

P. Addressing the impact and implications of the global financial crisis on developing countries through support to services sector development

UNCTAD, in collaboration with the ECLAC, the ESCAP, the ECA, the ECE, the Economic and Social Commission for Western Asia, and the United Nations Development Programme (\$653,000)

Background

82. Services are the new frontier for enhancing trade, productivity and competitiveness. Global demand for services increased dramatically, turning services into engines for growth, development and poverty eradication in developing countries. Services have key linkages with Millennium Development Goals; through employment they can help to alleviate poverty and many services are essential for human life or infrastructural needs (e.g., telecom, health, education, provision of energy/water). Hence Governments face the challenge that efficient services are provided, including to the poor.
83. However, many developing countries are yet to fully exploit services for development. Positively integrating developing countries, especially least developed countries, into the global services economy and increasing their participation in services trade, remains a challenge. Developing countries face particular challenges when seeking to create enabling environments for pro-poor services sector development and achieving Millennium Development Goals. They lack, for example, needed institutional, financial and human resources; pacing and sequencing of services reforms; and services data. Better understanding of regulatory policies and their interaction with domestic policy objectives and trade-liberalization can support policymakers in improving policy outcomes and in designing services strategies. Policy and regulatory failures in key services sectors, including the global financial crisis, have underlined the need to rethink the policy, regulatory and institutional framework for key services sectors.
84. UNCTAD has a track record in analysing the services sectors of countries as well as their contribution to development and attendant regulatory, policy and institutional frameworks. The Accra Accord suggests that developing countries build regulatory frameworks and institutions to develop competitive services sectors and that particular attention is given to the universal access to essential services. It calls upon UNCTAD to assist developing countries, in increasing participation in global services production/trade, by strengthening the services capacity, efficiency and competitiveness of developing countries and establishing regulatory/institutional frameworks. UNCTAD should support national services assessments and policy reviews, examine issues related to services trade liberalization and its development impact and strengthen data and statistics. Services policy review includes: fact-finding and multi-stakeholder meetings at the national level; the UNCTAD meeting with experts and stakeholders at the international level; analytical/research work; publication and dissemination of services policy reviews aimed at awareness-raising, consensus-building and enhanced developing country participation in services production and trade. UNCTAD will implement this project with relevant partners at the international, regional and national levels.

<p>Objective of the Organization: To strengthen the capacity of policymakers, regulators, and trade negotiators of developing countries to address services-related challenges in an informed manner to better harness the development benefits of the services sector and of international trade in services.</p>	<p>Summary budget (Thousands of United States dollars)</p> <table border="0"> <tr> <td>General temporary assistance</td> <td style="text-align: right;">60.0</td> </tr> <tr> <td>Consultants</td> <td style="text-align: right;">153.0</td> </tr> <tr> <td>Travel</td> <td style="text-align: right;">96.0</td> </tr> <tr> <td>Contractual services</td> <td style="text-align: right;">34.0</td> </tr> <tr> <td>Operating expenses</td> <td style="text-align: right;">10.0</td> </tr> <tr> <td>Study tours</td> <td style="text-align: right;">40.0</td> </tr> <tr> <td>Workshops</td> <td style="text-align: right;"><u>260.0</u></td> </tr> <tr> <td>Total</td> <td style="text-align: right;">653.0</td> </tr> </table>	General temporary assistance	60.0	Consultants	153.0	Travel	96.0	Contractual services	34.0	Operating expenses	10.0	Study tours	40.0	Workshops	<u>260.0</u>	Total	653.0
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<p>Relationship to the strategic framework for the period 2010-2011 and the Millennium Development Goals: UNCTAD subprogramme 3 (International trade); Millennium Development Goals 1, 2, 3, 4, 5 and 7.</p>																	

Expected accomplishments of the Secretariat	Indicators of achievement
(a) A more systematic and comprehensive picture of countries' services sectors and its development implication	(a) Increased number of countries with coherent frameworks for the services sector
(b) Enhanced capacity of regulators, policymakers and trade negotiators at the national and regional levels enabling them to make informed decisions and harness the sector's development benefits	(b) Increased number of services policy reviews undertaken and increased number of persons trained
(c) Contribution to adequate pacing and sequencing of national policies, reform and liberalization	(c) Increased number of countries where decisions about services (trade and development) policies are undertaken in an informed manner and through transparent processes, including the participation of the affected stakeholders

Main activities

85. The main activities of the project will include:
- (a) Conducting and disseminating services policy reviews for a select number of countries in Africa, Asia and Latin America;
 - (b) Promoting sustained dialogue among relevant domestic and regional stakeholders, including consumers, providers and regulators of services;
 - (c) Organizing the attendant national/regional seminars and workshops, including providing training and technical assistance, validating/completing the services policy reviews, sharing findings and best practices, and establishing information-sharing mechanisms and networks between services policymakers;
 - (d) Providing follow-up technical support and necessary training to Governments and the private sector in the assessment and formulation of national services policies, including the attendant policy, regulatory and institutional frameworks;
 - (e) Organizing study tours to draw lessons from successful experiences and best practices including services trade and the regulatory policy.

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Implementing entities: UNCTAD with ECLAC, ECA, ESCWA, ECE, ESCAP and UNDP		Duration: 2010 – 2013
Objective: To strengthen the capacity of policy makers, regulators, and trade negotiators of developing countries to address services-related challenges in an informed manner to better harness the development benefits of the services sector and of international trade in services.		
Summary budget <i>thousands of US dollars</i>	Detailed budget (US dollars)	
GTA	60.0	General Temporary Assistance Temporary assistance (6 work months x \$10,000) to perform the tasks related to the coordination and implementation of the services policy reviews and the attendant seminars, meetings and study tours (in support of activities (a), (b) and (c)) 60 000 Consultants <u>Regional/International consultants</u> 14 work months x \$10,000 per month to conduct services policy reviews (e.g. collection of data, laws and regulations; writing of the studies; facilitating national workshops, seminars and stakeholder organizations etc.) (in support of activities (a), (b) and (c)) 140 000 <u>International/regional expert</u> to undertake external evaluation. 13 000 Travel 12 missions by international UN staff for the purpose of identifying national consultants, attending national workshops/seminars, stakeholder dialogues, assisting with the conduct of services policy reviews, providing services-related technical assistance (in support of activities (a), (b) and (c)) (\$8,000 per mission x 12 missions) 96 000 Contractual services Translation, Editing and Printing of services policy reviews (in support of activity (a)) 11 000 Contractual Services in support of all activities (\$23,000) 23 000 Operating expenses Communications and Supplies 10 000 Study tours Study tours to disseminate information in the region and identify best practices (in support of activities (a), (b) and (c)) (\$10,000 per study tour x 4 study tours) 40 000 Seminars and Workshops 10 workshops (in support of activities (c) and (d)) (\$10,000 per workshop) 100 000 2 regional seminars in support of activities (c) and (d) (\$80,000 per seminar) 160 000
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