

Activity Report 2010

DITC

Report by the secretariat



DIVISION ON INTERNATIONAL TRADE IN GOODS AND SERVICES, AND COMMODITIES



EXECUTIVE SUMMARY

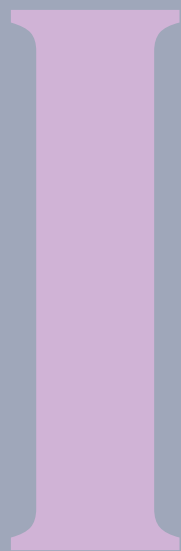
UNCTAD is the focal point of the United Nations for the integrated treatment of trade and development and interrelated issues in the areas of finance, technology, investment and sustainable development. UNCTAD's Division on International Trade in Goods and Services, and Commodities is responsible for its subprogramme 3 on international trade, established by the United Nations General Assembly under Section 12 (Trade and Development) of the United Nations programme budget for 2010–2011 following the provisions of the Accra Accord of UNCTAD XII. This divisional report provides an overview and illustrative range of the Division's outputs in 2010 in implementing the Accra Accord mandates on international trade (paragraphs 89 and 90, 94 to 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 starts with an overview of division wide outputs including 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 trade negotiations and commercial diplomacy (Chapter II), trade analyses (Chapter III), competition and consumer policies (Chapter IV) and trade and environment (Chapter V). The activity report responds to the request in the Accra Accord in paragraph 206 for activity reports from the secretariat.

UNCTAD/DITC/2011/1

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ACCRA ACCORD IMPLEMENTATION ACCELERATED



To ensure the effective, qualitative and beneficial participation of all countries, in particular developing countries, with enhanced work on the special problems of Africa, the least developed countries, landlocked developing countries, small island developing States and other structurally weak, vulnerable and small economies, in international trade and the trading system and to strengthen the contribution of the commodity economy to development in order to make trade a positive force for all (Table 12.15, A/64/6 (Sect. 12)).

UNCTAD's subprogramme on international trade falls under the responsibility of the Division on International Trade in Goods and Services, and Commodities (DITC). The Division is composed of the Office of the Director and the following branches: Competition and Consumer Policies Branch; Trade Analysis Branch; Trade, Environment, Climate Change and Sustainable Development Branch; and Trade Negotiations and Commercial Diplomacy Branch. The United Nations 2010–2011 programme budget allocated \$28,578,200 to the subprogramme on international trade (including commodities, which falls under the responsibility of the Special Unit on Commodities that reports directly to the Secretary-General of UNCTAD). The actual budget allocation for the biennium, for DITC (less the Special Unit on Commodities), comprised funding of \$22,089,600 for 70 posts and \$577,000 for non-post requirements (covering consultants, *ad hoc* expert groups, staff travel and external printing) amounting to a total of \$22,639,600, or 16.6 per cent of UNCTAD's total budget for the biennium (\$135,959,900).

Assuring developmental gains from international trade, the trading system and trade negotiations in realizing the Millennium Development Goals (MDGs)

The development objective pursued by the Division is to support the effective and beneficial integration of developing countries and countries with economies in transition into the global economy with a view to achieving national development objectives, the United Nations

Millennium Development Goals (MDGs) and other internationally agreed development goals. The Division's goal is to assure developmental gains from international trade, the trading system and trade negotiations in goods and services, consistent with the Accra Accord of UNCTAD XII as articulated under paragraphs 89, 90 and 94–106 under section C of sub-theme 2 on "Key trade and development issues and the new realities in the geography of the world economy", and paragraph 170 of sub-theme 3 on "Enhancing the enabling environment at all levels to strengthen productive capacity, trade and investment: mobilizing resources and harnessing knowledge for development". This is implemented through the three pillars of UNCTAD's operations, namely research and analysis, technical assistance and Aid for Trade, and intergovernmental deliberations and consensus-building. Such support in 2010 was buttressed by a focus on catering to the needs of countries to adopt strategies and innovative policies to mitigate the impact of the global financial and economic crisis that erupted at the end of 2008, and foster more sustainable and inclusive growth and development through trade. Attention was also given to urgent developments such as policy advice to Haiti as part of UNCTAD-wide support to the country to re-build its economy through trade. This included an UNCTAD Policy Brief No. 13 (March 2010) on *Rebuilding Haiti: A new approach to international cooperation*.

Three outcomes were notable in terms of the work of the Division in 2010. First, 11 developing countries participating in the São Paulo Round of trade negotiations under the Global System of Trade Preferences among Developing Countries (GSTP) concluded them with a milestone agreement to boost South-South trade by cutting tariffs by 20 per cent on at least 70 per cent of their dutiable products. Second, the Sixth United Nations Conference to Review All Aspects of the Set of Multilaterally Agreed Equitable Principles and Rules for the Control of Restrictive Business Practices met and affirmed the importance of promoting the use of competition laws and policies in enhancing domestic and international competitiveness, taking into account the prevailing conditions in the developing countries.

Third, the implementation of the Accra Accord by the Division was favourably assessed by

member States at the fifty-seventh session of the Trade and Development Board when it conducted an evaluation and review of UNCTAD's implementation of the Accra Accord (22–24 and 27–28 September 2010). The President's summary of the debate on sub-theme II (TD/B/57/8 (agenda item 5)) reflected that member States expressed satisfaction with the work of the Division on International Trade in Goods and Services, and Commodities in implementing mandates under sub-theme 2 of the Accra Accord on key trade and development issues and the new realities in the geography of the world economy. They recognized and appreciated the high quality and large amount of work accomplished under the three pillars. In their agreed outcome (TD/B/57/8(Agreed outcome 503 (LVII))), they encouraged the secretariat to continue implementing the Accra Accord bearing in mind the need to, *inter alia*: support developing countries in designing and actively implementing policies to boost productive capacities; particularly address the special needs of Africa and Least Developed Countries (LDCs) including by strengthening their productive capacity, financial policies and trade; continue to address persistent development challenges such as the contribution of migrant remittances to development; continue to mainstream cross-cutting issues such as full and productive employment, in cooperation with the International Labour Organization (ILO), and the promotion of sustainable development; continue to monitor and analyze the new economic realities and address the challenges identified, including those resulting from the global financial and economic crisis, and climate change as it is related to trade and development through the three pillars; and foster its work in supporting developing countries to address the development impact of their engagement in multiple trade arrangements and negotiations, particularly addressing the evolution of the international trading system, continuing technical assistance on accession to the World Trade Organization (WTO) and developing capacity-building in trade and trade negotiations; and also continue to play its role in developing and implementing projects under Aid for Trade.

The effectiveness of the Division is reflected in its rate of implementation of outputs (meetings, studies, workshops, advisory services, technical assistance) that were approved in the 2010-2011

programme budget of UNCTAD. At the end of 2010, the first year of the biennium, the Division implemented 45 per cent of its mandated outputs (as compared to the UNCTAD wide average of 30 per cent). It is thus realizing a fuller implementation of outputs required in the Accra Accord. Developing countries from all regions and countries with economies in transition benefited from activities implemented by the Division. An emphasis was placed on assisting LDCs and African countries as well as small and vulnerable economies in the Division's technical assistance and training activities. In carrying out its activities, the Division cooperated with a wide range of partners including public, private, intergovernmental and non-governmental organizations.

Development-oriented research and analysis

In 2010 and up to February 2011, the Division produced 30 publications and a number of training materials and handbooks that were disseminated to a broad audience, including via major international conferences, intergovernmental meetings, technical assistance, and research networks. These addressed such issues as trade policy, trade and poverty, trade and the global crisis and recovery, development aspects of remittances, regional integration especially in Africa, services trade and development, services policy reviews, non-tariff measures, South-South trade, tariffs, generalized system of preferences (GSP) and other trade preferences, creative economy, role of competition in development, peer review of competition policy, trade and development implications of the green economy, trade and climate change, biotrade experiences, market access for organic farmers, sustainable commodity initiatives and clean growth poles. Many of the reports are reviewed by other staff of UNCTAD or international experts. The findings of the analysis on emerging issues and their implications were often integrated into parliamentary reports prepared by the Division for various intergovernmental meetings. Ideas raised in the Division's analytical papers informed the public and influenced policy decisions in respect of the contribution of trade to development.

The Division also provided substantive inputs to UNCTAD publications such as the *World Investment Report 2010* (Investing in a low carbon

economy), *Trade and Development Report 2010* (Employment, Globalization and Development) and *Least Developed Countries Report 2010* (Towards a New International Development Architecture for LDCs).

The Division collaborated with international and national institutions in producing analytical reports such as on tariffs with WTO and the International Trade Centre (ITC) of WTO and UNCTAD; on supply chain in South Asia with the Commonwealth Secretariat; on African regional integration with the African Union; on international trade after the global crisis with the Japan External Trade Organization (JETRO); on the creative economy with UNDP; and on major sustainability standards in commodities with the Institute for Sustainable Development (IISD) and the International Institute for Environment and Development (IIED). It launched joint analytical work with ILO on trade and employment, and within the framework of the International Collaborative Initiative on Trade and Employment.

Promotional material

Over 20 press releases, highlights, news items and policy briefs were produced on topics, such as the negotiations under the Global System of Trade Preferences among Developing Countries, the Sixth United Nations Conference to Review All Aspects of the Set of Multilaterally Agreed Equitable Principles and Rules for the Control of Restrictive Business Practices, the second session of the Trade and Development Commission, the Trade and Development Board deliberations on crisis mitigation measures and prospects for recovery, services, trade and development, voluntary peer review of competition policy, trade and global economic recovery, climate change financing, intra-Asian trade in organic products, clean growth strategies, biodiversity and fashion industry and creative industries, and rebuilding of Haiti. The Division also produced promotional brochures, flyers and pamphlets. These included UNCTAD's Creative Economy E-Newsletters, Trade and Environment Information Bulletins, and Generalized System of Preferences newsletters. These helped to publicise the work of the Division and strengthened advocacy on the role of trade in development in various areas.

Building tangible results at national, regional, interregional and international levels to benefit developing countries

The Division's comprehensive trade and trade-related technical assistance and aid for trade capacity building activities cover four thematic clusters: (a) capacity-building for trade policies, trade negotiations and commercial diplomacy, (b) trade analysis capacities and information systems, (c) competition policy and consumer protection, and (d) trade, environment and development. The areas of assistance provided encompass trade policy formulation and implementation for meeting the MDGs; multilateral and regional trade negotiations, implementation of trade agreements and cooperative frameworks including in the South-South context; servicing GSTP; services, development and trade; WTO accession; market access, trade preferences, GSP and other trade laws; analytical tools and databases (including non-tariff barriers (NTBs)); increased participation in new and dynamic sectors of world trade; South-South trade database; institutional capacities on competition law and policy; formulation and enforcement of competition and consumer protection rules; national and regional competition policy and consumer protection; environmental, health and food safety requirements and market access; trade, environment and development interface; harmonization and equivalence in organic agriculture; sustainable resource management; opportunities in biotrade; opportunities in biofuels; and trade, investment and development opportunities in the climate change regime.

The Division substantively and technically serviced the GSTP, and supported member States in negotiating the Third, São Paulo, Round of GSTP negotiations. After over six years of negotiations, countries participating in the São Paulo Round met in a special session of the Negotiating Committee at the Ministerial level in Foz do Iguacu, Brazil on 15 December 2010 and concluded a milestone agreement to boost South-South trade. There are 43 parties to the GSTP. Twenty-two participated in the São Paulo Round, 11 of which, including the Southern Common Market (MERCOSUR), exchanged tariff concessions by adopting the São Paulo Round Protocol. These are: Cuba, Egypt, India, Indonesia, the Republic of Korea, Malaysia, MERCOSUR (Argentina,

I. ACCRA ACCORD IMPLEMENTATION ACCELERATED

Brazil, Paraguay, and Uruguay) and Morocco. Other GSTP parties can accede to the Protocol at a later date. The São Paulo Round results broadened product coverage to 47,000 tariff lines and deepened tariff cuts. These will provide significant benefits for the expansion of South-South trade. The parameters of the tariff-cutting formula were agreed at a Ministerial meeting in December 2009 and consisted of slashing tariffs by 20 per cent on at least 70 per cent of dutiable products exported within this group of countries. Imports by the 11 countries that signed the agreement were around \$1 trillion in 2009, of which 10 per cent was their intra-trade. UNCTAD's GTAP analysis shows that the results of the Round will induce a positive effect on participating countries, with a 3 per cent growth in their intra-trade, and welfare and employment increases in all participants.

Generalized, regional and country tailored assistance is provided and the impact is discussed in following chapters on the work of each Branch of the Division. Broadly, the assistance provided by the Division helped to build and strengthen human, institutional, regulatory, policy and supply capacities and enhance competitiveness in developing countries and transition economies. With the Division's support countries elaborated national trade policies, participated effectively in multilateral and regional trade negotiations and agreements, improved related analytical skills, enhanced competition and consumer policies and institutions, and addressed trade, environment and sustainable development including trade and investment aspects of climate change. Expenditures on technical cooperation under the four clusters in 2010 amounted to \$5.338 million, representing 14 per cent of total UNCTAD expenditure in 2010. In addition UNCTAD contributes to the implementation of the Enhanced Integrated Framework in selected LDCs, as well as to One UN country programmes in Bhutan, Botswana, Mozambique and Rwanda. The Division conducted over 161 workshops and seminars in 2010 that benefited 7,516 participants from developing countries and transition economies. About 2,803 of the participants (37.3 per cent) were females, which is indicative of the conscious effort made to ensure a good level of gender representation. The staff of the Division undertook over 70 advisory services and lectured on issues regarding trade in goods and services to a wide audience, and participated in various national and international events.



The Division's technical assistance extends to almost all developing countries and many transition economies. Such assistance is provided to Geneva-based delegations, regional groups (such as African Group, LDCs, African, Caribbean and Pacific (ACP) Group, small economies, landlocked developing countries), and to capitals of countries or their regional organizations. For example countries and groupings assisted in 2010 included:

GSTP Negotiating Committee at Ministerial level in Foz do Iguaçu, Brazil, December 2010

- Algeria, Armenia, Angola, Azerbaijan, Belize, the Plurinational State of Bolivia, Bhutan, Botswana, Brazil, Cambodia, China, Colombia, Costa Rica, Cote d'Ivoire, the Democratic Republic of the Congo, Dominican Republic, Ecuador, Egypt, El Salvador, Guatemala, Honduras, India, Indonesia, Islamic republic of Iran, Iraq, Jordan, Kenya, Korea, Lao Peoples Democratic Republic, Lesotho, Malaysia, Malawi, Mexico, Morocco, Mozambique, Namibia, Nicaragua, Oman, Panama, Paraguay, Peru, Rwanda, São Tome and Principe, Senegal, Serbia, South Africa, Saudi Arabia, Syria, Swaziland, Thailand, Trinidad and Tobago, Tunisia, United Arab Emirates, United Republic of Tanzania, Uganda, Uruguay, Yemen and Zambia.
- African Union; Arab States; members of the Islamic Development Bank; members of the GSTP Agreement; Parliamentarians from East Africa; Parliamentarians from Pacific Island Countries; Southern African Development Community (SADC); Common Market for Eastern and Southern Africa (COMESA); Andean Community; Latin American Integration Association (ALADI); West African Economic and Monetary Union (WAEMU); Southern African Custom Union (SACU); Exim Banks and Development Finance Institutions Members of the Global Network of Exim Banks and Development Finance Institutions (G-NEXID); African Carbon Forum; and Latin American Carbon Forum.

DITC also contributed substantively to courses on key issues on the international economic agenda organized under UNCTAD's "Para. 166" training programmes, Virtual Institute activities and TrainForTrade.

The Division's technical cooperation programmes benefited from financial support from developed countries, some developing countries and institutional donors. In 2010 donations to the Division's projects were received from, *inter alia*, France, Germany, Norway, Republic of Korea, Spain, Switzerland, and the United Kingdom as well as from Argentina, China, Cuba, Bangladesh, Islamic Republic of Iran, Malaysia, Mexico, and Thailand. Donations were also received from institutional donors such as the United Nations Development Programme (UNDP), United Nations Department of Economic and Social Affairs (UN-DESA, for Development Account projects), and One UN programme budgets. Also, many activities were implemented through cooperative arrangements with countries, regional groupings, academic institutions, the private sector, non-governmental organizations and international organizations. The Division gratefully acknowledges these contributions and seeks continued support in its programmes to build trade capacities for development.

The Division represents UNCTAD in the Advisory Group on Aid for Trade of the WTO's Director-General. The group promotes aid for trade through various events of its members. It also actively supports the preparatory work for the WTO Third Global Review of Aid for Trade (scheduled for 18 and 19 July 2011). In this regard, the Division mobilized four "case stories" from UNCTAD and submitted them to the WTO and the Organization for Economic Cooperation and Development (OECD) for compilation as part of the Review's discussion materials. These case stories illustrated the support provided by UNCTAD and impact achieved in respect of (a) creating and strengthening the national task force on trade facilitation in Honduras to support effective participation in WTO negotiations on trade facilitation; (b) promoting production and trade of organic agricultural products in East Africa through an international partnership on sustainable development; (c) the Bio Trade Initiative Programme in Uganda; and (d) the UNCTAD-DFID-Government of India Project on strategies and preparedness for trade and globalization in India. It also provided inputs to

the WTO-OECD publication on *Aid for Trade at a Glance*.

The Division contributed to the SPECA Ministerial Meeting in Azerbaijan (Baku, 1–2 December 2010) on an Aid for Trade roadmap for the region. It also organized a High-level Meeting on Trade Capacity-Building and Competition Policy for African LDCs in Zambia (Lusaka, 10–12 May 2010) that, *inter alia*, discussed aid for trade support by India to African LDCs in the context of India's duty-free, tariff-free scheme for LDCs.

Demand from countries and regions for the Division's technical assistance support have expanded following the global economic crises and recovery process underway, and expansion and deepening of multilateral and regional trade negotiations. In 2010, about 84 requests for assistance were received and the Division, with available resources, responded to about 54 of them while the rest are pending the mobilizing of requisite funds. However extra-budget financing for the Division's programmes have been declining – contributions received contracted steeply from \$7.12 million in 2008 to \$4.53 million in 2009 and \$3.45 million in 2010. This constrained the Division's ability to respond urgently to requests for assistance and to widely support to countries. The Division is engaged in efforts to mobilize new funding for its projects and welcomes support from donors.

Building consensus that maximizes development opportunities from globalization and trade

In regard to intergovernmental consensus building, the Division prepared and serviced or contributed to the servicing policy dialogue in the following meetings in 2010 and provided the substantive support needed in reaching policy conclusions, guidelines and options:

- Sixty-fifth session of the UN General Assembly (the Second Committee) deliberations on international trade and development.
- Sixth United Nations Conference to Review All Aspects of the Set of Multilaterally Agreed Equitable Principles and Rules for the Control of Restrictive Business Practices (8– 12 November); and Voluntary Peer Review on Competition Policy of Armenia (9 November).

- Fifty-seventh session of the Trade and Development Board's review of the "Evolution of the international trading system and of international trade from a development perspective: The impact of the crisis-mitigation measures and prospects for recovery" (16 September).
- Fifty-seventh session of the Trade and Development Board's evaluation and review of UNCTAD's implementation of the Accra Accord (22-24 and 27-28 September).
- Second session of the Trade and Development Commission deliberations on successful trade and development strategies for mitigating the impact of the global economic and financial crisis, and on the contribution of tourism to trade and development (3-7 May) (see Box 1).
- Second session of the multi-year expert meeting on services, development and trade: the regulatory and institutional dimension (17-19 March).
- Single-year expert meeting on Green and Renewable Technologies as Energy Solutions for Rural Development (9-11 February).
- UNCTAD Secretary-General's Ad Hoc Expert Group Meeting on "United Nations LDC IV: Key Development Challenges Facing the LDCs" (18-19 February).
- UNCTAD's Pre-conference event to UN LDC-IV on "Building productive capacities in LDCs for inclusive and sustainable development" (27-29 October).
- Ad hoc Expert Meeting on The Green Economy: Trade and Sustainable Development Implications (7-8 October).
- Fifty-sixth session of the Working Party on Strategic Framework and Programme Budget, on UNCTAD's technical cooperation activities and their financing (6-8 September).

Box 1. Consensus on key issues regarding crisis mitigation and recovery strategies: Elements from the agreed conclusions of the second session of the Trade and Development Commission (TD/B/C.I/13)

- Enhancing coherence between the international monetary financial and trading systems.
- Careful design of exit strategies to continue supporting global growth.
- The role of the State, taking into account an appropriate balance between national policy space and international disciplines and commitments, in respect of: social safety nets; structural transformation; upgrading infrastructure; productive capacity development linked with trade; commodity sector development, especially in agriculture; support for small and medium-sized enterprises; human capital and technological development; climate-friendly trade and investment measures; South-South trade; and market-opening trade policies which create growth and jobs and alleviate poverty.
- An open, fair, equitable and rules-based multilateral trading system and the avoidance of protectionism.
- An expeditious, successful and ambitious development-oriented conclusion of the Doha Development Agenda.
- Honouring commitments on provision of duty-free and quota-free market access to LDCs.
- Improved Aid for Trade and Enhanced Integrated Framework for LDCs in helping developing countries beneficially integrate into the multilateral trading system.
- Concluding WTO accessions based on the WTO agreements, trade considerations and level of development of acceding countries.
- Elaboration and strengthening of appropriate policy, regulatory and institutional frameworks are important and needed to ensure soundness and sustainability of services sectors, particularly infrastructure services, and contribute to competitiveness, employment creation, access to basic services and achievement of the internationally agreed development goals, including the MDGs.
- Tourism strategies for sustainable development, appropriate regulations and dedicated institutions to strengthen economic linkages, maximize the gains and minimize the negative environmental and social impacts. Attracting national, regional and international tourism is critical to encourage entrepreneurship, including SMEs, create employment, enhanced integrated development including in agriculture, and contribute to reduction of poverty, particularly in LDCs.

The Division contributed to intergovernmental deliberations in other fora on international trade issues, including through submission of analytical papers. These included regular meetings of WTO bodies; Small States Biennial Conference; African Conference of Ministers of Trade; SADC Trade Ministers meetings; COMESA Trade Ministers meeting; Global Migration Group and the Global Forum on Migration and Development; Session of the Conference of the Parties to the Convention on Biological Diversity; and Session of the Conference of Parties of the United Nations Framework Convention on Climate Change (UNFCCC). The Division also contributed to the preparatory process for the United Nations Conference on Sustainable Development (UNCSD) (Rio+20) to be held from 14-16 May 2012. It performs UNCTAD's role as the sustainable trade focal point for the Conference.

Collaboration and partnerships within UNCTAD and with other organizations

The Division made substantive contributions to a number of UNCTAD-wide activities in 2010. It is a member of the Task Force on the Fourth United Nations Conference on LDCs (LDC-IV) which coordinated and prepared UNCTAD's contribution to this United Nations conference, to be held 9-13 May 2011 in Istanbul, Turkey. It collaborated with the Division on Technology and Logistic in jointly preparing the single year expert meeting on Green and Renewable Technologies as Energy Solutions for Rural Development (9-11 February 2010). It provided resource persons that delivered courses under "Para. 166" and the Virtual Institute on topics relating to key trade issues on the international economic agenda.

The Division collaborates with an extensive range of international organizations in delivering many of its outputs (studies, meetings or technical assistance) as discussed above and in subsequent chapters. It leads the EC-ESA International Trade Cluster (discussed below). It is a member of the inter-agency task force on Statistics of International Trade in Services. It has been partnering with Food and Agriculture Organization of the United Nations (FAO) and the International Federation

of Organic Agriculture Movements since 2001 to facilitate trade in organic products through harmonization and equivalence. It promotes the Sustainable Commodity Initiative (SCI), jointly with the International Institute for Sustainable Development (IISD). It cooperates closely with UN-DESA and the United Nations Environment Programme (UNEP) on the Rio+20 process. The BioFuels Initiative continued to offer a facilitating hub for programmes or initiatives already underway in a number of institutions. UNCTAD recently became an Affiliate Partner of the 2010 Biodiversity Indicators Partnership (2010 BIP). The Division is involved in a multi-agency group supporting the Nairobi Framework in the context of UNFCCC. The Division also launched in May 2010 the UNCTAD Research Partnership Platform (RPP) on competition policy issues. It also participates in the International Collaborative Initiative on Trade and Employment (ICITE), and is cooperating with ILO on trade and employment including in producing joint publications.

The Division hosted the Fifth Annual Meeting of the General Assembly of Global Network of Exim Banks and Development Finance Institutions (G-NEXID) on 6 May 2010 with 24 member institutions. G-NEXID was created in March 2006 with UNCTAD's support. The annual meeting was preceded by annual one-day seminar (5 May), with the theme on "Food Security, Energy, and Climate Change Issues: South-South opportunities". The G-NEXID meeting is normally held each year in conjunction with the session of the Trade and Development Commission. The President of G-NEXID presented a report of its fifth annual meeting to the second session of the Trade and Development Commission.

Promoting coherence among United Nations agencies work on international trade – International Trade Cluster of EC-ESA

In order to bring about greater coordination, coherence and common approaches among United Nations entities engaged in normative, analytical and technical work in trade and development and to produce joint outputs, the Division, on behalf of UNCTAD, leads (chairs)

the International Trade Cluster of the Executive Committee of the Economic and Social Affairs (EC-ESA) comprising UNCTAD, UN-DESA, UNDP, UNEP, UNIDO, and United Nations regional commissions. In 2010, cluster members shared information on current trade programmes of members, and discussed and coordinated drafting of the programme budgets for 2012-2013. The cluster also launched work on a joint publication on trade and development aspects of the green economy as a contribution to preparations by UN for the Rio+20 summit. The publication will be produced with the UN University in 2011.

Specific support to LDCs

Apart from activities of UNCTAD's work that benefit developing countries generally, specific support was provided to LDCs. Support was provided towards the preparatory process for UN LDC-IV including during the UNCTAD Secretary-General's Ad Hoc Expert Group Meeting on "United Nations LDC IV: Key Development Challenges Facing the LDCs" (Geneva, 18-19 February 2010,) and the Pre-conference event to United Nations LDC-IV organized by UNCTAD on "Building productive capacities in LDCs for inclusive and sustainable development" (Geneva, 27-29 October 2010).

A Ministerial meeting was organized for African LDCs in Zambia (Lusaka, 10-12 May 2010). Ministers discussed how to take advantage of the duty-free, quota-free scheme of India and ways of enhancing competition policy including through the newly launched African Competition Programme of the Division.

UNCTAD and the Commonwealth Secretariat prepared a joint publication on "Identification of potential supply chains in textiles and clothing sector in South Asia" which assesses the scope of promoting regional trade and cooperation in the sector, including for Bangladesh. Substantive inputs on trade and trade negotiations issues including duty-free, quota-free treatment, were provided into the preparation of UNCTAD's *LDCs Report 2010*.

Technical assistance and advisory service was provided to LDCs in 2010 encompassed:

- a) WTO accession assistance for Bhutan (13 August); Cambodia (16-18 May); Lao People's Democratic Republic (10-14 May, 1-3 November); São Tome and Principe (26-29 January) and Yemen (4-5 December). Intensive training sessions and technical consultations were organized for Yemen (11 June, 12 October, and 19 October, Geneva).
- b) Preparation for WTO Trade Policy Review by the Democratic Republic of the Congo (Kinshasa, 20-21 May).
- c) Preparation of a national diagnostic study on new and dynamic sectors for the Lao PDR. Followed up with a national and regional workshop on enhancing new and dynamic exports of the Lao PDR and Asian LDCs (Vientiane, 25-27 October).
- d) Assistance on issues regarding non-tariff barriers and non-agricultural market access (NAMA) to LDCs' Group in Geneva (4 August, 18 September, 14 October, 5 November, and 3 December).
- e) Preparation, with Ministry of Trade and Industry of Rwanda, a trade policy framework for Rwanda that led to the country adopting a new trade policy.
- f) Support to Rwanda in formulating a new competition policy which was subsequently adopted by the Government.
- g) Assistance relating to sensitization and/or drafting of competition law and policy, consumer protection and institutional framework and training of officials including sector regulators for Angola (19-21 May), Bhutan (3- 5 March, 12-19 June, 20-24 September); Lesotho (22-24 November); Mozambique (14-16 December); Rwanda (13-15 December); Yemen (16-21 October); and Zambia (13-14 May); as well as regional training in the United Republic of Tanzania for the country, Malawi, Swaziland and Zambia (29 November-3 December).
- h) Preparation of National Services Policy Reviews for Nepal and Uganda.
- i) Provision of data and analysis for the update of MDGs indicators on market access, namely, Indicator 8.6 on proportion of total developed country imports from developing countries and least developed countries, admitted free of duty.



Divisional websites

A wealth of information on the activities of the Division is available on the following websites of the Division:

www.unctad.org/tradenegotiations

on trade policy and trade negotiation issues.

www.unctad.org/gsp

on GSP schemes.

www.unctad.org/dispute/courses

on dispute settlement in international trade, investment and intellectual property.

www.unctad.org/tab

on trade analysis issues.

www.unctad.org/trains

on trade analysis and information system.

www.unctad.org/creative-programme

on creative economy issues.

www.unctad.org/competition

on competition and consume policies.

www.unctad.org/ghg

on climate change issues.

www.unctad.org/biotrade

on biotrade initiative.

www.unctad.org/trade_env

on trade, environment and development.

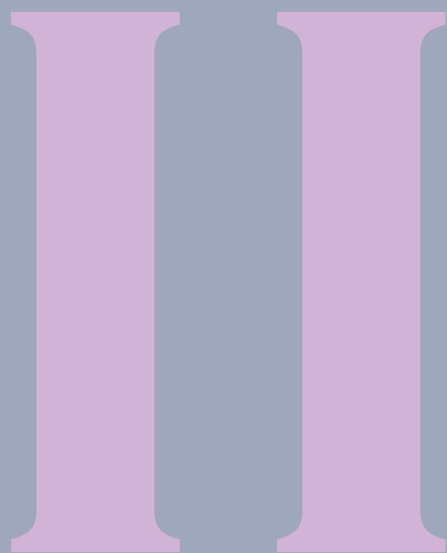
www.unctad.org/ter

on trade and environment review series.

www.unctad.org/greeneconomy

on green economy issues.

THE DEVELOPMENT DIMENSION OF INTERNATIONAL TRADE
AND THE INTERNATIONAL TRADING SYSTEM PROMOTED



Strengthened capacity of developing countries and countries with economies in transition to integrate beneficially into the global economy and the international trading system, including trade in services, and to design and implement trade policies and participate effectively and coherently in bilateral, regional (including South-South) and multilateral trade negotiations, placing greater emphasis on practical solutions (Accra Accord, paras. 89, 90, 94, 95, 97, 105-107) (Expected accomplishment (a) of subprogramme 3, Table 12.15 (A/64/6 (Sect. 12)).

The Trade Negotiations and Commercial Diplomacy Branch works to promote the realization, by developing countries especially LDCs, of development gains from international trade and the international trading system with a focus on meeting the MDGs by 2015. In 2010, the Branch intensified its work to keep pace with the evolution of the international trading system, trade policy reforms and multiple international trade negotiations, most notably the WTO Doha Round, regional and interregional negotiations including South-South, while taking into account the deep and long-lasting effects of the global financial and economic crisis on international trade and development prospects of developing countries and its implications for international trade governance. Attention was given to supporting countries' efforts to tackle post-crisis recovery, growth and pressing development challenges in order to reflect rapidly evolving economic realities. In this direction, the Branch enhanced analysis and technical support on trade policy formulation and implementation to countries and regional groupings. Its work under the three pillars on services development and trade made important contribution to developing countries' efforts to harness the latent enormous potential of the services economy for growth, job creation and poverty alleviation. Its tailored and comprehensive assistance to countries in the process of acceding to the WTO or in the post-accession phase facilitated their efforts at acceding and undertaking required reforms to benefit from the multilateral trading system.

The Branch worked systematically towards mainstreaming development into international

trade, trade policy and trade negotiations through UNCTAD's three pillars - intergovernmental deliberations and consensus-building, research and analysis, and technical assistance and capacity-building activities. It assisted developing countries to improve human, institutional and regulatory and policy capacities to better manage and conduct multilateral and regional trade negotiations particularly under the WTO Doha Round, implement trade agreements and participate beneficially in the international trading system. It provided timely and targeted support for Geneva-based trade negotiators on Doha agenda issues such as special and differential treatment (SDT), agriculture, non-agricultural market access, services, rules, trade facilitation and intellectual property rights. It assisted countries in the WTO accession process and on dispute settlement. It strengthened support on South-South trade and economic cooperation and integration (e.g., COMESA, SADC) as well as on North-South regional trade negotiations, especially between the European Union (EU) and ACP Group of States. It continued to support better utilization of GSP and other trade preferences as well as the related issue of rules of origin.

The Branch placed special emphasis on intra- and inter-divisional cooperation, as well as extensive collaboration with other national, regional and international institutions, in the delivery of its mandate to seek cross-fertilization of respective expertise and to contribute to UNCTAD-wide events. The Branch deepened collaboration with the Commonwealth Secretariat, International Labour Organization (ILO), International Collaborative Initiative on Trade and Employment (ICITE), Global Migration Group, African Union, Islamic Development Bank and other organizations.

A. INTERGOVERNMENTAL DELIBERATIONS AND CONSENSUS-BUILDING

United Nations General Assembly

Each year, the United Nations General Assembly discusses key issues in international trade and development and adopts a resolution delineating its views on these issues. The Branch pre-

compares the United Nations Secretary-General's report on "*International Trade and Development*" to support the deliberations on the topic. In 2010, the report (A/65/211) stressed that a strong and sustained global recovery is indispensable for employment creation, poverty alleviation and sustainable development, and the achievement of the MDGs. Moreover, integrated growth and development strategies are important for the sustainability of growth and to induce structural transformation and building of diversified productive capabilities. Post-crisis growth strategies need to strike a balance between external and domestic sources of growth, and the interdependence of economies requires coherence in addressing the development dimension at all levels of global economic governance.

UNCTAD also contributed to the discussions of the sixty-fifth session of the UN General Assembly (the Second Committee) and provided substantive support to Member States' consideration of a General Assembly resolution on international trade and development (A/RES/65/142). The resolution pointed to: the need to resist all protectionist measures and tendencies, especially those affecting developing countries, including tariff, non-tariff and other barriers to trade, and to rectify any such measures already taken; the right of countries to fully utilize their policy space, consistent with WTO commitments; and the need to make substantial progress in the Doha negotiations complying with the mandate of the Doha Development Agenda, covering all areas under the single undertaking, such as agriculture, non-agricultural market access, services, rules and trade facilitation to ensure that the development concerns of developing countries are fully reflected in any outcome. It called upon the WTO and other relevant bodies, including the UNCTAD, to continue monitoring protectionist measures and to assess their impact on developing countries. It also invited UNCTAD to monitor and assess the evolution of the international trading system, to undertake policy analysis with a view to fostering greater coherence between the multilateral trading system and the international financial system, from a development perspective, and to support developing countries in building national capacities, including through technical assistance activities.

Trade and Development Board

Under its agenda item 5, the fifty-seventh session of the Trade and Development Board conducted a review of the "Evolution of the international trading system and of international trade from a development perspective: The impact of the crisis-mitigation measures and prospects for recovery" on 16 September 2010. The Branch prepared the background note (TD/B/57/3) to facilitate the deliberations, which Member States commended as "providing valuable, substantive, high quality and solution-oriented analysis and generating new ideas on policies to maximize development gains from the international trading system". UNCTAD Secretary-General opened the deliberations on the agenda item and the Deputy Director-General of the WTO delivered a special address.

Participants reaffirmed, as reflected in the President's Summary (TD/B/57/8), that UNCTAD should continue to play an important role in monitoring and analyzing the evolution of the post-crisis global economy and the future of the international trading system, the different development policy options, and supporting developing countries, including through capacity-building, in post-crisis growth strategies, proactive trade policy, development dimension of trade negotiations, strengthening development of services sectors and trade, remittances and development implications of migration, financial regulations, regional trade initiatives and negotiations including North-South agreements. They stressed that UNCTAD should continue to assist developing countries, particularly LDCs and African countries, to develop proactive trade policies, engage effectively in the international trading system and build trade and value added and diversified productive capacities.

Trade and Development Commission, and expert meetings

The Branch contributed to the organization and servicing of the second session of the Trade and Development Commission, including in the preparation of background notes on *Successful trade and development strategies for mitigating the impact of the global economic and financial crisis* (TD/B/C.I/7), and on *The contribution of*

tourism to trade and development (TD/B/C.I/8). It serviced the policy dialogue of the high level panels on respectively “Successful trade and development strategies for mitigating the impact of the global economic and financial crisis” and on “The contribution of tourism to development”. The former panel included a special presentation by the Minister of Trade and Industry of Rwanda, Monique Nsanzabaganwa, on the collaboration between Rwanda and UNCTAD in developing the first generation trade policy for the country. The Commission’s conclusions (TD/B/C.I/13) *inter alia* called for a strengthening work done by the Branch by requesting a strengthening of its technical assistance programme for acceding developing countries, before, during and after the accession and supporting developing countries, particularly LDCs, with technical assistance on appropriate policy, regulatory and institutional frameworks to ensure soundness and sustainability of services sectors. The Branch contributed to the preparations for the third session of the Commission to be held in 2011.

The Branch prepares and services the multi-year expert meeting on services, development and trade: the regulatory and institutional dimension. Infrastructure services - finance, energy, water, telecommunications and transportation - play a crucial role in supporting markets for other services, agriculture and industry. They form the backbone of national economies, and are

essential in enhancing social development and human welfare. Enhanced infrastructure services sectors can also catalyze economic diversification and enhance domestic supply capacity and competitiveness, while providing opportunities for employment, investment and trade. It is thus essential that they form an important part of national and international development efforts, including in achieving the MDGs.

The second session of the multi-year expert meeting (17-19 March 2010, Geneva), with the participation of Government experts and representatives of the private sector involved in the regulation and supervision of infrastructure services, shared experiences and lessons learnt; enhanced policymakers knowledge of regulations and institutions in infrastructure services, with particular attention to financial and energy services sectors; identified areas to support policymakers and regulators in improving regulatory and institutional outcomes and reducing risks of regulatory failures, while meeting domestic policy priorities; and identified areas for deeper research and analysis and facilitation of international regulatory cooperation (see Box 2).¹ The experts’ deliberations were facilitated by the secretariat’s note on *Services, development and trade: the regulatory and institutional dimension* (TD/B/C.I/MEM.3/5) that was commended by the Member States and experts. The Branch launched preparations for the third session of the expert meeting to be held in 2011.

¹ See Report of the Multi-year Expert Meeting on Services, Development and Trade: the Regulatory and Institutional Dimension on its second session (TD/B/C.I/MEM.3/6).

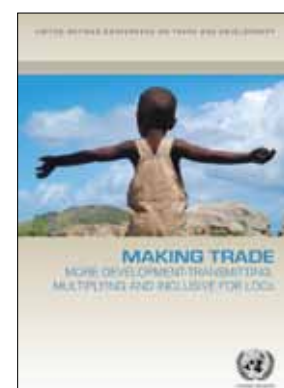
Box 2. Ideas from the second session of the multi-year expert meeting on services, development and trade: the regulatory and institutional dimension

The meeting generated new ideas which countries can consider in establishing regulatory and institutional frameworks and cooperative mechanisms to strengthen their domestic services capacity and its efficiency, competitiveness and exports. For example, strengthened infrastructure services and linkages amongst them and with other sectors of the economy, foster economic growth, development and trade; regulatory and institutional frameworks need to be tailored to countries’ local conditions and development imperatives, giving a primordial role to the Government; regulatory and institutional frameworks need to be in place prior to privatization and liberalization to correct market failures, build supply capacities, implement public policies, and establish appropriate economic environment; there is need to create a knowledge centre in relevant ministries to advise and work with local governments in the choice and process of forming public-private partnerships (PPPs), including in the adoption of clearly delineated legal frameworks to ensure that the partnership would be beneficial and deliver on its objectives; financial sector reform is imperative, especially for adequate and effective regulation of cross-border financial services; regular interaction and collaboration between services policymakers, regulators and other stakeholders at the national and international level, as well as cooperative arrangements on South-South and North-South basis, can help improve regulatory outcomes and strengthen institutions.

II. THE DEVELOPMENT DIMENSION OF INTERNATIONAL TRADE AND THE INTERNATIONAL TRADING SYSTEM PROMOTED

In 2010, UNCTAD launched activities in support of the preparatory process for the Fourth United Nations Conference on LDCs including the convening and servicing of the UNCTAD Secretary-General's Ad Hoc Expert Group Meeting on "United Nations LDC-IV: Key Development Challenges Facing the LDCs" (Geneva, 18–19 February 2010,) and UNCTAD's Pre-conference event on "Building productive capacities in LDCs for inclusive and sustainable development" (Geneva, 27–29 October 2010). For these meetings a background note was prepared by the Branch entitled *Making trade more development-transmitting, multiplying and inclusive for LDCs* (UNCTAD/DITC/TNCD/2011/1). The report discusses LDCs' economic and trade performance since the Third "Brussels" Programme of Action for LDCs for the Decade 2001–2010 came into effect, and suggests trade and development policy issues that can be addressed by UN LDC-IV in making trade's impact on LDCs more development-transmitting, multiplying and inclu-

sive socially, economically and environmentally especially in the backdrop of the global crisis and incipient recovery. The Branch also organized a session of the pre-event on "The role of trade in the development of productive capacities", during which a special high level presentation was delivered by the Minister of Commerce, Trade and Industry of Zambia, Felix Mutati. Ideas arising from the preparatory meetings in respect of trade are reflected in Box 3. The Branch, with the Competition and Consumer Policies Branch, represented the Division in the UNCTAD-wide task force preparing UNCTAD's contribution to UN LDC-IV.



Working Party on the Strategic Framework and Programme Budget

The fifty-sixth session of the Working Party (6-8 September 2010) reviewed UNCTAD's technical cooperation activities and their financing. Various participants stressed the importance they

Box 3. Strengthening the contribution of trade to development of LDCs: Ideas emerging from UNCTAD preparatory meetings for UN LDC-IV

- The development of productive capacities - and building of international competitiveness - can potentially be augmented through the provision of commercially meaningful duty free and quota free market access for products of the LDCs by developed countries and developing countries in a position to do so, with pragmatic, user-friendly, transparent, simplified and easily administered rules of origin. Improvements in special and differential treatment provisions in WTO agreements, including through legally binding provisions, will also help LDCs develop their productive capacities including through aid for trade.
- Promoting sectors with dynamic comparative advantage, including through pro-active policy measures and support mechanisms, such as sustainable agriculture (e.g. organic agriculture and sustainable fishing), electronics, creative industries, and manufacturing sectors including textiles and clothing. Particular attention should be given to developing the services sector to foster services productive capacities, such as in tourism and remittances-related sectors, Mode 4 and building up infrastructural services that act as catalyst for competitiveness in other industries, and provide essential services for the population.
- Meaningful market access in Mode 4 and granting of most favoured nation (MFN) waiver for preferential access for LDCs.
- Developing and providing a generalized system of preferences on services for LDCs by preference providers.
- Making available clean technologies to LDCs to enable them to undertake more environmental friendly production methods.
- Expediting and facilitating the accession to the WTO of LDCs on terms consistent with their levels of development.
- Enhancing access of LDCs to adequate and affordable trade financing.
- Existing mechanisms as the EIF and aid for trade should be more fully developed and improved by the international community and exploited by LDCs.

attach to the capacity-building cluster on trade negotiations and commercial diplomacy - covering trade policy formulation and implementation, international trading system and trade negotiations, services, development and trade, and WTO accessions - and the need for continued and enhanced donor support. Specifically, they stressed that UNCTAD's unique and comprehensive technical assistance and capacity-building programme on WTO accession is an essential element of the organization's technical cooperation pillar, and expressed concern over the lack of resources under the trust funds on WTO Accession whereas there is a growing number of requests addressed to UNCTAD from beneficiaries. Accordingly, the Working Party expressed its "concern with the fact that the UNCTAD trust fund dedicated to WTO accession is very low on resources and invites donors to provide adequate resources for strengthening its technical assistance programmes to WTO-acceding countries, in accordance with paragraph 90(e) of the Accra Accord" (TD/B/WP/225).

Participation in WTO-related meetings

In its work on monitoring and assessing the evolution of the international trading system, the Branch participated in and contributed to discussions of regular WTO bodies. These included the General Council, Goods Council and its subsidiary bodies, Services Council, Council on Trade-Related Aspects of Intellectual Property Rights (TRIPS), Committee on Trade and Development, Sub-Committee on LDCs, Committee on Regional Trade Agreements, Working Parties on WTO accession, and the Trade Policy Review body.

B. RESEARCH AND ANALYSIS

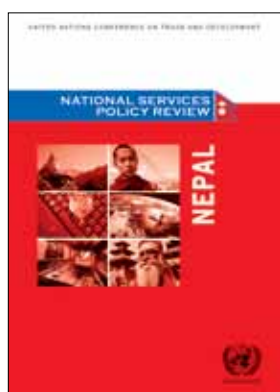
The Branch conducts policy-oriented research and analysis on a range of issues regarding trade policy, international trade and international trading system, as well as new and emerging issues of particular interest to developing countries. The following thematic, sectoral and country-specific studies were prepared by the Branch. These were published in hard and soft copies, and primarily aimed at supporting developing countries' in the formulation and implementa-

tion of national trade policy and strategies, and in their engagement in regional and multilateral trade negotiations:

- a) *Assessment of the impact of trade policy reforms in the acceding countries: the gender dimension* (UNCTAD/DITC/TNCD/2010/6);
- b) *How the poor are affected by international trade in India: an empirical approach* (UNCTAD/DITC/TNCD/2010/7);
- c) *Impact of remittances on poverty in developing countries* (UNCTAD/DITC/TNCD/2010/8);
- d) *Trade liberalization, investment and economic integration in African regional economic communities towards the African common market* (UNCTAD/DITC/TNCD/2011/2, forthcoming), jointly prepared with the African Union (AU) Commission;
- e) *Identification of potential supply chains in textiles and clothing sector in South Asia*, jointly prepared with the Commonwealth Secretariat and Centre for WTO Studies of India (forthcoming).
- f) Various training materials in the CD-Rom format developed for training sessions in Geneva and in the field;

The Branch collaborated with the Virtual Institute to jointly prepare the teaching material on *Regional Trade Agreements* (UNCTAD/DTL/KTCD/2008/2). It contributed substantively to the drafting of the *World Economic Situation and Prospects 2011*, published jointly with UN-DESA and the United Nations regional commissions. It is cooperating with Commonwealth Secretariat to produce trade policy training manuals for Parliamentarians in sub-Saharan Africa, Pacific and the Caribbean. It launched an initiative with ILO to undertake a study on trade and employment interface with a focus on the agriculture sector.

The results of the Branch's analytical work were frequently presented at international conferences and forums such as the Fourth Global Forum for Migration and Development (Mexico, Puerto Vallarta, 8-11 November 2010); Commonwealth Conference on Regional Trade and Integration Arrangements (London, 15 March 2010); and the Conference on EU trade policy toward developing countries (Brussels, Belgium, 16 March 2010).



C. ADVISORY SERVICES, TECHNICAL ASSISTANCE AND CAPACITY BUILDING

The Branch implemented a large number of technical assistance and capacity-building activities for developing countries, especially LDCs, African countries, and structurally weak and vulnerable developing countries, Small Island Developing States, and countries with economies in transition.

Trade policy formulation and implementation

Collaboration with the Ministry of Trade and Industry of Rwanda resulted in the preparation of a trade policy framework - *Rwanda's Development-driven Trade Policy Framework* (UNCTAD/DITC/2009/2). It provided the basis for the Government to formulate its first national trade policy that was adopted in early 2011. The trade policy framework was presented by the Minister of Trade and Industry of Rwanda to the second session of the Trade and Development Commission. UNCTAD continued to support Papua New Guinea in its ongoing effort to finalise a new trade policy, based on the policy framework developed by UNCTAD with the Government. The Branch has received requests to assist Angola and Jamaica in elaborating their respective trade policy. This will be undertaken in 2011.

In collaboration with the Commonwealth Secretariat and the Commonwealth Parliamentary Association, UNCTAD supported an initiative to sensitize Parliamentarians on contemporary trade policy issues and international trade agreements and negotiations, and energize them to take a more active role in reviewing trade policy formulation and implementation matters, including in engaging with the Executive (Government like Trade Ministers) on trade issues and their development impact. UNCTAD contributed substantively to the following sensitization conferences: (a) Trade Policy Workshop for Parliamentarians of East African Community (Arusha, United Republic of Tanzania, 27-28 May); and (b) Regional Workshop on Trade Policy for Pacific Parliamentarians (Apia, 31 May-5 June). UNCTAD

is also collaborating with the Commonwealth Secretariat in the preparation of Trade Policy Guides for Parliamentarians for Sub-Saharan Africa.

Also in collaboration with the Commonwealth Secretariat, UNCTAD contributed substantively to the inaugural session of the Commonwealth Small States Biennial Conference, including an address by UNCTAD Secretary-General to the opening session (28-29 July 2010, London). It discussed that manifold challenges faced by Small States in promoting growth and development, including from their inherent vulnerabilities and those externally induced such as the global economic slump. UNCTAD provided advice and shared experiences on trade policy and trade agreements to assist Small States in building resilience to enduring vulnerabilities and economic shocks.



The Branch implemented and completed an eight-year trade-related capacity-building project titled "Strategies and Preparedness for Trade and Globalisation in India" that assisted India in orientating trade policy and trade negotiations towards integrating more pro-poor concerns and strengthening trade supporting institutions in improving incomes of poor artisans, farmers and fish folks through trade and trade-related policy actions (see Box 3).

UNCTAD Secretary-General, Commonwealth Deputy Secretary-General and other Ministerial Participants at the Small States Biennial Conference (28-29 July), organized by Commonwealth Secretariat. Photo from the Commonwealth Secretariat is grateful acknowledged.

Box 3. UNCTAD-DFID-Government of India Project on Strategies and Preparedness for Trade and Globalization in India

The Project benefited from financial support of the Department for International Development (DFID) of the United Kingdom. The Ministry of Commerce and Industry, Department of Commerce of India was its main beneficiary. The Project was launched in January 2003 and was completed on 31 December 2010. Described below are some of the outputs of the Project which were often undertaken with a broad range of over 400 partners in the country:

- Organized 76 broad-based and inclusive consultations, reaching about 10,000 stakeholders. These brought together farmers, fisher folk, representatives of civil society and academia, consumer organizations, industry and private sector representatives, export organisations, experts and policy makers for articulating their interests and concerns in the context of WTO's Doha negotiations, Indo-Thailand Free Trade Agreement (FTA) negotiations, Indo-ASEAN FTA negotiations, Indo-EU Trade and Investment Agreement negotiations, Indo-Japan Comprehensive Economic Partnership Agreement negotiations, and Indo-EFTA FTA negotiations. Such consultations provided an effective avenue of giving voice especially to the poor in informing policy makers and trade negotiators of their concerns and interests regarding trade negotiations.
- Prepared analytical studies on different issues relating to multilateral/bilateral trade negotiations (e.g. trade facilitation, anti-dumping, industrial subsidies, tariffs, green box subsidies in agriculture, agriculture modalities, services, government procurement). Such analyses helped in building an analytical and empirical basis for India's participation in trade negotiations, and in the formulation of concrete negotiating proposals in the WTO Doha Round and in negotiations of free trade agreements.
- Provided analytical support to the Government in designing India's unilateral duty free and tariff free schedule for LDCs, which was launched in 2008.
- Conducted well grounded analytical research, that were extensively peer reviewed, on the poverty impact of trade developments, trade and gender linkages, trade liberalization and poverty, impact of the global crisis on India's exports and employment, impact of remittances on poverty, and potential supply chains in textiles and clothing sector in South Asia. These studies constitute a rich source of knowledge for understanding globalization and its impact on India, including an enhanced understanding of trade-poverty linkages which can inform policy making and trade negotiations.
- Built up the capacity of the Department of Commerce and other stakeholders for undertaking quantitative analysis of the effects of trade agreements and trade measures, through training programmes on use of databases and software such as World Integrated Trade Solutions (WITS) and GTAP.
- Built up the capacity of researchers to undertake quantitative research on trade issues through support to four academic institutions namely: Allahabad University, Centre for Development Studies (Trivandrum), Jadavpur University and Mizoram University; contributed to training of high level Indian policy officers, including those of Indian Administrative Service (IAS), Indian Economic Service (IES), Indian Statistical Service (ISS), Indian Foreign Service (IFS), University lecturers, lawyers and agricultural researchers; and trained over 50 students on use of trade databases and software such as WITS, STATA and EViews. Trained legal professionals on WTO's dispute settlement mechanism at premier law schools at Bangalore and Kolkata. These trainings and support have created a pool of experts, including econometricians, who can undertake quantitative research on trade issues.
- Improved the competitiveness of enterprises, especially those that directly provide livelihood options for the poor, for example by: identifying constraints and developing roadmap to address such constraints facing exports of highly employment intensive agricultural products such as litchis from North Bihar; pomegranates from Maharashtra; makhana from Bihar; mango and vegetables from tribal regions in Gujarat; flowers from Sikkim and Satara; herbal products from Chhatisgarh, Tamil Nadu and Karnataka; undertaking an extensive survey of the polyhouse growers in Satara district in Maharashtra and prepared a website (www.polyhouseproduce.com) which will be the foundation of an electronic platform for market-led production and for online trading of flowers; and put into place

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a mechanism whereby the some 2,700 fishermen get information on a daily basis through mobile phones of the prevailing market prices at various landing sites for different types of catch.

- Sought to systematize and disseminate information, through websites, training programmes, workshops and studies, on health and safety standards facing exports of agricultural products, leather products, electronic components, textile and clothing products, handloom products, dairy and poultry products, handicraft products and marine products. These activities have significantly enhanced the access particularly by farmers, fish folk, producers and small exporters to standards-related information and helped them to address such non-tariff barriers.
- Facilitated producer/artisan groups in obtaining the protection of their unique products through registration as geographical indications. The GI registration helps in building up the brand image of the product, gets better recognition, acceptance and price in local and world markets. GI registration, with help from the project, was secured for Pipli Applique Craft of Orissa, Lucknow Chikankari, Uppada Jamdhani Sarees of Andhra Pradesh, Banarasi Sarees and Brocades, Kannur Home Furnishing, Sanganeeri Hand-block Prints and Balarampuram Fabrics of Kerala, and Bhadohi Carpets. An international conference on GI was held 16 and 17 November in New Delhi that discussed the important stimulus provided by GI registration and the related follow up work needed including: (a) to promote and protect the GI brand image and logo, (b) adopt and implement marketing and distribution strategies to increase exports, and (c) seek GI registration and enforcement in major markets.



International conference on GI (16-17 November, New Delhi)

Multilateral and regional trade negotiations and agreements

The Branch assisted Geneva- and capital-based trade negotiators and policymakers from developing countries in their preparations for multilateral trade negotiations under the WTO Doha Round, particularly on modalities for agriculture and the special safeguard mechanism, non-agricultural market access (NAMA) and related non-tariff barriers, services, trade facilitation, rules, TRIPS, and development issues including special and differential treatment and Aid for Trade. Such assistance contributed to enhancing these countries preparedness and technical capacities with regard to technical issues under negotiations and related policy implications on development goals. It also provided substantive support to Ministerial, high-level and technical preparatory processes of regional groupings (such as LDCs, African Group and the ACP Group) and individual countries, as well as international conferences and events in 2010 including:

- a) International workshop on regional trade agreements (Casablanca, Morocco, 15-16 February).
- b) Conference on Regional Trade and Integration Arrangements (London, 15 March).
- c) Sixth Arab Conference on WTO and Doha negotiations (Amman, Jordan, 20-22 April).
- d) Workshop on NAMA Negotiations for African Countries (Nairobi, Kenya, 12-14 April).
- e) International seminar on proliferation of regional trade agreements and their impact on the multilateral trading system (Abu Dhabi, UAE, 17-19 May).
- f) Meeting of International Islamic Trade Finance Corporation to discuss the Road Map on enhancing intra-OIC trade (Baku, 21-22 June).
- g) Intensive Training course of the Islamic Development Bank on trade negotiating skills (Dakar, 5-8 July).
- h) Assistance to India on WTO negotiations, and negotiations of free trade agreements.
- i) Substantive support to the Third, São Paulo, Round of GSTP negotiations.

The Branch participated in and contributed substantively to the 6th Session of African Union (AU) Conference of Ministers of Trade (Kigali, Rwanda, 29 October-3 November). The Branch, with the AU Commission, prepared for the meeting a report on *Trade liberalization, investment and*

economic integration in African regional economic communities towards the African common market (UNCTAD/DITC/TNCD/2011/2). It presented the results of its analysis on consolidating and accelerating African integration to the meeting which discussed and adopted some of its recommendations. For example, Ministers agreed to fast track the establishment of an African free trade area and to set up a Multi-Agency Task Force on the African Common Market and Economic Community to provide recommendations on accelerating the implementation of the African Economic Community.²

The Branch also continued supporting regional trade negotiations among developing countries, as well as between developing countries and developed countries such as ACP–EU negotiations on economic partnership agreements (EPAs). Substantive support was provided to ACP States and their regional groupings that enhanced awareness and understanding on the developmental implications of EPAs.

As regards EPAs, the Branch extended targeted substantive support to ACP States and regional groupings to raise awareness and enhance understanding among ACP policymakers and stakeholders on the developmental implications of EPAs, strengthening national and regional capacities to design and implement policy, regulatory and institutional frameworks required to maximize the development potential of EPAs and regional integration processes, as well as enhanced the positive development interface between these negotiations, ACP regional integration processes and the WTO Doha Round negotiations. Substantive contribution was made to various consultative conferences organized by the ACP, AU, Economic Commission for Africa (ECA) and the Commonwealth Secretariat, including: EPA Negotiations Coordination Meeting (Abuja, 20-21 May 2010), and EPA Negotiations Coordination Meeting (Lusaka, 7-8 October 2010). Similar substantive inputs were provided to SADC in respect of services negotiations (as discussed later below).

Regular advisory and analytical support was provided to Geneva-based trade negotiators of ACP States, individually or collectively through

their membership in AU, LDCs, LLDCs, and small and vulnerable economies, in various areas of Doha negotiations with implication to EPA negotiations, such as market access, services, rules including on WTO rules affecting regional trade agreements, and development issues. Such support was undertaken in close coordination with the ACP Secretariat Office in Geneva. Also, UNCTAD contributed to a refresher course for several ACP States, organized by the ACP Office in Geneva and the Friedrich-Ebert-Stiftung organization, on the Doha negotiations, aid for trade initiative, EPAs and trade-related capacity building (14-15 June 2010, Geneva). Further, at the request of the ACP Secretariat, the Branch is preparing a study for ACP Member States on the integration of ACP States into international trade and the trading system.

Support on WTO accession

The Branch provided unique and innovative technical assistance support on WTO accession since the inception of WTO in 1995. It assisted 22 acceding countries out of the 30 negotiating or preparing their accession process, including all LDCs (Afghanistan, Bhutan, Comoros, Ethiopia, the Lao PDR, Samoa, São Tomé and Príncipe, Sudan, Yemen,) as well as recently acceded countries. The assistance, addressing different phases of the accession process - before, during and after accession - are development oriented and help countries with trade policy, regulatory and institutional reform and implementation to benefit from becoming a member of the WTO. Hence such assistance is highly resource-intensive and draws synergistically on all three pillars of UNCTAD's work. These include training activities for accession negotiating team and other stakeholders in Geneva and in countries, with simulation exercises to prepare them for meetings of their Working Party and with their trading partners; attachment of individual trade policymakers to UNCTAD; advisory missions on the substance and the process of accession; preparation for accession negotiations, including hands-on assistance in the preparation of required documentation such as the memorandum of foreign trade regime and in considering questions posed by WTO

² See Report of the Conference of AU Ministers of Trade: Recommendations in respect of intra-African trade (AU/TD/MIN/Rpt (VI)).

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members; and organization of, and support to, national multi-stakeholder consultative meetings and sensitization events, including for private sector, academia and parliamentarians.

Assistance is also provided to acceding countries in adjusting their trade policy regimes to render them consistent with WTO agreements while taking into account their development objectives and strategies. Often in this regard, sectoral studies are undertaken to identify needed changes and propose necessary policy adjustments. These included studies for Yemen on the construction services sector and the industrial sector. The Branch also prepared analytical studies for acceding countries, including an *Assessment of the impact of trade policy reform in countries acceding to the World Trade Organization: the gender dimension* (UNCTAD/DITC/TNCD/2010/6).

In 2010 advisory services and capacity-building activities were undertaken for Algeria (30-31 March); Azerbaijan (19-23 July); Bhutan (13 August); Cambodia (16-18 May); Islamic Republic of Iran (20-24 September); Lao PDR (10-14 May, 1-3 November); São Tomé and Príncipe (26-29 January); Serbia (30 June); Syrian Arab Republic (1-3 March, 14-16 June and 28-30 November); and Yemen (4-5 December). Intensive training sessions and technical consultations were organized for Iranian key trade negotiators (20-24 September), and Yemen officials (11 June and 12 October). Information sessions were organized for Yemeni delegation comprising parliamentarians and business people on key issues in the multilateral trading system and the WTO accession process (19 October, Geneva).

In implementing technical assistance and capacity building programmes on WTO accession, the Branch cooperates and maintains close contacts with the WTO secretariat. Several joint advisory missions, and workshops in Geneva and in some acceding countries have been undertaken with the WTO and other agencies including the World Bank, FAO, ESCAP, ITC and UNDP and participating in the Enhanced Integrated Framework for LDCs.

UNCTAD's WTO accession programme was positively evaluated by independent evaluators³ and commended by the Working Party on the

Strategic Framework and Programme Budget, including at its forty-seventh and fifty-first sessions and by the fifty-seventh session of the Trade and Development Board during its evaluation and review of UNCTAD's implementation of the Accra Accord. There have been an increasing number of requests for UNCTAD's support on WTO accession which, however, considerably exceed the resources currently available to the Branch. The growing gap between the increased demand and the lack of sufficient resources has put significant strains on the ability of the Branch to meet the requests on a sustained and effective basis. The Working Party at its 53rd and 56th sessions noted that the UNCTAD trust fund dedicated to WTO accession is very low on resources and invited donors to provide it with adequate resources.



Services, trade and development

The Branch implements a comprehensive work programme on services, trade and development with a view to assisting developing countries in developing their services sectors, increasing their participation in services trade and realizing development benefits. This work enjoys extensive complementarity between the three pillars of UNCTAD's operations.

In terms of research and analysis, the Branch through country- and sector-specific assessments and ground-level support, helped coun-

Training on WTO accession for Syria negotiators (March 2010)



³ Evaluation of UNCTAD's trade-related technical assistance and capacity building on accession to the WTO (TD/BWP/190).

tries with assessing the contribution of services sectors to development, reforming sectoral policies and regulations, including strengthening access to essential services, and generating important data and reference material for multilateral and regional trade negotiations as well as for national services policy formulation. The Branch has developed a methodology to assess policy and regulatory frameworks and the impact of trade liberalization in specific sectors and countries, namely National Services Policy Reviews (NSPRs) (see Box 4).

In terms of intergovernmental consensus building, the Branch organizes and services the Multi-year Expert Meeting on Services, Development and Trade: the Regulatory and Institutional Dimension, including by preparing the background notes. The second session of the expert meeting was organized by the Branch. Also, the Branch serviced the deliberations of the second session of the Trade and Development Commission on the topic of the contribution of tourism to trade and development, including by preparing the background note.

As regards technical assistance, customized support, including specialized training and advisory services, was provided by the Branch to policymakers and negotiators in developing countries and country groupings such as LDCs, the African Group, SADC and COMESA among others. Such assistance assisted beneficiaries in elaborating national and regional strategies for services negotiations at the multilateral and regional levels while enhancing positive co-

herent between various negotiations; General Agreement on Trade in Services (GATS) negotiations in the area of temporary movement of natural persons supplying services (Mode 4), trade in labour-intensive services, and skills development and recognition of qualifications; building services supply capacities; and promoting services policy formulation at the sectoral level and in overall terms. Examples of such support in 2010 included contribution towards:

- a) Pan-Commonwealth Workshop on Multilateral Trade negotiations on Services and Trade in Services (Port Louis, Mauritius 21-22 April).
- b) National workshop for training of trade officials in Trade in Services (Brasilia, Brazil, 5-7 May).
- c) National workshop on Services (Botswana Gaborone 31 May-4 June).
- d) SADC Workshop on Trade in Services (Johannesburg, South Africa 7-10 June).
- e) ALADI regional Workshop on Services (Montevideo, Uruguay, 1-3 October).

In addition, the findings of the Branch's analyses on tourism and outcome of the deliberations of the Trade and Development Commission on tourism were presented to the T-20 Tourism Ministers Meeting (11-13 October, Buyeo Republic of Korea), which was welcomed. Member nations of T-20 agreed to actively cooperate with the World Tourism Organization (UNWTO), International Labour

Box 4. National Services Policy Reviews (NSPRs)

The NSPRs were successfully applied for Nepal, Uganda and Kyrgyzstan. The review provided beneficiary countries with analysis necessary for making informed policy decisions for promoting national services economy including through reform, regulation and progressive liberalization of service sectors at all levels and in productive capacity building and trade. This has guided national stakeholders in the conduct of an interactive multi-stakeholder consultative process to improve policy, regulatory and institutional frameworks, strengthen supply capacities, and identify new opportunities and options that advance national development objectives. For example, the Uganda NSPR revealed the potential of services sectors, particularly professional, insurance and construction services, to improve national productivity, increase remittance flows, and enhance knowledge and exposure to new technologies. To realize their potential, increases in domestic demand and production capacity are needed, as are increased exports, particularly through the movement of natural persons for temporary work abroad. The review outlined an action plan to enhance national performance in services. The Branch received a number of new requests for support on services policy review. Services policy reviews are being conducted for Rwanda, Lesotho and Jamaica building on the reviews done for Uganda, Nepal and Kyrgyzstan.

Organization (ILO), and UNCTAD and establish a framework for assistance on tourism.

The Branch supported the implementation of the COMESA Regulation on Trade in Services, adopted on 4 June 2009 by the COMESA Council of Ministers. Also the Branch, in collaboration with the COMESA Secretariat, drafted the Negotiating Guidelines for the COMESA Committee on Trade in Services, providing an analysis of COMESA member States' commitments and offers under GATS to enable a choice of sectors for further liberalization and prepared a draft model services schedule. The negotiating guidelines were adopted, priority sectors identified (transport, communication, financial and tourism) and the exchange of offers and negotiations is ongoing.

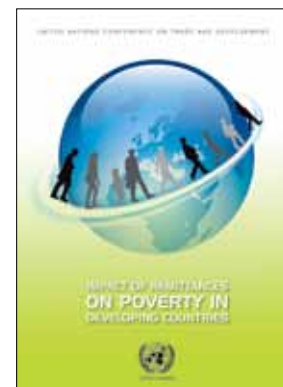
UNCTAD's technical and advisory support on services assessment and negotiations was provided to the SADC Secretariat, the SADC Trade Negotiation Forum and SADC policymakers and trade negotiators. In 2010 such support was provided, *inter alia*, to SADC Economic Partnership Agreement Working Group on Services and Investment (Johannesburg, 10–14 May); COMESA Second Meeting of the Committee on Trade in Services (Harare, 19–21 May); Training Workshop on Trade in Services in collaboration with Botswana Ministry of Trade and Industry (Gaborone, 31 May–4 June); SADC Trade in Services Regional Workshop for Sectoral Technical Experts (Johannesburg, 7–9 June); Fifteenth Meeting of the SADC Trade Negotiating Forum - Services (Johannesburg, 10 June); and SADC Economic Partnership Agreement Technical Working Group on Services and Investment (Gaborone, 30 August–3 September).

The Branch represents UNCTAD in its membership in the inter-agency task force on Statistics of International Trade in Services, with OECD, European Commission, IMF, the UN Statistics Division, the World Tourism Organization and WTO. It contributed to the Task Force on Services Statistics including its meeting in Beirut, Lebanon (22–24 March 2010).

Trade and development aspects of migration

UNCTAD has emphasized the importance of benefits and opportunities of trade, investment and developmental links between countries of origin of migrants and their communities' abroad as well as the issue of maximizing the development impact of remittances. In this connection the Branch contributed to international policy deliberations, for example, under the Global Migration Group (GMG),⁴ the ninety-ninth session of the International Organization for Migration (IOM) Council, World Bank and WTO. The Branch's technical assistance and training courses, as well as intergovernmental deliberations, also addressed trade, investment and developmental links between countries of origin of migrants and their communities' abroad. It prepared a report on *Impact of remittances on poverty in developing countries* (UNCTAD/DITC/TNCD/2010/8). The report undertakes an analysis of the impact of remittances on poverty in developing countries in terms of the impact in 77 developing countries, and 50 of which have 5 per cent or more share of remittances in gross domestic product; a case study of India; and a more micro-level analysis of the impact in Kerala, which is one of the top remittance receiving states in India. It started preparations of a single-year expert meeting on maximizing the development impact of remittances (to be held in 2011).

The Branch coordinates UNCTAD's collaboration with the GMG, international organizations and Member States on migration issues. Apart from regular participation in GMG meetings at the working and principals levels, the Branch facilitated a session of the GMG Practitioners Symposium on "Overcoming barriers: Building partnerships for migration and human development" (Geneva, 27–28 May 2010); contributed to the GMG handbook, *Mainstreaming Migration into Development Planning: A Handbook for Policy-makers and Practitioners*; and prepared a GMG factsheet on "Contribution of Migration to Development: the trade, investment and development linkages". UNCTAD is also part of the GMG working group on mainstreaming migration into development.



⁴GMG consists of UNCTAD, ILO, IOM, and several other UN organizations.

Representing UNCTAD, the Branch worked with other members of the Global Forum on Migration and Development (GFMD) to improve policy and operational responses of the UN system and the international community to international migration. It participated in the preparatory meetings for and at the fourth GFMD (Puerto Vallarta, Mexico, 8-11 November 2010). While contributing substantively to such events and advancing understanding and policy debates on migration and development, such work also helped to profile UNCTAD's work on migration and its trade, investment and development related aspects.

Generalized System of Preferences (GSP) and other trade preferences

The Branch continued to raise and enhance awareness among developing countries on ways to utilize better GSP preferences and other preferential schemes through regular provision of information on a dedicated website, administrative support on the certificate of origin, collection of data, publication of handbooks on the GSP schemes and newsletters, and technical cooperation and capacity building services.

A training session on GSP schemes and rules of origin was held for Iranian trade officials (22 September 2010), within the framework of a training course on WTO accession, to strengthen understanding of the trading opportunities available under GSP schemes. The Branch ensured the dissemination of relevant information through updating and revising GSP Handbooks of individual GSP schemes, such as the United States, preparing related studies and issuing GSP newsletters covering recent developments in the schemes. It continued updating of the UNCTAD GSP database based on the data submitted by GSP donor countries, which provide useful information on trade conducted under each preferential scheme.

At the invitation of the European Commission, the Branch contributed substantively to the Conference on EU trade policy toward developing countries (Brussels, 16 March) in respect of improving the EU GSP Scheme as an effective development tool.

The Branch (together with the Competition and Consumer Policies Branch) organized a High

level meeting on trade capacity building and competition policy for African Least-Developed Countries in Zambia (Lusaka, 10 - 12 May 2010). Ministers, *inter alia*, discussed how to take advantage of the duty-free, quota-free scheme of India and developed other cooperative mechanisms to enhance Indian private sector investment into productive capacity building in African LDCs. The meeting was also attended by Indian Government officials and private sector, supported by the UNCTAD-DFID-Government of India Project on Strategies and Preparedness for Trade and Globalisation in India.

TRIPS-related issues

The Branch provided legal and policy advice to developing countries on negotiations in TRIPS-related issues in the WTO, and conducted research and analysis on intellectual property and development. For example, an analysis of TRIPS and the WIPO Development Agenda was provided in the report prepared by the Branch for the United Nations Secretary-General's report on *International Trade and Development (A/65/211)*.

The Branch also provided technical assistance on intellectual property rights-related regulatory reform to countries negotiating their accession to the WTO, including for trade officials from the Islamic Republic of Iran and Algeria. Under the UNCTAD-DFID-Government of India Project, the Branch supervised its Project Office in India in assisting and facilitating producer/artisan groups in India in obtaining the protection of their unique products through registration as geographical indications (GI). GI registration, which is expected to bring higher incomes and protect traditional knowledge and culture, was secured for Pipli Applique Craft of Orissa, Lucknow Chikankari, Uppada Jamdhani Sarees of Andhra Pradesh, Banarasi Sarees and Brocades, Kannur Home Furnishing, Sanganeeri Hand-block Prints and Balarampuram Fabrics of Kerala, and Bhadohi Carpets. An international conference on GI was held (New Delhi, 16-17 November 2010).

Para. 166 courses on key issues on the international economic agenda

Substantive contributions were provided by the Branch to training courses organized under "Para. 166" and Virtual Institute in 2010 including



on the Doha round and trade in services to the regional course for Countries with Economies in Transition (Baku, Azerbaijan, 19 July-6 August), and for Western Asia (Beirut, 18 October-5 November). It also lectured on short courses for Geneva-based delegates on regional trade agreements between developed and developing countries (16 April), and on migration and development (26 March). Upon request, training on trade issues was provided to visiting students. The Branch also collaborated with the Virtual Institute to jointly prepare the teaching material on *Regional Trade Agreements* (UNCTAD/DTL/KTCD/2008/2).

Aid for Trade

The Branch contributed to policy discussions on the implementation of the Aid for Trade initiative at various arenas. It contributes to deliberations in the Advisory Group on Aid for Trade of the WTO's Director-General. The Branch also contributed to the SPECA Ministerial meeting in Azerbaijan (Baku, 1-2 December 2010) that discussed an aid for trade roadmap for countries with economies in transition.

D. COOPERATION WITH OTHER ORGANIZATIONS

The Branch maintains a wide network of collaborating partners. It, assisted in UNCTAD's contribution to the Trade Cluster of the Executive Committee of Economic and Social Affairs of the United Nations (EC-ESA). The Branch has extensive collaboration with UNDP, ECA, UN-DESA, IMO, OECD, the African Union, Commonwealth Secretariat, South Centre, Islamic Development Bank, and the ACP Group on trade policy and trade negotiation issues, small economies, regional integration and EPAs, and services. Cooperation with the Commonwealth Secretariat increased in 2010 in terms of research and analysis and intergovernmental consensus building and outreach to Parliamentarians. Partner agencies also include the International Monetary Fund (IMF), World Bank and Asian Development Bank, the WTO and ITC. For example, the Branch contributed towards the World Bank's effort in the elaboration of its strategy on trade. In its capacity-building programmes such as on WTO accession, the Branch cooperates

with the WTO and ITC. The Branch participates in the Advisory Group on Aid for Trade of the WTO's Director-General to advance aid for trade initiative. The Branch also contributed to One UN programmes such as for Cape Verde.

The Branch coordinates UNCTAD's participation in the Global Migration Group, which is a network of international agencies active in migration issues, and also in the GFMD. In addition, regular contacts and cooperation are maintained with ILO and a new partnership between the two organizations was initiated on trade, employment and development. The Branch further participates in the International Collaborative Initiative on Trade and Employment (ICITE) involving several organizations to study how trade interacts with employment and make suggestions to strengthen the interface. The Branch cooperates with regional integration secretariats such as SADC, COMESA and ALADI, and academic institutions and civil society organizations like the Third World Network. The Branch maintains regular dialogue on services issues with the OECD. An extensive network of cooperation is also established with national trade institutions and trade policymakers (in Geneva and in capitals) and regular contacts are maintained with donors.

E. ASSESSMENT AND LESSONS LEARNED

The Branch contributed through the three pillars of UNCTAD to strengthening capacities of developing countries, especially LDCs, and countries with economies in transition to participate effectively in international trade and international trading system, develop strategies to mitigate the impact of the global crisis and foster recovery, and attain development gains. It enhanced understanding of developing countries' policymakers, trade negotiators and stakeholders on developmental implications of trade policies, trade negotiations and trade agreements and other emerging trade issues such as trade and development aspects of migration and remittances. It also strengthened their ability to analyze, formulate and implement trade policies and strategies in promoting their developmental interests. It promoted broader international consensus on the development dimension of the international trading system

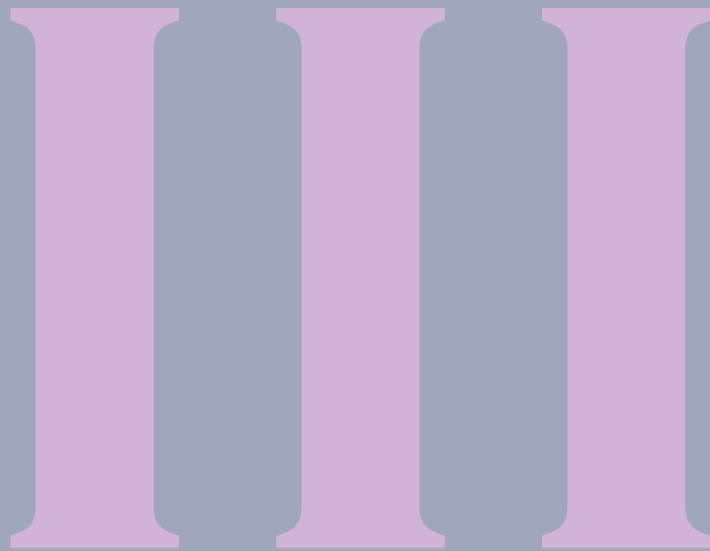
in the post-crisis period, including in the UN General Assembly, the Trade and Development Board and the Trade and Development Commission as well as through dissemination of its work in international conferences (e.g. GFMD), Ministerial meetings and the WTO and other organizations. Furthermore, UNCTAD's activities in these areas have had sustained positive impact in strengthening human, institutional, and regulatory capacities in trade-related policies and trade negotiations in developing countries, including on services, trade and development, national trade policy formulation and implementation, multilateral and regional trade negotiations and agreements, and WTO accession, with special focus on LDCs, African countries and small and vulnerable economies.

Important progress was made on identifying innovative policy options, strategies and best-fit practices in services sector and its contribution to trade and development via the mutually reinforcing work under the three pillars. This involved analytical work on services, sharing of experiences and lessons learnt and devising practical solutions by the multi-year expert meeting on regulatory and institutional frameworks in infrastructural services, services policy reviews, as well as support to services trade

negotiations in WTO and regional groupings. Services sector offer important opportunities' for developing countries in their structural transformation, diversifying from commodity dependence, building competitiveness, creating employment and reducing poverty. Given the complexity and multifaceted nature of services sectors, the Branch's work is breaking new grounds and needs to be reinforced.

The limited financial and human resources available for this work continue to constrain the optimal level of intervention, especially given the growing need for assistance to developing countries in such areas as WTO accession, regional and multilateral trade negotiations, national trade policy formulation, and services, trade and development. Such resource constraints are particularly significant given continued and multiple trade negotiations at sub-regional, regional, inter-regional and multilateral levels, as well as significant review of national trade and development strategies being undertaken by many countries to respond to the global crisis. There is also need for continuing closer cooperation with international agencies/donors in making trade work for inclusive development.

POLICY RESEARCH, ANALYTICAL AND DATA WORK
TO IMPROVE UNDERSTANDING OF CURRENT AND
PROSPECTIVE ISSUES IN TRADE



Further improve and disseminate analytical tools, such as the Trade and Development Index, and databases and software, such as the Trade Analysis and Information System (TRAINS) or the World Integrated Trade Solution (WITS), contributing to trade and trade-related decision making, including in addressing the trade and development impact of non-tariff barriers (Accra Accord, paras. 96 and 97) (expected accomplishment (b) of the secretariat in subprogramme 3, table 12.15 (A/64/6 (Sect. 12))).

The Trade Analysis Branch of the Division helps developing countries to take informed decisions on trade and trade-related issues through undertaking policy-oriented research and building analytical and data-related work that improves understanding of current and prospective issues in trade and development and the interactions among trade, competitiveness and development.

A. INTERGOVERNMENTAL DELIBERATIONS AND CONSENSUS-BUILDING

The Branch substantively contributes to UNCTAD's 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 MDGs indicators on Market Access. The IAEG prepared the *Millennium Development Goals Report 2010* and the United Nations Secretary-General's annual report to the General Assem-

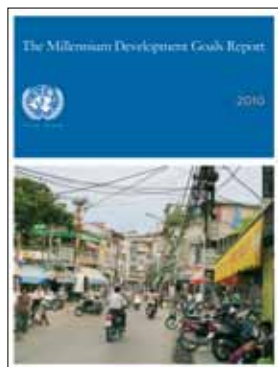
bly (A/65/1Supplement No. 1) on the implementation of the Millennium Declaration. UNCTAD, in close collaboration with WTO and ITC, continuously provides data and analysis for the update of MDGs indicators on market access, namely, Indicator 8.6 (Proportion of total developed country imports from developing countries and least developed countries, admitted free of duty) and Indicator 8.7 (Average tariffs imposed by developed countries on agricultural products and textiles and clothing from developing countries) (see Box 5).

UNCTAD provided analytical and statistical inputs to the UN MDG GAP Task Force Report 2010 entitled *Millennium Development Goal 8: The Global Partnership for Development at a Critical Juncture* (Sales No. E.10.I.12). The report reviewed the state of the global MDG partnership in 2010 and recommended steps to intensify it to increase the probability of universal attainment of the MDGs by 2015.

The Branch contributed to the preparations of the second session of the Trade and Development Commission, and to the preparations for the third session in 2011.

B. RESEARCH AND ANALYSIS

The Branch improved UNCTAD visibility and standing in the research and policy oriented community by publishing papers (both in UNCTAD policy study series and in external peer-reviewed journals), and by disseminating its work through conferences and workshops. The improved visibility may be illustrated by some citations of analyses of the Branch in



Box 5. MDGs indicators on market access

In regard to indicator 8.6, the proportion of imports (excluding arms and oil) by developed countries from all developing countries admitted free of duty reached almost 80 per cent in 2008, up from 54 per cent in 1998. For the LDCs, this proportion increased only marginally from 78 per cent in 1998 to almost 81 per cent in 2008. In regard to indicator 8.7, despite preferences, developed countries' tariffs on imports of agricultural products, textiles and clothing from developing countries remained between 5 per cent and 8 per cent in 2008 and were only 2 to 3 percentage points lower than in 1998. However, LDCs continue to benefit from larger tariff reductions, especially for their agricultural products. Preferential tariffs on agricultural imports from LDCs are 1.6 per cent (versus 8 per cent for other developing countries), though tariffs on clothing and textiles from LDCs are only 2 to 3 percentage points lower than those for developing countries as a group.

III. POLICY RESEARCH, ANALYTICAL AND DATA WORK TO IMPROVE UNDERSTANDING OF CURRENT AND PROSPECTIVE ISSUES IN TRADE

respected sources as the *Economist*,⁵ *Oxford Analytica*⁶ and the *Time magazine*.⁷ The Branch also continued to strengthen its collaboration on research and policy activities with international organizations, national agencies, universities and other research institutions.

The Branch prepared a publication which sums up a four-year multi-agency effort on Non-Tariff Measures (NTMs), namely *Non-Tariff Measures: Evidence from Selected Developing Countries and Future Research Agenda* (UNCTAD/DITC/TAB/2009/3). The publication also contains five country reports (Brazil, Chile, India, Thailand and the Philippines), which include a firm-level survey conducted to test the new NTMs classification and the data collection procedures. As a contribution to the future research on NTMs, the study also provides a survey of available methodologies on the quantification of the effects of NTMs and demonstrates some empirical linkages between trade and non-tariff measures.

The Branch strengthened its analytical work on South–South trade through monitoring the new geography and dynamics of world trade; analyzing changing patterns of developing countries' participation and share in international trade; and encouraging South–South trade and economic integration. Two papers on the implications of skills and technology contents of developing countries' exports were prepared namely *Retooling trade policy in developing countries: Does technology intensity of exports matter for GDP per capita?* and *Exploring international inequality patterns in technology content of exports*.

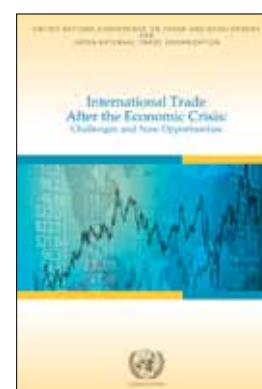
The Branch continued work on understanding the patterns of trade of dynamically growing developing countries by examining the skills and technology contents of the exported products via developing a classification system for products at the HS-6 digit level ("revealed" factor intensity of traded goods). It produced a report on *Revealed Factor Intensity Indices at the Product Level* (UNCTAD/ITCD/TAB/46).

The Branch also analyzed issues regarding trade agreements and preferential access. Two papers were prepared on the importance of tariff preferences for developing countries' exports namely, *How important are preferences for developing countries' market access – Measuring the relative strength of preferential market access* (UNCTAD/ITCD/TAB/48) and *On the importance of market access to trade* (UNCTAD/ITCD/TAB/51) (forthcoming). Both papers were presented at various conferences (including in WTO, World Bank and European Trade Study Group). Their main findings were also disseminated through the leading VoxEu.org research portal.

The Branch worked further on better understanding the relevance and effects of NTMs on trade. This resulted in a joint research publication with JETRO (Japan External Trade Organization) on *International Trade after the Economic Crisis: Challenges and New Opportunities* (UNCTAD/DITC/TAB/2010/2). The study provides decision makers in Governments, particularly of developing countries, with a detailed analysis of emerging post-crisis realities surrounding international trade, especially those related to NTMs, and suggests options for future trade policymaking.

The Branch publications and research work were disseminated through workshops and conferences in 2010, including:

- a) Spring Meeting of Young Economists; University of Luxembourg and CEPS/INSTEAD (Luxembourg, April).
- b) Global Trade Analysis Project (GTAP) Conference (Penang, Malaysia, June).
- c) Workshop on Firms' Responses to Economic Reforms in China and India, University of International Business and Economics, and Syracuse University (Beijing, June).
- d) Workshops on non-tariff measures affecting agro-food trade between the EU and Africa, EU-IPTS (Seville, Spain, September).



⁵ Economist (10 April 2010, p. 70) cited data on ad valorem equivalents of NTBs for China and the US with reference to UNCTAD (these data were taken from the Branch's report on Non-Tariff Barriers in Computable General Equilibrium Modelling (UNCTAD/ITCD/TAB/39 (2008))

⁶ An UNCTAD/JETRO study on International Trade After the Economic Crisis: Challenges and New Opportunities was briefly featured by Oxford Analytica (30 November 2010).

⁷ TIME magazine (5 July 2010) referred to analyses prepared by a staff of the Branch (see <http://www.time.com/time/magazine/article/0,9171,1999016,00.html>).

- e) Workshop on Trade Diversification in the context of Global Challenges, UN-ESCAP, UNCTAD and WTO (Vientiane, Lao PDR, October).
- f) Expert Group Meeting on the World Economy organized by UN-DESA (New York, USA, October).
- g) Workshop on non-tariff measures in food and agricultural trade, USDA (Washington DC, USA, December).

The Branch strengthened collaboration with other international organizations, both on research and policy activities, jointly working and providing substantive analytical inputs and advice. The following are some examples in 201:

- a) Substantive contributions to the joint UNCTAD-WTO-ITC publication *World Tariff Profiles 2010* which was released in November. This is the fourth edition of the annual publication containing information on applied and bound customs tariffs for more than 160 countries.
- b) Analytical inputs on international trade and trade policy developments to the *World Economic Situation and Prospects 2011*, published jointly with UN-DESA and the United Nations regional commissions.
- c) Jointly working with the WTO in producing a handbook for trade policy analysis.
- d) Jointly working with the World Bank in investigating the effects of the financial crisis on trade and the policy response in terms of trade policy.
- e) Contributions to the annual Global Trade Analysis Project (GTAP) advisory board meetings in Penang Malaysia (June).

- f) Analytical inputs to the WTO workshop on "Recent Analyses of the Doha Round" Geneva (November).
- g) Cooperation with the worldwide Social Science Research Network (SSRN), which now contains and further disseminates papers prepared by the Branch.
- h) Contributed to the Project LINK 2010 meetings, in cooperation with UN-DESA, University of Toronto and several regional organizations, national Governments and research institutions.

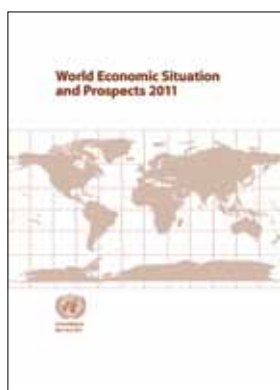
In addition, the Branch conducted analyses on various trade policy issues of relevance for developing countries including:

- a) *Export structure and economic performance in developing countries: evidence from non-parametric methodology* (UNCTAD/ITCD/TAB/49);
- b) *New and traditional trade flows and the economic crisis* (UNCTAD/ITCD/TAB/50, forthcoming);
- c) *Africa's Dynamic Exports: trends and strategies* (UNCTAD/DITC/TAB/2010/1, forthcoming).

C. ADVISORY SERVICES, TECHNICAL ASSISTANCE AND CAPACITY BUILDING

Trade information - trade databases and analytical tools

The Branch strengthened its specific trade data and analytical tools to assist the work of policymakers, trade negotiators, academics, civil society and businesses. It updated the Trade Analysis and Information System (TRAINS) database which now contains tariff data and matching import statistics for 174 countries (as of December 2010). UNCTAD's trade analysis tools, like TRAINS-WITS, helped to identify and address market access barriers and trade opportunities, as well as promote informed participation of developing countries in trade negotiations at multilateral and regional levels. A new web-based version of TRAINS-WITS was released in October 2010, thanks to which over 2,000 licenses for accessing the database were issued in October-December 2010.



WITS Training course in Arusha in May 2010 for a group of young professional from LDCs, organized by the Trade Policy Training Center in Africa (TRAPCA)



III. POLICY RESEARCH, ANALYTICAL AND DATA WORK TO IMPROVE UNDERSTANDING OF CURRENT AND PROSPECTIVE ISSUES IN TRADE

UNCTAD elaborated further a training module on analytical tools and empirical techniques for trade analysis. A session on market access analysis based on its most recent research was added. The module can now support a five-day intensive workshop. Three such workshops were organized in 2010 for Universities in collaboration with the UNCTAD's Virtual Institute in Peru (Lima, 25-29 January), Uruguay (Montevideo, 12-16 July) and Brazil (Viçosa, 25-29 October). The workshops were attended by senior researchers, teaching staff, master students, trade negotiators and trade practitioners.

The Branch also organized training workshops and advisory missions on its databases and analytical tools for policy makers and academics in 2010 as follows:

- Presentation on "Accessing Trade Information: Databases - The WITS platform" (via teleconferencing from Geneva).
- United Republic of Tanzania - WITS/TRAINS training course at the Trade Policy Training Centre in Arusha (United Republic of Tanzania, 5-7 April).
- Senegal - Training course on the use of WITS/TRAINS to lecturers/researchers at the University of Dakar (Dakar, 4-7 May).
- Thailand - Meeting on NTB-related work and WITS/TRAINS training in cooperation with UNESCAP (Bangkok, 4 June).
- China - Presentation and training on the use of WITS/TRAINS to the trade data workshop, University of International Business and Economics (Beijing, 10-11 June).
- Lao PDR - Presentation and training on the use of WITS/TRAINS to the participants of the Workshop on Enhancing New and Dynamic Exports of Lao People's Democratic Republic (Vientiane, 24-26 October).
- Indonesia - Presentation and training on the use of WITS/TRAINS to the ASEAN Secretariat (Jakarta, 1-3 November).
- UNITAR Seminar on International Trade Law and Policy (United Nations New York, 15 December).

Non-tariff measures

The Branch assisted the ALADI secretariat in its continued effort to upgrade its NTM activities,

including conversion of the NTM classification to the one developed by the UNCTAD-led multi-agency group. In addition, the Branch prepared a proposal for NTM activities during the next five years, taking into consideration capacity-building requirement of the partner regional institutions such as ALADI, ASEAN and EAC. The project will be jointly executed with the World Bank, African Development Bank and other relevant international organizations.

The Branch participated in the meetings and provided advisory services to the NTM-IMPACT project. This EU-sponsored project involves researches from various universities and policy institutions and it is aimed to investigate the impact of EU trade measures for developing countries' exports.

New and dynamic sectors of international trade

The Branch continued research on ways to strengthen the participation of developing countries, particularly LDCs and African countries, in dynamic and new sectors of world trade. National diagnostic studies were prepared, for Lao PDR and Peru. The Lao PDR study – *UNCTAD/Laos People's Democratic Republic National Study on Export Diversification: Dynamic and New Export of Laos* – helped the public and the private sectors enhance communication between them with a view to coordinating efforts to further develop production/exports of organic agricultural products as new exports. It was followed up with national and regional workshops on new and dynamic sectors for Asian LDCs (Vientiane, Lao PDR, 25-27 October 2010). For Peru, three studies are ongoing that examine

Regional Workshop for Enhancing Dynamic Sectors in Asia Vientiane, Lao PDR – 25-27 October 2010



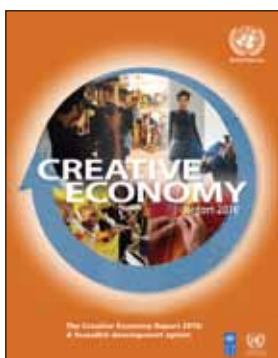


Launch of the Creative Economy Report 2010

ways to explore new export markets in East Asian countries: “Promoción de exportaciones de anchoveta a Corea”, “Promoción de exportaciones de higo seco a Estados Unidos” and “Promoción de exportaciones de granada a la Unión Europea. A workshop in Peru is planned to take place in May 2011. The Branch also identified and examined in detail the new and dynamic exports of Asian LDCs.

Other Advisory Assistance

The Branch provided advisory assistance to the Trade Policy Training Centre in Africa (TRAPCA) by participating in its global faculty meeting (July 2010). The meeting aimed at better designing TRAPCA programmes so as to enhance knowledge and skills for understanding trade policy issues in African LDCs. The Branch also contributed to the first Advanced Trade Policy Course on the role of trade policies in achieving



the MDGs to a large group of trade policymakers from developing countries, organised by WTO in Geneva.

Creative economy

The Branch's work under the Creative Economy Programme in 2010 focused on several areas. A major task was the preparation of the *Creative Economy Report - 2010: Creative economy - a feasible development option*. This was the second policy-oriented report presenting the UN's perspective on this innovative subject (see Box 6). The report was launched on 15 December 2010 in Geneva. The Branch implements a multi-agency project on “Strengthening the creative industries in five ACP countries through employment and trade expansion”. The project is jointly executed by UNCTAD, ILO, and UNESCO during 2008-2011. The beneficiary countries are Fiji, Mozambique, Senegal, Trinidad and Tobago and Zambia. UNCTAD carried out two policy-oriented studies for Zambia and Mozambique. They provide an assessment of the current situation of the creative industries in the countries by identifying needs and priorities and recommending strategies to generate employment, enhance creative capacities, promote trade and strengthen the linkages between culture and development.

The Branch also assisted Governments to put in place institutional mechanisms to facilitate concerted inter-ministerial actions for the articulation of long-term strategies for enhancing their creative economies in the context of their national development strategies. It played a pro-active

Box 6. Creative Economy Report - 2010: Creative economy - a feasible development option

The Creative Economy Report 2010 builds upon the main findings and recommendations put forward in the first report (2008), and goes a step further by deepening the analysis and bringing new insights reflecting changing realities of the contemporary society including the impact of the global financial and economic crisis. It identifies global trends and current developments at country level, expanding the analysis on the features influencing the markets for creative sector and providing updated information and statistics covering the period 2002-2008 and the state of play up to 2010. The report calls for new approaches and better balance between the roles of Government and the market in order to reorient policies towards more equitable, sustainable and inclusive development. It provides information on recent developments at country level and reviews the market situation for all creative industries: arts and crafts, audiovisuals, books, design, the film industry, music, new media, printed media, visual arts and creative services. The publication will be widely disseminated in both developed and developing countries with a view to assist Governments in policy formulation on the topic.

role in promoting international actions around the creative economy and its development dimension, by providing demand-driven policy advice and technical assistance to Governments. In 2010, it collaborated in particular with the Governments of Argentina, Brazil, China, Chile, Greece, Portugal, Spain, Thailand and Turkey, as well as with the European Union. It also supports Government initiatives for enhancing public policies to reinforce institutions and promote capacity building activities.

The Branch has built synergies for international cooperation, networking and advocacy. It liaises with Governments, artists, creators, academia and civil society to promote the creative economy as a source of socio-economic growth. It also plays a key role in promoting coordination and complementarities among the relevant agencies inside the United Nations system to facilitate policy coherence and avoid overlapping. It further shares knowledge, information and best practices through its Creative Economy e-news, with an outreach of over 2,400 subscribers. It continuously updates information on the web at www.unctad.org/creative-programme. For instance, a platform for networking has been opened in order to facilitate research exchanges among academia on the creative economy.

The Branch carried out analytical research and policy analysis on the current trends of world markets for creative goods and services. To this end, it expanded and updated the UNCTAD Global Creative Economy database on trade statistics for creative goods and services. Moreover, the database now provides new tools enabling countries to generate country profiles on the trade performance of their creative industries. It is publicly available by internet on UNCTAD's website at www.unctad.org/creative-programme.

The Branch provided advisory, technical and policy support to a number of events worldwide on the creative economy in 2010. These included the following:

- a) Jointly organized with the Trade, Environment, Climate Change and Sustainable Development Branch and the NGO Green2greener, a policy debate on greater engagement in biodiversity issues and a glamorous multi-designer Eco-Chic Fashion Show and Exhibition to celebrate sustainable fashion and accessories in two forms: Ecocouture and Ready-to-wear (20-21 January, Geneva).
- b) International Workshop on Cultural Commons Turin (Italy, 29-30 January), organized by the Centre of Studies Silvia Santagata in collaboration with the University of Turin and the Regional Museum of Natural Sciences in Italy.
- c) Towards a Pan-European initiative for innovative creative industries (Amsterdam, 4-5 February): a policy debate organized by the European Commission's Enterprise and Industry Directorate-General in cooperation with the city of Amsterdam, the European Design Centre and the Association of Dutch Designers.
- d) Meeting of international organizations on cultural statistics (Luxembourg, 25 March), convened by the European Commission Statistics Office (EUROSTAT).
- e) Seminar on Promoting Innovation in the Services Sector (24-25 March), organized by the United Nations Economic Commission for Europe.
- f) Seminar on Culture and the Creative Economy: Building an agenda for the Merco-Cities (Rio de Janeiro, 29-30 March), convened by the Secretary of Culture of the City of Rio de Janeiro, Brazil.
- g) Creative Economy Academic Exchanges: lecture on the main findings of the Creative Economy Report was given to graduate students from the University of Bale, Switzerland (Geneva, 17-29 May,); and a lecture on the creative economy given to students and lecturers from the University of the West Indies.
- h) Creative Portugal (Porto, 24-25 May), organized by the Agency for the Development of Creative Industries in partnership with the Youth Foundation.
- i) Launch of initiative on Incubators of Cultural Enterprises (Malaga, Spain, 11 June), jointly organized by the public and private sector of the municipality of Malaga.
- j) Seminar on "ATHENS EQVUS 2010: The cultural economy and development" (Athens, Greece, 22 June), organized by the Independent Arts Council of Greece.

- k) International seminar on Creative Cities: the impact of culture in the urban economy (Santiago, Chile 29-30 June), convened by the National Council of Culture and Arts of Chile.
- l) 6th World Summit on Internet and Multimedia (Shenyang, China, 13-16 October), hosted by the Shenyang Municipal Government (China) and organized by the International Federation of Multimedia and Internet with UNCTAD's support.
- m) Global South-South Creative Week (Shanghai, China, 19-24 October), organized as an integral part of the activities of the United Nations Pavilion at the Shanghai World Expo 2010.
- n) Workshop on cultural economics (Valencia, Spain, 4-5 November).
- o) Symposium on Creative Cities in the 21st Century organized by the University of Arts and Design in collaboration with UNCTAD, during Istanbul 2010 European Capital of Culture (Turkey, 10-12 November),
- p) 5th China International Cultural and Creative Industries Forum and Expo (Beijing, 17-21 November).
- q) Thailand International Creative Economy Forum (Bangkok, 28-30 November), co-organised by Thailand's Ministry of Commerce, UNCTAD, UNDP and WIPO.
- r) First international conference on creative economy of the Northeast of Brazil (Fortaleza, 8-10 December).

D. COOPERATION WITH OTHER ORGANIZATIONS

The Branch continued its active collaboration on various programmes with other organizations, including UN-DESA, United Nations Regional Commissions, UNDP, ILO, IMF, World Bank, WTO and ITC, as well as research institutions. In particular, in the area of creative industries, the Branch has a leading role in building synergies among the UN system within the United Nations Multi-Agency Informal Group on Creative Economy. It holds annual meetings since 2004 to facilitate policy dialogue on enhancing the

awareness of the creative economy and its contribution to development and poverty eradication.

E. ASSESSMENT AND LESSONS LEARNED

The Branch's work progressed in areas including new and emerging trade policy issues, non-tariff measures, South-South trade and the creative economy. The Branch provides information and advisory services on the basis of its information resources, analytical tools and research activities to a broad range of stakeholders, which is indicative of substantial demand for such services. Extending such services to developing countries will be one of its further priorities in the future.

The Branch's work on new and dynamic sectors of world trade attracted attention of Member States. It continued efforts to organize events in this area at national, regional and sub-regional levels.

The Branch's research work on key trade topics, including the implication of global economic crisis on trade and development prospects of developing countries, provided timely insights into the key issues and policy responses to the crisis. The publication series of the Branch brought new topics especially as regards the emerging economies of the South; identifying issues and policies in transforming export structures of developing countries; and building trade-related institutions. The Branch will continue to undertake such topical and timely analysis of trade-related issues of developing countries.

The Branch continues to play a pro-active role in promoting international actions around the creative economy and its development impact. Given its pioneering analytical work in this area, the Branch continues to support Government initiatives for enhancing public policies, reinforcing institutions and promoting capacity building activities on creative industries. It liaises with Governments, artists, creators, academia and civil society to promote the creative economy.

ADAPTING COMPETITION AND TRADE RULES
TO MEET DEVELOPMENT AND CONSUMER WELFARE

IV

Created capacities of developing countries and countries with economies in transition to prepare and implement national and regional (including South-South) competition laws and frameworks that reflect prevailing conditions for achieving domestic and international competitiveness, and enhanced international cooperation for better implementation of the Set of Multilaterally Agreed Equitable Principles and Rules for the Control of Restrictive Business Practices, in particular section F (Accra Accord, paras. 103 and 104) (expected accomplishment (d) of the secretariat in subprogramme 3, table 12.15 (A/64/6 Sect. 12)).

UNCTAD, through the Competition and Consumer Policies Branch of the Division, serves as the focal point within the United Nations system on work on competition policy and related consumer welfare. This mandate dates back to the adoption of the UN Set of Principles on Competition in 1980. The UN Set's primary objective is 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. It also aims at promoting a culture of competition at national, regional and international levels. In addition to the UN Set, UNCTAD also receives its mandate on competition policy and consumer welfare from UNCTAD conferences including UNCTAD XII.

Sixth UN Conference to Review the UN Set on Competition

There has been a widespread trend towards the adoption, reformulation or better implementation

of competition laws and policies in developing countries and countries with economies in transition. At the national level, some 110 countries have adopted competition laws. Competition law and policy have undoubtedly achieved a higher profile at the national, regional and multilateral levels. Since 2005, many developing countries have requested UNCTAD's technical assistance and advisory services to draft competition legislation. To date, over 20 countries have actually adopted new competition laws namely: Botswana, Bulgaria, China, Dominican Republic, El Salvador, the Gambia, Honduras, Iraq and the Kurdistan Regional Government in Iraq, Madagascar, Mauritius, Nicaragua, Malaysia, Namibia, Pakistan, Qatar, Seychelles, Saudi Arabia, Sudan, Swaziland, the Syrian Arab Republic and Uruguay. Moreover, as the consultations during UNCTAD peer reviews of competition policy have shown, it is not sufficient for a country to have a competition law on its statute books; it is necessary for its competition policy to have an effective impact on the economy through the setting up and operations of a competition authority.

Many developing countries and countries with economies in transition still do not have up-to-date competition legislation or adequate institutions for their effective enforcement. They thus rely to a large extent on UNCTAD's intergovernmental consensus building, analytical studies, and technical assistance and capacity building to promote international cooperation and strengthening competition policy and consumer protection law as well as related institutional and human capabilities. Close synergies between the three pillars of UNCTAD's work are maintained in promoting a culture of competition.

A. INTERGOVERNMENTAL DELIBERATIONS AND CONSENSUS-BUILDING

The United Nations General Assembly, in its trade resolution 61/186 (paragraph 19) agreed to convene the Sixth United Nations Conference to Review All Aspects of the Set of Multilaterally Agreed Equitable Principles and Rules for the Control of Restrictive Business Practices, under UNCTAD auspices, in 2010. The Conference was held from 8–12 November 2010 (Geneva).



It also marked the 30th anniversary of the adoption of the only fully multilateral framework on competition in existence. The Conference reaffirmed the validity of the UN Set and related resolutions adopted by the previous five United Nations Review Conferences. The resolution adopted by the Conference further strengthened implementation of the UN Set (see Box 7). It recommended that the United Nations General Assembly convene a Seventh United Nations Review Conference, under UNCTAD auspices, in 2015. Several reports were prepared for the Conference (which is noted in the following section).

On the occasion of the Sixth United Nations Conference to Review the UN Set on Competition, a voluntary peer review of Armenia's competition policy was undertaken with the participation of the Armenian competition authority (State Commission for the Protection of Economic Competition (SCPEC)). The review by international experts was based on reports prepared by the Branch namely (a) *Voluntary Peer Review of Competition Policy: Armenia* (UNCTAD/DITC/CLP/2010/1), and (b) *Voluntary Peer Review of Competition Policy: Armenia* (UNCTAD/DITC/CLP/2010/1 Overview). Two eminent competition experts, William Kovacic (Commissioner of the US Federal Trade Commission) and David Lewis



Box 7. Key outcomes of the Sixth United Nations Conference to Review the UN Set on Competition

(Extracts from resolution adopted by the Conference (TD/RBP/CONF.7/L.16) on 12 November 2010)

Requests the UNCTAD secretariat to revise periodically the commentary to the Model Law in the light of legislative developments and comments made by Member States for consideration by future sessions of the Intergovernmental Group of Experts, and to disseminate widely the Model Law and its commentary as revised;

Further requests the UNCTAD secretariat – taking into account increased needs for technical cooperation and technical assistance for all developing countries, including small island developing States, landlocked developing countries and other structurally weak, vulnerable and small economies and countries in transition – to carry out, in consultation with other organizations and other providers so as to avoid duplication, a review of technical cooperation activities, with a view to strengthening its ability to provide technical assistance for capacity-building in the area of competition law and policy by:

- (a) Encouraging providers and recipients of technical cooperation to take into account the results of the substantive work done by UNCTAD in the above-mentioned areas in determining the focus of their cooperation activities;
- (b) Encouraging developing countries and countries in transition to identify specific competition law and policy areas and issues which they would wish to see receive priority attention in the implementation of technical cooperation activities;
- (c) Identifying common problems encountered in the competition law and policy area which might receive attention in regional and subregional seminars;
- (d) Enhancing cost-effectiveness, complementarity and collaboration among providers and recipients of technical cooperation, both in terms of the geographical focus of technical cooperation activities, taking into account the special needs of the least developed and other developing countries, and the nature of cooperation undertaken;
- (e) Preparing and executing national, regional and subregional projects on technical cooperation and training in the field of competition law and policy, taking special account of those countries or subregions which have not received such assistance so far, especially in the field of law drafting and staff training, and enforcement capacity;
- (f) Mobilizing resources and widening the search for potential donors for UNCTAD technical cooperation in this area;

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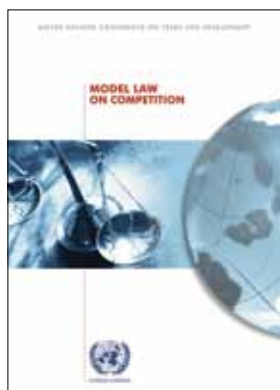
Calls upon Governments to make efforts to increase the participation of experts/representatives – particularly from developing countries, least developed countries and countries in transition, including those countries which have not yet adopted competition policy or laws – in future sessions of the Intergovernmental Group of Experts, and in the Seventh Review Conference, if approved by the General Assembly;

Urges intergovernmental organizations and financing programmes and agencies to provide resources for the activities mentioned in paragraphs 4 and 5 above;

Appeals to States, in particular developed countries, to increase voluntary financial contributions and to provide necessary expertise for the implementation of the activities mentioned in paragraphs 4 and 5 above;

Decides that:

- (a) Future Intergovernmental Group of Experts sessions should include at least four clusters of issues for informal consultations among participants on competition law and policy issues with special focus on practical cases. The clusters should cover:
 - (i) Appropriate design and enforcement of competition law and policy;
 - (ii) International cooperation and networking;
 - (iii) Cost-effectiveness, complementarity and collaboration in the provision of capacity-building and technical assistance to interested countries;
 - (iv) Consultations on the Model Law;



(former Chairman of the South African Competition Tribunal) assessed the state of competition law and policy in Armenia as consultants for UNCTAD. The findings and policy recommendations of the peer review will be used to design tailor-made technical assistance activities to reinforce the effectiveness of competition law enforcement in Armenia. Details on the review can be found at UNCTAD website at: <http://www.unctad.info/en/6th-UN-Conference-on-Competition-Policy/Programme/Peer-Review-of-Competition-Law-and-Policy-Armenia/>



B. RESEARCH AND ANALYSIS

The research of the Branch was focused in 2010 on reports for the Sixth United Nations Conference to Review the UN Set on Competition. These included the following:

- a) *Assessment of the application and implementation of the Set* (TD/RBP/CONF.7/2).
- b) *The role of competition policy in promoting economic development: The appropriate design and effectiveness of competition law and policy* (TD/RBP/CONF.7/3).

- c) *The use of leniency programmes as a tool for the enforcement of competition law against hardcore cartels in developing countries* (TD/RBP/CONF.7/4)
- d) *Appropriate sanctions and remedies and judicial review of competition cases* (TD/RBP/CONF.7/5).
- e) *The role of competition advocacy, merger control and the effective enforcement of law in times of economic trouble* (TD/RBP/CONF.7/6)
- f) *Review of capacity-building and technical assistance on competition law and policy* (TD/RBP/CONF.7/7).
- g) *1980-2010 - Three decades of UNCTAD work on competition and consumer protection policy: Reflections by Member States* (TD/RBP/CONF.7/10).
- h) *UNCTAD Model Law on Competition (2010)* (TD/RBP/CONF.7/L.1 to L.13).

The Branch also carried out under its COM-PAL technical cooperation programme in 2010, several industry studies for advocacy purposes. These included in the food sector: (a) poultry (Nicaragua, El Salvador, Dominican Republic), (b) bovine products (Nicaragua), (c) cooking oil (Nicaragua), (d) cereals (Nicaragua, Bolivia),

and (d) dairy products (Nicaragua). In the services sector, the studies included (a) health services (Peru), (b) freight forwarding (El Salvador, Dominican Republic) and (c) financial services (Peru, Nicaragua). Studies on the petrol sector – hydrocarbons – were also implemented (El Salvador, Peru). Studies were also carried out under the AFRICOMP programme in 2010 on tobacco (Malawi) and transport (Lesotho). A study for Zambia was prepared, namely *Sectoral study on Market Structure and Competition in the Petroleum Industry* (UNCTAD/DITC/CLP/2011/1).

C. ADVISORY SERVICES, TECHNICAL ASSISTANCE AND CAPACITY-BUILDING

UNCTAD launched its Voluntary Peer Review on Competition Policy (VPR) in 2005. The VPR is dedicated to enhancing the quality and effectiveness of the competition policy enforcement framework in Member States. It involves the examination of competition policy as embodied in the competition law and reviews the effectiveness of institutions and institutional arrangements in enforcing competition law (see Box 8). UNCTAD peer reviews are an

important tool for countries to compare their performance against international best practices. The interactive peer review promotes knowledge and experience-sharing between the authorities at regional and international levels and also enhances informal cooperation networks. UNCTAD has carried out VPRs for Jamaica (2005), Kenya (2005), Tunisia (2006), West African Economic and Monetary Union (2007), Costa Rica (2008), Indonesia (2009) and Armenia (2010) as noted above. In 2011, a VPR of Serbia will be conducted.

UNCTAD launched in May 2010 a new product related to its work on competition, namely the UNCTAD Research Partnership Platform (RPP). The RPP provides competition authorities, Governments, researchers on competition and consumer policies, business and civil society with access to several of the most effective tools for capacity building on competition law and policy and consumer protection. The RPP also updates its partners on ongoing research, and possibilities to participate in seminars and conferences on competition and consumer policies. The RPP aims at advancing state-of-the-art formulation and enforcement of competition and consumer protection laws and

Box 8. Voluntary Peer Review on Competition Policy: The Steps

The voluntary peer review (VPR) is implemented through several phases as follows:

- 1) The country/regional grouping requests UNCTAD to conduct a VPR.
- 2) UNCTAD launches consultation with the requesting country, and prepares a detailed draft Peer Review Report on competition policy issues.
- 3) The draft is provided to the reviewed party to evaluate for factual errors. The report is then finalized.
- 4) During the annual meeting of the Intergovernmental Group of Experts on Competition Law and Policy, the peer review of the competition policy of the reviewed party is undertaken via an interactive exchange between a panel of reviewers and the reviewed party, based on the findings of the Peer Review Report. The reviewers have an advisory role, focused on assisting the party being reviewed to address weaknesses in its competition policy and recommend improvements. During the interactive discussion, officials from the institution under review also clarify the findings and recommendations of the Peer Review Report. In addition, other Member States may pose questions and provide insight on issues arising from the Peer Review Report, drawing from their own experience in competition enforcement. Recommendations are made.
- 5) The reviewed party is expected to follow-up on the recommendations arising from the review in improving its competition policy and strengthening institutional frameworks.
- 6) UNCTAD also assists the reviewed party in following up on recommendations by: (a) providing technical assistance; (b) disseminating the results of peer reviews to a wider group of stakeholders at the national and regional levels; and (c) providing periodical review of the implementation of recommendations during the meetings of the Intergovernmental Group of Experts on Competition Policy.

Box 9. UNCTAD Research Partnership Platform Member Institutions

Amsterdam Center for Law & Economics (ACLE), University of Amsterdam (Netherlands); British Institute of International and Comparative Law (United Kingdom); Consumers Empowerment Organisation of Nigeria – CEON; Competition Commission of Pakistan; ECUPL - Research Institute of Competitive Law of the East China University of Political Science and Law (China); ESAN University (CEPIC, the International Center for Competition, Intellectual Property, Consumer Protection and Trade (Peru); ESCR Centre for Competition Policy, University of East Anglia (United Kingdom); Institute for Advanced Legal Studies (IALS), Faculty of Law of the University of Macau (China); Institute of Statistical, Social and Economic Research, University of Ghana; Institute for competitiveness India; Kenya Institute for Public Policy Research and Analysis; King 's College London; Max Planck Institute for Intellectual Property, Competition and Tax Law (Germany); Middle East Technical University Ankara (Turkey); Nagoya University, Graduate School of Law (Japan); New York University School of Law (United States); Norton Rose Group (United Kingdom); Pontificia Universidad Católica del Perú; Small States Network for Economic Development (SSNED) (Malta); Tecnológico de Monterrey (Mexico); TDRI Thailand Development Research Institution; University of New South Wales (Australia); Trade Law Centre for Southern Africa (TRALAC) (South Africa); Universidad Católica de Chile/Centro de Libre Competencia; University College London (Centre for Law and Economics & Jevons Institute of Competition Law and Economics, Faculty of Law); Universidad de Chile Facultad de Derecho; Université de Toulouse (France); Universidad Espíritu Santo Guayaquil (Ecuador); Université Montpellier (France); University of Oxford Centre for Competition Law and Policy (CCLP) (United Kingdom); University of South Australia; and Yeditepe University (Turkey).

policies for better development and at offering a flexible, consultative environment for solving the most challenging problems on competition and consumer protection laws and policies, particularly in developing countries and countries with economies in transition. Membership of the RPP presently includes 33 institutions (see Box 9). An RPP meeting was held on 7 November 2010 (Geneva), back to back to the Sixth United Nations Conference to Review the UN Set.

UNCTAD provided technical assistance related to the preparation, adoption, revision or implementation of national competition and consumer protection policies and legislation. This assis-

tance also involved contributing to a better understanding of the issues involved and building national institutional capacity to enforce effective competition legislation and consumer protection. Furthermore, UNCTAD assisted Governments to identify the role of competition policy in development, its implications at the national, regional and international levels, as well as strategies for international cooperation in this field. Technical assistance and capacity building activities at national level encompassed competition policy advocacy, preparation of national competition laws, training of competition case handlers, institution building and consumer protection. Two major technical assistance programmes on competition and consumer protection policies are implemented by UNCTAD namely the Technical Assistance Programme on Competition and Consumer Protection Policies for Latin America (COMPAL) and the African Competition Programme (AFRICOMP).

In regard to competition policy advocacy, UNCTAD's various 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, academics, business and consumer-oriented circles. These activities contrib-

Launching of the AFRICOMP Programme, Lusaka, Zambia 10-12 May 2010.



IV. ADAPTING COMPETITION AND TRADE RULES TO MEET DEVELOPMENT AND CONSUMER WELFARE

uted to raising awareness about the role of competition and promoting a competitive culture. UNCTAD provided training courses on competition law and policy for stakeholders including parliamentarians, sector regulators, business communities and consumer associations in Angola, Bolivia, Botswana, Cameroon, Comoros, Costa Rica, the Dominican Republic, Ecuador, Cambodia, Chad, Lao PDR, Lesotho, Malawi, Paraguay, Swaziland, Trinidad and Tobago and Tunisia.

In respect of national competition laws, UNCTAD provided assistance in the preparation, amendment and the adoption of new competition law in the following countries: Armenia, Botswana, Bhutan, Colombia, Costa Rica, the Dominican Republic, Ecuador, Indonesia, Lesotho, Malaysia, Mozambique, Paraguay, Peru, Rwanda, Saudi Arabia, São Tomé and Príncipe, Serbia, Swaziland, the Syrian Arab Republic, Trinidad and Tobago, Uganda and Yemen. UNCTAD also contributed to the drafting of the competition law of the Kurdistan Regional Government in Iraq.

Concerning the training of competition case handlers, UNCTAD organized national competition seminars for case handlers for newly established competition agencies in Cameroon, Ecuador, Indonesia, Nicaragua and Swaziland. In addition, UNCTAD developed a "training of trainers" manual on competition policy for the Indonesian Commission for the Supervision of Business Competition (KPPU) in cooperation with the German Agency for Technical Cooperation (GTZ) and translated it into Indonesian. Additional training courses were organized for judges in Indonesia, El Salvador and Malawi as well as for Government officials and academics from the Kurdistan region of Iraq. This course was followed up with a training of trainers' course on broader issues relating to competition policy, consumer protection and investment policies.

Regarding institution-building, UNCTAD provided assistance towards the establishment of competition agencies in the Plurinational State of Bolivia, Botswana, Costa Rica, El Salvador, Madagascar, Malaysia, Mauritius, Saudi Arabia, South Africa, United Republic of Tanzania and Trinidad and Tobago. It also assisted with the appointments of competition commissioners in these countries. Other countries assisted by UNCTAD in institution-building activities includ-



ed Botswana, the Dominican Republic, Egypt, Jordan, Kenya, Malawi, Mozambique, Peru and South Africa.

Raising awareness and making markets work for consumers, particularly the poor. Lao, October 2010

In relation to consumer protection, six national workshops on consumer protection issues were organized in all regions of Bhutan between 2006 and 2010. The workshops sought coherence between different legislation enforced by different partners and identifying synergies between assistance provided by various donors, including UNCTAD, on consumer protection. They were followed by study tours in Australia to finalize the institutional framework for a consumer protection agency and to sensitize stakeholders to the benefit of the application of the Consumer Protection Law. During this period, UNCTAD also prepared two market surveys on the state of safety of consumer products, guarantees, labelling, prices and warrants in all the regions of Bhutan. These reports serve as basis for raising awareness and making markets work for consumers, particularly the poor.

In the Plurinational State of Bolivia, UNCTAD organized a workshop on the linkage of consumer protection issues and the informal sector to raise awareness about existing shortcomings in different sectors and of the need for preparing coherent competition and consumer protection policies. A training course on consumer protection and consumer welfare for Government officials from both central and provincial agencies in Botswana was organized in Francistown.

A revised draft on the Consumer Protection Law of the Lao People's Democratic Republic was reviewed during a consultative meeting held in Vientiane. As a result of these meetings,



A regional meeting with FOPREL was organised in Managua, Nicaragua from 24 to 25 May 2010, under the framework of the COMPAL Programme

commentaries on details of the draft law were considered and the procedure for further work was agreed upon. A national workshop on consumer law and policy was organized for civil society and sector regulators in Lilongwe, Malawi.

In the framework of the Competition and Consumer Protection Policies for Latin America (COMPAL) programme, dissemination events were held in Costa Rica, El Salvador, Nicaragua and Peru. These meetings also considered the outcome of sectoral studies covering a range of consumer products. Furthermore, the Zambian competition commission was assisted in preparing a competition and consumer day in Lusaka. The country coverage of the COMPAL programme was increased from 5 to 10 (Bolivia, Colombia, Costa Rica, Dominica Republic, Ecuador, El Salvador, Nicaragua, Paraguay, Peru and Uruguay).

UNCTAD also provided assistance on addressing competition policy issues under the framework of the "Delivering as One" programme of the United Nations. Bhutan, Botswana, Mozambique and Rwanda were countries assisted.

Technical assistance and capacity-building activities at the regional level covered cooperation with a large number of partners and areas, such as the Caribbean Community (CARICOM), FOPREL

((Foro de Presidentes de Poderes Legislativos de Centroamerica y el Caribe)), Economic Community of West African States (ECOWAS), West African Economic and Monetary Union (WAE-MU), Southern African Customs Union (SACU), and UNCTAD–Tunisia Competition Centre.

D. COOPERATION WITH OTHER ORGANIZATIONS

The Competition and Consumer Policy Branch has built an extensive network of cooperating partners with whom many analytical and capacity-building activities on competition and consumer policies are implemented. Through the Intergovernmental Group of Experts on Competition Law and Policy (which is convened annually by UNCTAD except in the years of the UN Conference on the Review of the UN Set), the Branch has established long-standing cooperation with national competition authorities and competition experts worldwide which is strengthened through national-level capacity-building activities and voluntary peer reviews. The Branch also engaged and cooperated with NGOs and civil society, as well as the private sector. As UNCTAD's technical cooperation and capacity-building activities were provided both at national level and within the framework of regional and sub-regional groupings, relations with these organizations have been strengthened. The establishment of the UNCTAD research platform will further enhance cooperation between UNCTAD and competition organizations and academic institutions in support of promoting a culture of competition world wide. Under its COMPAL programme, UNCTAD and SELA established a working group on trade and competition (see Box 10). This has strengthened cooperation between the two organizations on competition policy issues.

Box 10. UNCTAD-SELA Regional Seminars on Trade and Competition

Under the regional component of COMPAL, UNCTAD established a regional working group on trade and competition. The ideas arose at the 1st session UNCTAD-SELA regional seminar, which took place in Caracas in April 2009. It was discussed during the 2nd session of the regional seminar held in Brazil in May 2010 and adopted by the SELA Latin American Counsel in October 2010. The 3rd session of the UNCTAD-SELA Regional Seminar will be held from 7 to 8 June 2011 in Colombia and it will address issues, such as regional cooperation on competition and trade and its link with development.

E. ASSESSMENT AND LESSONS LEARNED

It is difficult to measure the direct impact of introducing competition law and policy on the economy. However, indirect measures such as changes in Government policies and regulations can create an enabling environment for business to prosper, consumers to benefit and markets to work for the poor. The following examples illustrate some of the recent, noticeable changes evident in countries in which UNCTAD has provided assistance on competition law and policy.

Capacity-building in competition policy in Angola contributed to a better understanding of the contents of the proposed Competition Bill by members of Parliament and stakeholders, ensuring its passing by the Parliament. In Bhutan, the study tour organized in Australia contributed to a better understanding of issues required for the creation of an efficient consumer protection agency and for using IT in handling and tracking complaints and processing reports. It also resulted in the acquisition of a simplified version of the IT software for use in Bhutan.

Assistance provided to Cameroon contributed to the increased ability of Cameroonian officials to efficiently enforce competition legislation at both national and regional levels. In this regard, the National Competition Authority of Cameroon was able to make its first decision on a competition case in the sugar industry in 2010.

Assistance provided to Iraq imparted skills to the officials from the Kurdistan Regional Government in Iraq, provided greater awareness on competition law and policy and investment issues, and contributed to the establishment of links with governmental and academic circles for promoting competition advocacy. Assistance provided to Malawi enhanced knowledge on the role of commissioners in the administration and enforcement of competition law and policy, as well as to recruit new staff members.

Kenya launched an ambitious licensing reform programme which has led to the elimination of 110 business licenses and the simplification of 8, thereby reducing the time and cost of obtaining building licenses and registering a company. At the end of the programme, more than 600 of the 1,300 licenses will have been simplified or

eliminated. The peer review of the competition law in UNCTAD and the amendment of the Monopolies and Prices Control Act led to the introduction of competition in land values (by allowing private practitioners) and to a faster turnaround (one week instead of one month for a land valuation). The private credit bureau also extended its database coverage by adding retailers and utility companies as providers of information.

Malaysia, with UNCTAD's assistance, recently adopted a competition policy which serves as a basis for the new Competition Act. It also expedited the procedure for checking and registering businesses, reducing the time necessary by a week. Malaysia reduced tax on profits by 1 percentage point and simplified online tax returns to reduce the time necessary by 24 hours.

Costa Rica and El Salvador, which are beneficiaries of the COMPAL programme, carried out major reforms. Costa Rica now allows traders to transmit customs declarations electronically and has improved the capacity of the customs services, thus reducing the timeframe for cross-border trade by six days for imports and seven days for exports. El Salvador established a one-stop shop for importers, thereby facilitating the documentation and approval process. In Trinidad and Tobago, which UNCTAD assisted in its preparation of an institutional framework for competition law, and which now includes utility companies as providers of information to credit bureaus, thus extending the credit information index. In addition, the corporate income tax rate was lowered from 30 to 25 per cent.

Egypt, which UNCTAD has assisted in recent years in preparing and adopting a law on competition, cut the minimum capital required to start a business from 50,000 to 1,000 Egyptian pounds, and halved start-up time and cost. Egypt also reduced the cost of registering property from 3 per cent of the property value to a low fixed fee. New one-stop shops were launched for traders at the ports, cutting the time taken to process imports by seven days and the time for exports by five days. Egypt also reduced the cost of obtaining licences.

The advocacy workshop organized in São Tomé and Príncipe raised awareness of representatives of civil society on the importance of competition law and policy in a market economy. It also led to the preparation of a draft Competition Bill. As a result of assistance provided to Swaziland, the Government became aware of anti-competitive practices in the energy sector and commissioned a consultancy to formulate a national energy policy.

Finally, a UNDP/UNCTAD meeting on evaluating

needs assessment of the competition agency and developing a joint project on competition in the Syrian Arab Republic raised awareness of the new competition law among stakeholders. The competition agency was able to advocate to Government departments and agencies exempt from regulations of the law about the need for coherence between competition legislation and other policy objectives, and also significantly contributed to starting the operations of the Syrian Competition Commission.

STRENGTHENING CAPACITIES TO FORMULATE AND
IMPLEMENT MUTUALLY SUPPORTIVE TRADE, ENVIRONMENT
AND SUSTAINABLE DEVELOPMENT OBJECTIVES

IV

Strengthened capacity of developing countries to formulate and implement mutually supportive trade, environment and sustainable development objectives and to integrate sustainable development objectives in development strategies at all levels (Accra Accord, paras. 99-102 and 105) (expected accomplishment (e) of the secretariat in subprogramme 3, table 12.15 (A/64/6 Sect. 12)).

The Trade, Environment, Climate Change and Sustainable Development 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, including the need to address climate change implications; and support the effective participation of developing countries in international deliberations on trade and environment. In its work, attention is paid to enhancing the interaction and synergies between the three pillars of UNCTAD.

A. INTERGOVERNMENTAL DELIBERATIONS AND CONSENSUS-BUILDING

UNCTAD supported the UN Secretary-General's High-level Advisory Group on Climate Change Financing (AGF). The Secretary-General of UNCTAD, at the invitation of the UN Secretary-General, served as a member of the AGF. The Group was tasked to study potential sources of revenue to achieve the level of climate change financing that was promised during the UN

Climate Change Conference in Copenhagen in December 2009. The UNCTAD Secretary-General's participation in the AGF ensured that the views and concerns of the UN system with regard to delivery and implementation were integrated into the AGF's final outcome and whose report is available at

<http://www.un.org/wcm/content/site/climatechange/pages/financeadvisorygroup/pid/13300> (see Box 11).

The green economy within the context of sustainable development and poverty eradication is one of the themes of the United Nations Conference on Sustainable Development (UNCSD) – Rio+20 – to be held in Brazil in 2012. UNCTAD is serving as the sustainable trade focal point for the Conference. At the first session of the UNCSD Preparatory Committee (17-19 May, New York), UNCTAD was invited to convene an expert meeting to address the trade and sustainable development implications of the green economy.

In response, UNCTAD, in collaboration with the UN-DESA and UNEP organized an Ad hoc Expert Meeting on "The Green Economy: Trade and Sustainable Development Implications" (7-8 October, Geneva). Participants included policy-makers and decision-making officials in the relevant Government agencies, and development policymaking agencies in both developed and developing countries. The meeting explored ways in which the green economy through trade-led growth can become a pro-development income-generating instrument contributing to meeting sustainable development imperatives. As an enabling component of sustainable development, the green economy may provide new trade and investment impetus to develop-

Box 11. United Nations Secretary-General's High-level Advisory Group on Climate Change Financing Main Areas of Work

- a) Identifying and evaluating the potential individual sources of funding;
- b) Assessing direct budget contributions by developed countries;
- c) Providing concrete examples of "spending wisely" to illustrate how public and private resources and instruments, international collaboration and national policies can be combined on a project basis to mobilize resources and achieve significant climate mitigation or adaptation goals;
- d) Drawing up a set of potential revenue sources and private financial portfolios that could include bundling of different funding sources; and
- e) Detailing recommendations for further development of the carbon markets

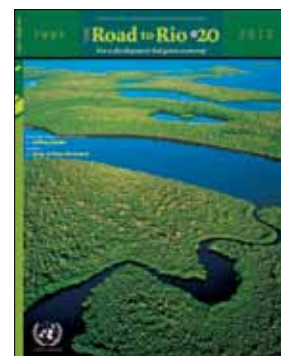
ing economies, especially if anchored on a mutually supportive approach to sustainable development. The outcome of the meeting (UNCTAD/DITC/TED/2010/6) was submitted to the UNCSD preparatory process. UNCTAD also produced a publication that would be useful in the Rio+20 deliberations, namely *The Road to Rio+20: a collection of essays on the Green Economy* (UNCTAD/DITC/TED/2010/8). It provides perspectives on how to increase the benefits and reduce the risks in a transition to a development-led green economy. Furthermore, in support of UN LDC-IV conference, UNCTAD with UNEP and the Office of the High Representative for the Least Developed Countries, Landlocked Developing Countries and Small Island Developing States, prepared a publication, *Green economy: Why a green economy matters for the Least Developed Countries*.

A single-year expert meeting on Green and Renewable Technologies as Energy Solutions for Rural Development (9-11 February 2010), was jointly prepared by the Division on International Trade in Goods and Services, and Commodities and the Division on Technology and Logistics. The findings and recommendations of this expert meeting were reported to the Investment, Enterprise and Development Commission and the Trade and Development Commission at their respective sessions in April and May 2010. The meeting was attended by experts from Member States and a large number of IGOs and NGOs. Experts agreed that the use of renewable energy technologies (RETs) provides an exemplary win-win outcome for rural income generation and environmental sustainability. UNCTAD has an important role to play in conducting independent research and facilitating exchange of experiences on integrated approaches to RETs as a tool for pro-poor development.

The Branch also organized an informal brainstorming session on the Bio Trade Potential for Growth and Sustainability (7 April, Geneva), which brought together experts and negotiators with unique perspectives on biodiversity, trade and intellectual property rights (IPRs) to discuss opportunities and challenges for its advancement in Latin America and the Caribbean. Representatives from several Latin American and Caribbean countries and other international experts participated in the event.

The workshop was organized in the framework of a regional initiative entitled “Biodiversity and Ecosystems: Why these are Important for Sustained Growth and Equity in Latin America and the Caribbean”, which is being implemented by UNDP in association with UNEP, ECLAC and the Secretariat of the Convention on Biological Diversity (CBD).

The Bio Trade Initiative participated in the 10th Session of the Conference of the Parties (COP10) to CBD (18-29 October, Nagoya). The conference discussed issues relating to: integration of biodiversity into poverty eradication and development; cooperation with other conventions and international organizations and initiatives; business engagement; sustainable use of biodiversity; and incentive measures. Several coordination and technical meetings with Government officials from developing and developed countries, IGOs, NGOs and companies from the cosmetic and fashion industries were organized by the Branch during COP10.



B. RESEARCH AND ANALYSIS

Highlights of the Branch's analytical work included:

- a) *Comparative Study – Global Gap and EU Organic* (UNCTAD/DITC/TED/2010/1);
- b) *Global Gap and EU Organic, Technical Annex* (UNCTAD/DITC/TED/2010/1/ Add.1);
- c) *The Green Economy: trade and sustainable development implications* (UNCTAD/DITC/TED/2010/2);
- d) *Trade and biodiversity: The Bio Trade experiences in Latin America* (UNCTAD/DITC/TED/2010/3);
- e) *Facilitating market access of small organic farmers in developing countries to supermarket shelves* (UNCTAD/DITC/TED/2010/4);
- f) *Scoping study for equivalence and harmonization of organic standards and technical regulations in the Asian region* (UNCTAD/DITC/TED/2010/7);
- g) *The Road to Rio+20: a collection of essays on the Green Economy* (UNCTAD/DITC/TED/2010/8);

- h) *The impact of Bio Trade on sustainable development* (UNCTAD/DITC/TED/2010/9);
- i) *Agriculture at the Crossroads: Guaranteeing Food Security in a Changing Global Climate* (UNCTAD Policy Brief No. 18).



The Branch also launched the *Trade and Development Review 2009/2010* (UNCTAD/DITC/TED/2009/2) in early February. The Review focused on Promoting Poles of Clean Growth to Foster the Transition to a More Sustainable Economy. The *State of Sustainability Initiatives Review 2010: Sustainability and Transparency* (ISBN: 978-1-894784-45-0) was a publication produced jointly by International Institute for Sustainable Development (IISD), the International Institute for Environment and Development (IIED), Aidenvironment, UNCTAD and ENTWINED. The Review provides an overview of the system characteristics and market trends regarding ten of the most mature voluntary sustainability initiatives (VSIs) in the forestry, coffee, tea, cocoa and banana sectors.

C. ADVISORY SERVICES, TECHNICAL ASSISTANCE AND CAPACITY-BUILDING

Climate change

UNCTAD is one of the implementing partners of the Nairobi Framework. The Nairobi Framework was established to improve the level of participation of developing countries, especially those in sub-Saharan Africa, in the Clean Development Mechanism (CDM) under the Kyoto Protocol. Implementing partners of the Nairobi Framework supported the organization of the 2nd Africa Carbon Forum (3 -5 March 2010, Nairobi). The forum brought together more than 1,000 participants representing the project developers, buyers, service providers, national CDM representatives and other private and public sector stakeholders to tap the potential of greenhouse gas emission offset projects in the continent. It aimed at strengthening links between CDM project developers and the region's investment community. It also facilitated knowledge sharing among CDM project sponsors and buyers. The event was organized with other partners such as UNDP, UNEP, UNEP-Risoe, UNFCCC, UNITAR, World Bank, AfDB and the International Emissions Trading Association (IETA).

On the occasion of the 2nd Africa Carbon Forum, a side event for the Portuguese speaking countries in Africa – Cape Verde, Guinea-Bissau, São Tomé and Príncipe and Mozambique was organized by the Branch (5 March 2010). The event provided a platform to present an e-learning course on climate change and the carbon market to assist African countries in seizing trade and investment opportunities arising from climate change policies, particularly through the CDM. It addressed specific needs of Designated National Authorities (DNAs) and project developers in these countries. An early interest from UNDP was received to implement the project in Mozambique where one of the difficulties faced is capacity-building in CDM.

UNCTAD, together with the Government of the Dominican Republic, the Latin American Energy Organization (OLADE), the IETA, the World Bank Institute, the Inter-American Development Bank (IDB) and the UNEP Risoe Centre organized the Fifth Latin American Carbon Forum (13-15 October 2010, Santo Domingo). The forum provided a platform to gather key players involved in the development of the CDM and share experiences on CDM projects and programmes as well as the latest developments of emissions trading schemes. It also provided an opportunity to discuss and analyze the international and national policies to mitigate climate change by promoting discussions on negotiating a new climate regime. More than 500 delegates participated in the forum.

UNCTAD, through its BioFuels Initiative, collaborated with the Brazilian Reference Centre on Biomass (CENBIO) in exploring a possible triangular South-South cooperation (Brazil-Mozambique-Portugal) for the sustainable production and use of biofuels in Africa. An initial mission was conducted in April and the Government of Mozambique has expressed a strong interest in introducing biofuels in the country. UNCTAD is committed to assist in developing a funding proposal and subject to the availability of funds, will implement a project for the sustainable production of biofuels.

UNCTAD, in collaboration with the Malaysian Government, the Environmental Management and Research Association of Malaysia (EN-SEARCH), GTZ, the Institute for Organic Agriculture (FiBL) in Switzerland, and the International Institute for Trade and Development (ITD) in

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Bangkok organized an international conference on climate change, agriculture and related trade standards (1- 2 November 2010, Kuala Lumpur). The conference was attended by some 70 experts from 15 UNCTAD Member States.

The Branch also supported the Government of Mexico in conducting an initial assessment on the perspectives of developing biofuels in Mexico to meet future energy needs. An advisory mission was carried out on 6 December 2010 in Mexico City. The assessment will be finalized after further consultations with national authorities, business and civil society stakeholders.

UNCTAD participated in COP16 of the UNFCCC (29 November - 10 December, Cancun 2010). On that occasion, UNCTAD jointly organized a high-level side event with UNEP and UN-DESA on "The transition to a Green Economy: Implications for poverty alleviation and sustainable development" (8 December). The event addressed the challenges and opportunities for the transition in a carbon-constrained world, the issue of policy space and the implications of the green economy on trade, sustainable development and poverty eradication. In addition, UNCTAD contributed to a high-level side event that discussed the key findings of *The Report of the Secretary-General's High-level Advisory Group on Climate Change Financing (AGF)* (8 December).

The Branch organized and participated in other conferences, meetings, seminars and roundtables in 2010 such as:

- a) Bio fuels Trade Conference, 26-28 May, São Paulo;
- b) Energy Seminar, 25-27 October, Muscat;
- c) Meeting of Government-designated experts of Latin America and the Caribbean – preparatory to Rio+20: a green economy in the context of sustainable development and poverty eradication and the institutional framework for sustainable development (15-16 December, Santiago).

Bio Trade

UNCTAD's Bio Trade Initiative continued to provide technical assistance and advisory services to biotrade programmes and partners in Uganda, Indonesia and Colombia on the biotrade concept and methodologies, project design and formulation, value chain development, market



access and fundraising. Technical assistance was provided to the following:

- a) UNDP Bureau on Crisis Prevention and Recovery and UNDP country offices in Indonesia and Uganda on biotrade and value chain development;
- b) Latin American and African countries on the EU Novel Food Regulation, particularly on topics related to clarification of definitions and traditional use.

The Branch is collaborating with UNCTAD's TrainForTrade programme for the development of an on-line course on "Bio Trade and Value Chain Development". This course will be conducted in cooperation with universities in Bolivia, Colombia and Peru.

The Branch jointly with Green2Greener, a Hong Kong-based NGO, organized a seminar on "Redefining Sustainability in the International Agenda: Inspiring Greater Engagement in Biodiversity Issues", together with a Sustainable Fashion Exhibition and EcoChic Fashion Show (20-21 January, Geneva). As the 2009 International Year of Natural Fibres closed and the focus shifted to the 2010 International Year of Biodiversity, the events highlighted the importance of natural fibres and biodiversity in sustainable development strategies.

In increasing the awareness and understanding of biotrade issues by public and private stakeholders, the Bio Trade Initiative organized and/or participated in various other workshops and conferences such as the following:

- a) Events during the NATUR Congress 5/10: Biodiversity – our future (12 February, Basel) namely: (i) Round table on Bio Trade Initiative:

UNCTAD Deputy Secretary-General Petko Draganov speaking to the Ecochic Fashion Show (January 2010). Photo Mr. Johann Sauty is gratefully acknowledged.

Commerce durable et conservation de la biodiversité – le futur... ; (ii) Green Fashion Show; and (iii) Positive to Nature – Special Exhibition on Biodiversity Products.

- b) Bio Trade Potential for Growth and Sustainability (7 April, Geneva).
- c) 10th Session of the Conference of the Parties (COP10) of the Convention on Biological Diversity.
- d) Various side events during COP10 in Nagoya, Japan, including: (i) Greening Trade for Biodiversity Conservation – How the sustainable use and conservation of biodiversity can be mainstreamed into business activities and value chains (19 October); and (ii) Going beyond mitigation: how can private sector drive biodiversity conservation? (27 October).

Facilitating access of organic farmers in developing countries to supermarket shelves

Following the work programme proposed by the *Ad-hoc* Expert Meeting on Facilitating Access of Small-scale Organic Farmers in Developing Countries to Supermarket Shelves (10-11 December 2009), the Branch prepared two studies aimed at developing two conceptual tracks that facilitate practical ways of achieving partial equivalence between the GlobalGAP standard (a standard on Good Agricultural Practice applied by most globally active supermarkets and catering companies) and the main organic standards aimed at facilitating market access and drastically reducing compliance costs with both standards. UNCTAD made presentations on these two tracks to GlobalGAP and IFOAM members in the first quarter of 2010. Continued work on both tracks was subsequently endorsed by the standard governance bodies of GlobalGAP and IFOAM.

The first study targeted an “Organic Plus” approach, i.e. the development of additional modules on food safety (particularly contamination) and occupational health and safety to accommodate GlobalGAP requirements to be combined with mandatory or voluntary organic certification. The second study focused on an “Interpretative Guidelines” approach, i.e., creating organic interpretive guidelines for organic production under GLOBALGAP certification,

which would have the effect of eliminating some GlobalGAP requirements that are non applicable to organic production schemes and advising how yet other requirements could be addressed by auditors and certification reviews in a streamlined way. The first drafts of the two studies were made available for peer review in late 2010. The revised drafts will be discussed by a joint expert group of GlobalGAP and IFOAM in the first half of 2011.

Organic Agriculture in Africa

A number of activities in support of the development of organic agriculture in Africa were carried out by the Branch in the framework of the UNEP-UNCTAD Capacity Building Task Force on Trade, Environment and Development (CBTF) in 2010. Highlights included:

- a) Co-organized Africa Symposium@ Biofach 2010: Markets as motors for sustainability at the Biofach organic trade fair (19 February, Nuremberg). This event gave a boost to the development of African organic exports.
- b) Establishment of a good working relationship and active cooperation with the AU Commission, including bringing the AU Commission Director of Agriculture to the Biofach organic trade fair in Germany, where he met with African organic exporters. One concrete result of this cooperation is the inclusion of organic agriculture for the first time ever in the outcome of the AU Agriculture Ministerial meeting.
- c) Organization of East African Organic Conference 2010 (2 December, Nairobi) which brought together key actors from the public and private sectors of seven East African countries to share recent developments and plan South-South cooperation activities. A highlight was the signing of a \$2 million project on organic agriculture in East Africa to be implemented by CBTF partner IFOAM, which guarantees the continuation of the joint work for the next two years. The Conference was co-organized with the Kenyan Organic Agriculture Network and the Ministry of Agriculture, in cooperation with ITC and IFOAM.

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- d) Support development of the Kenyan Organic Agriculture Policy, including support to preparation of first draft and first national stakeholders' consultation (1 December, Nairobi). The policy is based on the CBTF study *Best Practices for Organic Policy: What Developing Country Governments Can Do to Promote the Organic Agriculture Sector* (UNCTAD/DITC/TED/2007/3). South-South cooperation was facilitated by the participation of other African Governments in the consultation, notably Uganda, where CBTF supported national consultations and finalization of the draft Ugandan organic agriculture policy. The Ministry of Agriculture and the Kenyan Organic Agriculture Network (KOAN) are working hand-in-hand to develop the policy.
- e) Improved access to UNCTAD research through translations involving the French version of CBTF study, *Organic Agriculture and Food Security in Africa* (UNCTAD/DITC/TED/2007/15), and the Spanish version of the CBTF study, *Best Practices for Organic Policy* (UNCTAD/DITC/TED/2007/3).



- Regional meeting in Shanghai (May 2010) where the participating countries announced their intention to cooperate to facilitate trade of Asian organic products including through the development of a common regional organic agriculture standard.⁸
- First meeting of the Working Group for Cooperation on Organic Labelling and Trade for Asia (9-10 December, Mumbai). The Working Group mapped out the framework for future cooperation through harmonization and equivalence recognition on organic standards and conformity assessment. This includes the terms of reference and timeline of the Drafting Group for Asia Regional Organic Standards, which will have its first meeting in Manila in early 2011.
- In Central America, GOMA supported the development and national consultations (in the Central American countries plus the Dominican Republic) on the draft Central American Organic Agriculture Regulation. Comments gathered during the consultations will be considered by a GOMA-supported regional meeting of the Governments' Competent Authorities in early 2011.

East African Organic Conference 2010, 2 Dec 2010 Safari Park Hotel-Nairobi

Removing technical barriers to trade in organic agricultural products

UNCTAD, FAO and the International Federation of Organic Agriculture Movements have been working closely together since 2001 to facilitate trade in organic products through harmonization and equivalence of standards. This work was coordinated through the UNCTAD-FAO-IFOAM International Task Force on Harmonization and Equivalence in Organic Agriculture (ITF, 2003-2009) and its successor project, Global Organic Market Access (GOMA). Highlights included:

- a) Promoting South-South cooperation on organic agriculture in Asia and in Central America.
- In Asia this included:
 - Preparation, consultation and publication of a regional *Scoping Study for Equivalence and Harmonization of Organic Standards and Technical Regulations in the Asia Region* (UNCTAD/DITC/TED/2010/7).



⁸ See UNCTAD Information Note for the press, UNCTAD/PRESS/IN/2010/018.

- b) Development and first round of consultations on Objectives and Related Practice Requirements for Organic Standards, a revised annex for the Equitool – one of two tools developed by the ITF as a guide for assessing equivalence of organic standards. The goal is to facilitate trade by encouraging regulators to think in terms of overall fulfilment of key overarching objectives of organic standards instead of each regulator requiring that all prescriptive details in their own particular standard be complied with 100 per cent by producers everywhere in the world. Equivalence is based on a shared commitment to a common set of objectives combined with respect for policy space.
- c) The whole approach is somewhat revolutionary. Examples of real application in international trade (of all products, not only organic products) of the principle of equivalence as opposed to compliance are few and far between. The impact, therefore, could extend beyond the organic sector.
- d) Outreach activities via meetings with key public and private sector actors, presentations at relevant forums, a workshop *Levelling the Playing Field* at Biofach organic trade fair in February, information provision via GOMA website (www.goma-organic.org) and periodic newsletters.

Sustainable Commodity Initiative

Within the context of the Sustainable Commodity Initiative (SCI), a joint programme between UNCTAD and the International Institute for Sustainable Development (IISD), activities continued to focus on lifting the more than 2.5 billion commodity dependent rural poor out of poverty through sustainable production and trade. SCI has three main clusters: (a) activities on sustainability assessment; (b) financing for sustainable trade; and (c) the coordinated technical assistance on sustainable production and business management- the Sustainable Commodity Assistance Network (SCAN).

The activities on sustainability assessment (The Committee on Sustainability Assessment – COSA) aim at providing credible, scientifically robust field-level data on the actual costs and benefits of implementing a sustainability programme, from an environmental, social and

economic perspective. An international advisory panel and high-level scientific committee guided the development of the indicator set and the approach and methodology of the process. Activities on sustainability assessment continued in five countries (Colombia, United Republic of Tanzania and Viet Nam in the coffee sector; and Côte d'Ivoire and Ghana in the cocoa sector).

The Sustainable Commodity Assistance Network (SCAN) is an international network of 19 service providers (including many of the leading standard bodies related to sustainability in agriculture) facilitated by the SCI to coordinate and collaborate on the content and delivery of technical assistance. SCAN aims to enhance and increase the delivery of coordinated and needs-based technical assistance to smallholder producer groups on sustainable business and sustainable farm management, thereby increasing their ability to manage their natural and human resources and improve their access to sustainable markets.

At the international level the SCAN platform has formed and identified the following five key areas for support: Good Agricultural Practices, Financial Literacy and Risk Management; Organizational Development; Marketing and Market Information; Quality Management Systems and Traceability. Three pilot countries were selected (Peru, United Republic of Tanzania and Viet Nam) and national level needs assessments were conducted in those countries. They have now established national SCAN platforms. The tool development projects implemented in 2010 included: Group Internal Control Systems for Group Certification and Coffee Renewal Manuals (Peru); Low-Entry Quality Management Systems (Tanzania) and Farmer Association Manual (Viet Nam). These tools will be validated by the international platform and can then be adapted to other countries and sectors.

A sister programme of the SCI, The Finance Alliance for Sustainable Trade (FAST), partnered with SCAN to provide training on financial literacy via the SCAN platforms. The project is designed so that producers who receive this training are entered into a "FAST-track" category, which makes them preferred recipients of credit and financial services from FAST members. In November, SCI published *The State of Sustainability Initiatives Review 2010: Sustainability and Transparency*. The Review represents the most up-to-date and



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comprehensive overview of the market trends and characteristics of major voluntary sustainability standards and initiatives in the forestry, coffee, cocoa, tea and banana sectors of developing countries. The Review provides information on the market performance, governance, criteria coverage and implementation practices of key initiatives. It is an important tool for the strategic planning of businesses, policy makers and other stakeholders seeking to build more sustainable supply chains.⁹

D. COOPERATION WITH OTHER ORGANIZATIONS

Cooperation and partnership with other organizations is the hallmark of UNCTAD's work on trade, environment and development. Main partners include intergovernmental and international organizations such as UNEP, ITC, WTO, FAO, IFOAM, World Bank, secretariats of the Multilateral Environmental Agreements and the African Union Commission; Governments, civil society organizations, research centres and universities, national and international NGOs and relevant initiatives. UNCTAD operates in partnership in virtually all its work on climate change, biotrade, sustainable commodities, sustainability standards and organic agriculture.

The BioFuels Initiative continued to offer a facilitating hub for programmes or initiatives already underway in a number of institutions. It has maintained partnerships with intergovernmental organizations, Governments, applied research centres, NGOs, and relevant initiatives such as the International Bio energy Platform of the Food and Agriculture Organization of the United Nations (FAO), the UNFCCC, the G8 Global Bio energy Partnership, UNEP–Risoe, UNIDO, the EPFL/WEF Roundtable for Sustainable Bio fuels (RSB), the International Federation of Agricultural Producers, and the Inter-American Development Bank, among others. The Initiative is also collaborating with the Brazilian Reference Centre on Biomass.

UNCTAD continued its partnership and inter-agency collaboration and coordination effort involving the UNFCCC, the World Bank, UNEP, UNDP, UNITAR and the African Development Bank to implement the Nairobi Framework.

UNCTAD has been closely collaborating and coordinating its activities with UN–DESA and UNEP on the Green Economy in the run up to Rio+20. A joint report on the benefits, challenges and risks of a transition to a green economy: trade and sustainable development aspects is underway.

UNCTAD recently became an Affiliate Partner of the 2010 Biodiversity Indicators Partnership (2010 BIP). In achieving the 2010 Biodiversity Target to significantly reduce the rate of biodiversity loss at the global, regional and national levels, this global initiative tracks progress by developing global biodiversity indicators and information on the trends of biodiversity. The Bio Trade Initiative, together with the Creative Economy and Industries Programme of UNCTAD collaborated with the NGO Green2Greener to organize events sustainability and biodiversity issues. As part of the peace building processes of UNDP, the Bio Trade Initiative is contributing to the reintegration of ex-combatants in Aceh Selatan, Indonesia through the development of the nutmeg value chain.

UNCTAD has been collaborating with other international organizations and donor agencies (FAO, GTZ, ITC, World Bank) in the context of the Trade Standard Practitioners Network to prepare a Guide for Decision Making on Pro-active Use of Food Related Sustainable Standards.

Field mission to assess the value chains of biodiversity-based sectors in Aceh Selatan, Indonesia, September 2010



⁹ The Review is available at www.iisd.org/pdf/2010/ssi_sustainability_review_2010.pdf.

E. ASSESSMENT AND LESSONS LEARNED

Some countries are already moving aggressively to transition from an industrial-oriented economy to a new type of economy based on knowledge, efficiency and more responsible stewardship of the planet. As such, it seems imperative for all countries to reshape their development strategies and practices accordingly. The challenge for the international community is to help make the transition, to the greatest extent possible, with the principles of equity and sustainable development as well as job creation and poverty reduction. UNCTAD is committed to providing such support in its work on trade, environment and development. Such work gained impetus during 2010, stimulated by a number of global events including the launching of the preparatory process for Rio+20. UNCTAD will continue its collaboration with UN-DESA and UNEP and provide substantive contributions on the trade and sustainable development aspects of the transition towards a green economy. A concrete contribution has been the organization of the *Ad Hoc* Expert Meeting on “The Green Economy: Trade and Sustainable Development Implications. It deepened understanding of the trade implications of the green economy in the context of sustainable development and poverty eradication.

BioTrade Initiative exhibition during the Shanghai World Expo 2010



UNCTAD disseminated and showcased its activities worldwide during the 2010 International Year of Biodiversity (IYB). It organized a successful EcoChic Exhibit and Fashion Show in Geneva and an exhibition at the UN Pavilion during the Shanghai World Expo 2010. Further, the pivotal role that UNCTAD's Bio Trade Initiative play in the conservation and sustainable use of biodiversity and in the fair and equitable distribution of benefits was recognized in five COP10 decisions of the Convention on Biological Diversity.

Biotrade and its concept and methodologies became a transversal topic within development. Not only does it include sustainable development but peace building processes and promotion of gender as well. A concrete example is the pioneering pilot project in Indonesia with UNDP, which involves women ex-combatants and associated groups involved in the nutmeg value chain in Aceh Selatan. The need to measure the contribution of biotrade to sustainable development is essential in order to demonstrate the efficiency and effectiveness of the intervention made in the field. Thus, the Bio Trade Impact Assessment (BTIAS) was developed by the Branch. Biotrade partners in Latin America and Africa have started adopting this system as part of their monitoring and evaluation activities.

Important steps were taken to facilitate market access of small-scale agricultural producers to lucrative export markets, which are however dominated by very stringent, complex and multi-dimensional sustainability requirements related to safety, health, environmental and social issues. UNCTAD has got very close to achieving a real breakthrough in agreeing on partial equivalence between the GlobalGAP and organic standard, which can contribute to significantly reducing compliance efforts and costs.

UNCTAD has also been successful in delivering concrete results from networking with other international organizations, donor agencies and NGOs. This concerned work under the Sustainable Commodity Initiative, the Trade Standard Practitioners Network, the UNEP-UNCTAD CBTF and the UNCTAD-FAO-IFOAM Global Organic Market Access project. The latter two projects have facilitated concrete South-South cooperation to enhance productive capacities and trade in organic agricultural products.

V. STRENGTHENING CAPACITIES TO FORMULATE AND IMPLEMENT MUTUALLY SUPPORTIVE TRADE, ENVIRONMENT AND SUSTAINABLE DEVELOPMENT OBJECTIVES

The main lesson from the 2010-implemented activities is that the Branch's focused work programme, the strong emphasis on consensus building, analytical work and technical assistance, the fruitful networking and a tangible output-oriented approach should be maintained. The mutually reinforcing approach between the

three pillars of UNCTAD's activities enhanced the development impact of UNCTAD's contributions in the area of trade, environment and development. Significant amount of dissemination of the results of the UNCTAD's activities and research has also been undertaken that has impacted on international deliberations.

