

UNITED NATIONS CONFERENCE ON TRADE AND DEVELOPMENT (UNCTAD)

Support to NEPAD

Period of Report: 2004 - 2005

UNCTAD's activities in support of NEPAD

UNCTAD's support to NEPAD has been undertaken through research, policy analysis, advocacy and technical cooperation with a view to adopting policies at the national and international levels to help accelerate growth and development on the continent.

In its research and policy analysis, UNCTAD has continued to draw attention to the capital requirements of Africa, including the need to double the amount of ODA and its maintenance for at least a decade in order to jump-start African economies and reduce aid dependency in the longer term. UNCTAD's analysis, contained in the 2004 Economic Development in Africa Report entitled *Debt Sustainability: Oasis or Mirage?*, draws attention to the fact that many observers have now come to the conclusion that, on present trends, there is very little likelihood that the objectives set forth in the context of the UN Millennium Development Goals can be achieved any time close to 2015 in the large majority of African countries.

Among the policy measures that UNCTAD had advanced was the need for an independent assessment of debt sustainability in African countries by a high-level panel of experts on finance and development, selected jointly by debtors and creditors, with an undertaking by creditors to implement fully and swiftly any recommendations that might be made. UNCTAD had proposed that, in the meantime, there be a moratorium on debt service payments without additional interests being accrued. The report concludes that there is now an emerging consensus that many African countries continue to suffer from a debt overhang despite the HIPC Initiative and various actions in the context of the Paris Club. The fact that even those countries that have reached (or are about to reach) the so-called completion point find themselves in an unsustainable debt situation gives credence to the arguments advanced by critics with respect to the inappropriateness of the criteria applied in the debt sustainability analysis. And the fact that several more debt-distressed African countries are not eligible for HIPC debt relief reflects the lack of objectivity in the eligibility criteria.

The study recommends that the provision of an exit solution to Africa's debt problems is either through the cancellation of the debt of the poorest countries or a major revision and improvement of present debt relief policies.

UNCTAD also continues to provide invaluable assistance to African countries for debt monitoring and management as part of its debt management and financial analysis (DMFAS) programme, which has been established in finance ministries, central banks or debt offices of beneficiaries.

Trade-related support activities included:

- Cooperation with FAO on implementation of the WTO Marrakech Ministerial Decision on Measures Concerning the Possible Negative Effects of the Reform Programme on Least-Developed and Net Food-Importing Developing Countries;

- Cooperation with ECA on mineral wealth management and the establishment of an African Mining Network;
- Organization of Africa Oil and Gas Trade and Finance Conference;
- Organization of a workshop on improving the sustainability of the cotton sector in West Africa (28 February-1 March 2005 in Mali);
- Provision of training on commercial diplomacy through distance learning techniques for Benin, Guinea, Mali and Togo trade officials, as well as support to countries in the process of acceding to the WTO (Algeria, Cape Verde, Ethiopia, Sudan);
- Extension of the BioTrade programme to African with a pilot partnership project with Uganda;
- Technical assistance in the preparation, adoption, revision or implementation of national competition and consumer protection policies and legislation in Angola, Egypt, Kenya, Lesotho, Malawi, South Africa, United Republic of Tanzania, Zambia and Zimbabwe;
- Assistance in drafting of competition legislation to member States of the Common Market for Eastern and Southern Africa (COMESA); implementation of the recently adopted legislation of the West African Economic and Monetary Union (UEMOA); drafting of the regional competition policy for member States of the South African Customs Union (SACU).

UNCTAD's investment-related activities have been directed at changing the image of the continent as a "high risk destination" for FDI.

- Investment policy reviews have been undertaken for Algeria, Benin and Lesotho, together with a follow-up of IPRs of seven countries previously completed.
- The FORINVEST programme has provided advisory services and training packages to Botswana, Kenya and Lesotho on the investment regulatory framework, investment policies and strategies, and sector policies governing the participation of transnational corporations in specific industries.
- Assistance was provided to the Economic and Monetary Community of Central Africa (CEMAC) in the preparation of a diagnostic study of the investment climate in the region.
- Advisory services were provided within the framework of the UNCTAD's International Investment Agreements programme in COMESA, SADC and SACU.
- In 2004, four "Investment guides: opportunities and conditions" were published for Ethiopia, Mali, Mauritania and Uganda. Three investment guides for Kenya, United Republic of Tanzania and East Africa are currently under preparation.
- In the light of the importance of development of accurate investment data in Africa, UNCTAD, together with the Internationale Weiterbildung und Entwicklung (InWent) of the German Government, organized a workshop on "Capacity building for promoting FDI in Africa" in Addis Ababa from 27 to 29 October 2004 for central banks, national statistical institutes, investment promotion agencies and policy makers to address problems faced by 10 African countries in compiling comparable and consistent statistics on FDI.

The EMPRETEC programme, which promotes entrepreneurship in developing countries, is operational in some 20 African countries. Assistance has been provided in the areas of financial reporting and corporate responsibility to Angola, Ethiopia, Nigeria, Rwanda, South Africa, Sudan, Uganda, United Republic of Tanzania and Zimbabwe. Projects on business linkages for women entrepreneurs have also been launched for Ethiopia and Uganda. Furthermore, a ratings scheme has been set up for 30 African insurance companies by

UNCTAD and the African Insurance Organization with technical assistance from Standard & Poors.

In the area of technology, UNCTAD published "Africa's Technology Gap" which examines the technology framework in Ghana, Kenya, Uganda and United Republic of Tanzania, with a focus on the transfer of technology, as well as its absorption and use, in the manufacturing industry.

UNCTAD's activities in infrastructure are concentrated in the provision of technical assistance and advisory services to African countries and the RECs in the area of transit and transport including the Advanced Cargo Information System (ACIS) linking railway transport systems and the Automated System for Customs Data (ASYCUDA). These programmes help in reducing delays in cross-border movement of people, goods and services; reducing waiting time in ports; promoting economic activity and cross-border trade through improved land transport linkages.

UNCTAD's analytical work on e-commerce has drawn attention to the need to address the extremely low use of ICT in Africa. In this connection, UNCTAD has been assisting African countries in the context of their preparations for the WSIS.

Collaboration with other UN agencies

UNCTAD has continued its active participation in the Joint ITC/UNCTAD/WTO Integrated Technical Assistance Programme to Selected Least Developed and Other African Countries (JITAP) which is an integrated trade capacity building response of ITC, UNCTAD and WTO to assist in the effective integration of African countries into the international trading system. The 16 African countries benefiting from the second phase of the programme are: Benin, Botswana, Burkina Faso, Cameroon, Côte d'Ivoire, Ghana, Kenya, Malawi, Mali, Mauritania, Mozambique, Senegal, United Republic of Tanzania, Tunisia, Uganda and Zambia.

JITAP implementation tools, which include the formation of national task forces in the 16 beneficiary countries and the preparation of country-specific project documents, have been finalized through intensive national consultation processes. Three toolkits designed to facilitate self-execution of multilateral trading system (MTS) capacity building have been completed: on institutional capacity building for trade negotiations and trade policy formulation; MTS reference centres and enquiry points; and export sector strategies. In addition, a "Guide to Commodity-based Export Diversification and Competitiveness Strategies in Africa" has been finalized.

Substantive capacity building activities during the reporting period centered on the development of negotiation capacities and effective participation in the Doha negotiations, including the following:

- Following the adoption of the 1 August 2004 Decision by the WTO General Council on the "July Package", JITAP countries were supported in preparing for the expected detailed negotiations. National inter-institutional committees (IICs), serving as the consultative mechanism among stakeholders on WTO trade negotiations and implementation, were assisted in conducting national retreats to review and evaluate the "July Package" from their national perspectives.

- Several videoconferences on agriculture, non-agricultural market access and services were held in August 2004 for the beneficiary countries to provide them with additional briefings on the latest developments in the Doha negotiations.
- Upon request from JITAP countries, technical advisory services were provided to assist the IICs in Botswana, Kenya, United Republic of Tanzania and Zambia on negotiation issues on the Doha Work Programme.

A training workshop on negotiation skills was organized for some 30 trade policy makers and trade negotiators from the Anglophone JITAP countries in November 2004. Priority activities for 2005 will include, *inter alia*, continued support on trade negotiations to the IICs in the finalization of modalities in the “July Package” and effective participation in the 6th WTO Ministerial Conference in Hong Kong.

UNDP/AU project for Trade Capacity Development for Poverty Reduction and Human Development for Sub-Saharan Africa is being implemented by several agencies with overall management by UNDP. During the reporting period, UNCTAD’s assistance focused on the provision of advisory services on Doha agenda negotiations to African countries and their regional organizations. At the retreat organized by the AU Office in Geneva in October 2004, African trade negotiators were briefed on the key implications for their countries in the “July Package”, including in regard to agriculture, non-agricultural products, services and development issues. UNCTAD will collaborate with the African Economic Research Consortium (AERC) in carrying out research and disseminating them to trade negotiators. UNCTAD officials made substantive inputs on agriculture, non-agricultural products, services and development issues in the technical workshop and brainstorming meeting organized by the ECA, AU and ADB for African countries in Tunis in November 2004, on the July Package. In coordination with a UNDP-Kenya funded project on trade, UNCTAD organized and serviced a symposium on the Doha work programme and other trade negotiations in February 2005 to assist the Kenya National Committee on WTO in preparing to contribute to the finalization of modalities in the “July Package”.

Integrated Framework for Trade-Related Technical Assistance to Support Least Developed Countries in their Trade and Trade-Related Activities (IF) is a multi-agency program that assists the least developed countries to expand their participation in the global economy. The participating agencies are IMF, ITC, UNCTAD, UNDP, World Bank and the WTO. UNCTAD is continuing to work with the other core agencies in closely monitoring and assisting in the implementation of the IF in 23 African least developed countries. At the request of the IF Working Group (IFWG), UNCTAD organized a subregional workshop in Rwanda, from 18 to 21 October 2004 with the underlying objective of strengthening LDCs’ capacity for ownership of the IF process to ensure national commitment and effective implementation. In consultation with the other core agencies, donors and the LDCs, UNCTAD is currently developing an IF Manual as a reference informational tool to assist all stakeholders to better understand the IF process and thus contribute to its effective implementation.