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**UNCTAD's contribution to the implementation of and follow-up
to the outcomes of the major United Nations conferences
and summits in the economic and social fields**

Progress made in the implementation of the outcomes of the major United Nations conferences and summits, and UNCTAD's contributions

Note by the UNCTAD secretariat

Executive summary

Pursuant to General Assembly resolution 50/270 B and paragraph 18(n) of the Doha Mandate, UNCTAD should contribute to the implementation of and follow-up to the outcomes of the major United Nations conferences and summits in the economic, social and related fields, as well as to the achievement of the internationally agreed development goals, including the Millennium Development Goals (MDGs). This document provides a brief review of the progress made in the relevant thematic areas and UNCTAD's contribution thereto.

Introduction

1. The General Assembly, in its resolution 57/270 B, stressed the need to make maximum use of existing United Nations mechanisms for the purpose of reviewing the implementation of commitments made within the United Nations system in key areas of development (paragraph 27). In this regard, it invited (paragraph 27(a)) “the Trade and Development Board to contribute, within its mandate, to the implementation and to the review of progress made in the implementation of the outcomes of the major United Nations conferences and summits, under its relevant agenda items”.

2. The thirteenth United Nations Conference on Trade and Development (UNCTAD XIII), held in Doha in April 2012, agreed that “UNCTAD should...implement and follow up, as appropriate, relevant outcomes from global conferences and summits on development” (Doha Mandate, paragraph 18 (n)).

3. This note contains a review by the UNCTAD secretariat of progress made in the implementation of the outcomes of the major United Nations conferences and summits and the contribution of UNCTAD in this respect.

I. International trade

4. The important role of international trade in the promotion of economic growth, development and the alleviation of poverty is explicitly recognized in the outcomes of major United Nations conferences and summits. These include the Millennium Declaration and the associated MDGs, and the UNCTAD XIII Doha Mandate.

A. Progress made

5. In 2012 global trade growth declined sharply to 2.7 per cent as a result of a slowdown in import demand in developed economies and many large developing countries. Services exports have become an important source of revenues for some developing countries. Global services trade stood at US\$4.4 trillion, representing 20 per cent of world exports. The share of developing countries in world services exports increased from 23 per cent in 2000 to 31 per cent in 2012.

B. UNCTAD’s contribution

6. UNCTAD contributes to fostering beneficial participation of developing countries and countries with economies in transition in the international trading system. In this context, the following major activities were undertaken by UNCTAD during the reporting period.

7. In the area of consensus-building, the fifty-ninth session of the Trade and Development Board (September 2012) discussed the evolution of the international trading system and its trends from a development perspective. The fourth session of the Trade and Development Commission (November 2012) took stock of policy outcomes emerging from the annual sessions of the Multi-year Expert Meetings on Commodities and Development: services, development and trade (the regulatory and institutional dimension); transport and trade facilitation; and international cooperation (South–South cooperation and regional integration). The Commission also discussed issues addressed by the Intergovernmental Group of Experts on Competition Law and Policy (IGE).

8. The second Global Services Forum (Beijing, May 2013) brought together prominent players in the services sector, from governments and international organizations, the business world and academia, to share best practices and form partnerships to promote growth in trade in services, and foster sustainable development. The Forum saw the launching of the Global Services Vision Council and proposed a long term project to improve services statistics in least developed countries (LDCs).

9. UNCTAD also contributed to the follow-up on the Rio+20 outcomes, including through launching an African Bioenergy Development Platform to assist African countries to develop their bioenergy potential. UNCTAD is also contributing to United Nations-wide efforts to elaborate a post-2015 development agenda, including in terms of sustainable development goals. UNCTAD supported the creation of the United Nations Forum on Sustainability Standards, which will act as a platform for the provision of information on standards emerging from the expanding environmental/sustainability markets.

10. In the area of technical assistance and capacity-building, UNCTAD provided support on regional trade negotiations among developing countries, including through commenting on draft provisions for negotiations, emphasizing the development implications of the agreements and providing assistance to member States on national services regimes and potential regional implications. UNCTAD participated in the sixteenth meeting of the African, Caribbean and Pacific Group of States Ministerial Trade Committee (October 2012), and continued its support to the Group's policymakers by highlighting the developmental implications of economic partnership agreements, and strengthening countries' capacities in designing and implementing policy at the national and regional level. UNCTAD also assisted Arab States and affiliated agencies in enhancing intra-Arab trade and economic integration. It provided inputs to the background document of the United Nations Economic and Social Commission for Western Asia Expert Group Meeting on Preferential Trade Agreements and Regional Integration in the Arab World (December 2012).

11. Advisory services, field missions and capacity-building activities on World Trade Organization (WTO) accessions were undertaken for Afghanistan (June 2012), the Comoros (July 2012), Seychelles (July 2012), Azerbaijan (July 2012), Lao People's Democratic Republic (September 2012), Uzbekistan (October 2012) and Kazakhstan (December 2012). Advisory services were also provided to regional and interregional groups of countries, including to the LDCs group.

12. In relation to services, UNCTAD also provided tailor-made support, training and advisory services to policymakers and negotiators in developing countries, including LDCs, the African Group, the Southern African Development Community and the Common Market for Eastern and Southern Africa. Services Policy Reviews were completed for Uganda and launched or on-going in Lesotho, Nicaragua, Peru and Rwanda. UNCTAD contributed to discussions on trade and development aspects of migration, primarily through the Global Forum on Migration and Development (November 2012).

13. UNCTAD's BioTrade Initiative continued to support the creation of an enabling policy environment to foster private sector engagement in the sustainable use and conservation of biodiversity, in particular in Burundi, Colombia, Ecuador, Indonesia and Viet Nam. UNCTAD and the Convention on International Trade in Endangered Species of Wild Fauna and Flora launched a scoping study to propose options of traceability systems for reptile skins. Under the framework of the United Nations Cluster on Trade and Productive Capacity, UNCTAD is also implementing a three-year project on "Enhancing sustainable tourism, clean production and export capacity in Lao People's Democratic Republic".

14. The Istanbul Centre for Creative Economy, Cultural Industries and Creative Cities opened in 2012, with UNCTAD as one of its main partners. UNCTAD also supported the eighth World Summit on Internet and Multimedia 2012 and the first China International Creative Economy Conference (November 2012).

15. In the area of research and analysis, UNCTAD carried out work on non-tariff measures (NTMs) and their impact on trade and development. Publications in this area included the titles *Evolution of NTMs: emerging cases from selected developing countries* and *A preliminary analysis on newly collected data on NTMs*. UNCTAD also presented a new classification of NTMs which can be adapted to the reality of international trade and data collection needs.

16. UNCTAD further contributed to analyses prepared by the United Nations Inter-agency and Expert Group on MDG indicators, to the preparation of the annual United Nations inter-agency *Millennium Development Goals Report 2012*, and to the annual report of the MDG Gap Task Force. UNCTAD also provided intellectual inputs on how trade interacts with employment through its participation in the International Collaborative Initiative on Trade and Employment.

17. In relation to transport and trade facilitation, the 2012 edition of UNCTAD's annual *Review of Maritime Transport* reported on developments in global merchandise trade and maritime transport activities. UNCTAD further contributed to United Nations reports related to transport and trade logistics, such as the "Oceans and the law of the sea: report of the Secretary-General", and the General Assembly resolution 65/155 "Towards the sustainable development of the Caribbean Sea for present and future generations". An UNCTAD report entitled "Liability and compensation for ship-source oil pollution: an overview of the international legal framework for oil pollution damage from tankers" (UNCTAD/DTL/TLB/2011/4), was published to assist coastal developing countries in responding to the environmental challenges associated with international maritime transport. In addition, issues of the quarterly UNCTAD Transport Newsletter included articles on a range of transport and trade facilitation issues as well as on related events.

18. UNCTAD continued its cooperation with the United Nations Economic Commission for Europe in respect of work carried out by the Commission's Group of Experts on Climate Change Impacts and Adaptation for International Transport Networks.

19. Building on UNCTAD's research and consensus-building activities, courses entitled "Key issues on the international economic agenda" are organized for policymakers. Since September 2012, 76 policymakers from Africa, economies in transition, Latin America and the Caribbean, and Western Asia have been trained.

II. Commodities

20. The 2005 World Summit emphasized "the need to address the impact of weak and volatile commodity prices and support the efforts of commodity-dependent countries to restructure, diversify and strengthen the competitiveness of their commodity sectors" (General Assembly resolution A/RES/60/1, paragraph 33). At the same time, the Monterrey Consensus stated that "multilateral assistance is also needed to mitigate the consequences of depressed export revenues of countries that still depend heavily on commodity exports" (paragraph 37). The General Assembly, in its resolution 61/190, reiterated the importance of maximizing the contribution of the commodity sector to sustained economic growth and sustainable development.

21. The Accra Accord called for policy actions to "mitigate the impact of highly volatile prices and incomes, especially for agricultural commodities on commodity-dependent

countries and poor farmers” (paragraph 78). The Doha Mandate emphasized the need to secure adequate access to food and energy, including renewable energy, as well as to diversify from primary commodities to producing more skill- and technology-intensive manufactures and services so as to gradually integrate developing countries into global supply chains (paragraphs 4, 17 and 61).

22. The World Summit on Food Security in 2009 called for the promotion of new investment to increase sustainable agricultural production and productivity, reduce poverty, and work towards achieving food security and access to food for all. The United Nations Conference on Sustainable Development in 2012 reaffirmed the necessity to enhance food security and to promote sustainable agriculture, and recognized the importance of increasing the share of renewable energy and cleaner and energy-efficient technologies for sustainable development.

A. Progress made

23. Commodity prices remained volatile in 2012. The market was marked by food price surge in the summer of 2012, elevated oil prices and declining prices of base metals. In the first four months of 2013, primary commodities prices were under downward pressure, though still high from a historical perspective.

24. One approach to moderate commodity price volatility is to improve the transparency of commodity markets. As an initiative of the Group of Twenty (G20), the Agricultural Market Information System was launched in September 2011. At the request of the G20, a global natural gas database is under development by the Joint Organization Data Initiative which currently collects oil data. Despite these efforts, further international coordinated action is needed to improve the functioning of commodity derivatives markets, including through, but not limited to, better regulation.

B. UNCTAD’s contribution

25. UNCTAD has implemented a broad range of activities, including policy analysis, intergovernmental meetings and technical assistance, to address key trade and development challenges in the commodities sector.

26. The fifth session of the UNCTAD Multi-year Expert Meeting on Commodities and Development discussed new developments in the global commodity economy and policy options for commodity-based inclusive growth and sustainable development. Key recommendations included: (a) enhancing food security through redeveloping traditional food staples, creating food reserves and increasing regional trade; (b) mobilizing private funding and establishing appropriate trade policy framework to promote renewable energy development.

27. The fourth Global Commodities Forum explored issues linked to agricultural and energy sector development. It stressed the importance of extension services and access to information and science and technology in agricultural transformation, and suggested a combination of market-based instruments and government support to address commodity price volatility. It further called for an increase of local content in the extractive industries.

28. UNCTAD hosted the 2013 Intergovernmental Forum on Mining, Minerals, Metals and Sustainable Development, which continues to serve as a global platform for discussions on the sustainable management and development of the mining sector. The fifteenth UNCTAD Africa Oil, Gas, Mines, Trade and Finance Conference in Brazzaville was

attended by more than 500 participants, and focused on energy access and value creation and retention in national economies.

29. The UNCTAD *Commodities and Development Report 2012* addressed perennial problems, new challenges and evolving perspectives in commodity economy. It recommended that commodity-dependent developing countries should explore the potential of regional trade and harness the income gains from higher commodity prices to facilitate wider economic transformations. The UNCTAD quarterly *Commodities at a Glance* focused on energy and food security issues. Furthermore, UNCTAD continued to provide comprehensive information on iron ore market developments.

30. In the area of technical assistance, the UNCTAD INFOCOMM programme, an internet portal on commodity trade and market information, was upgraded with a special focus on agricultural commodities. At the request of Mexico, UNCTAD carried out a review of the country's agricultural policy.

III. Investment and enterprise development

31. The Monterrey Consensus emphasizes the vital role of private international capital flows, particularly foreign direct investment (FDI), in national and international development efforts. The Johannesburg Plan of Implementation notes the role of FDI in achieving sustainable development. The 2005 World Summit Outcome reiterates the resolution of world leaders "to encourage greater direct investment, including foreign investment in developing countries and countries with economies in transition to support their development activities and to enhance the benefits they can derive from such investments" (paragraph 25), while also making commitments in related policy areas such as private sector development (paragraph 23(e)), good governance to promote small and medium-sized enterprise (SME) development (paragraph 24(a)), and corporate responsibility and accountability (paragraph 24(c)). In 2008, the Doha Declaration on Financing for Development emphasized the role of FDI as a "vital complement to national and international development efforts" (paragraph 23). More recently, the Istanbul Declaration from the fourth United Nations Conference on the Least Developed Countries in May 2011 underlined that "a dynamic, well-functioning and socially responsible private sector, small and medium-sized enterprises in particular, and an appropriate legal framework are crucial in promoting entrepreneurship, investment, competition, innovation and economic diversification" (paragraph 8(b)). And, last year, the United Nations Conference on Sustainable Development called for "an enabling environment at the national and international levels, as well as continued and strengthened international cooperation, particularly in the areas of...technology transfer, as mutually agreed, and...entrepreneurship, capacity-building, transparency and accountability" (paragraph 19).

A. Progress made

32. Global FDI fell by 18 per cent to US\$1.35 trillion in 2012. The recovery will take longer than expected, mostly because of global economic fragility and policy uncertainty. Nevertheless, several regions bucked this trend, notably Africa, which recorded a 5 per cent increase in FDI inflows to US\$50 billion, and South America, where FDI inflows increased by 12 per cent. FDI is also on the rise in structurally weak economies: inflows to LDCs reached a new high. There was a modest increase in FDI flows to landlocked developing countries (LLDCs), and flows into small-island developing States (SIDS) continued to recover for the second consecutive year, driven by investments in natural-resource-rich countries.

33. UNCTAD forecasts that FDI in 2013 will remain close to the 2012 level, with an upper range of US\$1.45 trillion. As investors regain confidence in the medium term, flows are expected to reach levels of US\$1.6 trillion in 2014 and US\$1.8 trillion in 2015.

34. In 2012 for the first time ever developing economies absorbed more FDI than developed countries, accounting for 52 per cent of global FDI flows. Developing economies also generated almost one third of global FDI outflows, continuing a steady upward trend.

35. There are also new trends in national investment policymaking. Most governments remain keen to attract and facilitate foreign investment as a means for productive capacity-building and sustainable development. At the same time, numerous countries are reinforcing the regulatory environment for foreign investment, making more use of industrial policies in strategic sectors, tightening screening and monitoring procedures, and closely scrutinizing cross-border mergers and acquisitions. At the international level, policymaking is in transition: today, countries favour regional over bilateral approaches to international investment agreement (IIA) rule-making and increasingly take into account sustainable development elements.

B. UNCTAD's contribution

36. The UNCTAD Investment, Enterprise and Development Commission is the only intergovernmental body within the United Nations dealing with investment and related issues, including enterprise development. During the past year, the fourth and fifth sessions of the Commission took place. The fourth meeting of the Commission (26–30 November 2012) discussed UNCTAD's Investment Policy Framework for Sustainable Development (IPFSD), which supports policymakers in designing and implementing development-friendly investment policies. The fifth meeting of the Commission (29 April–3 May 2013) emphasized the promotion of entrepreneurship for productive capacity-building and the importance of policies to support entrepreneurship and private sector development in developing countries and economies in transition. In the high-level segment, the secretariat presented the lessons learned from the implementation of UNCTAD's Entrepreneurship Policy Framework, a toolkit for policymakers to formulate, monitor and evaluate national entrepreneurship policies.

37. UNCTAD continued its work on the analysis of the impact of FDI on development. This year's *World Investment Report* focuses on global value chains and the relationship between trade and investment. The Report proposes policy options for countries seeking to integrate into higher value production activities within the global value chains of global companies, and how to ensure that integration into international production networks contributes to their sustainable development. The Report further presents and examines the latest data on FDI and traces global trends in FDI and in international production by transnational corporations. In addition, UNCTAD continued the publication of its quarterly *Global Investment Trends Monitor* throughout the year, which provides a timely periodic assessment of global FDI trends and prospects, and also the *Investment Policy Monitor*, which reports on national and international investment policies. It also continued its investigations into responsible investment in agriculture, which has formed the basis for on-going capacity-building projects and advisory services, as recognized by the Rio Earth Summit last year (paragraph 115).

38. The Monterrey Consensus stresses that to attract and enhance inflows of productive capital, countries need to achieve a transparent, stable and predictable investment climate. In this context, UNCTAD's work programme on a global investment information system and its strengthening of local capacity and institutions, through the Investment Facilitation Compact and eRegulations programme, are of particular relevance. Through its activities on

investment facilitation, including improvements to the local business environment, UNCTAD makes a major contribution to the investment climate and the promotion of international investment for sustainable development. Furthermore, its investment promotion efforts in 2013 focused on low carbon investment, which can help countries to attract green FDI and adapt to climate change.

39. UNCTAD's *Investment Policy Reviews* (IPRs) and their follow-up activities are also designed to maximize the benefits of FDI in client countries by improving the regulatory, institutional and operational aspects of clients' investment frameworks. To date, UNCTAD has completed 36 IPRs, half of them for LDCs, and work is underway in four more countries. The two latest reviews used the UNCTAD IPFSD as the main diagnostic tool during the review process and this will be repeated for all future IPRs.

40. UNCTAD continued its work on IIAs to foster investment for sustainable development. Research and policy analysis was furthered in several publications, including four new sequels to the published series *Issues in IIAs* and *IIA Issues Notes*, the programme's IIAs mapping project and its maintenance of IIA and investment dispute databases, as well as through the joint UNCTAD–Organization for Economic Cooperation and Development reports on G20 investment measures. UNCTAD also continued providing regional and national training courses as well as ad hoc technical assistance, such as advisory work on specific IIA negotiations. The IIA programme interacts with a network of over 1,500 experts worldwide. Following the launch of the IPFSD, UNCTAD is now rolling out new technical-assistance programmes based on this tool and has already been using it in its policy advice, for example in advisory services given to the Southern African Development Community secretariat for the development of their regional investment treaty.

41. The Monterrey Consensus urges special efforts in such priority areas as corporate governance and accounting standards both for strengthening domestic investment environments and promoting global financial stability, as does the outcome document ("The future we want") of the Rio+20 Earth Summit. In this context, the twenty-ninth session of the Intergovernmental Working Group of Experts on International Standards of Accounting and Reporting, which was attended by 270 experts from 80 countries, deliberated on the role of regulatory and institutional arrangements for the consistent implementation and enforcement of international corporate reporting standards. Moreover the meeting reviewed the Accountancy Development Tool, developed by UNCTAD to help strengthen local capacities, and concluded that its deployment helped countries to assess their regulatory, institutional and human capacity arrangements and needs, and ultimately helped improve their investment climate. The strengthening of reporting standards and corporate disclosure has also been supported by UNCTAD's ongoing Sustainable Stock Exchanges Initiative. The Initiative held its third meeting at the Rio+20 Earth Summit in 2012, where the UNCTAD Secretary-General invited stock exchanges to make a public commitment to promoting sustainability among their listed companies.

42. The Monterrey Consensus notes that in order to mobilize domestic financial resources for development, it is critical to foster a dynamic and well-functioning business sector. In this context, the secretariat furthered its technical assistance for entrepreneurship and local enterprise development, including through the Empretec programme, which has trained a total of 309,000 entrepreneurs and is now present in 34 countries – with a further 20 requests pending for new country installations. Additionally, the secretariat has further strengthened UNCTAD's Business Linkages programme, a multi-stakeholder initiative that transforms linkages between SMEs and large firms – domestic or foreign – into sustainable business relationships. So far, the programme has been implemented in nine developing countries, of which three are LDCs. There are four pending requests for new country installations.

IV. External debt and international financial cooperation for development

43. The importance of a timely, comprehensive and durable solution to the debt problems of developing countries was highlighted at a number of major international conferences and summits such as the Millennium Declaration (2000), the Monterrey Consensus (2002), the Johannesburg Plan of Implementation and the World Summit Outcome (2005). The Doha Mandate further underlined the importance of debt sustainability as an essential element underpinning growth, the need to continue analytical work on how issues of debt and its impact on mobilization of resources can be addressed more effectively, and the importance of effective debt management in achieving national development goals in developing countries.

44. The Monterrey Consensus (2002) recognized the requirement for substantial increases in official development assistance (ODA), for the effective allocation and delivery of ODA and for exploration of innovative sources of finance in order to achieve internationally agreed development goals. The Doha Declaration on Financing for Development (2008) reaffirmed the essential role of ODA in the achievement of internationally agreed development goals, in particular the MDGs, and called for the fulfilment of ODA commitments by donors.

45. The document “Outcome of the United Nations Conference on the World Financial and Economic Crisis and Its Impact on Development” (2009) called for action to ensure the long-term debt sustainability of developing countries and to provide sufficient development resources to developing countries without unwarranted conditionalities. The Conference endorsed efforts to explore the need and feasibility of a more structured framework for international cooperation in the restructuring of sovereign debt based on existing frameworks and principles.

46. The fourth United Nations Conference on the Least Developed Countries (2011) called for monitoring of the debt situation in LDCs, as well as the exploration of new and improved debt instruments. The Programme of Action for the Least Developed Countries for the Decade 2011–2020 (Istanbul Programme of Action) highlighted the importance of responsible borrowing and lending practices for achieving long-term debt sustainability.

A. Progress made

47. Debt levels are estimated to grow by approximately 12.4 per cent over the period 2011–2012, bringing the total external debt of developing countries to US\$5.4 trillion in 2012. This marks the third consecutive year that the growth of external debt for developing countries has exceeded 10 per cent following nearly a decade of average growth of around 7 per cent. The share of short-term debt increased to US\$1.2 trillion in 2011 and to an estimated US\$1.4 trillion in 2012, constituting more than a quarter of total debt stocks.

48. Overall, the growth performance of LDCs improved in 2012 with an average growth rate of 5.1 per cent compared to 4.4 per cent in 2011. A combination of strong growth, prudent macroeconomic management, and debt relief has produced a sharp decline in debt burdens for many LDC economies in sub-Saharan Africa. However, the public debt ratios have been rising in many post-heavily indebted poor countries (HIPC)/Multinational Debt Relief Initiative countries in recent years (Benin, Ghana, Senegal and Malawi). According to the latest debt sustainability analysis of April 2013, there are two LDCs in debt distress (Myanmar and the Sudan) and 10 LDCs in high risk of debt distress (Afghanistan, Burundi, the Comoros, the Democratic Republic of Congo, Djibouti, the Gambia, Haiti, Kiribati, Sao Tome and Principe, and Yemen).

49. As of mid-May 2013, two countries (the Comoros and Guinea) reached the completion point under the HIPC Initiative, bringing the total number of completion point countries to 35. At this stage the HIPC Initiative is deemed to be nearly completed, with only one country, Chad, remaining in the interim stage between the decision and completion points and three countries (Eritrea, Somalia and the Sudan) which have yet to reach the decision point. Thus far, the decision point date remains uncertain for the pre-decision point countries. The four countries that have yet to complete the Initiative share common challenges, which include preserving peace and stability, improving governance and delivering basic services.

50. ODA continued to be negatively impacted by the global crisis in 2012, as it contracted by 4 per cent in real terms compared to 2011. This is the second year of continued contraction of ODA following a 2 per cent drop in 2011, marking the first time since 1996–1997 that aid has contracted in two successive years. The reduction in ODA is attributed to the tightening of government budgets in donor countries in response to increased fiscal pressure associated with the global financial and economic crisis. The uncertain global economic outlook is likely to continue to affect aid budgets, and should prompt high-level policy attention to the feasibility of achieving internationally agreed development goals in the area of aid, debt and trade (MDG 8).

B. UNCTAD's contribution

51. UNCTAD continues to respond to emerging problems and challenges posed to developing countries in the areas of debt and development financing, as called for by the outcomes of major United Nations conferences and summits. UNCTAD is entrusted with the preparation of the yearly United Nations Secretary-General's report to the General Assembly on external debt sustainability and development, which includes a comprehensive analysis of the external debt situation of and debt servicing problems faced by developing and transition economies, with a special emphasis on LDCs.

52. In 2012, UNCTAD took the lead in organizing a special event at the Second Committee of the General Assembly on "Sovereign debt crises and restructurings: lessons learnt and proposals for debt resolution mechanisms", which was well received by 300 participants from over 150 countries.

53. In line with the Project on Responsible Sovereign Lending and Borrowing, started in 2009, and building on its upcoming guidelines, UNCTAD recently embarked on a second phase that aims to tackle the deficit of sovereign debt restructuring mechanism at the international level. The vivid interest demonstrated by major stakeholders during and following the General Assembly Second Committee special event on debt clearly pointed to the necessity for a debt workout mechanism. Being mandated to examine options for such a mechanism, UNCTAD is assembling a working group composed of prominent experts in the field of law, finance and economics.

54. UNCTAD also provided support to debtor countries in their preparations for negotiations on rescheduling or restructuring of bilateral official debt within the framework of the Paris Club. Since July 2012, the Comoros, Guinea and Myanmar have rescheduled their debt within the Paris Club framework. In addition, the secretariat continues to provide feedback and inputs to the preparation of the MDG Gap Task Force report in the areas of external debt sustainability. The 2012 report focuses on the impact of the global crisis on meeting the targets outlined under MDG 8, the global partnership for development.

55. The importance of debt management has been further highlighted by the global financial crisis. The Debt Management and Financial Analysis System Programme, one of UNCTAD's technical-cooperation programmes, continued to widen the scope of its

services in debt management in 2012 to assist developing countries in strengthening their debt management capacity. To date, the Debt Management and Financial Analysis System has provided technical assistance to the debt management offices of 69 mostly low- and lower-middle income countries and 106 institutions.

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

56. At UNCTAD XIII, member States agreed that the global economy remained fragile and that continued efforts were needed to strengthen and improve its functioning in order to help prevent financial and economic shocks, reduce poverty and inequality, create jobs and promote inclusive and sustainable growth. The Doha Mandate builds on the United Nations Conference on the World Financial and Economic Crisis and its Impact on Development, noting that reducing inequality and effective macroeconomic policy play an important role in crisis prevention and recovery, including through the use of labour and incomes policies, fiscal buffers and fiscal stimulus. It also identified regional integration and interregional cooperation as means of supporting national development strategies, reducing external vulnerabilities and complementing the global economic governance system.

57. The Conference noted that a major challenge was the need to ensure that macroeconomic policies and finance support the real economy. It reiterated the 2008 Doha Declaration on Financing for Development and the Monterrey Consensus (2002), affirming the need to mobilize and effectively utilize all sources of financing for development, and underlining the importance of adequate regulation and supervision of financial markets to help promote financial stability and help prevent and resolve crisis.

58. The fragile state of the global economy and the impact of multiple crises on vulnerable economies was also emphasized at the fourth United Nations Conference on the Least Developed Countries in May 2011. The Istanbul Programme of Action aims to enhance financial resources available to LDCs and to help LDCs develop strategies to boost resilience and crisis mitigation, among other objectives.

A. Progress made

59. During 2012 and early 2013, the global economic recovery continued to be uneven and elusive. Growth returned in some developing regions but not in most developed countries, as several countries focused on balancing their budgets. The developing world will not be able to sustain its role as the engine of global growth without some dynamism returning in the North. A global slowdown could have severe knock-on effects, including undermining the gains that need to be secured for the post-2015 development agenda.

60. Despite some advances made in financial sector regulation, the overall regulatory response to the crisis and efforts for recovery remain insufficient. Regulatory arbitrages remain available for banks escaping controls and major economic agents avoiding taxation. Financial imbalances have continued unabated and there are concerns about the subdued impact in real terms of the unconventional monetary policies in the advanced economies. Central banks have created liquidity but they have not succeeded in creating credit. Higher demand must come from other factors, such as fiscal and income policies.

61. On a more positive note, many member States are now focusing their attention on the fiscal revenues foregone and the high opportunity costs imposed by tax havens and discriminatory taxation policies that favour some interests at the expense of wider national and international interests.

B. UNCTAD's contribution

62. Concerned by the demand-dampening effects of rising income inequality, the *Trade and Development Report 2012* addresses the need for a fundamental policy reorientation to help promote a stable expansion of consumption and investment in productive capacity. This requires a combination of favourable income expectations of the working population and positive demand expectations of entrepreneurs, for which a redesign of national economic policy and supportive international arrangements are needed. In particular, there needs to be an end to the trends of increasing inequality caused by rising unemployment, wages that lag behind productivity, and incomes that are channelled towards the “top 1 per cent”. Empirical evidence from developed and developing countries shows that globalization and technological improvements do not necessitate the dramatic shift in the distribution of income that favours the very wealthy and deprives the poor and middle class. On the contrary, until there is a more equitable distribution of income there is unlikely to be a return to robust and sustainable growth.

63. Alongside the in-depth analysis of the *Trade and Development Report*, UNCTAD presented a short and accessible policy brief focused on topical debate relating to employment, wages, inequality and its impact on aggregate demand – “Policy Brief No. 26 – Greater income share for labour: the essential catalyst for global economic recovery and employment” was published in all United Nations official languages.

64. Following an initial request in 2009 from G20 ministers of finance and central banks governors, UNCTAD has continued to contribute actively to the G20 process as one of the main international organizations presenting its analyses and views. Most recently, UNCTAD was requested, alongside the International Monetary Fund and the Bank for International Settlements, to present its view on global spillovers for the Framework Working Group for Strong Sustainable and Balanced Growth meeting in January 2013, and again on the real-economy effects of global spillovers at a subsequent meeting. UNCTAD was similarly invited to contribute to the G20 Commodity Markets Working Group, on the macroeconomic and growth effects of commodity price volatility, alongside the International Monetary Fund and the World Bank. UNCTAD's contribution showed that commodity price volatility often had adverse macroeconomic effects and stressed that diversification and industrialization remain the best means to reduce vulnerability to the adverse growth effects of commodity price volatility.

65. Reflecting the interest in boosting resilience thorough regional cooperation and integration, UNCTAD initiated research and capacity-building projects in West and Central Africa, and Latin America and the Caribbean, to help countries use pro-growth macroeconomic policies to build resilience.

66. Finally, in the area of development statistics, UNCTADstat statistics dissemination platform continued to enlarge its indicators portfolio, now at 150. It is developing short- and long-term indicators to make the best use of available resources, including the expansion of the international trade matrix to include more detailed products on a harmonized system basis and longer time series. Striving to ensure better data quality and consistency, UNCTAD and WTO continue to align their annual and quarterly total exports and imports statistics, releasing them simultaneously for the advantage of users, particularly member States. UNCTAD is also participating in the new Agricultural Market Information System, following a G20 initiative to help increase transparency in food markets and to reduce price volatility. UNCTAD further contributed to several workshops organized to improve the African countries' statistical capacity in the area of trade and development.

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

67. The World Summit on the Information Society (WSIS) adopted a common vision of a “people-centred, inclusive and development-oriented Information Society”. The Summit also adopted four outcome documents that seek to translate this vision into concrete objectives, goals and targets to be met by 2015, along with a series of 11 action lines and main themes. The Commission on Science and Technology for Development has been designated by the Economic and Social Council to act as the focal point in the system-wide follow-up to the WSIS outcomes. In addition, UNCTAD is a co-facilitator of the action line on e-business (C7) and contributes to measuring progress towards the WSIS targets through the Partnership on Measuring ICT for Development.

A. Progress made

68. Connectivity continues to improve, especially with regard to mobile telephones. There were 5.97 billion mobile subscriptions globally in 2011, of which 18.3 per cent had high-speed broadband access. While internet penetration is improving in all countries, the absolute gap between LDCs and higher income countries is likely to grow further. In addition, disparities between rural and urban regions in terms of information and communications technologies (ICTs) and broadband development are large. The digital divide is gradually changing its nature, from connectivity to content, which increases the importance of supporting the development of local applications and content, establishing an enabling regulatory framework and funding mechanisms, as well as improving the digital literacy of citizens.

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

B. UNCTAD’s contribution

70. UNCTAD’s *Information Economy Report 2012* emphasized the growing importance of local software development capabilities in developing countries. Another study, produced jointly by UNCTAD and the German Federal Ministry for Economic Development made recommendations on how to use public procurement to strengthen the local IT sector.

71. From May 2012 until February 2013, UNCTAD chaired the United Nations Group on the Information Society. UNCTAD also coorganized the WSIS+10 Review Meeting hosted by the United Nations Educational, Scientific and Cultural Organization in February 2013, as well as the WSIS Forum 2013, which was hosted by the International Telecommunication Union in May 2013 in Geneva. During the latter, UNCTAD organized several sessions related to e-business and measuring ICT for development.

72. UNCTAD continued to build the capacities of relevant stakeholders, preparing cyberlaws and facilitating increased regional harmonization of cyberlegislation. The focus in 2012 was on projects in Africa, the Association of Southeast Asian Nations and Latin America. Technical-cooperation activities were undertaken in cooperation with United Nations Regional Commissions, the United Nations Commission on Trade Law, the Commonwealth Telecommunication Organization and regional secretariats, and included training, workshops and briefings, members of parliament being among the participants.

73. The TrainForTrade programme continued to provide support to developing countries through training and capacity-building activities on international trade and sustainable development. Since January 2012, TrainForTrade has trained approximately 1,026 persons in 49 countries, through blended learning (included Web 2.0 and m-learning) and training activities.

74. UNCTAD is also expanding its support to member States in the area of ICT statistics, in collaboration with the Partnership on Measuring ICT for Development. New funding from the Government of Sweden supports the development of new indicators and data related to ICT and gender as well as trade in ICT services. UNCTAD also continued its training of country statisticians on the production of information economy statistics.

75. As mandated by the United Nations Economic and Social Council, UNCTAD, through the United Nations Commission on Science and Technology for Development secretariat, continues to monitor WSIS implementation and follow-up at the international and regional levels, and prepares the corresponding annual report of the Secretary-General. At its sixteenth session, the Commission adopted a draft resolution on “Assessment of the progress made in the implementation of and follow-up to the outcomes of the World Summit on the Information Society”, for consideration by the Economic and Social Council. UNCTAD also organized the first meeting of the Working Group on Enhanced Cooperation, in May 2013 in Geneva, to examine the mandate of the WSIS regarding enhanced cooperation as contained in the Tunis Agenda for the Information Society, and to make recommendations on how to fully implement this mandate, as requested in General Assembly resolution 67/195 on ICTs for development.

76. UNCTAD has also strengthened its policy research work in the area of science, technology and innovation for development. The *Technology and Innovation Report 2012, Technology, Innovation and South–South Collaboration* was globally launched at 11 venues in seven different countries, spanning all three regions of Africa, Latin America and Asia. The *Technology and Innovation Report 2014*, dealing with innovation policies for enterprise development, is expected to be issued in the first quarter of next year.

VII. Competition law and policy

77. The United Nations Set of Multilaterally Agreed Equitable Principles and Rules for the Control of Restrictive Business Practices (United Nations Set) aims to “ensure that restrictive business practices do not impede or negate the realization of benefits that should arise from the liberalization of tariff and non-tariff barriers affecting international trade”. The sixth United Nations Set Conference affirmed the fundamental role of competition law and policy for sound economic development.

A. Progress made

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

B. UNCTAD’s contribution

79. UNCTAD organized the twelfth session of the IGE in July 2012. The IGE emphasized the importance of competition policy and public procurement, discussed cross-border anti-competitive practices and the challenges faced by developing countries and

economies in transition in dealing with such practices, reviewed best practices for knowledge and human resource management for effective enforcement of competition law, as well as the effectiveness of capacity-building extended to young competition agencies. The session also discussed the revised chapters III (“Restrictive agreements or arrangements”) and VIII (“Possible aspects of consumer protection”) of the UNCTAD Model Law on Competition Legislation.

80. Furthermore, the IGE undertook a competition law and policy review for Mongolia and a tripartite review for the United Republic of Tanzania, Zambia and Zimbabwe, based on reports prepared by UNCTAD. Dissemination events were later organized on their respective recommendations. In preparation for the voluntary peer review of the competition policy of Nicaragua, Pakistan and Ukraine in 2013, UNCTAD provided related advisory services. The IGE was followed by an ad hoc expert meeting on “Consumer protection: the interface between competition and consumer policies”.

81. As a follow-up to the United Nations Set Conference, UNCTAD continued to support countries in building up their competition law and policy and related institutional frameworks. Under the UNCTAD COMPAL programme, capacity- and institution-building as well as training and information-sharing activities were provided to beneficiary countries, including the Plurinational State of Bolivia, El Salvador, Guatemala, Honduras, Nicaragua and Peru. Regional trainings on economic analysis of competition cases were organized for Colombia, Costa Rica, El Salvador, Nicaragua and Peru. Within the framework of the Africa Competition Programme, country-specific capacity-building activities on competition policy and law issues were undertaken for Seychelles, the United Republic of Tanzania, Zambia and Zimbabwe. UNCTAD also supported the launching of the Sofia Competition Forum, which aims to provide the competition authorities of the region a platform to exchange information and expertise.

82. In the area of consumer protection, capacity-building and training activities were implemented at international and country level. At international level, the second International Consumer Protection Forum (November 2012) discussed issues regarding (a) revision of the United Nations Guidelines for Consumer Protection, (b) educational programmes for young consumers, (c) e-commerce, (d) implementation of recall systems and (e) consumer protection in tourism. The third International Consumer Protection Forum (May 2013) further touched upon the issues of data protection in e-commerce and the relation between consumer protection and antitrust. At country level, UNCTAD and the Advisory Group of Experts provided comments for the consumer protection bills of El Salvador, Nicaragua and Saint Lucia.

VIII. Countries in special situations

A. Least developed countries

1. Implementation of the Programme of Action for Least Developed Countries for the Decade 2011–2020

83. The Istanbul Programme of Action, adopted by the third United Nations Conference on the Least Developed Countries in Istanbul in May 2011 identifies policy measures and actions to support economic growth and development in LDCs in eight priority areas: (a) productive capacity, (b) agriculture, food security and rural development, (c) trade, (d) commodities, (e) human and social development, (f) multiple crises and other emerging challenges, (g) mobilizing financial resources, and (h) good governance at all levels. The Istanbul Programme of Action also contains several quantitative and qualitative goals and targets, covering a wide range of social, economic and environmental issues. The goals and

targets can serve as useful tools to track progress, benchmark performances and measure results of the implementation of agreed commitments in the priority areas.

2. UNCTAD's contribution

84. UNCTAD continued implementing actions and commitments agreed in the Istanbul Programme of Action that are within its mandates and competence. For instance, a project titled "Economic crises and commodity-dependent LDCs: mapping the exposure to market volatility and building resilience to future crises" assisted in undertaking case studies in selected countries (in Africa, Benin, Burundi, Mali, the United Republic of Tanzania and Zambia, and in Asia, Cambodia, Lao People's Democratic Republic and Nepal). The studies examined the role of commodities and agricultural productivity in contributing to the graduation objective of the Istanbul Programme of Action, assessed the vulnerability to shocks of the economies of LDCs, and reviewed the challenges arising from volatility of the commodities markets and the recent global financial and food crises on LDCs' prospects for meeting internationally agreed goals.

85. In the *Least Developed Countries Report 2012, Harnessing Remittances and Diaspora Knowledge to Build Productive Capacities*, the issues of remittance flows to LDCs and the potential role of diasporas in LDCs' development are addressed. Using evidence and policy lessons from other countries, the report shows how LDCs could better harness remittances and diaspora knowledge to build their productive capacities. The report argues that achieving this will require systematic policies, including the mobilization and coordination of efforts and resources of different stakeholders, especially home country institutions and firms, host country governments, diaspora organizations, international organizations and bilateral donors.

86. In the context of the Enhanced Integrated Framework, UNCTAD has also organized national and regional workshops, and implemented technical-assistance projects in Benin, Chad, the Democratic Republic of the Congo, Guinea-Bissau, Haiti, Mali, and Senegal. UNCTAD has further updated the Diagnostic Trade Integration Study for the Gambia and Senegal.

B. Small island developing States

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

87. In its mid-term review of the implementation of the Mauritius Strategy for the Further Implementation of the Programme of Action for the Sustainable Development of Small Island Developing States (Mauritius Strategy) in September 2010, the General Assembly urged the international community to "more effectively address" the vulnerabilities of SIDS (resolution 65/2), calling for a debate "to consider what improved and additional measures might be needed to more effectively address the unique and particular vulnerabilities of small island states", and the United Nations Economic and Social Council echoed this call in 2011 (resolution 2011/44). The Mauritius Strategy also calls for enabling all countries that will be graduating from LDC status to enjoy a "smooth transition" to post-LDC life. This call was strongly reiterated and amplified by the General Assembly in 2012 (resolution 67/221).

2. UNCTAD's contribution

88. UNCTAD's role to support the Mauritius Strategy is singled out in paragraph 98 of the Strategy, and in paragraphs 17(j) and 56(j) of the Doha Mandate. In the reporting

period, UNCTAD has repeatedly highlighted the economic vulnerabilities of SIDS, and supported the plea for special treatment of the most disadvantaged and vulnerable countries, notably SIDS. Furthermore, UNCTAD has actively supported all SIDS that are graduating from the LDC category. Substantial support has been provided, in this regard, to the governments of Cape Verde, Maldives and Samoa (three confirmed graduation cases), and relevant advisory services are being provided to Kiribati, Tuvalu and Vanuatu (three potential graduation cases).

89. Other relevant activities include substantive work to help improve the understanding of issues at the interface of maritime transport and the climate change challenge. The focus of this work is on the impacts of climate change factors such as sea level rise, extreme weather events and rising temperatures on transport infrastructure, as well as on associated adaptation requirements. The issue is of particular importance for SIDS which are both vulnerable to climate change impacts and critically dependent on ports and airports.

C. Landlocked developing countries

1. Progress made in the elements of implementation of the Almaty Programme of Action: Addressing the Special Needs of Landlocked Developing Countries within a New Global Framework for Transit Transport Cooperation for Landlocked and Transit Developing Countries that are relevant to UNCTAD

90. The Almaty Programme of Action: Addressing the Special Needs of Landlocked Developing Countries within a New Global Framework for Transit Transport Cooperation for Landlocked and Transit Developing Countries (Almaty Programme of Action) was adopted in 2003 with the objectives specified in its title. Since then, there have been some encouraging signs of progress. Both LLDCs and their transit partners have implemented policy reforms to remove physical and non-physical barriers to their participation in international trade. Nevertheless, LLDCs continue to be marginalized in international trade with a share of around 1 per cent in total merchandise exports. LLDCs have also made some progress towards several MDGs, including primary education, gender equality, combating contagious disease and access to safe water. However, eradicating poverty, achieving food security and reducing child and maternal mortality remain major challenges for most LLDCs.

2. UNCTAD's contribution

91. UNCTAD contributed to the implementation of the Almaty Programme of Action through analytical work and technical-assistance activities, particularly in the areas of transit traffic and trade facilitation, strengthening local capacities for attracting FDI and supporting the accession process of LLDCs to the WTO. UNCTAD also contributes substantively to the preparatory process of the Comprehensive 10-Year Review Conference of the Almaty Programme of Action, scheduled for 2014, through, inter alia, the organization of thematic events of issues of particular interest to LLDCs, such as trade facilitation, trade in services, commodities and the development of productive capacities.

92. Relevant work includes the United Nations Development Account transport facilitation project ("Capacity-building of control authorities and transport operators to improve efficiency of cross-border transport in landlocked and transit developing countries", 0809AP) in favour of LLDC transit corridors in Eastern Africa and Central Asia, which aims at improving the operation of transit transport infrastructure and services through collective management and measurement of transport corridor performances.

93. Other relevant UNCTAD work includes the Cross-border and Transit Transport Process Management Toolkit developed with the United Nations Economic Commission

for Africa and the United Nations Economic and Social Commission for Asia and the Pacific. It contains practical guidelines for identifying barriers impeding cross-border and transit transport, as well as possible solutions. UNCTAD also published a research paper entitled *The Way to the Ocean – Transit corridors servicing the trade of landlocked developing countries* (UNCTAD/DTL/TLB/2012/1) addressing the needs and priorities of landlocked and transit developing countries in accessing international markets.
