

UNCTAD: A partner in delivering Financing for Sustainable Development

UNCTAD actions and activities that contribute in fulfilment of each para of the Zero draft of the outcome document of the third Conference on Financing for Development.

Para. 8 As part of UNCTAD's research and analysis, the LDC Report 2015 will focus on ways and means to foster rural development in LDCs. This is seen as necessary given the predominance of the rural population in the LDCs, the importance of agriculture in employment, production and exports and the historical role of agriculture in economic transformation. The report will also look at the type of rural structural transformation required for sustainable rural poverty eradication. For this to occur, resource mobilization is needed from credit markets, rural/agricultural development banks, public investment, aid, improved aid practices, among others.

Para. 13 Same comment as para 8.

UNCTAD has undertaken research on *"Sustainable freight transport development and finance"*, included in the Review of Maritime Transport 2012.

UNCTAD co-authored a substantive report entitled "Closing the distance: partnerships for sustainable and resilient transport systems in SIDS" (soon to be published). An advance copy was presented by the Secretary-General as an UNCTAD contribution to the Samoa Conference.

UNCTAD's new technical assistance activities also involves building capacities of developing countries and providing advisory services to enable a reorientation towards sustainable freight transport through sound transport policy measures and innovative financing mechanisms. Further detailed information can be provided.

Para 15: UNCTAD supports the work of the standing Intergovernmental Working Group of Experts on International Standards of Accounting and Reporting (ISAR) to implement environmental, social and governance reporting frameworks in member States.

A. Domestic Public Finance (17-36)

Para 18: UNCTAD provides analysis of degree of tax contribution vs. tax avoidance of MNCs to DCs' budgets, and is working towards developing guidelines for Coherent International Tax and Investment Policies. World Investment Report 2015 will also deal with taxation issues.

UNCTAD also analyzed gender equality in terms of transnational corporations (TNC) activities and policies vis-à-vis wages and employment in TNCs. This is a basis for a drive to mainstream gender equality in TNC operations. Also women entrepreneurship is a significant aspect of UNCTAD's Empretec programme --a UN programme to promote

the creation of sustainable small- and medium-sized enterprises (SMEs). Empretec works to support entrepreneurs to build innovative and internationally competitive SMEs

Para 20: In the context of integrating the informal sector into the formal economy, it is essential to make effective use of information and communication technologies (ICTs) and create incentives for informal businesses to register. UNCTAD can assist through its work on information and communication technologies for development ICT4D and through our programme on e-registration.

Para 22: See para 18.

Information and communication technologies need to be effectively leveraged to support women entrepreneurship and women participation in the work force. UNCTAD has developed a practical guide to this end that can be used in assisting countries.

Para 25: See para 18.

Past Least Developed Countries Reports have monitored the rise of income poverty in LDCs. Furthermore, UNCTAD's research work has argued that, although ensuring adequate investment in social infrastructure and services is important and should be pursued, adequate investment should also be provided to the economic and productive sectors to enable countries, and the LDCs in particular, to undertake the necessary structural transformation process.

Para. 29 The goal of allocating 0.7% of Gross National Income (GNI) to ODA to developing countries and between 0.15 and 0.2% of GNI to LDCs is also included in the Istanbul Programme of Action for LDCs (IPoA), agreed in 2011. UNCTAD is one of the institutions (OHRRLLS, Civil Society, among others) responsible for monitoring the IPOA implementation programme.

Para. 35 UNCTAD has been calling for a special treatment to be granted to small island developing states (SIDS) due to their high vulnerability to external shocks, their geographical disadvantage and limits to undertake structural transformation, among others. UNCTAD has also been calling for a special treatment to be granted to countries in the aftermath of graduation from the LDC group, beyond the smooth transition.

B. Domestic and International private business and finance

Para 37: UNCTAD's work on Investment Policy Reviews is geared towards promoting and creating the right enabling conditions for inclusive and sustainable foreign investment. UNCTAD's Corporate Social Responsibility (CSR) work is aimed at helping governments and companies "embrace corporate responsibility and take full account of environmental and social impacts in all their activities". UNCTAD has a work stream on impact investment (joint paper with US- Department of State, World Investment Report2014).

- Para 38: UNCTAD's i-guides and other investment promotion work is geared towards helping Small Vulnerable Economies(SVEs), LDCs, and LLDCs attract more and benefit better from foreign investment. UNCTAD's Investment Policy Framework for Sustainable Development is designed to help governments develop regulatory systems that align business incentives with sustainable development.
- Para 39: UNCTAD has a number of initiatives on responsible and sustainable investment, including our Sustainable Stock Exchanges initiative (SSE), Principles on Responsible Agricultural Investment (PRAI) and International Standards of Accounting and Reporting (ISAR) which provides an accounting tool for assessing impact. On a more general level, UNCTAD's Investment Policy Framework for Sustainable Development (IPFSD) is designed to help governments develop and implement investment policies that are geared towards sustainable development.
- Para 40: ISAR works on sustainability reporting. [NOTE: the word "integrated" in the second sentence of this paragraph could be construed as favouring the Integrated Reporting Committee over as reporting initiatives, such as Global Reporting Initiative. Hence it should be deleted.]
- Para 42: Cf para 18, UNCTAD's work on gender and Transnational corporations (TNCs).
- Para 43: For entrepreneurs in low-income countries, the availability of alternative financial services such as mobile money or mobile banking can make it easier and more secure to receive money from family and friends or to save. UNCTAD's research and technical assistance in this area can be of use. UNCTAD's work on e-commerce and Law reform covers, among other things, consumer protection and e-transaction laws. UNCTAD can offer technical assistance in this area.
- Para 44: UNCTAD can contribute in the context of exploring how information and communication technologies (mobile and digital solutions) can enhance competition and inclusion of international remittances, and to bring down the costs. UNCTAD held a special event on this issue at the occasion of UNCTAD 50th Anniversary in 2014.
- Para 46: UNCTAD's Entrepreneurship Policy Framework provides guidance and best policy practices for small and medium-sized enterprises (SMEs) financing.
- See comment on para. 8.
- Para 48: Investment promotion is one of UNCTAD's central platforms, including through its flagship activities, such as the World Investment Report and the World Investment Forum. UNCTAD provides specific and targeted technical assistance programmes for investment promotion.
- Para 49: World Investment Report 2014 (WIR 14) played particular heed to the needs of Small and Vulnerable Economies, including LDCs. UNCTAD publishes reports on, for instance, Foreign Direct Investment (FDI) in LDCs. UNCTAD provides technical assistance to

LDCs in investment promotion, investment treaty negotiation, and investment dispute resolution mechanisms and strategies.

- Para 50: World Investment Report 2014 provided a full analysis of investment gaps, as well as sources of financing to bridge these gaps.
- Para 51: Private sector investment to meet challenge of the investment gap for SDGs analysed in World Investment Report 2014, including incentive structures, SDG-orientated investment policies etc.
- Para 52: Blended/hybrid finance analysed and concrete options presented in World Investment Report 2014. Further elaborated in the World Investment Forum and continues as a major area of work.
- Para 53: UNCTAD contributes to the G20 work on infrastructure.

C. International Public Finance

D. International trade for sustainable development

- Para 73: All of the activities undertaken by UNCTAD would fit into this. For example, Trade Policy assessments and support to the countries; Service Policy Reviews, National Green Exports Review; Competition Policy Reviews.
- Para 74: UNCTAD are also working to on mapping the scope of certain Regional Trade Agreements (RTAs) to highlight the WTO+: areas already covered by the WTO Agreement; and WTO-X: new areas, 'beyond the WTO' provisions.
- Para 75: UNCTAD are supporting developing countries and LDCs in their regional integration efforts, such as the project to boost intra-Africa trade and the African Continental Free Trade Area (CFTA) negotiations.

UNCTAD also provide a database-cum-analytical tool, called WITS/TRAINS (World Integrated Trade Solution/Trade Analysis and Information System), jointly with the World Bank.

UNCTAD also host the Global System of Trade Preferences among Developing Countries (GSTP) that provides a platform for increasing South-South trade.

UNCTAD provide analysis on South-South trade and a database on trade flows among developing countries called "South-South Trade Information System".

UNCTAD have also worked on the issue of Global Value Chains (GVCs) and have conducted research and analysis on this and also contributed to the work of WTO and OECD on this (in the context of G-20 reports).

Para 76: UNCTAD provide continuous support to the developing countries and LDCs in various areas of the WTO negotiations.

UNCTAD are also working on the issues of subsidies, including fisheries subsidies (and convening an ad-hoc experts group meeting on sustainable fisheries subsidies in September 2015).

UNCTAD is also providing support to, almost all, developing and LDCs undergoing the WTO Accession process.

UNCTAD have also conducted analysis on cost of trade restrictions (SPS) in the European market for exports of low-income countries.

Para 77: UNCTAD can provide technical assistance to developing countries and LDCs in utilizing the provisions of special and differential treatment (S&D) monitoring mechanism.

Para 78: UNCTAD have been supporting our Members in understanding, implementing and utilizing the duty-free and quota-free (DFQF) market access.

UNCTAD provide analysis on potential impact of duty-free and quota-free market access to LDCs in the light of the proliferation of bilateral and regional trade agreements of that bypass LDCs but involve major markets for LDCs' products.

UNCTAD have also been working on TRIPS flexibilities.

UNCTAD plan to work on the interface of Trade and Public Health. This effort is covered not only under the specific Targets in the SDGs but also the mandate of UN Interagency Taskforce on Non-Communicable Diseases (NCDs).

Para 79: UNCTAD are supporting through our research and analysis and also some specific technical assistance projects such as the one for African Union on the African Continental Free Trade Area.

UNCTAD completed a project for Southern African Development Community (SADC) to develop a methodology for assessing: the state of play of deep regional integration regarding trade control measures; the regulatory distance of the countries' non-tariff measures (NTMs); and the impact of NTMs on trade and social indicators. The project was supported by Deutsche Gesellschaft für Internationale Zusammenarbeit (GIZ) and the methodologies applied to SADC.

UNCTAD are conducting a joint work with the ERIA (Economic Research Institute for ASEAN and East Asia) which works closely with the ASEAN Secretariat in the areas of:

(i) collecting Non-tariff barriers NTM-related information on the ASEAN member countries; and (ii) conducting analysis on the impact of Non-tariff barriers on regional integration.

UNCTAD's Trade and Development Board (TDB) can conduct regular reviews of regional trade agreements that involve developing countries.

UNCTAD offers a capacity-building programme to support regional cyberlaw harmonization, which is becoming increasingly important as more and more activities are traded online.

Para 80: UNCTAD are contributing to various initiatives and activities under aid for trade (through the WTO platform).

UNCTAD are providing one chapter (titled "Trade in the post-2015 Development Agenda: Implication to Aid for Trade" to this year's OECD/WTO publication of the Aid-For-Trade Monitor.

UNCTAD can provide a platform for the South-South aid for trade.

Para 81: UNCTAD's Investment Policy Framework for Sustainable Development is relevant, as well as work on International Investment Agreements (IIA) reform.

E. Debt and debt sustainability (82-90)

Para. 82 UNCTAD was the first international institution to point to inadequacies in Debt Relief Under the Heavily Indebted Poor Countries HIPC I and was a strong advocate of the rapid adoption of HIPC II. It continues to provide yearly analysis of the debt situation of HIPCs and other developing countries, providing regular and timely policy proposals for improving the debt situation of developing countries.

UNCTAD provides technical assistance to developing countries to strengthen the debt management capacities of the national debt management offices (DMOs). In addition to its ongoing work to strengthen the data recording and reporting capacities of DMOs, UNCTAD has undertaken activities related to bond issuance, risk management, and asset and liability management.

Para. 83 UNCTAD, as the focal point for international debt issues in the UN system, engages in extensive analytical work and technical assistance work which can inform and improve the follow-up process of FfD. Comprehensive and reliable debt data is a necessity for the monitoring and prudent management of liabilities and UNCTAD, through the Debt Management and Financial Analysis System (DMFAS) Programme, is a leading and widely recognized provider of support to developing countries in this area, working in coordination and complementarity with other organisations.

- Para. 84 UNCTAD, represented by the Debt Management and Financial Analysis System Programme, is an active member of the Task Force on Finance Statistics and could play an important, even leading, role in the creation of a central data repository.
- Para. 85 See comment on para. 35.
- UNCTAD's Principles on responsible lending and borrowing as reflected in the text are currently applied by a large number of developing countries. UNCTAD provides assistance to countries in the implementation of the Principles for Responsible Sovereign and Lending Practices after they have been adopted by countries.
- Para. 87 UNCTAD has an observer status in the Paris Club, and regularly provides analysis of the restructuring Terms applied by creditors and issues proposals for improvements of debt treatment of developing countries.
- Para. 87 UNCTAD's work on a Roadmap and Guide to Sovereign Debt Workouts is contributing to a deeper understanding of the challenges involved and providing practical steps for moving forward.
- Para. 88 Through our work on promoting the dissemination of Principles on Responsible Lending and Borrowing, UNCTAD can assist more countries in adopting legislative steps, also in line with have already been taken in Belgium and the UK.
- Para. 89 As noted in para 87, UNCTAD closely monitors and reports upon developments pertaining to the debt of developing countries, including the ongoing litigation against Debt Relief Under the Heavily Indebted Poor Countries and its impact on their development. On numerous occasions UNCTAD has devoted special attention to the negative role of vulture funds in the UN Secretary General's report on external debt and development to the General Assembly. This work is ongoing.
- Para. 90 UNCTAD's Roadmap and Guide to Sovereign Debt Workouts encourage the increased use of GDP indexed bonds. In previous years, the General Assembly papers on Debt Sustainability have also flagged this issue. Work on countercyclical repayment options is ongoing in UNCTAD and the monitoring and reporting on these instruments is a regular feature of our work. UNCTAD has called for debt cancellation following a natural disaster, such as in the case of Haiti. It supports this work in the General Assembly negotiations on the resolution for external debt.

F. Systemic Issues (91-102)

This is an area where UNCTAD has done extensive research and analysis as published in Trade and Development Reports, G24 Discussion Papers, etc. UNCTAD will continue to examine all areas that fall under the heading of systemic issues.

G. Technology, Innovation and Capacity-Building (103-114)

- Para 103: UNCTAD undertakes reviews of national Science, Technology and Innovation policies in order to help developing countries build national Science, Technology, and Innovation (STI) capacity and implement effective STI policies for sustainable development, and hosts intergovernmental meetings on STI aimed at sharing experiences on STI policy issues. UNCTAD also undertake selected training and capacity building exercises on STI policy in developing countries. UNCTAD can also offer both analysis and technical assistance to countries interested in better harnessing ICTs for trade, entrepreneurship and economic development. UNCTAD's flagship report series on the topic, the Technology and Innovation Report, has addressed the questions of innovation and new technologies in a variety of sectors, and can continue to contribute to these debates with targeted policy advice. UNCTAD is also conducting a project on fostering local production of pharmaceuticals, vaccines and medical products in developing countries, in partnership with WHO and other partners.
- Para 104: UNCTAD assists countries in evaluating and improving the effectiveness of their science, technology and innovation policies, and in improving their policy and governance frameworks for supporting innovation. UNCTAD also conduct policy-oriented research on STI issues, STI policy and technology transfer. UNCTAD undertake national surveys of issues related to STI, conduct national stakeholder workshops and firm-level interviews to provide evidence-based policy analyses.
- Para 105: UNCTAD supports improved collaboration among key actors on science, technology and innovation in developing countries by supporting the development of effective innovation systems, notably as a central facet of its national STI Policy Reviews in those countries. UNCTAD's ongoing research on access to ICT issues (broadband internet) identifies significant benefits of knowledge sharing, open access to educational resources and open source software particularly for LDCs.
- Para 107: UNCTAD undertakes national reviews of Science, Technology and Innovation policies in developing countries and through these projects supports the integration of STI policies into national development strategies in developing countries. UNCTAD also provides succinct policy analyses of issues of STI and how they bear upon sustainable development outcomes.
- Para 108: UNCTAD's Technology and Innovation Report 2012 focused on how best to promote South-South collaboration with a view to promoting technology and innovation capacity in the developing world. The Report suggested key elements for a collaborative

framework on technology and innovation for mutually beneficial alliances amongst developing countries.

Para 112: UNCTAD is collaborating with other UN and international organizations on discussions and research on the creation of a technology facilitation mechanism (coordinated by UN-DESA), which should help to improve collaboration and coordination among UN agencies and other international organizations on international technology facilitation.

G. Data, monitoring and follow-up (115-124)

As a major global repository of various data and, with substantive capacity to develop and analyze data, UNCTAD is working with other statistical offices under the auspices of UN Stats, including on statistical challenges around means of implementation for the SDGs.

UNCTAD, GEF and UNDCF are Cluster lead for SDG 17 in the UN Task Team on SDGs