

**UNITED NATIONS CONFERENCE ON TRADE AND DEVELOPMENT
(UNCTAD)
Support to NEPAD**

Period of Report: July 2006 to June 2007

The contribution of UNCTAD to NEPAD takes various forms: analysis of Africa's development challenges and policy recommendations, advisory services, technical assistance and advocacy. In its capacity building activities, UNCTAD collaborates closely with other agencies, for example, the WTO and ITC, in the implementation of the Joint Integrated Technical Assistance Programme (JITAP). UNCTAD is also one of the six partner institutions (with WTO, ITC, UNDP, World Bank and IMF) involved in implementing the Integrated Framework on Trade Related Technical Assistance (IF).

Policy research and analysis

In the light of the commitment by the international community to double aid to Africa, the *Economic Development in Africa 2006* edition examined how Africa could utilize the increased aid for sustainable growth and development. The central message of the report was that, for additional aid to translate into significant reductions in poverty and lasting gains in economic welfare, new thinking was required to address the weaknesses of the current international aid system. The report argued for new aid architecture with a much larger multilateral component, managed under different institutional arrangements, coupled with the provision of much greater policy autonomy to recipients.

UNCTAD launched its project on "Developing Local Capacities for the Identification of Growth Opportunities through Resource Mobilization" with an Expert Group Meeting held in Geneva in February 2007. The main objective of the project is to develop the capacity of African countries to identify alternative sources of non-debt-creating external and domestic resources, and to enhance the capacity of policy makers to utilize these resources effectively for poverty reduction. Furthermore, the *Economic Development in Africa Report 2007* examined the issues related to domestic resource mobilization and efficient utilization in Africa based on some of the preliminary findings of the project.

The *World Investment Report 2006 (WIR06)* reported a historic high in FDI inflows to Africa in 2005, while its outward FDI declined: a large proportion of the 2005 inflows were concentrated in mining, and in particular, oil and gas. It also examined the implications of FDI from developing and transition countries for Africa's development.

Advisory services and technical cooperation

Bridging the Digital Divide

The Debt Management and Financial Analysis Programme, with UNDP funding, installed debt management software as part of its capacity building in debt and financial

management in Ethiopia and Rwanda. The "Connect Africa" project, established in cooperation with the "Centre des Technologies de l'Information" of the State of Geneva, provided 220 personal computers with software installation to the Kingdom of Lesotho. In Mali, 200 personal computers, 14 servers and other telecommunication equipment were installed and connected to the Internet in a number of schools across the country.

As part of a collaborative effort, UNCTAD and the UN Commission on Science and Technology for Development established the "Network of Centres of Excellence" in 2005 to enhance scientific networking in Africa. The first set of initiatives under this project involved advanced and basic training courses for African scientists and engineers. The network comprises nine "Centres of Excellence" from Africa and Asia.

Human Resources Development Initiative

In 2006, the UNCTAD Virtual Institute, in cooperation with the University of Dar-es-Salaam, organized a professional development workshop for university teachers and researchers in Africa on the economics of commodities production and trade. In cooperation with UNECA, a workshop on the management of mineral wealth was held in Mozambique to develop post-graduate programmes in international economics, agriculture and resource economics. The package was field tested in 2006 in regional workshops with 50 economics professors who will teach the course.

UNCTAD's Advisory Services on Investment and Training (ASIT) provided support to a number of governments and institutions on investment promotion. ASIT activities were implemented in Mali, Ethiopia, Djibouti and Botswana. Three regional workshops were organized to train 37 investment promotion officials from the Investment Promotion Agencies of 15 African countries on investor targeting in the tourism and mining sectors.

More than 40 participants attended the joint WTO/UNCTAD workshop on negotiations on trade facilitation for English-speaking African countries, held in Zambia (June 2006). UNCTAD also organized a roundtable on the WTO negotiations on trade facilitation for African member States to the WTO (July 2006), in order to discuss Technical Assistance and Special and Differential Treatment issues.

Market Access Initiative

UNCTAD continues to assist African countries to derive development gains from international trade in commodities and in goods and services. In the area of South-South cooperation, technical support was provided to the India-Brazil-South Africa Business Summit in Brasilia, the development of the New Asian-African Strategic Partnership (NAASP), and the creation of The Global Network of Export-Import Banks and Development Finance Institutions (G-NEXID).

Assistance was provided to Southern African Customs Union (SACU) States in the SACU-EFTA negotiations, while the Southern African Development Community (SADC) was being supported in strengthening regional integration and participation in

the multilateral trading system. Several studies were conducted to examine the policy and regulatory frameworks, and the impact of the liberalization of trade in services.

Under JITAP, activities were organized to strengthen the institutional, human and entrepreneurial capacities of several countries to enable them to implement and take advantage of WTO Agreements, as well as to play a proactive role in the Doha negotiations. The beneficiary countries are: Botswana, Cameroon, Malawi, Mali, Mauritania, Mozambique, Senegal and Zambia.

As part of the ACP-EU Economic Partnership Agreement (EPA) negotiations, technical inputs were provided to several meetings on these issues. These include "Adjustment effects of proposed EPAs on African countries" (ECA); "EC-ACP trade relations: the development challenges of EPAs" (South Centre); "Technical meeting on Doha and EPA negotiations" in preparation for the ACP Heads of States Summit in December 2006 (ACP); and a Regional Workshop on the Development Interface between WTO, EPAs and African regional negotiations (UNCTAD and UNDP).

In order to promote export diversification, projects to assist developing country exporters to comply with sanitary and phytosanitary (SPS) requirements and private sector standards were implemented in Guinea, Mozambique and the United Republic of Tanzania in cooperation with the Swiss supermarket chain Migros. This enabled some small African producers to meet the stringent requirements of supermarkets. A Model for the Development of a Private/Public Safety Control System for the Horticultural Sector project was implemented in Guinea to assist the Government, producers and exporters to comply with agri-food safety standards and quality assurance systems.

Commodities

UNCTAD organized the 11th African Oil and Gas Annual Conference (Kenya, May 2007), where the focus was on the interface between finance, energy and development. In the area of minerals and metals, the First Annual General Meeting of the Intergovernmental Forum on Mining, Minerals, Metals and Sustainable Development (October 2006) was held with over 100 participants. The annual workshop on management of mineral wealth in cooperation with UNECA was held in Mozambique.

Private Capital Flows

The *World Investment Directory* was updated to cover all 53 African countries whose profiles have been on UNCTAD's FDI statistics site. These country profiles, together with a general overview of trends in FDI, will be published in 2007.

In a joint effort with UNDP, *Asian Foreign Direct Investment in Africa: Towards a New Era of Cooperation among Developing Countries* was published. It examines various aspects of FDI from developing Asia to African economies with a view to improving an understanding of opportunities, constraints and steps for enhancing Asian FDI in Africa.

Detailed country-case studies on tourism were completed for Botswana, Kenya, Mauritius, Morocco, South Africa, the United Republic of Tanzania, Tunisia and Uganda under the project "*FDI in tourism: the development dimension*". The aim of the project is to help African countries to put in place national and regional policies that could help them to benefit more from tourism FDI.

UNCTAD continues to interact with the NEPAD Secretariat with respect to investment promotion. The *Investment Policy Review* (IPR) process has enhanced policy dialogue among stakeholders both at the national and intergovernmental levels and fits into the NEPAD's mechanism. IPRs were completed for Rwanda, Morocco and Zambia. The secretariat is also finalizing the IPR for Nigeria, which will bring the total number of IPRs prepared for Africa to 15. During 2006, nine African countries (Algeria, Botswana, Egypt, Kenya, Lesotho, Morocco, Nigeria, Rwanda and Uganda) received follow-up assistance aimed at implementing the recommendations of the IPRs.

In partnership with the Japan Bank for International Cooperation, two *Blue Books in Best Practice in Investment Promotion and Facilitation* were produced for Ghana and Zambia. The Blue Books are an innovative tool designed to provide governments with an assessment of major impediments to investment and clear policy recommendations.

In the area of *International Investment Agreements* (IIAs), two technical assistance programmes were implemented on promoting investment through an enabling legal framework in Egypt. The third major training programme, targeting IIA negotiators for Francophone African countries and two regional organizations, took place from 24 January to 3 February 2007. It was aimed at building technical capacity and expertise of these negotiators to participate effectively in discussions and negotiations of investment agreements.

Under the programme of work on the *transfer of technology and intellectual property*, two preparatory workshops on pharmaceutical production in East Africa were held in Tanzania (January and February 2006). A follow-up workshop was held in March 2007 in Ethiopia to provide technical assistance to LDCs in formulating investment and intellectual property laws conducive to the local production of essential medicines.

Promoting the Private Sector

EMPRETEC is a major integrated capacity-building programme, designed to create sustainable structures to promote a dynamic private sector and entrepreneurial skills. Currently there are 13 operational EMPRETEC/Enterprise centres in Africa (Angola, Benin, Botswana, Ethiopia, Ghana, Mauritius, Morocco, Mozambique, Nigeria, Senegal, South Africa, Uganda and Zimbabwe). In 2006, African EMPRETEC representatives launched a regional networking initiative, "EMPRETEC Africa Forum", to reinvigorate the EMPRETEC programme in Africa.