government officials, preparation of impact studies (global and sectoral), national multi-stakeholder consultative meetings, preparation of documentation and market access offers and logistical support. The main donors to this programme are Germany, Norway and the United Kingdom. UNCTAD work on WTO accession was evaluated positively by independent evaluators and commended by the working party, including at its fifty-first session.

31. In 2008, advisory services, field missions and capacity-building activities on WTO accession, including Geneva-based training, were undertaken for the following countries: Afghanistan (26–28 March, 15–27 May); Algeria (7 January, 16–19 February, 20 April); Azerbaijan (6 February, 21–26 April, 24–28 November); Belarus (21–24 October, 24–26 November); Bhutan (18–19 February, 26–30 May, 9 June, 22–26 September); Bosnia and Herzegovina (17–20 March, 16–18 July); Cape Verde (10–13 November); Ethiopia (31 March–4 April); Kazakhstan (26–30 May); Iraq (24–26 November); Lao People’s Democratic Republic (5–8 February, 11–14 March, 26–31 May); Sudan (11–17 February, 15–19 September); Syrian Arab Republic (15–18 June, 26–28 October); and Yemen (15–16 May). The branch also contributed to training on WTO accession issues under paragraph 166 of the Bangkok Plan of Action.

32. ACP–European Union negotiations on economic partnership agreements (EPAs): The negotiations of EPAs continued in 2008 for the majority of ACP subregional configurations. The branch provided expert advisory services, upon request, for the ACP states. Support was provided to the ACP Group of States in Geneva on issues interfacing the Doha negotiations and EPA negotiations, including the developmental aspects of WTO rules on regional trade agreements, agriculture and NAMA, as well as services. Substantive support was extended to the African Union in preparation for its Ministerial Meeting on EPA negotiations (1–3 April). Technical support was provided to regional configurations (the African Union, the East African Community (ECA), the Common Market for Eastern and Southern Africa (COMESA), the Southern African Development Community (SADC)) and individual ACP states in their preparation for EPA negotiations on specific technical issues such as agriculture, market access issues, services, new issues and WTO compatibility. Substantive contribution was made to national and regional consultative workshops and seminars organized by the ACP secretariat, ECA and the Commonwealth secretariat.

33. Support to SADC regional integration and multilateral trading system: The branch provided support in institution and capacity-building on services assessment and negotiations to SADC member states. The support was designed to enhance the expertise and knowledge in services negotiation and pertained to services assessments and preparations for (a) regional negotiations with a view to

developing a regional framework on services trade; (b) participation in WTO General Agreement on Trade in Services (GATS) negotiations; and (c) the challenges associated with parallel negotiations between SADC and the EU on EPAs. In 2008, the branch contributed to various national and regional consultative meetings and technical workshops such as the SADC Workshop on Trade in Services (Botswana, 5–8 March); the eleventh SADC Trade Negotiating Forum (TNF)–Services (South Africa, 3 June); the EPA Domestic Stakeholder Consultations in Swaziland (17–19 June); the EPA Domestic Stakeholder Consultations in Botswana (20 June); the Special Meeting of the SADC TNF–Services (Zambia, 8 July); the SADC EPA Services and Investment Meeting (South Africa, 25–28 August); the SADC Consultative Meeting on Trade in Services (Geneva, 26 September); and the EPA Services and Investment Meeting in Botswana (22–24 October).

34. Services, trade and development: The branch’s comprehensive work on services has helped developing countries enhance their understanding and knowledge of issues of particular concern to them. These relate to services, assessing the contribution of services to development, reforming and formulating regulatory and institutional frameworks centred on building supply capacity and pursuing national development strategies including strengthening access to essential services, and preparing their participation in multilateral and regional trade negotiations on services. Technical assistance and customized support, including specialized training, was extended by the branch to policymakers and negotiators in developing countries and country groupings such as the LDCs, the African Group, SADC and the Andean Community, in defining national and regional strategies and policies to build services supply capacities and in preparing themselves for GATS and other trade negotiations with respect to both market access and rule making negotiations. A regional workshop on trade in services for member states of the Latin American Integration Association (ALADI) was organized, in cooperation with the Economic Commission for Latin America and the Caribbean (ECLAC) and ALADI, on 10–14 November.

35. Support was also provided with regard to the assessment of trade in services through National Services Policy Reviews. The exercise guides countries through a systematic review of the economic, regulatory, institutional and trade policy environments characterizing their services sectors with the aim of assisting them in improving regulatory and institutional frameworks and identifying trade policy options that advance national sectoral development objectives. In 2008, initial financial support provided by the United Kingdom Department for International Development (DFID) supported the launching of National Services Policy Reviews in Uganda on construction, insurance and professional services; in Kyrgyzstan on energy and tourism services; and in Nepal on education, information technology and tourism services. National consultative workshops were held in Uganda (8–12 September) and Kyrgyzstan (10–14 November).

36. Trade and development aspects of migration: The branch coordinates UNCTAD participation in the inter-agency Global Migration Group (GMG). It contributed to a workshop on labour migration (March) and the International Symposium on International Migration and Development (June), in the run-up to the High-Level Dialogue on Migration (September). The branch contributed to relevant analyses and meetings on migration organized by partner agencies (the International Organization for Migration (IOM), WTO, the World Bank and United Nations bodies such as the Economic and Social Council). The branch also contributed to the United Nations Secretary-General’s report on international migration and development, as well as the GMG Report on Human Rights and Migration. From May to December 2008, UNCTAD held the chairmanship of the Global Migration Group and coordinated its work in the preparation for the Global Forum for Migration and Development (GFMD), 27–30 October in Manila. UNCTAD has raised the importance of potential benefits and opportunities of trade, investment and developmental links between countries of origin of migrants and their communities abroad. The branch also contributed to improving the knowledge base on circular migration and the emigration of highly skilled workers and contributed to a paper entitled “Mauritius pilot project on circular migration: labour market needs in receiving countries” delivered at the European Commission–Mauritius Workshop on Circular Migration (8–9 September).

37. Generalized System of Preferences (GSP and other trade preferences): The branch continued to promote awareness and understanding among developing countries to better utilize preferences available under the GSP by regularly providing information on a dedicated GSP website, compiling and updating GSP trade data, publishing GSP handbooks and newsletters and providing other technical and administrative services. Several GSP handbooks and a study on rules of origin are in preparation, including on the EU GSP scheme. Seminars on various GSP schemes and rules of origin were held for Yemen (15–16 May) and Iraq (26–28 November). The seminars benefited from cooperation with preference-granting countries (Canada, EU members, Japan and the United States of America), as well as partner agencies such as WTO and the Inter-American Development Bank.

38. Dispute settlement in international trade, investment and intellectual property: The branch continued to develop knowledge and skills in developing countries and to strengthen their institutional capacities to deal with dispute settlement in international trade, investment and intellectual property. It produced and disseminated 40 training modules in five areas, namely (a) trade and investment dispute settlement in international law in general; (b) International Centre for the Settlement of Investment Disputes (ICSID)/World Bank dispute settlement in the field of international investment; (c) WTO dispute settlement as regards international trade in goods, services and intellectual property; (d) World Intellectual Property Organization (WIPO) dispute settlement (including its arbitration and mediation centre); and (e) international commercial arbitration (United Nations Commission on International Trade Law (UNCITRAL) dispute settlement). It organized a Workshop on Dispute Settlement: Introduction to Dispute Settlement; Agreements on Antidumping, Subsidies, and Safeguards (1–4 June, Saudi Arabia), also providing training to government officials, lawyers and other stakeholders.

39. TRIPS-related issues: The branch provided legal and policy advice to developing countries, upon request, on negotiations in TRIPS-related issues in the WTO and conducted research and analysis on issues related to intellectual property and development, as well as developing a training module. It provided assistance on regulatory reform related to intellectual property rights to countries negotiating their accession to the WTO.

40. Aid for Trade: The branch continued to contribute to policy discussions on the operationalization and implementation of Aid for Trade. It contributed to international dialogue and assisted developing countries and country groupings with their participation in the initiative.

41. Joint Integrated Technical Assistance Programme to Selected Least Developed and Other African Developing Countries (JITAP): The branch participated in implementing JITAP with WTO and the International Trade Centre (ITC). The programme expired in December 2007, and in 2008 the partner agencies together with beneficiaries and donors met and discussed ways of strengthening support to African countries engaging in the multilateral trading system.

42. Mainstreaming trade into national development strategies: The branch supports efforts in several developing countries to develop national trade policies and measures that promote export driven strategies which also integrate poverty reduction aspects. For example, it is implementing the UNCTAD/DFID/India Project on Strategies and Preparedness for Trade and Globalization in India, since 2003, which in 2008 emphasized in particular helping India to identify and address some poverty-sensitive areas in trade (see box 1 below). It is also assisting the Trade Division of the Department of Foreign Affairs and Trade of Papua New Guinea in developing an endogenous trade policy that will focus on promoting exports and help achieve the Millennium Development Goals. Similar support is being provided to Rwanda in developing a comprehensive trade policy framework.

Box 1. Promoting pro-poor interests in trade issues in India

The UNCTAD/DFID/India Project on Strategies and Preparedness for Trade and Globalization in India contributed in 2008 towards decision-making in the government's trade negotiations and policy formulation efforts and strengthening stakeholder participation, among grass-roots organizations, through the following:

- (a) Trade- and poverty-sensitive assessments and stakeholder consultations with respect to the India–Japan Comprehensive Economic Partnership Agreement and WTO negotiations on fisheries subsidies, which were significant inputs for determining India's negotiating position on these two issues;
- (b) Empirical studies on the gender impacts of trade and on how are the poor affected by poverty and international conferences on these issues deepened the understanding of the development dimension of trade;
- (c) An empirical study quantifying the benefits of the South Asian Free Trade Area (SAFTA) has provided momentum for enhanced regional cooperation in trade in South Asia;
- (d) Activities under a University Link initiative with four research institutions (Allahabad University, the Centre for Development Studies in Trivandrum, Jadavpur University and the University of Mizoram) has created a core group of researchers who can undertake quantitative analysis of various aspects of international trade;
- (e) Analyses and strategies to deal with standards and non-tariff barriers, develop geographical indications and promote export market linkages with a view to linking poor farmers/artisans/fisherfolk to global trade. These interventions are at the grass-roots level and have the potential to enhance household incomes, in addition to other socio-economic benefits;
- (f) Targeted activities for enhancing awareness of benefits of geographical indications and facilitating geographical indication registration, inter alia, has resulted in two products acquiring such registration during 2008. This can assist resource-poor artisans in leveraging the uniqueness of their products for commercial gains. Applications have been filed for ten other products;
- (g) With a view to improving distributional gains from trade, online and real time information on fish prices at important markets and landing sites is provided on a daily basis. This pilot initiative of providing comprehensive and relevant market information has helped the fisherfolk maximize their returns.

43. The branch also contributed to implementation of activities organized by other divisions of UNCTAD, including the Paragraph 166 courses, the Virtual Institute and activities of the Enhanced Integrated Framework for LDCs.

D. Cooperation with other organizations

44. The branch maintains a wide network of cooperating partners in promoting development issues in trade policy and trade negotiations. For example, it provided policy analyses on the international trading system and trade negotiations for reports prepared by United Nations departments. In several of its capacity-building programmes on the multilateral trading system, it cooperates closely with the WTO, ITC and UNDP. It partners with the WTO in its work related to WTO accession as well. The branch services the UNCTAD partnership in the Global Migration Group. Its work on ACP–EU negotiations of EPAs has involved collaboration with a number of partners, including the ACP Group of States, the ACP secretariat and its office in Geneva, the African Union, the Economic Commission for Africa (ECA) and the Commonwealth Secretariat. The branch also cooperates with regional organization secretariats such as SADC, COMESA and academic institutions and civil society organizations such as the Third World Network and the South Centre. The branch maintains regular contacts and collaboration on services issues with WTO and the Organization for Economic Cooperation and Development (OECD). An extensive network of cooperation is also established with national trade institutions and trade policymakers. Regular contacts are also maintained with donors.

E. Assessment and lessons learned

45. The branch continued to provide comprehensive, objective and evidence-based analysis and assessment of evolutions in the international trading system and trade negotiations from a development perspective, and focused and timely technical assistance and capacity that is tailored and responsive to the needs and priorities of beneficiary countries. The positive evaluation of the branch's work on WTO accession, which was endorsed by the fifty-first session of the working party, as well as

the appreciation expressed by beneficiaries and donors, are illustrative of the development impact of UNCTAD assistance in countries. The branch's extensive network of cooperation with other entities has proved useful in successfully organizing events and widening the impact on beneficiary countries. Such cooperative arrangements will be strengthened, including intra-UNCTAD collaboration.

46. A key lesson in 2008 is that the branch implements a diverse and large portfolio of projects, targeting the different and specific needs of developing countries while conducting its regular analytical work and servicing intergovernmental deliberations, including by the General Assembly, UNCTAD XII, the Trade and Development Board, the Commission and Expert Meetings. The demand for the branch's services far exceeds its capacity to meet them all on a sustained basis. In addition, a number of projects have ended which curtails the assistance that the branch can provide to developing countries in need of the branch's technical expertise. It will be important for such gaps to be addressed through the mobilization of additional resources, so that the branch can respond fully to requests for assistance on trade policy development and negotiations. This will be particularly important in the next few years as a number of international trade negotiations are expected to be concluded and the implementation of the resulting agreements and adjustment in countries will become a major concern while a number of regional and bilateral negotiations will continue.

Chapter III: Trade Analysis Branch

Strengthened analytical, statistical and information bases and tools for trade and trade-related decision-making in developing countries at the national, regional and international levels, and for enhanced global understanding of interactions among trade, competitiveness and development (expected accomplishment (b) of the secretariat in subprogramme 3, table 12.13 (A/62/6 (Sect. 12))). This corresponds to Accra Accord paragraphs 96 and 97.

47. The Trade Analysis Branch concentrated its work on strengthening analytical, statistical and information bases and tools for trade and trade-related decision-making, especially by developing countries. Following UNCTAD XII, the branch has oriented its work towards implementing the Accra Accord, especially paragraphs 96 and 97. Major activities were undertaken on addressing non-tariff barriers; enhancing participation of developing countries in dynamic and new sectors of world trade, including creative industries; refining the Trade and Development Index (TDI); continuing analytical and data support to member states in trade policymaking; monitoring and following up implementation of MDGs in the area of market access; and deepening the analysis of South–South trade on the basis of a new South–South Trade Information System .

48. The work of the branch is closely interlinked with the three UNCTAD pillars of research and analysis, intergovernmental discussions and consensus-building, and technical cooperation. In practice, the branch actively pursues synergies among all three pillars. Feedback received from governments and other stakeholders during intergovernmental meetings and technical cooperation events are used to refine and strengthen research and analysis.

A. Intergovernmental deliberations and consensus building

49. UNCTAD XII: The branch contributed to the preparation and servicing of UNCTAD XII, in addition to providing continuous support to the post-conference intergovernmental process. In the context of UNCTAD XII, the branch made the following contributions:

- (a) Prepared jointly with the Japan External Trade Organization (JETRO) a study (noted above) and organized two UNCTAD XII pre-events on “South–South Trade in Asia: the role of Regional Trade Agreements”;
- (b) Provided substantive servicing at the Conference to the Ministerial Interactive Round Table on South–South Trade (23 April);
- (c) Organized a high-level side event on trade and investment between developing countries and transition economies (24 April);
- (d) Organized jointly with Royal Philips a ministerial side event on the Amandla (energy saving light bulb) Project in Southern African region (25 April);
- (e) Organized the “Creative Africa” events at the conference.

B. Research and Analysis

50. The branch’s research and analysis is focused on several key issues. On market access issues, UNCTAD, as initiator and coordinator of the Multiagency Support Team on Non-Tariff Barriers (MAST), led the group in developing a new classification of non-tariff barriers and proposed several data collection methods. These are now being tested through a pilot project in seven developing countries (Brazil, Chile, India, the Philippines, Thailand, Tunisia and Uganda). UNCTAD trade analysis tools like TRAINS-WITS (Trade Analysis and Information System, World Integrated Trade Solution) have helped identify and address market access barriers and trade opportunities and promote more informed participation of developing countries in trade negotiations at the multilateral and regional levels. Over 6,000 new licenses were issued to users of WITS during 2008. A new tripartite agreement is being negotiated with the World Bank and the ITC for the modernization of WITS

software and integration of TRAINS database into a Common Analytical Market Access Database (CAMAD), which was developed jointly by UNCTAD, WTO and ITC.

51. Analytical work continues on the refinement of the Trade and Development Index (TDI) as a diagnostic tool for policymakers and researchers. The number of countries covered by the TDI during 2008 increased to 125 from 123.

52. The branch also continued to strengthen its analytical work on South–South trade through monitoring the new geography and dynamics of world trade, analysing changing patterns of developing countries’ participation and share in international trade and encouraging South–South trade and economic integration.

53. Several analytical publications were prepared by the branch including:

(a) *The Challenges of Trade Policymaking: Analysis, Communication and Representation* (UNCTAD/ITCD/TAB/37) (May 2008);

(b) *A New Way to Link Development to Institutions, Policies and Geography* (UNCTAD/ITCD/TAB/38) (June 2008);

(c) *Non-tariff Barriers in Computable General Equilibrium Modelling* (UNCTAD/ITCD/TAB/39) (October 2008);

(d) *The Costs of Rules of Origin in Apparel: African Preferential Exports to the United States and the European Union* (UNCTAD/ITCD/TAB/40) (October 2008).

54. In addition, the branch, in cooperation with UNDP, produced the first *Creative Economy Report 2008*, which was launched and commended at UNCTAD XII. Also as part of its contribution to UNCTAD XII, in March 2008, the branch, in cooperation with JETRO, produced a comprehensive study on *South–South Trade in Asia: the Role of Regional Trade Agreements* (UNCTAD/DITC/TAB/MISC/2008/2). The branch also provided substantive analytical inputs to the UNCTAD publication on *Development and Globalization: Facts and Figures 2008*.

55. The branch substantively contributes to UNCTAD membership in the Inter-Agency and Expert Group on MDG Indicators (IAEG) of the United Nations Secretariat. It continuously provides data and analysis for the update of two indicators of MDG 8 on Market Access, namely, Indicator 38 (proportion of total developed country imports from developing countries and least developed countries, admitted free of duty) and Indicator 39 (average tariffs imposed by developed countries on agricultural products and textiles and clothing from developing countries). The IAEG prepared the *Millennium Development Goals Report 2008* and the United Nations Secretary-General’s annual report to the General Assembly on the implementation of the Millennium Declaration.

56. The branch also provided analytical inputs into the *World Economic Situation and Prospects 2009*, published jointly with the Department of Economic and Social Affairs (DESA) and the United Nations regional commissions. The branch coordinated the parts on trends in international trade and trade policy developments. Contributions were also provided to the United Nations Secretary-General’s report on “Follow-up to and implementation of the outcome of the International Conference on Financing for Development” (A/63/179).

57. The branch provided inputs to the joint UNCTAD/WTO/ITC publication *World Tariff Profiles 2008* which was released in October 2008. This is the second edition of the annual publication containing information on applied and bound customs tariffs for more than 160 countries. It has already become an important international analytical tool for trade policymaking.

C. Advisory services, technical assistance and capacity-building

58. Enhancing the participation of developing countries in new and dynamic sectors of world trade: During 2005–2008, UNCTAD was engaged in a public–private partnership with Royal Philips to

explore possibilities and prerequisites for establishing an energy saving light bulb industry in Southern Africa (the Amandla project). This initiative was a practical follow-up to the intergovernmental review of the UNCTAD Expert Meeting on Dynamic and New Sectors of World Trade in 2005. As a result, Royal Philips announced the establishment of its joint venture with Southern African companies to manufacture energy saving lamps, as well as recycling plant in Lesotho, a small least developed African country. The objective is to form a regional supply chain of energy saving light bulbs in the SADC region. The Amandla project, which was recognized as an economically viable business case in the Southern African region, will have multiplier win-win positive effects on industry, energy policies, trade, environmental sustainability and the lighting needs of poor segments of the population. As was emphasized at the UNCTAD XII side event (noted above), UNCTAD work on enhancing developing countries' participation in new and dynamic sectors of world trade has the potential to make a concrete contribution to promoting Africa's sustainable development and poverty alleviation.

59. With extra-budgetary support from Norway, and building upon the case of the Amandla project, the branch (jointly with the Division on Investment) has been undertaking international research, case studies and technical cooperation on ways to strengthen participation of selected developing countries, particularly LDCs and African countries, in dynamic and new sectors of world trade. This project will be completed with a comprehensive publication in 2009.

60. The branch began implementing a new Development Account project on enhancing effective participation of developing countries in dynamic and new sectors of international trade. This project builds upon lessons learned from UNCTAD intergovernmental reviews of dynamic and new sectors of world trade conducted in 2005–2007, including specific requests from member states. It aims at enhancing effective participation of developing countries in dynamic and new sectors of international trade, including by strengthening new supply capacities of several developing countries and countries with economies in transition by using innovative approaches to development and trade and organizational learning and information sharing, making it a compelling business case. The focus of this project will be on three subregions and three countries in each of the developing regions (Africa, Asia and Latin America) and on one subregion with countries with economies in transition.

61. Creative industries and creative economy: The branch continued to provide policy advice and technical assistance to government initiatives putting in place multidisciplinary public policies and institutional mechanisms for enhancing the creative economy. It has been proactive in facilitating the sharing of knowledge and best practices, forging strategic alliances and networking among governments, creators, the business community and civil society through its quarterly e-newsletter "Creative Economy and Industries".

62. The branch is participating in a multiagency initiative to implement a project on strengthening ACP cultural industries as a follow-up to a recommendation of the Second Meeting of the ACP Ministers of Culture (Santo Domingo, October 2006). The multiagency pilot project, operated jointly by UNCTAD, the International Labour Organization (ILO) and the United Nations Educational, Scientific and Cultural Organization (UNESCO), was launched in 2008 to enhance the economic, social and cultural potential of the creative industries in ACP states. Presently, five ACP countries – Fiji, Mozambique, Senegal, Trinidad and Tobago, and Zambia – are participating in this project as pilot countries.

63. Trade data and analytical tools: The branch continued to strengthen its specific trade data and analytical tools to assist the analytical work of policymakers, trade negotiators, academics, civil society and businesses. The Trade Analysis and Information System (TRAINS) database was updated and contains tariff data and matching import statistics for 122 countries (as of December 2008). The Agricultural Trade Policy Simulation Model (ATPSM) contains updated tariff data for 2008, as well as a refined simulation tool to analyse sensitive and special agricultural products.

64. The branch organized training workshops and advisory missions on its databases and analytical tools, mainly TRAINS-WITS utilization techniques and capacities. The workshops were held in

Geneva and New York (for delegates and academics) in May and December 2008 respectively; Argentina (Buenos Aires, November); Cambodia (Phnom Penh, June); Dominican Republic (Santo Domingo, December); Guinea (Conakry, April); Panama (Panama City, November); and Syrian Arab Republic (Damascus, October).

D. Cooperation with other organizations

65. The branch has entered into several partnerships and networks with other organizations which are combining the expertise and resources of the network toward significantly strengthening analytical resources on trade data and analytical software that can be made publically available to countries to use in trade policy formulation and negotiations, as well as building up their trading capacity in trade sectors with high growth potential. The Multiagency Support Team on Non-Tariff Barriers, led by UNCTAD, brings together UNCTAD, WTO, the International Monetary Fund (IMF), the World Bank, the United Nations Industrial Development Organization (UNIDO), FAO, OECD and ITC in a partnership to undertake ahead of the curve work on non-tariff barriers. A tripartite partnership between UNCTAD, WTO and ITC resulted in combing their individual trade and trade measures databases into the Common Analytical Market Access Database (CAMAD), the most comprehensive of its kind in the world today. This partnership is being widened with a new tripartite agreement that is being negotiated with the World Bank and ITC for the modernization of WITS software and integration of the TRAINS database into CAMAD. Under its creative industries and economy work, the branch is involved in a multiagency pilot initiative with ILO and UNESCO to support the development and strengthening of cultural industries in selected ACP states.

E. Assessment and lessons learned

66. The branch's work on trade analysis emphasized building up existing and new areas where there are important gaps in knowledge and expertise, especially in LDCs and African countries, with a view to enabling these countries to articulate their trade interests and national policy objectives in using trade to promote development. For example, UNCTAD work continued to break new ground in addressing non-tariff barriers. This activity successfully resulted in the mobilization of the United Nations system agencies and other relevant organizations for a coordinated and coherent approach to definition, classification and collection of non-tariff barrier data using the UNCTAD TRAINS database. The results achieved by the Non-Tariff Barrier Multiagency Team illustrates the potential of UNCTAD in effectively mobilizing different parts of the United Nations system and other relevant organizations in the work on this important subject and to achieve a higher level of coherence and synergy.

67. In the area of new and dynamic sectors of world trade, the UNCTAD–Philips initiative in Southern Africa resulted in the setting up of a first production plant of energy saving light bulbs on the African continent. As requested in the Accra Accord, this is a concrete example of the trinity of UNCTAD operations in terms of bringing synergies among research and analysis, intergovernmental deliberations and capacity-building in the field. The focus on the South–South trade at UNCTAD XII helped define important issues affecting trade among developing countries and set the basis for articulating UNCTAD work in this area. The creative industries work of the branch has expanded with the support of member states. These activities will be strengthened.

68. UNCTAD trade analysis tools, like TRAINS-WITS, have been useful to countries, other international organizations, the private sector and academic institutions. They have also helped identify and address market access barriers and trade opportunities and promote more informed participation in trade negotiations at multilateral and regional levels. The main challenge ahead will be the modernization of this instrument through a trilateral partnership with the World Bank and ITC. The branch's analytical studies have been sought in policy analyses and in academic institutions. As from 2008, these studies are placed within the Social Science Research Network (SSRN), a leading international research network. The main challenge ahead will be to adapt research and analysis to the

current difficult economic situation, exemplified by the financial and economic crisis, and its impacts on the trade of developing countries.

Chapter IV: Competition and Consumer Policies Branch

Improved capability of developing countries to identify and address competition and consumer protection issues and to deal effectively with restrictive business practices in national and international markets (expected accomplishment (d) of the secretariat in subprogramme 3, table 12.13 (A/62/6 Sect. 12))). This corresponds to Accra Accord paragraphs 103 and 104.

69. UNCTAD is the focal point of the work on competition policy and related consumer welfare within the United Nations system, as reiterated in the Accra Accord (paragraph 103). This mandate, which dates from the adoption of the United Nations Set of Principles on Competition in 1980, has as its primary objective “to ensure that restrictive business practices do not impede or negate the realization of benefits that should arise from liberalization of tariff and non-tariff barriers affecting world trade, particularly those affecting the trade and development of developing countries”. The United Nations Set recognizes that the basic norms of competition law, which have long been in use in developed countries, should extend to the operations of enterprises, including transnational corporations, in developing countries. The Competition and Consumer Policies Branch ensures UNCTAD implementation of this mandate. Such work comprises intergovernmental consensus building, analytical studies and technical assistance. In fact, close synergies between the three pillars are maintained in promoting the culture of competition, as will be shown below.

70. In 2008, UNCTAD analytical and technical assistance and capacity-building activities were provided in the areas of formulating and enforcing competition legislation as well as competition advocacy, and building of the human and institutional capacities needed for the success of market-oriented reforms. This was necessary as, despite a general widespread trend towards the adoption, reformulation or better implementation of competition laws and policies in developing countries and economies in transition, many of these countries still have neither up-to-date competition legislation nor adequate institutions for their effective enforcement and rely to a large extent on UNCTAD assistance. In addition, the intergovernmental discussions and consensus building on competition and competitiveness helped to build up common understanding and awareness of policies relevant for building a culture of competition.

A. Intergovernmental deliberations and consensus building

71. Ninth session of the Intergovernmental Group of Experts on Competition Law and Policy (IGE): The IGE session is held annually and attended by competition and consumer policy experts and authorities. The IGE is the main intergovernmental body for UNCTAD work on competition policy. It held its ninth session from 16 to 18 July 2008, preceded by an Ad Hoc Expert Group Meeting on the Role of Competition in Development (15 July). The two meetings, supported by UNCTAD documentation, provided an opportunity for an exchange of views between government officials involved in competition issues, international trade experts, representatives from regional and international institutions and civil society.

72. Within the framework of IGE, round tables were organized to consider analytical reports submitted by the UNCTAD secretariat and hold consultations on the subjects of the independence and accountability of competition authorities; the attribution of competence between community and national competition authorities, and the application of competition rules; and capacity-building and technical assistance activities on competition law and policy: criteria for evaluating the impact of technical assistance. The IGE emphasized the importance of the independence and accountability of competition authorities and requested the UNCTAD secretariat to disseminate the summary of the IGE discussions on this topic to all interested states, including through its technical cooperation activities. The IGE also called upon UNCTAD to promote and support cooperation between competition authorities and governments in accordance with the Accra Accord, paragraphs 103 and 211. It further requested the UNCTAD secretariat to pursue and, where possible, focus its capacity-building and technical cooperation activities on maximizing their impact in all regions, within the financial and

human resources available. The IGE also agreed on a substantive work programme for UNCTAD in the field of competition law and policy for 2008–2009 and established the agenda and documentation for the tenth session of the IGE (7–9 July 2009).

73. The Ad Hoc Expert Group Meeting on the Role of Competition in Development: The experts discussed the role of competition in development and reached a broad consensus about the purpose of competition policy and the analytical methods that should be applied in competition cases. New enforcement priorities and techniques have been established.

74. Ad hoc voluntary peer review of competition policy: With a view to ensuring coherence between overall governmental approaches to privatization and liberalization of trade and investment regimes, UNCTAD has initiated the organization of ad hoc voluntary peer reviews on competition law and policy. Such reviews provide an ideal forum for international competition experts to assess how economic reforms in selected countries can ensure that competition in markets work for the poor and promote development.

75. On the occasion of the ninth session of the IGE, UNCTAD held a voluntary peer review on the competition law and policy of Costa Rica. The peer review report, prepared by consultants after a fact-finding mission to Costa Rica, was presented and reviewed. The review highlighted the challenges and opportunities faced by Costa Rica's Competition Commission and addressed the issues of independence, investigative tools and law reform. UNCTAD also looked at how to tackle the issues that arose from the peer review report and discussion and presented a concrete proposal for further technical assistance to be undertaken in the framework of the COMPAL (Competencia América Latina) programme. In 2009, on the occasion of the tenth session of the IGE, a voluntary peer review will be carried out on the competition policy of Indonesia, at this country's request.

B. Research and analysis

76. The following analytical reports were prepared or commissioned by the branch and used as material for intergovernmental meetings as well as in advisory missions on competition and consumer issues:

- (a) Abuse of dominance (TD/B/COM.2/CLP/66) (21 May 2008);
- (b) Independence and accountability of competition authorities (TD/B/COM.2/CLP/67) (14 May 2008);
- (c) Competition policy and the exercise of intellectual property rights (TD/B/COM.2/CLP/68) (15 May 2008);
- (d) The attribution of competence to community and national competition authorities in the application of competition rules (TD/B/COM.2/CLP/69) (23 May 2008);
- (e) Review of capacity-building and technical assistance in the area of competition law and policy (TD/B/COM.2/CLP/70) (6 May 2008);
- (f) Recent important competition cases involving more than one country (TD/B/COM.2/CLP/71) (29 May 2008);
- (g) *Handbook on Competition Legislation* (TD/B/COM.2/CLP/64) (13 May 2008);
- (h) *UNCTAD Guidebook on Competition Systems* (UNCTAD/DITC/CLP/2007/2) (January 2008);
- (i) Capacity-building on competition law and policy for development – a consolidated report (UNCTAD/DITC/CLP/2007/7) (March 2008);
- (k) Voluntary peer review on competition policy: Costa Rica (UNCTAD/DITC/CLP/2008/1) (May 2008);
- (l) Voluntary peer review on competition policy: Costa Rica – Overview (UNCTAD/DITC/CLP/2008/1(overview)) (May 2008);
- (m) The effects of anti-competitive business practices on developing countries and their development prospects (UNCTAD/DITC/CLP/2008/2) (October 2008).

C. Advisory services, technical assistance and capacity-building

77. UNCTAD provided assistance to individual developing countries on competition advocacy, preparation of national competition laws, training of competition case handlers, institution building and consumer protection. A major area of UNCTAD support to individual countries and their subregional and regional groupings was related to the building of institutional capacity for the promotion of a competition culture.

78. Competition advocacy: Various UNCTAD advisory and training activities were combined with or provided through different seminars, workshops, other meetings and activities directed at stakeholders, specific officials or a wide audience including government officials and academics, as well as business and consumer oriented circles. These activities contributed to raising awareness of the role of competition and promoting a competitive culture. Thus, a National Seminar on the Cameroonian Competition Policy and Internationalization was coorganized by UNCTAD and the Government of Cameroon in Doula on 30 May. It was attended by a large number of government officials, representatives of business circles and civil society.

79. Two courses on the EU's and Latin American countries' competition legislation were given at the University of Monterrey (Mexico) on 4–5 July and 15–16 August. The courses were aimed at postgraduate students with a view of increasing knowledge of competition legislation and awareness of the need of establishing and deepening cooperation between Mexico's academia and UNCTAD in the competition area.

80. A national seminar on "Competition policy within the framework of economic reforms and poverty reduction" was organized in Madagascar with the Ministry of Economy, Trade and Industry (5 November). The seminar took place in parallel with the finalization of the institutional framework report on competition law and policy, consultations with different groups of stakeholders and a survey of opinions undertaken in November on the issues of competition law and policy, in particular on the creation of a competition authority.

81. In the framework of the COMPAL programme, a dissemination event was organised on 8–9 September in Managua, Nicaragua on the outcome of four sectoral studies carried out in 2008 on sectors of key importance to the Nicaraguan economy. The event contributed to raising the awareness of government officials, academia and representatives of consumer associations and business circles on different competition issues, in particular on competition law enforcement and the implementation of national competition policies.

82. Assistance in the preparation of national competition laws: Within the framework of efforts to help countries draft and/or review their competition legislation, assistance was provided to a number of countries. These included the following:

- (a) In Mozambique, the draft law was reviewed with government officials and experts in cooperation with the Portuguese Competition Authority;
- (b) The Zambian Competition Commission was assisted in preparing the annual strategic plan for the implementation of its competition legislation and in drafting the terms of reference for the review of competition law and formulation of competition policy. The assistance was provided with a view to ensuring that the government commences the process of a complete revision of the Competition and Fair Trading Act. The Government of Zambia is expected to come up with a national competition policy framework;
- (c) In October, the branch provided commentaries on the draft Competition Bill of Rwanda which were sent to the Ministry of Trade and Industry. This was followed by the organization of a National Workshop on Competition Law and Policy (Kigali, 18 November) as well as consultations with officials in charge of the draft Competition Bill, which allowed the finalization of the bill and opened the way for the establishment of the national competition authority taking into consideration various country-specific aspects;

(d) In October–November a mission to Botswana was undertaken to prepare an institutional framework report for the enforcement of competition legislation, including through undertaking consultations with government agencies, reviewing the draft Competition Bill and collecting information from stakeholders. The mission contributed to the enhancement of skills and understanding among government officials of the Competition Bill as well as of the requirements for the establishment of a competition authority. In December the report was finalized and its draft was presented to the government;

(e) Assistance in preparing a multi-purpose project proposal in the area of competition was provided to Uzbekistan. The project envisages a revision of national competition legislation as well as different training and advocacy activities.

83. Training of competition case handlers: Within the framework of training activities for competition case handlers, the following was undertaken:

(a) A round table discussion on competition and regulation in the telecommunications sector was organized for the staff of Indonesian Competition Authority (KPPU) and judges of the Indonesian Supreme Court in Jakarta on 24–29 January. It was coorganized by UNCTAD, KPPU and GTZ of Germany;

(b) A national training workshop on competition law and policy for the staff of the National Competition Commission of Cameroon was organized by UNCTAD and this commission on 28–29 May in Yaounde;

(c) On 30 June in Tunis, in coordination with the Development Research Centre (IDRC) of Canada and Ministry of Commerce, the branch organized the first regional workshop on the “Role of competition policy in the current food crisis”. It was held within the newly established UNCTAD/Tunisia Regional Centre on Competition Policy. The workshop was the first step in maintaining coherence in governments’ approaches to competition policy, taking into account the need for government intervention to alleviate the impact of price hikes on the poor while enforcing the objectives of the competition law;

(d) In August–September assistance was provided to the newly established Swaziland Competition Commission on skills in merger assessment. In September–October the commission was assisted in assessing a merger case in the energy sector. As a result, the Government of Swaziland was made aware of anti-competitive practices in the energy sector and commissioned a consultancy to formulate a national energy policy;

(e) A training course on competition law and policy and introduction of consumer protection issues was organized in Geneva on 2–9 September for government officials and academics from the Kurdistan region of Iraq. The course also facilitated the provision of inputs by the branch to the draft Competition Law of the Kurdistan Regional Government of Iraq, to create a greater awareness of competition law and policy issues among participants and to establish links with governmental and academic circles and the civil society for the promotion of competition advocacy;

(f) A COMPAL training workshop on competition law and policy was organized on 20–26 November in Managua, Nicaragua. It was aimed at upgrading the knowledge of trainers on competition law and policy issues from government agencies and academia to benefit the different sectors of the Nicaraguan economy;

(g) A national competition seminar for investigators from the National Competition Committee of Cameroon was organized together with the Economic Community of Central African States (CEMAC) and the Government of Cameroon on 1–5 December in Kribi. It contributed to increasing the ability of Cameroonian officials to efficiently enforce competition legislation at both the national and regional levels.

84. Institution building: UNCTAD support to countries that have adopted national legislation, as well as to newly established competition agencies, includes activities in support of institution building. In this area, the branch provided consultancy to Mauritius on the formulation of an institutional framework for the implementation of the Competition Act. The consultancy will facilitate the appointment of the Chief Executive Officer to commence the operations of the Competition

Commission. An executive report was prepared by the branch to assist the Ministry of Industry, Small and Medium Enterprises, Commerce and Cooperatives on steps to be taken to make the Competition Act operational.

85. During an UNCTAD mission to Madagascar in November, the institutional framework report on competition law and policy was finalized in parallel with the appointment of commissioners for the future competition authority and building up awareness of the importance of its independence.

86. Consumer protection: In the area of consumer protection, a national seminar on the advocacy for the implementation of the Unfair Trade Practices and Consumer Protection law and an awareness workshop for local judiciary and ombudsman responsible for consumer redress, were organized on 13-18 December in Monger and Gelephu (Bhutan). They contributed to removing various obstacles to the implementation of the newly adopted legislation of Bhutan.

87. A training course on Consumer Protection and Consumer Welfare for government officials from both central and provincial agencies of Botswana was organized on 24–28 November in Francistown. The course helped enhance the understanding of the interpretation of the provisions of the Consumer Protection Act, as well as of its implementation, in particular with respect to the procedure in handling consumer complaints.

88. COMPAL: Activities carried out under the Programme on Competition and Consumer Protection Policies for Latin America (COMPAL I), supported by SECO (Swiss Secretariat for Economic Affairs), contributed to strengthening competition and consumer protection law and policies in five Latin American beneficiary countries (Bolivia, Costa Rica, El Salvador, Nicaragua and Peru). COMPAL is a comprehensive programme that comprises the preparation of sectoral studies, reports, manuals, guidelines, brochures, seminars, workshops and training activities targeting various stakeholders. Activities in this regard were carried out in beneficiary countries in 2008. The profile and outcomes of COMPAL have been disseminated by UNCTAD in different fora at the international level. As a result, other developing countries have expressed their interest in joining the programme. For this reason, at UNCTAD XII in April, UNCTAD launched a call for potential new donors and beneficiaries in other regions in order to set up a similar initiative taking into account the experience acquired in implementing COMPAL in Latin American countries (see box 2).

Box 2. Summary of the parallel and side event on competition at UNCTAD XII
“COMPAL: What type of deliverables on competition law and policy?”

More than 150 delegates from developed and developing countries participated in the side event on competition policy, coorganized by UNCTAD and the Swiss Government. The event presented UNCTAD work on capacity-building in the area of competition law and policy. COMPAL was the focus of this event. The event provided an opportunity for UNCTAD, donors, beneficiary countries and other institutions to discuss the COMPAL programme, review success stories and the lessons learned and explore areas for replication in other regions and interested countries. The discussions also provided a constructive exchange of views on how to identify new and innovative ways of delivering capacity-building to an increasing number of interested countries and regional groupings given the limited resources available to UNCTAD. Switzerland and other potential donors (Germany, Norway and the United Kingdom) commended the success of the COMPAL programme in Latin America and supported the proposal for UNCTAD to replicate this successful programme in other regions, including by:

- (a) Identifying needs of African countries in the areas of competition and consumer protection and providing assistance to Rwanda, Uganda, the Economic Community of West African States (ECOWAS) and the West African Economic and Monetary Union (WAEMU);
- (b) Improving its communication strategy in order to better disseminate the COMPAL programme as well as other work on competition policy in different countries and regions;
- (c) Integrating success stories from COMPAL with other programmes, including EMPRETEC and work on investment. It should also adopt a holistic approach to integrate competition as a cross-cutting issue;
- (d) Providing detailed information on future activities so that member states could consider their participation in the replication of COMPAL.

D. Cooperation with other organizations

89. The branch has an extensive network of cooperating partners with whom many of the analytical and capacity-building activities are implemented. Through the IGE, the branch has established long-standing cooperation with national competition authorities and competition experts worldwide. This is being further strengthened with selected countries through its national level capacity-building activities and recently the conduct of voluntary peer reviews. Cooperation with non-governmental organizations and civil society, as well as the private sector, is also undertaken by the branch. As UNCTAD technical cooperation and capacity-building activities were increasingly provided within the framework of regional and subregional activities, the relations with regional integration groupings of developing countries have been strengthened to support the development and implementation of regional competition policy.

90. Thus, assistance was provided to WAEMU members on the implementation of common competition rules. UNCTAD also participated in the regional meeting of the Steering Committee of the WAEMU capacity-building project on competition policy held on 7–11 April in Niamey, Niger. Also, UNCTAD organized together with the ECOWAS and WAEMU secretariats regional seminars for participants from ECOWAS/WAEMU member states held on 30 April–2 May in Bamako, Mali. The first of these meetings, the Regional Training and Information Seminar on Competition Law and Policy in ECOWAS was aimed at introducing the draft regional competition rules and discussing the regional regulatory framework on competition policy. The second seminar provided an exchange of views among competition experts from ECOWAS, WAEMU and UNCTAD on the ways of using the WAEMU experience in promoting common competition rules in Western Africa.

91. Following UNCTAD assistance in the drafting of competition legislation to COMESA member states and the adoption of the common competition regulations and rules, UNCTAD continued to provide assistance to oversee the implementation and enforcement of competition law and policy across the regional economy. Thus, to assist the newly established COMESA Competition Commission in the implementation of the regional competition regulations and rules, as well as to assist the newly appointed commissioners, UNCTAD provided a resource person for the seminar held in Lilongwe, Malawi on 9–10 April.

92. A Regional Basic Competition Seminar for Countries of Eastern and Southern Africa (ESA) was organized by UNCTAD together with the Zambia Competition Commission and the Competition and Tariff Commission of Zimbabwe in Siavonga, Zambia, on 26–30 May. It provided enhanced training skills in the administration and enforcement of competition law and policy to officials responsible for investigation of anti-competitive practices and merger control enforcement in many ESA countries. Within the framework of the ESA–EU Economic Partnership Agreement negotiations, UNCTAD also provided technical advice on the preparation of the ESA–EU competition and consumer policy text and other related issues during the meetings held in Lilongwe, Malawi on 19–21 April and in Lusaka on 4–8 May. UNCTAD also provided advisory assistance on the implementation of the SADC Cooperation Agreement on Competition Law and Policy (25–27 August, Gaborone, Botswana).

E. Assessment and lessons learned

93. In line with the Accra Accord and with the resolution adopted by the Fifth United Nations Conference to Review All Aspects of the Set of Multilaterally Agreed Equitable Principles and Rules for the Control of Restrictive Business Practices (14–18 November 2005), UNCTAD continued its demand-driven efforts to assist in the creation of a competition culture through extensive technical assistance and dissemination programmes; preparations for, and actual servicing of, the ninth session of the Intergovernmental Group of Experts on Competition Law and Policy and an Ad Hoc Expert Group Meeting on the Role of Competition in Development; and substantial documentation.

94. UNCTAD activities have greatly contributed to the awareness of developing countries and countries with economies in transition of the necessity of adopting and implementing competition law and policy. The annual IGE session continues to serve as a unique forum for competition institutions and experts to discuss, review and develop consensus on key issues in this field. In 2008 the IGE meeting was preceded by an Ad Hoc Expert Group Meeting on the Role of Competition in Development. A particular success was the voluntary peer review of the competition policy of Costa Rica held within the framework of the IGE. Voluntary peer reviews have so far been conducted for Costa Rica, Jamaica, Kenya, Tunisia and WAEMU, and have allowed an exchange of views and best practices among competition agencies on the role that competition law and policy can play in fostering competitiveness and development.

95. Assistance in the form of conferences, seminars, workshops, training and advisory missions was provided in assessing the adverse effects of anti-competitive practices on trade and development and in taking steps to adopt, reform and implement effectively competition laws and policies, including by advising on the drafting of domestic competition and consumer protection legislation or regional rules in this field, and on institution building with respect to competition authorities. With UNCTAD assistance, Cambodia, Cameroon, China, Costa Rica, Egypt, El Salvador, Madagascar and Swaziland achieved the most progress in the preparation, adoption, revision and implementation of national competition and consumer protection legislation in 2008. The feedback received from beneficiaries of UNCTAD technical assistance were very favourable. UNCTAD has been considered by the international community as one of the principal international organizations active in this area.

96. Outputs by UNCTAD provided an opportunity for an exchange of views and sharing of experiences between government officials involved in competition issues, international experts, representatives from regional and international institutions and civil society. They helped to position member states on the role of competition policy in the promotion of competitiveness and development; the need for a development-oriented competition policy and its implications at the national, regional and international levels; and the strategies for international cooperation in the field of competition law and policy including in helping to promote achievement of the MDGs.

97. As countries seek to elaborate development-oriented competition and consumer policies to enhance their competitiveness and development, more in-depth economic analysis has been requested, both in relation to their domestic needs as well as in international negotiations. Hence UNCTAD consultative, analytical, capacity-building and technical cooperation activities will need to take better account of domestic economic realities and the potential offered by regional integration. This needs to be achieved in close cooperation with technical and financial support from national competition agencies of developed countries and their donor institutions. This close cooperation between UNCTAD, donor institutions and developing countries' competition authorities has proven to be effective in exchanging knowledge, expertise and developing networking among competition experts. It has become apparent that requests for assistance with competition law and policy and consumer welfare continue to exceed the assistance provided by UNCTAD. Such requests from member states and regional organizations (not counting those submitted during the IGE), have increased from 11 in 2007 to 15 in 2008, calling for the mobilization of more extra-budgetary resources.

Chapter V:
Trade, Environment, Climate Change and Sustainable Development Branch

Strengthened capacity of developing countries to pursue both trade and trade policy objectives and sustainable development objectives in a mutually supportive fashion, and increased attention to the sustainable development objectives of developing countries in international discussions (expected accomplishment (e) of the secretariat in subprogramme 3, table 12.13 (A/62/6 Sect. 12))). This corresponds to Accra Accord paragraphs 99–102 and 105).

98. The branch works to strengthen the capacity of developing countries to formulate and implement mutually supportive trade, environment and sustainable development objectives, integrate sustainable development objectives in development strategies at all levels and support the effective participation of developing countries in international deliberations on trade and environment. It has oriented its work programme toward implementing the Accra Accord mandates on promoting the development interface between trade, environment, climate change and sustainable development (paragraphs 99–102 and 105). In implementing its work programme, the interaction between the three pillars of UNCTAD is promoted and emphasized.

99. The branch is composed of two sections: the Trade and Sustainable Development Section and the Biodiversity and Climate Change Section. The Trade and Sustainable Development Section implemented activities that focused on three key thematic clusters: (a) the analysis of the developmental and market access impact of voluntary sustainability standards; (b) the promotion of production and trade of sustainable agriculture, including organic agriculture; and (c) the fostering of sustainable commodity production through the Sustainable Commodity Initiative. It implemented technical assistance and capacity-building activities under the Consultative Task Force on Environmental Requirements and Market Access for Developing Countries (CTF), the UNEP–UNCTAD Capacity-Building Task Force on Trade, Environment and Development (CBTF) and the UNCTAD–FAO–IFOAM (International Federation of Organic Agriculture Movements) International Task Force on Organic Agriculture (ITF).

100. The Biodiversity and Climate Change Section implements (a) the BioTrade Initiative, which supports sustainable development through trade and investment in biological resources, consistent with the objectives of the Convention on Biological Diversity; (b) the BioTrade Facilitation Programme, which facilitates sustainable trade in biodiversity-based products and services through innovative collaborative arrangements that enhance sustainable bioresources management, product development, value-added processing and marketing; (c) the BioFuels Initiative, which supports developing countries in assessing their potential in embarking on the use and production of biofuels as an emerging trade, investment and energy alternative opportunity, while paying due consideration to food security and other concerns; and (d) the Climate Change Programme which brings governments, industry and civil society together to address climate change through trade and investment focusing on the economic and development implications of climate change.

A. Intergovernmental deliberations and consensus building

101. UNCTAD XII: The major intergovernmental activity supported by the branch in 2008 was its contribution to the preparatory process for UNCTAD XII and the conference itself. The branch, in collaboration with a dozen other international, regional and national institutions as well as NGOs, organized a pre-UNCTAD XII event in Arusha, United Republic of Tanzania, on 7–9 April on “Making sustainability standards work for small-scale farmers”. It brought together some 80 experts from the public and private sectors of about 15 sub-Saharan African countries and the rest of the world, including the Ministers of Trade of Uganda and of the United Republic of Tanzania. The event helped participants analyse the impact of sustainability standards on small-scale farmers, particularly in Africa, and their links to markets, and identify effective strategies to minimize the costs and maximize the benefits of this persistent global trend for smallholders.

102. The results of this meeting were also communicated to UNCTAD XII through a high-level side event on 22 April in Accra. It discussed sustainability standards and the promotion of production and trade of products from sustainable agriculture, including organic agriculture. It was concluded that these markets, though very demanding, offer a significant growth potential and could also lead to important economic, social and environmental win-win-win opportunities at the national level.

103. Regarding biotrade, an UNCTAD XII side event was held (23 April) on “Making trade work for biodiversity sustainable use”. It highlighted the increasing relevance of biotrade in development strategies, biodiversity conservation and sustainable use, particularly in biodiversity-rich areas.

104. A side event (22 April) was also held on “Biofuels: opportunities and risks for small producers in developing countries” in the context of agricultural development and rural entrepreneurship. The event focused on country-specific experiences in Brazil, Guatemala and Mozambique. It addressed policy options that could enhance potential benefits and minimize risks for small producers of biofuels, as well as other policy issues related to how developing countries could benefit more effectively from greater production, domestic use and trade in biofuels. The event enabled the development of a partnership between the UNCTAD BioFuels Initiative and Cordaid (a Dutch action-oriented think tank with vast experience in Africa) in assisting small producers of biofuels to be incorporated into agricultural value chains, thereby increasing their income. The biofuels option, if well assessed, planned and sequenced, can offer win-win-win opportunities to developing countries in terms of climate change benefits, rural development, decent work and energy diversification.

105. Expert meeting: Following the adoption by the Trade and Development Board of the topic of “Trade and climate change: trade and investment opportunities and challenges under the Clean Development Mechanism (CDM)” for an expert meeting, the branch prepared the meeting (Geneva, 27–29 April 2009).

B. Research and analysis

106. Activities in the area of trade and sustainable development focused on the analysis of the developmental and market access impact of voluntary sustainability standards. UNCTAD published a regional study synthesizing the key findings of country case studies on the developmental and market access impact of private commercial standards on good agricultural practice for fresh fruit and vegetables in Ghana, Kenya and Uganda (UNCTAD/DITC/TED/2007/13). Moreover, in 2008 the branch issued a series of three regional studies (one on East Asia, one on East and Southern Africa, and one on Central and South America) that synthesized the findings of a dozen country case studies on the developmental and market access impact of new private voluntary standards applied to horticultural export products.

107. The branch brought out the following publications on organic agriculture:

- (a) *Private Sector Standards and National Schemes for Good Agricultural Practices: Implications for Exports of Fresh Fruit and Vegetables from sub-Saharan Africa. Experiences of Ghana, Kenya, and Uganda* (UNCTAD/DITC/TED/2007/13);
- (b) *Organic Agriculture and Food Security in Africa* (UNCTAD/DITC/TED/2007/15);
- (c) *Certified Organic Export Production: Implications for Economic Welfare and Gender Equity among Smallholder Farmers in Tropical Africa* (UNCTAD/DITC/TED/2007/7);
- (d) *Best Practices for Organic Policy. What Developing Country Governments can do to Promote the Organic Agriculture Sector* (UNCTAD/DITC/TED/2007/3).

108. With regard to biotrade, two main publications were developed: *Guidelines for the Development and Implementation of Management Plans for Wild-collected Plant Species used by Organizations Working with Natural Ingredients* (UNCTAD/DITC/TED/2007/89) and *Methodology Guidelines for the Support of Value Chains of BioTrade Products – From the Selection of Products to the Development of Sector Strategies* (UNCTAD/DITC/TED/BCC/2008/1).

109. In addition, analytical studies were conducted addressing some of the most sensitive issues within the debate on biofuels. A study on “Making certification work for sustainable development: the case of biofuels” (UNCTAD/DITC/TED/2008/1) was conducted to address the concerns related to the sustainability of biofuels due to increased use and production. Another study on “The biofuels market: current situation and alternative scenarios” presenting various possible scenarios for the biofuels industry is under way. Each of the scenarios will show how the sector could evolve depending on the policy and strategies that individual countries may select.

C. Advisory services, technical assistance and capacity-building

110. Promotion of production and trade of sustainable agriculture, including organic agriculture: The branch undertook a number of activities related to promoting production and trade of African sustainable agricultural products, including organic agricultural products. Organic agriculture contributes to poverty alleviation, environmental protection and food security in Africa with a combination of main features, most notably by:

- (a) Increasing income and/or reducing costs of externally purchased inputs;
- (b) Increasing yields in low-input areas over time;
- (c) Conserving biodiversity and nature resources on the farm and in the surrounding areas;
- (d) Improving soil fertility and structure, thus improving water retention and resilience to climatic stress, contributing to climate change adaptation;
- (e) Mitigating climate change by utilizing less energy than conventional agriculture and also sequestering carbon;
- (f) Reducing illness and death in farm families due to agro-chemical exposure;
- (g) Producing safe and varied food;
- (h) Being sustainable in the long term.

111. The Capacity-Building Task Force on Trade, Environment and Development (CBTF) project: A new project was launched in April at UNCTAD XII on “Promoting production and trading opportunities for organic agricultural products: a tool for poverty reduction and environmental protection in East Africa”. It is funded by the Government of Austria and runs from 2008 to 2010. The overarching objective of the project is to contribute to poverty reduction, trade promotion and environmental protection by building capacities in East Africa to seize the trade and sustainable development opportunities offered by organic agriculture. The project focuses on three areas of identified comparative advantage and beneficiary need. First is research on key areas identified by beneficiaries, including an overview of the current state of organic agriculture production, markets, trade and policies in the region and opportunities for regional cooperation and documentation of success stories in the region. Second is facilitating vibrant public-private sector partnership/dialogue/information exchange at the regional and national levels. This includes at least one East African Organic Conference and support to national organic forums. Third is promoting the development of national, regional and international markets for East African organic agricultural products, including exploratory work related to gaining EU recognition for the East African Organic Products Standard as an equivalent standard. In addition, the branch provided support to the African Union Conference on Ecological Agriculture: Mitigating Climate Change, Providing Food Security and Self-Reliance for Rural Livelihoods in Africa (Addis Ababa, 26–28 November) and to the first West African Organic Summit (Nigeria, November).

112. UNCTAD-FAO-IFOAM International Task Force on Harmonization and Equivalence in Organic Agriculture (ITF): UNCTAD and partners have been involved in another initiative to facilitate the market access of African organic products. The ITF, a forum for dialogue between public and private sector institutions involved in regulating the international organic sector, worked from 2003–2008 to remove technical barriers to trade in organic agricultural products that result from the lack of harmonization and interoperability of organic regulations, private standards and certification requirements. The ITF work has led to an increased understanding of the issues, dialogue between the private and public sectors and among governments, improved cooperation including catalyzing regional harmonization processes (Asia, Africa and the Pacific) and increased influence on new regulations and revision of existing ones. It has also developed two concrete tools: the Tool for Equivalence (EquiTool), an international guideline for determining the equivalence of organic standards and the International Requirements for Organic Certification Bodies (IROCB), establishing an international baseline on what organic certification bodies must do to be effective, as a basis for equivalence, mutual recognition and future harmonization.

113. The UNCTAD Sustainable Commodity Initiative: With regard to fostering sustainable commodity production, UNCTAD analysis and capacity-building activities have shown that voluntary sustainability standards play an increasingly important role in certain commodity markets, in particular food and beverages. Niche market programmes have shown significant growth and this has led to an expansion in conventional markets of these concepts and similar programmes. As these programmes have increased, producers in developing countries have felt increasing pressure to comply with these requirements in order to maintain (or expand) market access. However, to date, there has been almost no independent, credible impact assessment to measure the costs and benefits of implementing these programmes. Without this information, it is impossible for stakeholders throughout the supply chain (in particular producers and policymakers) to make fact-based decisions on their investments and the benefits that can be obtained through that investment.

114. Thus a Sustainability Assessment Programme (COSA) has been created to develop tools and an implementation methodology for measuring the costs and benefits of implementing sustainability initiatives. The programme to date focuses at the farmgate level and is structured to conduct interviews with producers, workers, exporters, cooperative and association leaders and local research institutions to gather data. A global database is being launched to house the resultant data so that comparisons can be made of the impacts of the different programmes, based on different regions, production systems, agroecological characteristics, etc. The programme is structured to work directly with local actors to adapt the survey and process to the local context and to train local actors in data collection and analysis. This allows the programme to be integrated into local extension services and activities.

115. The COSA programme is managed by an executive committee consisting of UNCTAD, the International Institute for Sustainable Development (IISD), CIRAD (the French Agricultural Research Centre for International Development), CATIE (Latin American agroforestry research institute) and INCAE/CIMS (Latin American sustainable market research institute). A broad multi-stakeholder advisory panel has also been formed to guide the development of COSA and allow it to become the reference tool for measuring the impacts of sustainability initiatives. This panel is chaired by the executive director of the International Coffee Organization. To date the survey tool has been tested in five countries (Costa Rica, Honduras, Kenya, Nicaragua and Peru). A report on this testing, *Seeking Sustainability*, was published in 2008 (http://www.iisd.org/pdf/2008/seeking_sustainability.pdf). The programme is now being implemented full scale (i.e. over a three-year period) in Colombia, Côte d'Ivoire and the United Republic of Tanzania. In each of these countries, COSA is working closely with ministry representatives, technical assistance agencies and producer groups to develop the tool and train in its implementation and use.

116. Another set of activities under the Sustainable Commodity Initiative is the Sustainable Commodity Assistance Network (SCAN) on capacity-building for sustainable agricultural producers. Sustainable agricultural has proven to have significant impact on the environmental, economic and social development of producers in LDCs. In particular, the mitigation of environmental degradation,

the controlled management of natural resources and inputs and the access to higher-value markets has led to poverty reduction and sustainable development in producing countries. However, the multiplicity of standards and market-based approaches to sustainable agriculture and the removal of support services and technical assistance through liberalization programmes have left producers with limited capacity to address the requirements of these programmes and therefore benefit appropriately from them. To address this situation, the SCAN programme addresses two interrelated issues: the lack of focused technical assistance, built from a risk-based analysis, to support smallholders in sustainable agricultural production and access to sustainable markets, and the lack of policy coherence among providers of technical assistance through the formation of a multi-stakeholder partnership of intergovernmental organizations (IGOs), the private sector, NGOs, standards-setting bodies, researchers and producer groups. The primary objective of the programme is to promote the development of sustainable enterprises of smallholder agricultural producers.

117. The process began at the international level through the formation of a global partnership. This was necessary to overcome the inherent competition between many of the actors (in particular the standards-setting bodies). Through this process a broad global framework was developed, emphasizing the need to support producers in the following areas: good agricultural practices; financial literacy and risk management; organizational development; market information; and internal control systems/traceability. Seed funding was obtained to begin needs assessments in four countries, through a partnership with the Dutch NGO Solidaridad. These began in November 2008 in Honduras, Peru, the United Republic of Tanzania and Viet Nam. They are scheduled to be completed by May 2009 and presented at a global workshop of the SCAN Partnership in June 2009. This will then form the foundation for rolling out the programme in these and other countries and the necessary funding is actively being sought.

118. Given the early stage of this programme, the substantive results focus on the harmonization of key stakeholders in standards-based sustainable markets. By promoting an understanding of the need to leverage the experience and skills of the individual partners, the SCAN programme has allowed these groups to accept working together to increase the services provided to smallholder producers, to broaden the scope of that support and to focus on developing sustainable enterprises, thereby empowering producer groups instead of burdening them with complicated and expensive standards compliance processes they cannot effectively access. The needs assessment will provide a concrete analysis which will be drafted into policy briefs that will be presented to policymakers at the national and international levels.

119. The BioTrade Initiative: In implementing the initiative, including its BioTrade Facilitation Programme (BTFP), the branch has managed to adapt and respond to the evolving needs of developing countries on issues related to the trade of biotrade products. Private sector companies have identified the need for an organization that would support the differentiation of biotrade products in the market as well as substantiate a company's responsible use of biodiversity and the positive impact it has on communities working in biotrade activities. In consultation with biotrade national programmes and other relevant partners, UNCTAD facilitated and supported the creation of the Union for Ethical BioTrade to support the recognition of producers' efforts in promoting the sustainable use of biodiversity and the sharing of benefits derived from this use.

120. The branch continued to assist developing countries in developing biotrade initiatives including through strengthening the institutional capacity of the national biotrade programmes to develop policy frameworks supportive of biotrade. Support was given to national biotrade activities in Bolivia, Colombia, Uganda and Viet Nam. It has also assisted the Amazon Cooperation Treaty Organization (ACTO) in finalizing a proposal for a regional biotrade programme to promote the sustainable use and conservation of biodiversity through regional actions that favour trade and investments in biodiversity products and services, with emphasis on the fair and equitable sharing of benefits.

121. Under the Regional Biodiversity Strategy (ERB), the branch supported biotrade activities under the Andean BioTrade Programme encouraging the use of biodiversity, with sustainability criteria, to

generate opportunities that contribute to the economic and social development of the Andean Community's member countries. Support in institutionalizing the Sala Andes and Amazonia as a regional biotrade platform and management tool for the sustainable development of the Andes-Amazon Region was also provided. The organization of the first International BioTrade Fair in Santa Cruz, Bolivia in June contributed to positioning biotrade sectors in the domestic and regional markets; creating opportunities to establish commercial and financial ties between participants; promoting biotrade products; sharing experiences; and developing common strategies.

122. In addressing trade barriers relevant to biotrade, the branch has been supporting the ongoing revision process of the Novel Foods Regulation – EC Regulation 258/97, which has been identified as a non-tariff barrier for biotrade products. UNCTAD efforts are focused on providing technical inputs to the revision process in order to assist stakeholders in reaching a development-friendly regulation through targeted research and case studies as well as by conducting briefings and informal discussions with stakeholders.

123. Training courses and seminars organized by the BioTrade Initiative included: the African Technical Workshop on the Impact Assessment System for BioTrade, 6–7 November, Johannesburg, South Africa; the Southern African Regional Dialogue on Novel Foods, 27–28 October, Cape Town, South Africa; and the South American Regional Dialogue on Novel Foods, 11–12 November, Lima.

124. One of the milestones in the work on biotrade is the development of a BioTrade Impact Assessment System. It addresses the constant need to define and measure biotrade's contribution to sustainable development and the conservation/sustainable use of biodiversity.

125. Climate change: With regard to combating climate change, the United Nations system has been called upon to lead by example by monitoring and reducing its greenhouse gas emissions. The launch of the UNCTAD Climate Neutral Initiative, supported by the branch, made UNCTAD one of the first United Nations agencies to take action on its internal climate change policy. The commitment of UNCTAD in addressing climate change was officially announced at UNCTAD XII, where UNCTAD introduced elements of its Greenhouse Gas Mitigation Strategy and committed to reduce its own emissions by 20 per cent by 2020. This was announced during the luncheon for Heads of State, Government and Heads of Delegation on 21 April, following the keynote speech delivered by the Honourable Rajendra Pachauri, Chairman of the Intergovernmental Panel on Climate Change and 2007 Nobel Laureate. UNCTAD mitigation strategy aims to achieve climate neutrality by addressing emission sources related to official air travel, energy consumption and heating, without compromising the work and goals of the organization.

126. Through the Climate Change Programme, UNCTAD actively participated in various conferences, meetings, seminars and round tables on the effects of and policy responses to global climate change. On the occasion of the fourteenth session of the Conference of the Parties (COP) of the United Nations Framework Convention on Climate Change (UNFCCC) held in December in Poznan, Poland, it organized a joint UNCTAD/WTO side event on trade and climate change and addressed issues relating to the economic implications of climate change. Also during COP14, UNCTAD participated in the side event organized by Global Bioenergy Partnership (GBEP), and presented for discussion the results of the analytical study on the possible scenarios for the biofuels industry.

D. Cooperation with other organizations

127. The branch has entered into cooperative arrangements and partnerships with many organizations to promote policies and projects that would effectively assist developing countries in taking advantage of positive interface between trade objectives and sustainable development goals. For example, the CBTF is a partnership between UNCTAD and UNEP. The International Task Force on Harmonization and Equivalence in Organic Agriculture is a partnership between UNCTAD, FAO and IFOAM. The Sustainability Assessment Programme (COSA) launched under the UNCTAD Sustainable Commodity

Initiative is promoted via a partnership involving UNCTAD, IISD, CIRAD, CATIE and INCAE/CIMS.

128. The Biofuels Initiative continued to offer a facilitating hub for programmes or initiatives already under way in a number of institutions. It has maintained its partnerships with intergovernmental organizations, governments, applied research centres, NGOs and relevant initiatives such as the International Bioenergy Platform of the FAO, the UNFCCC, the Group of Eight (G8) Global Bioenergy Partnership, the UNEP Risoe Centre on Energy, Climate and Sustainable Development, UNIDO, the Swiss Federal Institute of Technology in Lausanne (EPFL)/World Economic Forum Round Table for Sustainable Biofuels (RSB), the International Federation of Agricultural Producers and the Inter-American Development Bank, among others.

E. Assessment and lessons learned

129. Sustained support from UNCTAD has strengthened East African countries' capacities to seize trade and sustainable development opportunities offered by organic agriculture. Production and trade in organic agriculture can contribute significantly to promoting food security, new export opportunities and environmental, social and cultural benefits in Africa.

130. As regards activities on the fostering of sustainable commodity production through the Sustainable Commodity Initiative, analysis and capacity-building activities by the branch have shown that voluntary sustainability standards play an increasingly important role in certain commodity markets, in particular food and beverages. Niche market programmes have shown significant growth and this has led to an expansion in conventional markets of these concepts and similar programmes. As these programmes have increased, producers in developing countries have felt increasing pressure to comply with these requirements in order to maintain (or expand) market access. However, to date, there has been almost no independent, credible impact assessment to measure the costs and benefits of implementing these programmes. Without this information, however, it is impossible for stakeholders throughout the supply chain (in particular producers and policymakers) to make fact-based decisions on their investments and the benefits that can be obtained through that investment.

131. With regard to the Sustainability Assessment Programme (COSA) an interesting, and unexpected, result is that it appears to have inspired a great deal of interest in impact assessment. When the programme first began three years ago, many stakeholders, in particular standards bodies, argued that it was too difficult and/or unnecessary to measure impacts. However now, every one of these programmes is actively pursuing impact assessment activities and is interested in linking more closely with COSA. As well, public agencies are increasingly requiring credible impact measurement and the private sector is also demanding that the impacts of these programmes be better understood. Naturally, it is impossible to demonstrate direct causality, but COSA does seem to have provided an impetus to these much needed developments.

132. With regard to biotrade, UNCTAD contributed to a better understanding on how best to integrate the private sector in biodiversity-related conventions allowing developing countries and their local communities to gain from global trade opportunities based on biodiversity. Twelve years after UNCTAD launched the BioTrade Initiative, a number of countries and regions have made remarkable progress in embracing biotrade concepts and principles and are taking advantage of the emerging markets for biodiversity products. Biotrade has created platforms where government, small and medium enterprises and civil society have successfully and effectively articulated national development priorities with emerging trade opportunities in biotrade products. As a result, biotrade is increasingly seen as an important component in trade strategies and development cooperation that can deliver effective solutions to meet sustainable development challenges in the economic, social and environmental spheres and further advance efforts to meet the MDGs.

133. Further, UNCTAD work on biotrade in implementing activities under biodiversity-related Multilateral Environmental Agreements (MEAs) such as the Convention on Biological Diversity (CBD) and the Convention on International Trade in Endangered Species of Wild Fauna and Flora (CITES) has been recognized by both secretariats on various occasions. At the COP9 of the CBD, UNCTAD work was included in two COP9 decisions: Decision IX/6 Incentive Measures and Decision IX/26 Promoting Business Engagement. UNCTAD, as a member of the Heads of Agency Task Force of 2010, works towards supporting the achievement of the 2010 Biodiversity Target. Additionally, the CITES secretariat was requested by member states to continue working with the UNCTAD BioTrade Initiative to ensure the conservation and sustainable use of wild species subject to international trade and to promote private sector compliance with CITES requirements and national legislation.

134. Through the BioFuels Initiative, UNCTAD has continued to assist developing countries in their policy analysis and decision-making process on whether biofuels are an option for them in achieving energy security and sustainable development goals. It has successfully responded to the high level of interest of developed and developing countries on various aspects of the emerging issue of biofuels, while paying due attention to the impact on food security and other social objectives.