In 2000, the revival in international economic activity and trade, which began in the second half of 1999, continued. Exports and imports of all groups of countries increased at significantly faster rates and became more balanced among countries. The improvements in growth were particularly marked in a number of developing countries and economies in transition. In contrast with the expansion in trade, capital flows to developing countries declined.

In February, the tenth session of the United Nations Conference on Trade and Development (UNCTAD X), which had as its theme "Developing strategies in an increasingly interdependent world: applying the lessons of the past to make globalization an effective instrument for the development of all countries and all people", took place in Bangkok, Thailand. The Conference adopted the Bangkok Declaration, which reaffirmed UNCTAD as the focal point in the United Nations for the integrated treatment of development and the interrelated issues of trade, finance, investment, technology and sustainable development, and the Plan of Action, which harmonized UNCTAD’s mandate with the new global economy and its challenges. In December, the General Assembly requested the Secretary-General to take measures to strengthen UNCTAD’s management and enhance its programme delivery capacity and performance to enable it to implement the outcome of UNCTAD X. With regard to developments in the multilateral trading system, the Assembly recognized the need for expeditious and complete integration of developing countries and economies in transition into the international trading system, in full cognizance of the opportunities and challenges of globalization and liberalization. It also reiterated the importance of continued trade liberalization in developed and developing countries, including in sectors of export interest to developing countries.

In September, the Fourth United Nations Conference to Review All Aspects of the Set of Multilaterally Agreed Equitable Principles and Rules for the Control of Restrictive Business Practices considered major developments in the field of competition law and policy and requested UNCTAD to expand its technical cooperation activities. In the area of commodities, the Assembly expressed concern at the declining terms of trade in most primary commodities and invited UNCTAD to assist developing countries in the financing of commodity diversification.

The Trade and Development Board, the governing body of UNCTAD, considered interdependence and global economic issues from a trade and development perspective, focusing on crisis and recovery in emerging markets. It also reviewed technical cooperation activities. The Trade and Development Report, 2000, produced by the UNCTAD secretariat, focused on the related issues of global economic growth and imbalances.

In action on financial issues, the Assembly stressed the importance of creating an enabling international economic environment through cooperative efforts by all countries and institutions to promote equitable development. Recognizing that development-oriented and durable solutions to external debt and debt-service burdens of developing countries could strengthen the global economy, the Assembly encouraged the international community to consider measures for countries with a high level of debt overhang to make their debt sustainable in the long term, and called for concerted action to address the debt problems of low- and middle-income developing countries. With regard to financing for development, the Assembly decided that the high-level international intergovernmental event on the subject would take place in 2002.

The International Trade Centre (ITC) focused on capacity-building to enhance international competitiveness and trade performance; during the year, more than 100 countries benefited from its support.

**UNCTAD X**

The tenth session of the United Nations Conference on Trade and Development, known as UNCTAD X, was held in Bangkok, Thailand, from 12 to 19 February [TD/390], in accordance with General Assembly resolutions 1995(XIX) [YUN 1984, p. 210] and 51/167 [YUN 1996, p. 847], with the unifying theme: "Development strategies in an increasingly interdependent world: applying the lessons of the past to make globalization an
effective instrument for the development of all countries and all people. The Trade and Development Board (TDB) served as the preparatory committee for the Conference (see p. 892), which was attended by 158 member States of UNCTAD and representatives of UN specialized agencies, bodies and programmes, and intergovernmental and non-governmental organizations (NGOs). Palestine attended as an observer. At the special inaugural ceremony on 12 February, the Conference was addressed by Chuan Leekpai, Prime Minister of Thailand, by the Secretary-General of the United Nations and by Rubens Ricupero, Secretary-General of UNCTAD.

On 13 February, the Ministers of Trade of the Least Developed Countries (LDCs) discussed LDC-related issues and the preparatory process for the Third United Nations Conference on LDCs, to be held in 2001; a communique was adopted [TD/384 & Corr.1] and submitted to the Conference. A debate with heads of UN regional commissions took place on 14 February on the regional dimension of development and the impact of globalization on different regions in the wake of the recent financial crisis. In the course of the Conference, the following round tables were organized: High-level Round Table with Eminent Economists on Trade and Development Directions for the Twenty-first Century: the Academic Perspective; High-level Round Table with Heads of UN Agencies, Programmes and Related Institutions; and Round Table on the Human Dimension of Development: Empowering Entrepreneurs for the Twenty-first Century. At a special high-level event on 19 February, heads of State or Government discussed the main findings of the Conference.

The Conference had before it a report of the UNCTAD Secretary-General [TD/380], which discussed globalization and development: the sources of the present impasse; towards a new international commitment to growth and development: enhancing the governance of the globalizing world economy; UNCTAD: a knowledge-based institution at the service of development; and partnerships and effectiveness: increasing UNCTAD’s impact on development.

The following parallel events were organized in connection with the Conference: NGO Plenary Caucus (7–8 February), which adopted a statement entitled “UNCTAD and Civil Society: Towards Our Common Goals” [TD/382]; Parliamentary Meeting (9–11 February), which adopted a Final Declaration [TD/383]; fifth Annual Conference of the World Association of Investment Promotion Agencies (9–11 February); South-South Trade Promotion Programme—Buyers/Sellers Meeting on Pharmaceuticals (12–13 February); Symposium on Commodities and Development at the Turn of the Millennium (13 February); Special Round Table on Transnational Corporations (TNCs), Small and Medium-sized Enterprises (SMEs) and Development, Involving Federations, Organizations and Young Entrepreneurs (15 February); and the UNCTAD/UNDP Global Programme on Globalization, Liberalization and Sustainable Human Development (16 February). Other events included a one-day Symposium on Economic and Financial Recovery in Asia on 17 February.

**Declaration and Plan of Action**

On 19 February, the Conference adopted the Bangkok Declaration: Global Dialogue and Dynamic Engagement, which emphasized the need for increased policy coherence at the national and international levels, and reaffirmed UNCTAD as the focal point within the United Nations for the integrated treatment of development and the interrelated issues in the areas of trade, finance, investment, technology and sustainable development.

It also adopted a two-part Plan of Action [TD/386]. Part I addressed development strategies in an increasingly interdependent world: applying the lessons of the past to make globalization an effective instrument for the development of all countries and all people. It evaluated the developmental impact of globalization, and noted that, although globalization and interdependence had opened new opportunities through increased trade liberalization and advancement in technology, many developing countries, especially LDCs, had not increased their GDP per capita over the last three decades. It stated that development strategies promoted mainly by multilateral financial institutions should adapt to evolving global conditions, and the international community should elaborate strategies and policies to help developing countries to overcome any negative effect of globalization. Maximizing the benefits of globalization required sound domestic policies supported by an enabling global environment and international economic cooperation. The international community should address the imbalances in the international economy and the effects of volatility; and intensified international cooperation, in addition to national and regional efforts, would be essential to address effectively the domestic and external factors of underdevelopment. The Plan of Action also reviewed major international initiatives such as the Uruguay Round and the United Nations New Agenda for the Development of Africa in the 1990s (UN-NADAF), the Programme of Action for LDCs for the 1990s and debt relief develop-
ments. It proposed measures to be taken by the international community to ensure integration of developing countries into the world economy in the areas of finance and investment, international trade and other development-related issues. Part II of the Plan of Action examined UNCTAD's engagement in the areas of: globalization, interdependence and development; investment, enterprise and technology; international trade; service infrastructure for development and trade efficiency and human resources development; LDCs, landlocked developing countries and small island developing States; and technical cooperation. It stated that, to enhance the development opportunities offered by globalization, UNCTAD should act as a forum for intergovernmental discussions; undertake research, analysis and data collection; provide technical assistance tailored to the needs of developing countries; and continue to focus on four fields of activity: globalization and development; investment, enterprise development and technology; trade in goods and services and commodity issues; and services infrastructure for development and trade efficiency. UNCTAD should also pay special attention to the concerns of LDCs and further explore the role of economic cooperation among developing countries as an instrument to promote economic growth. The Plan of Action recommended that UNCTAD's existing capacity-building programme be strengthened by organizing for officials from developing countries and countries in transition, in cooperation with the UN Staff College, training courses on the international economic agenda. The courses could draw on UNCTAD's expertise and policy analysis work, with the support of an advisory body to be established by TDB.

**Other action.** In a 19 February statement [174(X)], the Conference paid tribute to the King of Thailand for his contribution to the cause of development. By a resolution of the same date [res. 175(X)], UNCTAD X expressed appreciation to the Government and the people of Thailand for the hospitality accorded to the Conference participants. In another 19 February resolution [res. 176(X)], the Conference approved the report of the Credentials Committee [TD/385].

**Preparatory process for UNCTAD X**

At the second part of its twenty-third executive session, on 27 January [A/55/15], TDB considered and took note of the pre-Conference text, as submitted by the Preparatory Committee of the Whole, and requested the TDB President to transmit it to the Conference. The Preparatory Committee had begun its work in 1999 [YUN 1999, p. 912]. The reports of a number of meetings held in 1999 in preparation for UNCTAD X [ibid.] were submitted to the Conference.

**UNCTAD X follow-up**

At its twenty-fourth executive session (Geneva, 24 March and 12 May) [A/55/15], TDB discussed the follow-up to the outcome of UNCTAD X, including action taken by the Working Party on the Medium-term Plan and the Programme Budget (see p. 922).

In resolution 55/182 (see p. 895), the General Assembly, taking note of the outcome of UNCTAD X, requested the Secretary-General, in consultation with the UNCTAD Secretary-General, to take measures to strengthen the management and enhance the programme delivery capacity and performance of the UNCTAD secretariat in order to enable it to implement fully and effectively the outcome of the tenth session.

**International trade**

The Trade and Development Report, 2000 [Sales No. E.00.II.D.19] observed that the revival in world trade in 1999, in the wake of the economic recovery in East Asia, was more evident in value than in volume on account of disparate movements in the prices of internationally traded goods and services in 1998 and 1999. With the major exception of the transition economies, there was a sharp turnaround in all regions, particularly in value terms, as price declines levelled off, and the return of financial stability in the crisis-stricken Asian economies led to a modest recovery in certain non-oil commodity prices of interest to developing countries.

The volume of world imports grew by some 5 per cent in 1999, an improvement that was due mainly to a recovery in developing countries and to sustained growth in developed countries; import volumes in the transition economies contracted by 10 per cent. Owing to statistical discrepancies, the rebound in world trade in 1999 was not reflected to the same extent in terms of the volume of exports, which, unlike imports, rose less than in 1998. The slowdown was accounted for by a contraction of exports in the transition economies, as well as slower export growth in developing countries. For developed countries as a whole, the export volume growth rate was maintained at the same level as in 1998. The dollar values of both world imports and exports increased, with the exception of the transition economies, where both fell. There was a relatively rapid increase in the value of imports in the
United States and a marked rebound for Japan and for developing Asia. Export earnings increased in all major economic regions except the European Union (EU) and the transition economies. Both world imports and exports showed smaller increases in value than in volume terms, on account of price declines. However, the discrepancy between volume and value figures was much narrower for 1999 than for 1998, suggesting that the downward trend in world prices had moderated.

The World Economic and Social Survey 2000 [Sales No. E.00.II.C.1], prepared in mid-2000 by the UN Department of Economic and Social Affairs (DESA), stated that international trade recovered in 1999 from the slowdown of 1998. Trade growth was slow during the first half of the year, with significant declines in some regions, as many economies, especially in Asia and Latin America but also among the economies in transition, continued their post-crisis adjustment by cutting import demand. However, international trade revived strongly in the second half of the year, when an accelerating recovery in Asia and rapid growth in North America increased trade values and volumes, and became one of the more dynamic features of the world economy as it entered 2000. Although the rebound in trade was widespread, contrasting increases in export supplies and import demand at the national level left large trade imbalances in some countries, while reducing or eliminating external deficits and surpluses in others. Those changes in nominal trade balances were induced by significant changes in exchange rates and in relative prices of traded goods.

Preliminary estimates placed the total value of world merchandise trade in 1999 at over $5,500 billion, a 4.6 per cent increase over 1998. Much of that increase was attributable to soaring prices for petroleum. The volume of world merchandise trade increased considerably faster than in 1998. Export volume rose by 4.8 per cent measured in dollars, and by the end of the year it exceeded the rate of increase in gross world product (GWP). Reflecting the expansion of world merchandise trade volume, the ratio of world trade growth to world output growth rose.

There was a strong rebound in developing country trade as the value of exports from that group rose 8.3 per cent in 1999. The economies in transition also recorded an increase in the value of their exports, whereas the developed economies increased the value of their trade at a slower rate. For all developing countries taken together, over 80 per cent of the increase in export value was accounted for by an increase in export volume rather than export price. However, the largest relative increase in the value of exports from developing countries was recorded by petroleum-exporting countries in Western Asia. Similarly, in Africa, the increase in export value outpaced the increase in volume. Over 70 per cent of the value of world imports was accounted for by demand originating in the developed market economies, where imports into North America and Japan grew at a pace of 11.8 per cent and 8.3 percent, respectively. The United States continued to provide a major stimulus to the world economy as its foreign demand increased by almost 13 per cent from 1998. In contrast, the increase in import value by Western Europe was less than 2.5 per cent. The economies in transition recorded a surplus on their merchandise trade account, with a gain in export value and a lower value of imports. The reduction in import value was centred in the Commonwealth of Independent States (CIS), where both the value and the volume of imports declined by more than 20 per cent. The developing countries contributed to the growth of world import demand: at almost 6 per cent in value terms, imports rose faster than the world average and accounted for 30 per cent of the increment in import demand, which was especially strong in China and South and East Asia.

In a joint report on the world economic situation and prospects [Sales No. E.01.II.C.2] issued at the end of 2000 by DESA and UNCTAD, it was observed that the growth of international trade accelerated and broadened in 2000 from the uneven recovery of 1999. The volume of world merchandise imports surged almost 11 per cent in 2000. Import demand remained particularly robust in North America, strengthened among the developed economies and increased rapidly across the developing countries and the economies in transition. The rise was strong in Latin America and the Caribbean and in the Russian Federation, where imports had declined significantly in 1999, and in South and East Asia, where economic activity and international trade continued to recover from the effects of the financial crisis of 1997.

Report of Secretary-General. In response to General Assembly resolution 54/198 [YUN 1999, p. 875], the Secretary-General submitted a September report [A/55/396], prepared in collaboration with UNCTAD, on international trade and development. It discussed developments in the multilateral trading system and other issues raised in resolution 54/198, including: investment agreements; dispute settlement; the Third Conference on LDCs (2001); landlocked countries; small island developing States; Africa; debt; the volatility of short-term capital flows and
effects of the financial crisis on the international trading system; and debt.

The report stated that the main developments in the multilateral trading system were related to the 1999 third World Trade Organization (WTO) Ministerial Conference [YUN 1999, p. 1422], which ended without launching new multilateral trade negotiations or agreeing to a future WTO work programme. From a development perspective, the most important policy challenge was how to strengthen orientations of the system to formulate effective and sustained responses to the concerns of developing countries. Based on the experiences of the first five years of WTO, developing countries insisted that the WTO agreements were unbalanced and offered inadequate benefits and opportunities to them. In particular, they called for: incorporation of the agricultural trade sector within normal WTO rules, while addressing the problems of predominantly agrarian and small island developing economies and net food-importing developing countries; developed countries to open their markets to the exports of developing countries and provide duty-free and quota-free access for the exports of LDCs, with future negotiations addressing the elimination of tariff peaks and tariff escalation and prevention of the abuse of measures such as anti-dumping, countervailing duties and safeguard actions, sanitary and phytosanitary regulations, technical barriers to trade and the use of voluntary export restraints; and a review and strengthening of special and differential treatment, giving special emphasis to capacity-building in developing countries and to measures taken by industrialized countries to transfer technology and know-how and invest in developing countries.

Addressing the outcome of UNCTAD X and its relevance for the WTO process, the Secretary-General said that the Plan of Action reflected the view that the international community should address the imbalances in the WTO agreements and the international economy as a whole and that new multilateral negotiations should enable developing countries to establish the infrastructure and other conditions necessary for the implementation of the agreements. It further stated that market access conditions for agricultural and industrial products of export interest to LDCs should be improved, and consideration should be given to the proposal for a commitment by developed countries to grant duty-free and quota-free market access for all exports originating in LDCs. Essentially, the Plan of Action set out the core elements of an agenda for the "development round". The Secretary-General added that the Bangkok Conference gave UNCTAD the mandate to continue to assist developing countries in their positive agenda by providing the necessary technical and analytical inputs to their negotiating objectives, supporting their capacity-building process and providing a forum for the exchange of information.

With regard to the resumption of work in WTO, the Secretary-General stated that the export subsidies issue was a major concern of developing countries, in many of which the trade policy regime in the agricultural sector was more liberal than in developed countries where, in some of them, subsidization of agriculture continued to increase. The impact of agricultural reform on the net food-importing developing countries and LDCs needed to be addressed more vigorously. Classification of services was also subject to criticism. To achieve liberalization of one service sector meant that the regulatory framework of interrelated services also had to be adapted, hence the need to consider a so-called cluster of interrelated service sectors. The major concerns of many developing countries regarding the implementation of the WTO agreements were the lack of progress towards liberalization in sectors of interest to them; the imbalances between their rights and obligations under some of the agreements; and the conditions of market access. The implementation of the Agreement on Textiles and Clothing gave rise to many concerns. Although that sector accounted for about 20 per cent of developing countries' exports of manufactured products, the implementation of the Agreement failed to meet their expectations and, almost six years after its implementation, the committed progressive liberalization of quotas had not materialized.

The Secretary-General noted that the effectiveness of the generalized system of preferences (GSP) and other trade preferences in favour of developing countries was undermined by economic liberalization, the tightening of multilateral rules on waivers and the trend towards reciprocity in North/South trade relations. Since January 2000, international actions had been taken that underpinned the role of trade preferences and regional integration among developing countries. At UNCTAD X, States agreed to maintain the level of tariff-free or reduced-tariff access to markets through national GSP schemes for all beneficiaries, and that UNCTAD would devise mechanisms for advancing trade integration within regional integration arrangements of developing countries.

Communication. On 5 May [A/55/74], Nigeria transmitted to the General Assembly the Declaration and the Havana Programme of Action, adopted by the South Summit of the Group of 77
(developing countries) (Havana, Cuba, 10-14 April). At the first-ever South Summit, the Group of 77 and China emphasized that the process of globalization and interdependence should not be used to weaken or reinterpret the Charter of the United Nations, international law or sovereignty and sovereign equality of States, among other principles. They further emphasized that development was the best contribution to peace. The Havana Programme of Action covered globalization, knowledge and technology, South-South cooperation, North-South relations and institutional follow-up.

**GENERAL ASSEMBLY ACTION**

On 20 December [meeting 87], the General Assembly, on the recommendation of the Second (Economic and Financial) Committee [A/55/579/Add.1], adopted resolution 55/182 without vote [agenda item 92 (a)].

**International trade and development**

The General Assembly,


Taking note of the outcome of the tenth session of the United Nations Conference on Trade and Development, held at Bangkok from 12 to 19 February 2000, specifically the Bangkok Declaration: global dialogue and dynamic engagement and the Plan of Action, which provide an important framework for promoting a partnership for growth and development,

Recalling the United Nations Millennium Declaration adopted by the heads of State and Government on 8 September 2000,

Taking note of the Declaration and the Programme of Action adopted by the South Summit of the Group of 77, held at Havana from 10 to 14 April 2000,

Emphasizing that a favourable and conducive international economic and financial environment and a positive investment climate are necessary for the growth of the world economy, including the creation of employment with equal opportunities for women and men, in particular for the growth and development of developing countries, and emphasizing also that each country is responsible for its own economic policies for sustainable development,

Noting the need for multilateral trade liberalization, and noting also that a large number of developing countries have assumed the rights and obligations of the World Trade Organization without being able to reap the full benefits of, and participate fully in, the multilateral trading system, and that there is a need for progress towards liberalization and enhanced market access, including in areas and products of particular interest to developing countries,

Noting also the importance of assisting developing countries in building their capacity, in accordance with their national priorities, to engage effectively in international trade,

Stressing that full and faithful implementation of the commitments and obligations in multilateral trade agreements is important to the equitable and sustainable development and stability of the world economy,

Strongly emphasizing the importance of providing all members of the World Trade Organization with the opportunity to engage fully and effectively in the process of multilateral trade negotiations and in other activities within the multilateral trading system in order to facilitate the attainment of balanced results with respect to the interests of all members,

Taking note of the report of the Trade and Development Board on its forty-seventh session, the report of the Secretary-General on international trade and development and on the developments in the multilateral trading system, and the report of the Secretary-General of the United Nations Conference on Trade and Development on the transit environment in the landlocked States in Central Asia and their transit developing neighbours,

Noting, in the context of international trade and development, the ongoing work of the Commonwealth Secretariat/World Bank Joint Task Force on Small States,

1. Recognizes the importance of the expansion of international trade as an engine of growth and development and, in this context, the need for expeditious and complete integration of developing countries and countries with economies in transition into the international trading system, in full cognizance of the opportunities and challenges of globalization and liberalization and taking into account the circumstances of individual countries, in particular the trade interests and development needs of developing countries;

2. Renews its commitment to uphold and strengthen an open, rule-based, equitable, secure, nondiscriminatory, transparent and predictable multilateral trade system which contributes to the economic and social advancement of all countries and peoples, including equal opportunities for women and for men, by promoting the liberalization and expansion of trade, employment and stability and by providing a framework for the conduct of international trade relations;

3. Expresses concern at the declining terms of trade in most primary commodities, in particular for net exporters of such commodities, as well as the lack of progress in many developing countries in diversification, and, in this regard, strongly emphasizes the need for action at both the national and the international levels, inter alia, through improved market access conditions, addressing supply-side constraints and support for capacity-building, including in areas that actively involve women;

4. Recognizes that the substantial improvement of market access for exports of goods and services from developing countries through, inter alia, the reduction or removal of tariff and non-tariff barriers should be assigned high priority in multilateral trade negotiations;

5. Urges those countries that have announced market-access initiatives in favour of developing countries, in particular the least developed countries, and have not yet fulfilled them to expedite the implementation of those initiatives, and calls upon other countries
that have not yet done so to undertake similar initiatives;
6. Deplores any attempt to bypass or undermine multilateral agreements and procedures on the conduct of international trade by taking unilateral actions that are inconsistent with the multilateral trade rules and regulations, including those agreed upon in the Uruguay Round of multilateral trade negotiations;
7. Expresses concern about the proliferation of anti-dumping and countervailing measures, and stresses that they should not be used as protectionist measures;
8. Reaffirms the role of the United Nations Conference on Trade and Development as the focal point within the United Nations for the integrated treatment of development and related issues in the areas of trade, finance, technology, investment and sustainable development;
9. Requests the Secretary-General, in consultation with the Secretary-General of the United Nations Conference on Trade and Development and in line with the successful outcome of the tenth session of the United Nations Conference on Trade and Development, to take the necessary measures to strengthen the management and enhance the programme delivery capacity and performance of the secretariat of the United Nations Conference on Trade and Development in order to enable it to implement fully and effectively the outcome of its tenth session;
10. Reiterates the importance of continued trade liberalization in developed and developing countries, including in sectors of export interest to developing countries, through, inter alia:
(a) Substantial reductions of tariffs, the rolling back of tariff peaks and the removal of tariff escalation;
(b) The elimination of trade-distorting policies, protectionist practices and non-tariff barriers in international trade relations;
(c) Ensuring that resort to anti-dumping duties, countervailing duties, phytosanitary regulations and technical standards is subject to effective multilateral surveillance so that such measures respect and are consistent with multilateral trading rules and obligations and are not used for protectionist purposes;
(d) The improvement and renewal, by preference-giving countries, of their Generalized System of Preferences schemes with the objective of integrating developing countries, especially the least developed countries, into the international trading system and of finding ways and means to ensure more effective utilization of those schemes; and, in this context, reiterates its original principles, namely, non-discrimination, universality, burden-sharing and non-reciprocity;
11. Also reiterates that it is an ethical imperative for the international community to arrest and to reverse the marginalization of the least developed countries and to promote their expeditious integration into the world economy and that all countries should work together towards further enhancement of duty- and quota-free market access for exports from the least developed countries within the context of supporting their own efforts at capacity-building; recognizes that the full implementation of the Plan of Action for the Least Developed Countries adopted at the first Ministerial Conference of the World Trade Organization, held at Singapore from 9 to 13 December 1996, provides for further and expeditious progress towards duty-free imports from the least developed countries; invites the relevant international organizations to provide the enhanced technical assistance required to help to strengthen the supply and institutional capacity of the least developed countries so as to help them to take the fullest possible advantage of the trading opportunities that arise from globalization and liberalization, and, in this regard, reiterates the need for a speedy implementation of the Integrated Framework for Trade-related Technical Assistance to Least Developed Countries; takes note of the preparatory activities being undertaken for the Third United Nations Conference on the Least Developed Countries, to be held at Brussels in May 2001; and, in this connection, calls upon development partners, in particular industrialized countries, to make efforts towards the adoption of a policy of duty- and quota-free access for essentially all exports originating in the least developed countries;
12. Notes the need to better coordinate trade-related technical assistance and, in this regard, requests the Secretary-General to submit the Integrated Framework for Trade-related Technical Assistance to Least Developed Countries in order to promote coordination among the six core agencies, bearing in mind that the resources made available should be utilized in line with their respective roles;
13. Stresses the urgent need to facilitate the integration of the countries of Africa into the world economy, and, in this context, takes note with appreciation of the action-oriented agenda for the development of Africa contained in the report of the Open-ended Ad Hoc Working Group on the Causes of Conflict and the Promotion of Durable Peace and Sustainable Development in Africa and the recommendations contained therein; calls for continued efforts to increase market access for products of export interest to African economies and support for their efforts to diversify and build supply capacity, and, in this context, requests the United Nations Conference on Trade and Development to continue to enhance its contribution to the United Nations New Agenda for the Development of Africa in the 1990s, taking into account the conclusions of the Trade and Development Board on Africa; further encourages the Secretary-General of the United Nations to establish a new subprogramme on Africa, as agreed in the Plan of Action; and emphasizes the importance of increased inter-agency cooperation, which has proven its relevance through the joint integrated technical assistance programmes for selected least developed and other African countries;
14. Requests the Secretary-General to ensure the initiation by the United Nations Conference on Trade and Development, in the areas falling within its mandate, of the preparatory process for the final review and appraisal of the implementation of the New Agenda, to be held in 2002, in particular focusing on market access, diversification and supply capacity, resource flows and external debt, foreign direct and portfolio investment and access to technology, and, in this context, also requests the Secretary-General to submit a report, based on the recommendations of the Trade and Development Board on Africa, on measures taken in this regard, with a special emphasis on African trade issues, for the consideration of the General Assembly at its fifty-sixth session under the agenda item entitled "International trade and development";
15. Stresses the need to give special attention, within the context of international cooperation on trade and development issues, to the implementation of the many international development commitments geared to meeting the special development needs and problems of small island developing States and of landlocked developing countries and to recognize that those developing countries that provide transit services need adequate support for the maintenance and improvement of their transit infrastructure;

16. Reiterates the need for the United Nations Conference on Trade and Development to enhance its contribution to the implementation of the Programme of Action for the Sustainable Development of Small Island Developing States and the review document in addressing the specific concerns of small island developing States in their efforts aimed at diversification, capacity-building and benefiting from improved market access opportunities for their effective integration into the global economy;

17. Also reiterates the importance of the effective application by all members of the World Trade Organization of all provisions of the Final Act Embodying the Results of the Uruguay Round of Multilateral Trade Negotiations, taking into account the specific interests of developing countries, so as to maximize economic growth and development benefits for all, and the need to address implementation issues seriously, as well as to implement effectively all of the special provisions in the multilateral trade agreements and related ministerial decisions in favour of developing countries, in particular by making operational and ensuring fuller implementation of the previously agreed special and differential provisions, including the strengthening of these concepts, taking into account the changing realities of world trade and globalization, and urges Governments and concerned international organizations to apply effectively the Ministerial Decisions on Measures in favour of Least Developed Countries and on Measures Concerning the Possible Negative Effects of the Reform Programme on Least Developed and Net Food-importing Developing Countries;

18. Recognizes the importance of increasing trade liberalization, in particular as regards areas and products of interest to developing countries, and that further liberalization should be sufficiently broad-based to respond to the range of interests and concerns of all members within the framework of the World Trade Organization, and, in this regard, welcomes the activities of the United Nations Conference on Trade and Development aimed at assisting developing countries in developing a positive agenda for future multilateral trade negotiations, and invites the secretariat of the Conference to continue to provide analytical support and technical assistance, including capacity-building activities, to those countries for their effective participation in the negotiations;

19. Invites members of the international community to consider the interests of non-members of the World Trade Organization in the context of trade liberalization;

20. Invites the international financial institutions to ensure that, in their development cooperation activities in developing countries, the obligations of the latter with regard to their development policies, strategies and programmes in trade and trade-related areas are consistent with their commitments under the framework of rules agreed upon within the multilateral trading system;

21. Emphasizes the importance of the strengthening of, and the attainment of greater universality by, the international trading system and of accelerating the process directed towards accession to the World Trade Organization of developing countries and countries with economies in transition, also emphasizes the necessity for Governments that are members of the World Trade Organization and relevant international organizations to assist non-members of the World Trade Organization so as to facilitate their efforts with respect to accession in an expeditious and transparent manner, on the basis of undertaking balanced World Trade Organization rights and obligations, and further emphasizes the necessity for the United Nations Conference on Trade and Development and the World Trade Organization to provide technical assistance, within their mandates, that will contribute to the rapid and full integration of those countries into the multilateral trading system;

22. Stresses the need for improved measures to address the volatility of short-term capital flows as well as the effects of financial crises on the international trading system and the development prospects of developing countries and countries affected by such crises, emphasizing the fact that keeping all markets open and maintaining continued growth in world trade are key elements in overcoming such crises, and, in this context, rejects the use of any protectionist measures; also stresses, at a broader level, the need for greater coherence between the development objectives agreed to by the international community and the functioning of the international trading and financial system, and, in this context, calls for close cooperation between the members and observers of the organizations of the United Nations system and of the multilateral trade and financial institutions, with participation in accordance with their established rules, procedures and practices;

23. Requests the Secretary-General, in scheduling and organizing mandated events on trade and trade-related issues, to promote complementarity in the work of the relevant bodies of the United Nations system and with the work of other international organizations, as appropriate, bearing in mind the mandate of the United Nations Conference on Trade and Development;

24. Recognizes the importance of open regional economic integration in the creation of new opportunities for expanding trade and investment, stresses the importance of those initiatives being in conformity with the rules of the World Trade Organization, where applicable, and, bearing in mind the primacy of the multilateral trading system, affirms that regional trade agreements should be outward-oriented and supportive of the multilateral trading system, and, in this context, invites Governments and intergovernmental and multilateral institutions to continue to provide support for economic integration among developing countries and among countries with economies in transition;

25. Requests the secretariat of the United Nations Conference on Trade and Development to continue to identify and analyse the implications for development of issues relevant to investment and to identify ways and means of promoting foreign direct and portfolio
investment directed to all developing countries, taking into account their interests, in particular to those most in need, as well as to those countries with economies in transition with similar needs, and bearing in mind the work undertaken by other organizations, including the regional commissions;

26. Emphasizes the fact that, in line with Agenda 21 and the Rio Declaration on Environment and Development, Governments should have the objective of ensuring that trade and environmental policies are mutually supportive so as to achieve sustainable development, and also emphasizes that, in so doing, their environmental policies and measures with a potential trade impact should not be used for protectionist purposes;

27. Reaffirms the role of competition law and policy for sound economic development, takes note of the important and useful work of the United Nations Conference on Trade and Development in this field, and, in this regard, decides to convene in 2005 a fifth United Nations Conference to Review All Aspects of the Set of Multilateral Agreed Equitable Principles and Rules for the Control of Restrictive Business Practices, under the auspices of the United Nations Conference on Trade and Development;

28. Emphasizes that the dispute settlement mechanism of the World Trade Organization is a key element with regard to the integrity and credibility of the multilateral trading system and the full realization of the benefits anticipated from the conclusion of the Uruguay Round of multilateral trade negotiations;

29. Strongly emphasizes the need for technical assistance, including legal assistance, to developing countries through, inter alia, the Advisory Centre on World Trade Organization Law and other mechanisms, to enable those countries to take the fullest possible advantage of the dispute settlement mechanism of the World Trade Organization, based on multilaterally agreed rules and regulations, and, in this context, also emphasizes that it is important for the United Nations Conference on Trade and Development to continue to strengthen its technical assistance to developing countries, in particular the least developed countries, landlocked developing countries and small island developing States in this area;

30. Notes the increasing importance and application of electronic commerce in international trade and the need to strengthen the capacities of developing countries to participate effectively in electronic commerce; urges the organizations of the United Nations system, within their mandates and in cooperation with other relevant bodies, with the participation of their secretariats and the States Members of the United Nations and observer States, the United Nations Conference on Trade and Development, the International Telecommunication Union, the International Trade Centre and the regional commissions, to continue to assist developing countries and countries with economies in transition; emphasizes in this regard the need for analysis of the fiscal, legal and regulatory aspects of electronic commerce, as well as its implications for the trade and development prospects of developing countries; and, in this connection, welcomes the Ministerial Declaration entitled "Development and international cooperation in the twenty-first century: the role of information technology in the context of a knowledge-based global economy" adopted by the Economic and Social Council during the high-level segment of the substantive session of 2000;

31. Stresses the importance of assisting developing countries and interested countries with economies in transition in improving the efficiency of trade-supporting services, inter alia, through the elimination of procedural barriers and by greater use of trade facilitating mechanisms, in particular in the areas of transport, customs, banking and insurance, and business information, especially in the case of small and medium-sized enterprises, and, in this respect, invites the United Nations Conference on Trade and Development, in accordance with its mandate and in collaboration with other relevant bodies of the United Nations, including the regional commissions, to continue to assist developing countries in those areas;

32. Requests the Secretary-General of the United Nations, in collaboration with the secretariat of the United Nations Conference on Trade and Development, to report to the General Assembly at its fifty-sixth session on the implementation of the present resolution and developments in the multilateral trading system.

Trade policy

Trade in goods and services, and commodities

The Commission on Trade in Goods and Services, and Commodities did not meet in 2000. Its fourth session took place in 1999 [YUN 1999, p. 878].

Subsidiary bodies. In accordance with the UNCTAD X Plan of Action [TD/386], expert meetings on a number of issues took place, all in Geneva. The Expert Meeting on the Impact of the Reform Process in Agriculture on LDCs and Net Food-importing Developing Countries (NFIDCs) and Ways to Address Their Concerns in Multilateral Trade Negotiations (24-26 July) [TD/B/COM.1/31] had before it an UNCTAD note on the subject [TD/B/COM.1/EM.11/2 & Corr.1]. The Meeting discussed actions under the Marrakesh Decision (a 1994 commitment by WTO member States to assist NFIDCs and LDCs) and ways to reduce the cost disadvantages in agricultural and other issues. The meeting recommended that UNCTAD and other international organizations should provide technical assistance and statistical and analytical background to developing countries in analysing information on agricultural trade policies and in negotiations on accession to WTO. UNCTAD should analyse the impact of the Agreement on Agriculture on LDCs, NFIDCs and small island developing countries in agricultural trade and develop a specific action plan and budget. It should also analyse ways to reduce the cost disadvantages in agricultural trade faced by the landlocked countries.
International trade, finance and transport

The Expert Meeting on National Experiences with Regulation and Liberalization: Examples in the Construction Services Sector and Its Contribution to the Development of Developing Countries (23-25 October) [TD/B/COM.1/32] had before it an UNCTAD note on the subject [TD/B/COM.1/EM.12/2]. The Meeting analysed domestic policy instruments and strategies aimed at building capacities in the construction services sector, and discussed action in international trade negotiations and by international financial agencies and donors. It recommended that UNCTAD promote continued dialogue in the area of construction services and noted that a model law for promoting the development of an efficient and competitive construction services sector might be needed. UNCTAD should support the participation of developing countries in multilateral trade negotiations and organize a follow-up meeting on construction services.

The Expert Meeting on Systems and National Experiences for the Protection of Traditional Knowledge, Innovations and Practices (30 October-1 November) [TD/B/COM.1/33] had before it an UNCTAD note on the subject [TD/B/COM.1/EM.13/2]. The Meeting discussed the role of traditional knowledge in several economic and other sectors and systems for its protection. It underlined the need to raise awareness of the role and value of traditional knowledge among local and indigenous communities, policy makers and other stakeholders, and recommended continued cooperation between intergovernmental organizations carrying out programmes on traditional knowledge. UNCTAD was requested to organize seminars and promote the implementation of national strategies to harness traditional knowledge for development and trade, and assist developing countries in exploring systems for protection of such knowledge.

The Expert Meeting on the Impact of Anti-Dumping and Countervailing Actions (4-6 December) [TD/B/COM.1/34] had before it an UNCTAD note on the subject [TD/B/COM.1/EM.14/2]. The Meeting identified a number of issues relating to anti-dumping and countervailing measures that might be addressed in: future multilateral trade negotiations; the WTO Committee on Anti-Dumping Practices; the WTO dispute settlement mechanism; national policies of member States; and UNCTAD's future work and technical assistance activities.

**UNCTAD/WTO study.** In a joint January study on the post-Uruguay Round tariff environment for developing countries' exports: tariff peaks and tariff escalation [TD/B/COM.1/14/Rev.1], UNCTAD and WTO analysed the tariff situation that would prevail in a number of major developed and developing countries once all the Uruguay Round concessions had been implemented, taking account of the concessions granted by preference-giving countries under their GSP schemes. The study observed that problems of high tariffs and tariff escalation remained widespread for developing countries even after the Uruguay Round. Peak tariffs affected both agricultural and industrial products.

**Interdependence and global economic issues**

TDB, at its forty-seventh session (Geneva, 9-20 October) [A/55/15], considered interdependence and global economic issues from a trade and development perspective: crisis and recovery in emerging markets. While it was recognized that technological progress and the globalization of trade, finance and productive activity offered new opportunities for wealth creation under appropriate macroeconomic policies and with good governance, weaknesses in national policies and institutions could be punished more quickly and severely by international markets than in the past, even when there was no solid basis for a negative risk assessment. There was concern about the disparities in economic performance across and within regions and about the persistence of macroeconomic imbalances. Difficult policy choices were not restricted to developing countries; growth disparities within the industrialized world had resulted in trade imbalances, while technological and financial innovations had led to greater fragility of financial and trade flows. There was broad agreement that the recent rise in oil prices had added another element of fragility, and that oil-importing countries were in a particularly difficult situation and required compensatory financing through the multilateral financial institutions. Expanding trade opportunities and improving market access would help developing countries to become less dependent on capital inflows and hence less vulnerable to external shocks originating from international capital markets and policy shifts in the developed countries.

While increased private capital flows to developing countries might serve as a vehicle to accelerate development, international capital markets did not always allocate funds efficiently at the global level. There was a major role for national policies in crisis prevention and solution; good corporate governance, an appropriate maturity structure of external debt and an effective regulatory system for the domestic financial sector were stressed. Attention was drawn to the fact that, while much of the burden of the Asian crisis was
borne by the public sector, the crisis had originated in the private sector. Consequently, more attention should be given to a prudential regulation and supervision of private capital flows.

The discussion also addressed the systemic factors behind the financial crises, and noted that greater stability of the international financial system required appropriate regulation of financial flows. Governance in the international monetary and financial system should be made more transparent and participatory, and greater regional monetary cooperation was considered useful to the prevention and management of currency crises, although through complementing existing multilateral arrangements. Emphasis was placed on the need for strengthened policy coordination among the major developed countries to avoid large fluctuation of the exchange rates among the three major currencies. The enhanced Heavily Indebted Poor Countries (HIPC) Initiative was welcomed, but it was made clear that the debt problem remained an obstacle to faster development, especially in LDCs. An acceleration of debt relief procedures and their extension to a greater number of poor countries, as well as renewed efforts on the part of donor countries to raise their official development assistance (ODA) to previously agreed targets, were considered necessary preconditions for a reduction of poverty and a narrowing of the income gap between North and South.

Trade promotion and facilitation

In 2000, UN bodies continued to assist developing countries to promote their exports and facilitate the movement of their goods in international commerce. The International Trade Centre was the main originator of technical cooperation projects in that area.

International Trade Centre

During 2000, the International Trade Centre (ITC), under the joint sponsorship of WTO and UNCTAD, focused on capacity-building to enhance international competitiveness and trade performance [ITC/AG(XXXIV)/185 & Add.1,2]. The Centre’s goals during the year were to: facilitate the integration of developing/transition economy enterprises into the multilateral trading system; support national efforts to design and implement trade development strategies; strengthen key trade support services, both public and private; improve export performance in sectors of critical importance and opportunity; and foster international competitiveness within the business community as a whole, and the small and medium-sized enterprise sector in particular. ITC maintained a programme of applied research to develop a set of competitiveness-enhancement tools suitable for adaptation by local partners for use by local trade support institutions and enterprises. Several new tools emerged, and the number of national networks partnering with ITC increased. The Centre maintained its role as the principal source of specialized technical assistance in the competitive aspects of trade-related capacity-building. It intensified its coordination with the Joint ITC/UNCTAD/WTO Integrated Technical Assistance Programme in Selected Least Developed and Other African Countries (JITAP) and became increasingly engaged, at the field level, in trade development work related to the Integrated Framework for Trade-related Technical Assistance to LDCs (IF). During the year, a programme of specialized cooperation in opportunity identification, market development, institution-strengthening and enterprise assistance was maintained under various interregional, regional and national projects.

ITC increasingly broadened the reach of technical cooperation delivery: a total of 52 national, 15 regional and 22 interregional projects were under implementation, and more than 100 countries, including 27 LDCs, benefited from its support. In addition to JITAP, capacity-building in multilateral trading system issues was an area of concentration under a programme for the Arab States and the countries participating in World Trade Net. Capacity-building for trade support services reached critical mass in Central America, Romania, the United Republic of Tanzania and Viet Nam. Improved sectoral performance figured in a number of national programmes and under the ITC South-South trade promotion programme, which broadened its coverage to include Southern Africa subregional trade, intra-Arab trade, the Economic Cooperation Organization (ECO) region in Central Asia and the Greater Mekong region. Particular emphasis was placed on involving LDCs in ITC product networks and on supporting the process of formulating trade development strategies.

The Executive Forum on National Export Strategies (Montreux, Switzerland, 26-30 September) highlighted the theme ”Export development in the digital economy”. The Forum, which was attended by over 20 national teams, emerged as ITC’s main vehicle for reviewing and assessing best practice in national export strategy management.

JAG action. The ITC Joint Advisory Group (JAG) held its thirty-third session in Geneva from 10 to 14 April [ITC/AG(XXXIII)/181]. JAG had before it reports on ITC activities in 1999 [YUN 1999, p. 880]; the evaluation of the ITC programme on

The Group emphasized ITC’s important role in complementing the work of UNCTAD and WTO by undertaking a range of operational activities to help businesses understand the new multilateral trade rules, develop and implement new strategies and programmes for trade promotion and export development, and strengthen the competitiveness of enterprises. Representatives of developing countries and economies in transition testified to ITC’s useful support of trade expansion programmes, and JAG expressed its appreciation for ITC’s continuing efforts to expand assistance to LDCs and contribute to poverty alleviation through its Export-led Poverty Reduction Programme. ITC was encouraged to collaborate with other development partners, notably the United Nations Development Programme (UNDP) and the World Bank, in implementing the Programme. The Group expressed satisfaction with the Global Trust Fund, which continued to be an important funding mechanism for ITC and a successful example of cooperation addressing the needs of developing countries and economies in transition, particularly LDCs, in their integration in the multilateral trading system.

Plaques of trust fund contributions to ITC were announced by Canada, China, Denmark, France, India, Italy, the Netherlands, Norway, Sweden, Switzerland and Turkey. Plaques had been made earlier by Cyprus, the Islamic Development Bank and the Agence intergouvernementale de la Francophonie.

TDB, at its twenty-fifth executive session in September [A/55/15], took note of the JAG report.

Enterprise, business facilitation and development


Subsidiary bodies. In accordance with the UNCTAD X Plan of Action [TD/386], three expert meetings took place in 2000, all in Geneva. The Expert Meeting on Electronic Commerce and Tourism (18–20 September) [TD/B/COM.3/30] discussed policies and strategies to be adopted by developing countries in order to increase their participation in electronic commerce (e-commerce) in tourism, and the possible role of UNCTAD and other international organizations in realizing the development benefits of those policies and strategies. It had before it an UNCTAD secretariat report on the subject [TD/B/COM.3/EM.9/2]. In recommendations to Governments and enterprises, the Meeting stated that solutions for e-commerce in tourism should address broader issues of electronic commerce in general, and their effects on and benefits for development. E-tourism should be considered alongside a multisectoral strategy for improved Internet access and telecommunications infrastructure, and telecommunications and Internet services should be liberalized to attract new investment. The Meeting recommended that UNCTAD should analyse the effect of tourism-related e-commerce on development and support the development of sustainable e-tourism in developing countries.

The Expert Meeting on the Relationships between SMEs and TNCs to Ensure the Competitiveness of SMEs (27–29 November) [TD/B/COM.3/31] focused on government and corporate programmes to promote beneficial relationships between TNCs and SMEs. It had before it an UNCTAD secretariat paper on enhancing the competitiveness of SMEs through linkages [TD/B/COM.3/EM.11/2]. The experts discussed how globalization had changed the nature of TNCs’ production and outsourcing networks, thereby promoting TNC–SME linkages; and how TNCs needed such linkages with SMEs to implement their global strategies. However, many SMEs missed opportunities for linkages because they could not meet international standards for production. The Meeting suggested that UNCTAD should continue its research to strengthen competitiveness by promoting linkages for interested Governments, TNCs, SMEs and support institutions.

The Expert Meeting on Human Resources Development and Training in Trade-supporting Services: Key to Growth with Special Potential for LDCs (13–15 December) [TD/B/COM.3/32] had before it an UNCTAD secretariat note on the subject [TD/B/COM.3/EM.10/2]. The Meeting made recommendations for action by countries and the international community to achieve and support the application of effective policies.

Restrictive business practices

Fourth Review Conference

In accordance with General Assembly resolution 52/182 [YUN 1997, p. 935], the Fourth United Nations Conference to Review All Aspects of the Set of Multilaterally Agreed Equitable Principles
and Rules for the Control of Restrictive Business Practices was held in Geneva from 25 to 29 September [TD/RBP/CONF.5/16 & Corr.1]. The first Conference to review the 1980 Set of Multilaterally Agreed Equitable Principles and Rules for the Control of Restrictive Business Practices (known as the Set) [YUN 1980, p. 626] was held in 1985 [YUN 1985, p. 563], the second in 1990 [YUN 1990, p. 464] and the third in 1995 [YUN 1995, p. 961]. The Conference had before it a note by the UNCTAD Secretary-General which reviewed application and implementation of the Set [TD/RBP/CONF.5/3] and considered major developments that had taken place at the national, regional and multilateral levels in the field of competition law and policy since the Third Review Conference. The Conference also considered UNCTAD secretariat reports on: experiences gained on international cooperation on competition policy issues and the mechanisms used [TD/RBP/CONF.5/4 & Corr.1]; technical assistance, advisory and training programmes on competition law and policy [TD/RBP/CONF.5/5 & Corr.1]; competition policy and the exercise of intellectual property rights [TD/RBP/CONF.5/6]; and continued work on the elaboration of a model law or laws on restrictive business practices [TD/RBP/CONF.5/7]. The Conference also had before it a number of declarations adopted at regional preparatory meetings [TD/RBP/CONF.5/8, TD/RBP/CONF.5/9, TD/RBP/CONF.5/11, TD/RBP/CONF.5/12, TD/RBP/CONF.5/13] and the Declaration of the CIS Antimonopoly Authorities [TD/RBP/CONF.5/10].

By a 29 September resolution, the Conference called on member States to implement the Set’s provisions; recommended that the General Assembly convene a Fifth Review Conference in 2005; requested UNCTAD to expand its technical cooperation activities; and invited member States to assist UNCTAD on a voluntary basis in its technical cooperation by providing experts, training facilities or resources. The Conference invited the Commission on Trade in Goods and Services, and Commodities to consider convening an expert meeting on consumer policy as a distinct body from the Intergovernmental Group of Experts on Competition Law and Policy; and decided that the Intergovernmental Group of Experts on Competition Law and Policy, at its 2001 session, would consider, for better implementation of the Set, cooperation regarding merger control, and the interface between competition policy and intellectual property rights. In the light of the UNCTAD X Plan of Action [TD/386], the Group of Experts should draw up its work plan to encompass institutional capacity-building; competition advocacy and educating the public; studies on competition, competitiveness and development; and inputs to possible international agreements on competition.

TDB, at its forty-seventh session, in October [TB/B/47/11 (Vol.1 & Corr.1)], was informed of the outcome of the Conference, and noted that the convening of an expert meeting on consumer policy would not be additional to the existing 10 UNCTAD expert meetings.

Commodities

The Trade and Development Report, 2000 [Sales No. E.00.II.D.19] stated that in 1999 world commodity markets continued to suffer from the effects of the economic slowdown of 1998, which reduced demand and exerted a downward pressure on the prices of most commodities. By mid-1999, the downward trend in most prices levelled and prices increased moderately. However, they did not recover from the market slump in the aftermath of the Asian and Brazilian crises, which resulted in a decline in the commodity price index (excluding crude petroleum) of about 30 per cent. The widespread decline in non-oil commodity prices in both 1998 and 1999 reflected a combination of sluggish demand and ample supplies in almost all markets, as well as the continued effects of currency devaluation for important exporters and importers, most notably Brazil and the Russian Federation. The large devaluations in Brazil led to an increase in exports of sugar and coffee, whereas the devaluation of the Russian rouble reduced the demand for many imported commodities. At the same time as world demand for many non-oil commodities declined, due mainly to the sharp economic downturn experienced in most East Asian countries, technological advances enhanced productivity and reduced production costs, leading to an oversupply in commodity markets. Furthermore, novel applications of genetic engineering and biotechnology in agriculture, combined with favourable weather conditions, resulted in higher output of most agricultural products. Notwithstanding the improvement in the global economy in the second half of 1999, prices of non-oil primary commodities were on average well below the 1998 level. The fall was widespread, but the collapse in sugar and cocoa prices by 30 and 32 per cent, respectively, was particularly acute.

The key feature of the oil market in 1999 was the sharp rise in crude oil prices to unexpectedly high levels. They rebounded steadily throughout the year, so that prices averaged $17.5 a barrel for the year as a whole. The rally in oil prices in 1999 accounted for about $75 billion (some 40 per cent) of the increase in world merchandise ex-
ports. Oil prices rose sharply after both the producers of the Organization of Petroleum Exporting Countries (OPEC) and non-OPEC producers decided to cut output by 2.1 million barrels per day as of 1 April 1999. Following OPEC’s decision in September 1999 to maintain supply limits until March 2000, prices continued to rise, reaching $27 a barrel in February 2000.

In a joint report on the world economic situation and prospects [Sales No. E.01.II.C.2], issued at the end of 2000 by DESA and UNCTAD, it was observed that the global economic recovery had given a stimulus to commodity demand in 2000. However, only a few commodities had benefited from the upturn and there were sharp divergences in the movements of prices of various groups of primary commodities. Prices for tropical beverages and vegetable products weakened further, those for food and agricultural raw materials firmed and those for minerals, metals, and crude petroleum continued to surge. On average, the combined index of non-fuel commodity prices rose 4.5 per cent by the end of the third quarter of 2000 compared with the same quarter in 1999. In the petroleum sector, the price of a barrel of oil climbed steadily from a trough in February 1999 of $10 per barrel to a peak of $38 in September 2000.

**UNCTAD report.** In response to General Assembly resolution 53/174 [YUN 1998, p. 891], the Secretary-General submitted an August report [A/55/-332], prepared by UNCTAD, on world commodity trends and prospects. The report stated that the importance of commodities in world trade was declining, and developing countries were losing their share in world commodity trade, even for their traditional export products. The loss was especially marked for African countries, LDCs and the African, Caribbean and Pacific group of countries. The extremely low prices for commodities aggravated the negative impact of the situation on the economies of commodity-dependent countries. Moreover, the margins between international prices for commodities and the final prices paid by consumers had widened, and a smaller proportion of the value of the final product went to the producing countries. The concentration on the demand side of world commodity markets continued, while State participation in developing countries’ agricultural sectors was radically reduced, and purchasing firms with large financial resources had penetrated the marketing and production structures in developing countries.

The report reviewed recent developments in the world commodity economy and discussed changes in commodity market structures and recent developments in international cooperation on commodities. The report concluded that poverty-reduction efforts should attach due importance to commodity issues, and that the revival of international cooperation in commodities, within a new market-based framework, was called for. The key market access problems faced by commodity exporters should be addressed, with the elimination of tariff peaks and tariff escalation, placing agricultural commodities on the same footing as other products in the trading system and ending trade-distorting agricultural support measures by developed countries. Enhanced financial and technical assistance was also required for addressing supply-side constraints, which affected LDCs in particular. Support measures were also required for developing countries dependent on the imports of essential commodities. The report recommended that the activities of the Second Account of the Common Fund for Commodities should be expanded and increased funding made available to it to finance research and development and extension services in developing countries.

**GENERAL ASSEMBLY ACTION**

On 20 December [meeting 87], the General Assembly, on the recommendation of the Second Committee [A/55/579/Add.2], adopted resolution 55/183 without vote [agenda item 92 (b)].

**Commodities**

The General Assembly,


Taking note of the outcome of the tenth session of the United Nations Conference on Trade and Development, held at Bangkok from 12 to 19 February 2000, and the Plan of Action adopted by the Conference,

Recalling the United Nations Millennium Declaration adopted by the heads of State and Government on 8 September 2000,

Taking note of the Declaration and the Programme of Action adopted by the South Summit of the Group of 77, held at Havana from 10 to 14 April 2000,

Taking note with concern of the report of the United Nations Conference on Trade and Development on the declining trend of most commodity prices,

Taking note of the report of the Trade and Development Board on its forty-seventh session, held at Geneva from 9 to 20 October 2000.

Recognizing that many developing countries, in particular African countries and the least developed countries, are highly dependent on the commodity sector, which still remains the principal source of export revenues and the primary source of the creation of employment, income-generation and domestic savings, as well as a driving force of investment and a contributor to economic growth and social development,
Expressing deep concern about the negative effects of unfavourable weather conditions on the supply side of most commodity-dependent countries and any continuing effects of the 1997-1998 financial crisis on the demand for commodities, as well as the continuing depressed levels of most commodity prices, which adversely affect the economic growth of commodity-dependent countries, especially in Africa and the least developed countries, as well as commodity-dependent small island developing States,

Concerned about the difficulties experienced by the developing countries in financing and implementing viable diversification programmes and in attaining access to markets for their commodities,

Emphasizing the necessity for a domestic industrial transformation of commodity production in the developing countries, in particular African countries and the least developed countries, with a view to enhancing productivity and stabilizing and increasing their export earnings, thus promoting the sustainable economic growth of developing countries and their integration into the global economy,

1. Emphasizes the need for the developing countries that are heavily dependent on primary commodities to continue to promote a domestic policy and an institutional environment that encourage diversification and liberalization of the trade and export sectors and enhance competitiveness;

2. Expresses the urgent need for supportive international policies and measures to improve the functioning of commodity markets through efficient and transparent price formation mechanisms, including commodity exchanges, and through the use of commodity price risk management instruments;

3. Expresses concern at the declining terms of trade in most primary commodities, in particular for net exporters of such commodities, as well as the lack of progress in many developing countries in achieving diversification, and, in this regard, strongly emphasizes the need for actions at both the national and international levels, inter alia, to improve market access conditions, address supply-side constraints and provide support for capacity-building, including in areas that actively involve women;

4. Urges the developed countries to continue to support the commodity diversification and liberalization efforts of commodity-dependent developing countries, especially in Africa and the least developed countries, as well as commodity-dependent small island developing States, in a spirit of common purpose and efficiency, inter alia, to improve market access conditions, address supply-side constraints and provide support for capacity-building, including in areas that actively involve women;

5. Urges producers and consumers of individual commodities to intensify their efforts to reinforce mutual cooperation and assistance;

6. Reiterates the importance of maximizing the contribution of the commodity sector to economic growth and sustainable development, while continuing with diversification efforts in developing countries, especially in commodity-dependent countries, and, in this respect, stresses that:

(a) International support for the efforts of developing countries in the industrial transformation of their commodities is required to increase their export revenues and improve their competitiveness with a view to facilitating their integration into the global economy;

(b) In the context of the process of trade liberalization, tariff peaks should be minimized and the use of trade-distorting policies and protectionist practices and non-tariff barriers should be eliminated as they have negative effects on the ability of developing countries to diversify their exports and undertake the required restructuring of their commodity sector and have an adverse impact on liberalization measures taken by commodity-dependent developing countries and their efforts to eliminate poverty;

(c) In line with Agenda 21 and the Rio Declaration on Environment and Development, Governments should make it their objective to ensure that trade and environmental policies are mutually supportive so as to achieve sustainable development; in so doing, their environmental policies and measures with a potential trade impact should not be used for protectionist purposes;

(d) In the light of the process of multilateral trade liberalization, which has led to the diminution of differentials accorded by preferred trade regimes, there is a need to take measures, as appropriate and consistent with international obligations, to address the diminution, in particular by strengthening technical assistance, by continuing to provide financial assistance to commodity-dependent developing countries and by addressing supply-side constraints faced by such countries, in order to improve the competitiveness of their commodity sectors and to overcome difficulties encountered in their diversification programmes;

(e) Timely and effective financial cooperation to facilitate the management by commodity-dependent countries of excessive fluctuations in commodity export earnings should be maintained and further pursued;

(f) Strengthening technical cooperation in the areas of transfer of new technologies and know-how in production processes and training for technical, managerial and commercial staff in developing countries is of paramount importance for quality improvements in the commodity sector;

(g) Expansion of South-South trade and investment in commodities enhances complementarities and offers opportunities for intersectoral linkages within and among exporting countries;

(h) There is a need to promote, expand and intensify research and development, to provide infrastructure and support services and to encourage investment, including joint ventures in developing countries engaged in the commodity and commodity-processing sectors;

7. Encourages the Common Fund for Commodities, in cooperation with the International Trade Centre, the United Nations Conference on Trade and Development and other relevant bodies, to continue to expand the activities of its Second Account with the necessary and effective support for research and development and extension services in developing countries, including adaptive research on production and processing aimed at smallholders and small-sized and medium-sized enterprises in developing countries, in order to widen the scope of activities and thus ensure the effective participation of all stakeholders;
8. Invites the United Nations Conference on Trade and Development, within its mandate, to provide assistance to developing countries in the financing of commodity diversification and to include issues related to commodities in the provision of analytical support and technical assistance to developing countries in their preparation for effective participation in multilateral trade negotiations;

9. Requests the Secretary-General of the United Nations Conference on Trade and Development to report to the General Assembly at its fifty-seventh session on world commodity trends and prospects;

10. Decides to include in the provisional agenda of its fifty-seventh session, under the item entitled "Macroeconomic policy questions", the sub-item entitled "Commodities".

Individual commodities

Coffee. At its eighty-second session (London, 27-28 September), the International Coffee Council approved the International Coffee Agreement 2001. The Agreement was opened for signature at United Nations Headquarters in New York on 1 November 2000 and was to remain open until 25 September 2001. As at 31 December, Costa Rica had signed the Agreement.

Jute. The United Nations Conference on Jute and Jute Products, 2000 held its first session (Geneva, 27-31 March) [TD/JUTE.3/7] to prepare a successor agreement to the International Agreement on Jute and Jute Products, 1989 [YUN 1989, p. 373], which was due to expire on 11 April 2000. The Conference represented the culmination of a series of meetings held within the framework of the International Jute Organization (IJO) in Dhaka, Bangladesh, which led to a recognition that there was a continued need for international cooperation on jute, a commodity produced primarily by developing countries and providing employment to millions of people. Its production, however, was suffering from the competition with its synthetic substitutes and had been affected by price instability. At its second session (Dhaka, 6-8 April), the Conference established the text of the International Instrument of Cooperation in Jute and Jute Products, 2000 [TD/JUTE.3/7]. By an 8 April resolution [TD/JUTE3/6], the Conference requested the Secretary-General to arrange for the Instrument to be open for signature at United Nations Headquarters in New York from 1 July 2000 to 30 June 2001.

Following the Conference, the EU, which accounted for about one third of IJO's financing, announced that it was unable to endorse the Instrument. Consequently, the Instrument was not deposited with the Secretary-General and IJO entered into a liquidation period.

Common Fund for Commodities

The 1980 Agreement Establishing the Common Fund for Commodities [YUN 1980, p. 621], a mechanism intended to stabilize the commodities market by helping to finance buffer stocks of specific commodities, as well as commodity development activities such as research and marketing, entered into force in 1989, and the Fund became operational later that year.

As at 31 December 2000, the number of parties to it remained at 106 States, plus the European Community (EC), the Common Market for Eastern and Southern Africa and the Organization of African Unity (OAU).

Finance

Financial policy

The Trade and Development Report, 2000 [Sales No. E.00.II.C.1] stated that 1999 was less turbulent than 1998 for the currencies of major emerging market economies, whose currency regimes continued to span the spectrum from rigid pegs through various forms of managed floating to full flexibility; there was widespread easing of monetary conditions in those economies. Substantial movements in exchange rates were rare in East Asian countries but more frequent elsewhere.

The World Economic and Social Survey 2000 [Sales No. E.00.II.C.1] noted that macroeconomic policy measures had been crucial in stimulating recovery from recent international financial crises and in deepening and broadening the recovery to include a growing number of countries. In certain developed economies, the combination of strong output growth with low inflation and unemployment suggested a decoupling of the links that had traditionally prevailed among those variables when the economic cycle matured and slack capacity began to be exhausted. That decoupling was most pronounced in the United States. In many emerging market economies, the international financial crises of the late 1990s prompted changes in the institutional framework for economic policy. Examples included changes in exchange-rate regimes, improvements in the rules and instruments for monetary policy, and reforms of banking and financial systems. Those and other changes altered the channels through which financial policies affected real economic sectors.

In a joint report on the world economic situation and prospects [Sales No. E.01.II.C.2], issued at the end of 2000 by DESA and UNCTAD, it was ob-
served that central banks in many developed economies, which had begun tightening their monetary policies in mid-1999, continued to do so until mid-2000 when signs of moderation in the pace of global economic growth began to surface and some central banks held their policy interest rates steady. While some economies in transition, particularly the Czech Republic and Slovenia, moved towards a more neutral monetary policy in late 1999 and early 2000, most of them kept a relatively tight stance during the year. Developing countries followed diverse paths with their monetary policy in 2000. Despite higher oil prices and other supply shocks, as well as improved demand conditions in several countries, prudent macroeconomic policies kept inflation under control in most of them.

Financial flows

The World Economic and Social Survey 2000 [Sales No. E.00.II.C.1] stated that net financial inflows to developing countries and transition economies in 1999 remained well below the levels of the pre-crisis 1990s, owing to subdued private flows and a sharp decline in official financing. By late 1999, however, investor sentiment towards emerging markets improved significantly, based on stronger economic performance and improved external balances of a growing number of countries. As a result, the cost of external credit fell and the flow of credit to emerging market economies began to rebound. However, countries that were on the sidelines as regards financial flows before the crisis remained so in 1999.

According to the Trade and Development Report, 2000 [Sales No. E.00.II.D.19], net private capital flows to developing and transition economies increased in 1999, but only marginally from the levels of 1998, which represented a fall of more than 50 per cent from those of 1997, and reflected the aftermath of the financial crises in East Asia and the Russian Federation. That outcome was accompanied by a more stable environment for major financial indicators than that of the preceding two years. However, there were large regional differences: recovery was recorded for inflows into Asia, while in Latin America the inflow was substantially reduced. By contrast, the changes for economies in Europe and Africa were much more limited. There was also significant variation in the volatility of different categories of inflow: estimates of foreign direct investment (FDI) mostly showed either little change or rises in 1999, while those of debt securities and bank lending were subject to greater variation. Financial crises had a more limited impact on FDI than on other major categories of private financial flow to developing and transition economies. FDI was significantly influenced by privatization and by the growing importance of cross-border merger and acquisition transitions. The rise in FDI in 1999 was associated with substantial receipts from privatization in Latin America and with asset sales in East Asia associated with bank and non-bank corporate restructuring and facilitated by the recent relaxation of restrictions on foreign investment. Net private capital inflows in the form of debt declined sharply, and net issues of international debt instruments by developing and transition economies fell slightly.

In a joint report on the world economic situation and prospects [Sales No. E.01.IIC.2], issued at the end of 2000 by DESA and UNCTAD, it was observed that net financial flows to developing and transition economies fell in 2000 to their lowest level in more than a decade, mainly owing to strong net outflows in the banking sector. Official flows increased moderately and there were higher, if small, net inflows of portfolio investment. FDI flows reached a record level in 2000, estimated at $1.1 trillion, 14 per cent higher than in 1999, but that increase was fully accounted for by flows to developed countries, with the surge in cross-border mergers and acquisitions serving as the driving force.

The World Investment Report 2000 [Sales No. E.00.II.D.20], prepared by UNCTAD, focused on cross-border mergers and acquisitions and development.

International financial system

High-level meeting of Economic and Social Council and Bretton Woods institutions. In accordance with General Assembly resolution 54/197 [YUN 1999, p. 892] and Economic and Social Council decision 2000/205 of 4 February, the third special high-level meeting between the Council and the Bretton Woods institutions (the World Bank Group and the International Monetary Fund (IMF)) took place in New York on 18 April [A/55/3/Rev.1]. The first two meetings were held in 1998 [YUN 1998, p. 898] and 1999 [YUN 1999, p. 890]. The meeting addressed the theme of strengthening international financial arrangements and eradicating poverty and had before it a note by the Secretary-General on the subject [E/2000/8], which identified a number of issues to be discussed in two major policy areas: reform of the global financial system and fighting poverty in developing countries.

In an informal summary of the high-level meeting [E/2000/79], the Secretariat summarized the salient points and main aspects of statements made and exchanges of views that took place and provided a synopsis of the dialogue, from which four main themes emerged: the state of the world...
strengthening the global financial system; development and poverty reduction; and the institutional dimensions to promote faster economic growth and enhance international cooperation for development.

In concluding remarks, the Managing Director of the World Bank pointed to the increasing convergence of views of the United Nations and the Bretton Woods institutions on development and global financial system reform based on a common set of objectives. He noted that the poverty-reduction strategy papers endorsed by the World Bank and IMF, which were required to set the basis for concessional lending by those institutions, were important for the consideration of debt relief and poverty eradication. He also observed that funding the HIPC Initiative was a major challenge. Although $2.4 billion had been pledged, the overall debt relief provided amounted to $15 billion and was a crucial part of the process to move ahead. He hoped that the middle-income countries would not participate as beneficiaries of the HIPC Initiative but grow out of debt and preserve access to capital markets. The Acting Managing Director of IMF noted that for any country, trade liberalization was one of the best ways to integrate into the global economy. Regarding the HIPC Initiative, he stated that IMF had to take into account the social and budgetary implications of the policies to be implemented, and that countries’ strategies were more important than the advice of IMF or the World Bank.

In his closing remarks, the President of the Council said that the meeting had stressed the need to take advantage of the easing of financial crises to push ahead in the consideration of further reforms to foster integration of the developing and transition economies into the global economy. He noted that the structure of international institutions was incomplete, particularly in involving developing and transition economies in drawing up prudential norms and standards. Although the meeting reconfirmed the critical role of the private sector in finance and entrepreneurship, Governments played a role that the private sector could not perform, in particular in fighting poverty and HIV/AIDS and more generally to work towards the goals of equity and fairness. Governments and multilateral institutions needed to work together to provide free market access to developing countries, particularly LDCs. Sound national policies supported by increased official development assistance (ODA) and strengthened debt relief were needed.

**Report of Secretary-General.** In response to General Assembly resolution 54/197 [Y UN 1999, p. 892], the Secretary-General submitted a 27 July report entitled: "Towards a stable international financial system, responsive to the challenges of development, especially in the developing countries" [A/55/187]. The report summarized recent trends in global capital flows (see p. 906) and examined the main actions taken and concerns raised on policy in industrialized countries and the international economic environment, the reform of the international financial system and systemic reform and confidence-building at global and regional levels—issues addressed in resolution 54/197.

The Secretary-General stated that there appeared to be a widespread willingness among policy makers to consider and adopt significant changes in the international financial architecture. However, several proposals, all of which sought to build a strengthened and more stable financial system, responsive to the priorities of growth and to the promotion of economic and social equity, warranted further consideration by the international community. Those proposals fell into a number of key areas: crisis prevention; crisis resolution; and institutional structure. Noting that reform of the international monetary and financial system had reached the international political agenda, the Secretary-General observed that it was an extremely sensitive moment, as many Governments had deep interests at stake, as had the private sector around the world. Civil society had raised important political, ethical and developmental considerations. Therefore, the issue warranted discussion from multiple perspectives and in multiple forums, and since discussion was an essential part of consensus-building, it was best to include the views of all relevant stakeholders. The United Nations was a natural forum for such considerations, the Secretary-General said. In that regard, the agreement of Member States to include systemic issues in the preparatory process of the high-level international event on financing for development and the event itself, to be held in 2002 (see p. 915), provided an unique opportunity to bring the world's political decision makers together to reach a new understanding that could shape the future of financing for development.

In a 28 July addendum [A/55/187/Add.1], the Secretary-General discussed regional perspectives and developments with regard to the international financial system and provided the views of the executive secretaries of the regional commissions on the subject (see also p. 923). He stated that the Asian financial crisis and its contagion effect had generated an impetus in favour of fundamental reforms in the international financial architecture to improve the management of crises and prevent their recurrence. The crisis
had also led to the recognition that there was an enormous discrepancy between the dynamic financial world and the institutions regulating it. By a second addendum of 2 August [A/55/187/Add.2], the Secretary-General transmitted an UNCTAD note, which provided information on its work on the involvement of the private sector in the prevention and resolution of financial crises. The report stated that in past crisis situations, ad hoc bail-out operations by multilateral institutions had protected creditors from bearing the full risk of their lending decisions, putting the burden on debtors. The application of insolvency principles would help make the resolution of financial crises in developing countries more equitable, less costly and less time-consuming, and reduce the probability of their occurrence. An effective framework for greater private sector involvement would need to contain three key elements: provisions for an automatic standstill on debt servicing; maintaining the debtor's access to the working capital required for the continuation of its operations; and an arrangement for the reorganization of the debtor's assets and liabilities, aimed at sharing the adjustment burden between debtor and creditors as well as distributing equitably the costs among creditors.

**Ministerial meeting.** By a 17 July letter [A/55/158-E/2000/102], Japan transmitted to the Secretary-General the report of the Group of Seven (G-7) industrialized countries' major finance ministers to the heads of State and Government entitled "Strengthening the international financial architecture" (Fukuoka, Japan, 8 July).

**GENERAL ASSEMBLY ACTION**

On 20 December [meeting 87], the General Assembly, on the recommendation of the Second Committee [A/55/579/Add.5], adopted resolution 55/1866 without vote [agenda item 92 (c)].

Towards a strengthened and stable international financial architecture responsive to the priorities of growth and development, especially in developing countries, and to the promotion of economic and social equity

The General Assembly,

Recalling its resolution 54/197 of 22 December 1999, entitled "Towards a stable international financial system, responsive to the challenges of development, especially in the developing countries”,

Recalling also the United Nations Millennium Declaration adopted by the heads of State and Government on 8 September 2000,

Taking note of the high-level regional meetings on financing for development held at Jakarta from 2 to 5 August 2000, Bogota on 9 and 10 November 2000, Addis Ababa from 15 to 22 November 2000, Beirut on 23 and 24 November 2000 and Geneva on 6 and 7 December 2000, which addressed issues of, inter alia, domestic resources mobilization, external private flows, reform of the international financial architecture, regional cooperation and collaboration, innovative sources of financing and issues relating to the external sector, including official development assistance and trade, from the regional perspective, in order to contribute to the preparatory process for the high-level international intergovernmental event on financing for development,

Emphasizing the importance of mobilizing in a coherent manner all sources available for the provision of financing for development, inter alia, domestic resources, international private capital flows, official development assistance, market access for goods and services from developing countries and external debt relief, and emphasizing also the importance of utilizing those resources in an efficient way,

Expressing concern that net financial flows to developing countries continued in 1999 the contraction that had begun with the onset of the financial crisis in 1997, and regretting the continued marginalization of the least developed countries from private capital flows,

Emphasizing the importance of long-term investment flows, in particular foreign direct investment, in complementing the development efforts of all developing countries as well as economies in transition and the need for all countries to develop stable access to private capital and for regional and international cooperation to promote the mobilization of new and additional capital for development,

Concerned about the excessive volatility of speculative short-term capital flows and the contagion effects in financial markets in times of crisis,

Deeply concerned by the low levels of official development assistance,

Stressing the need for increased access to markets, in particular for goods and services that are of export interest to developing countries, inter alia, through multilateral trade negotiations,

Emphasizing the importance of finding a durable solution for those developing countries that have difficulties in meeting their external debt and debt-servicing obligations,

Encouraging the efforts to enhance the stabilizing role of regional and subregional financial institutions and arrangements in supporting the management of monetary and financial issues,

Underlining the urgent need to continue to work on a wide range of reforms for a strengthened and more stable international financial system with a view to enabling it to deal more effectively and in a timely manner with the new challenges of development in the context of global financial integration,

Stressing that the process of reform for a strengthened and stable international financial architecture should be based on broad participation in a genuine multilateral approach, involving all members of the international community, to ensure that the diverse needs and interests of all countries are adequately represented,

Reaffirming that the United Nations, in fulfilling its role in the promotion of development, in particular of developing countries, plays an important part in the international efforts to build up the necessary international consensus for the reforms needed for a strengthened and stable international financial system, taking
into account the mandate of all relevant international institutions, especially the international financial institutions,

Noting that the high-level international intergovernmental event on financing for development will provide a unique opportunity to consider, in an integrated manner, all sources of financing for development, and mindful that in the United Nations Millennium Declaration the heads of State and Government decided to make every effort to ensure its success,

1. Takes note with appreciation of the report of the Secretary-General entitled "Towards a stable international financial system, responsive to the challenges of development, especially in the developing countries"; the addendum thereto on regional perspectives and developments provided by the regional commissions and the addendum thereto provided by the United Nations Conference on Trade and Development on the work it has undertaken on the involvement of the private sector in the prevention and resolution of financial crises;

2. Underlines the utmost importance of implementing the resolve expressed in the United Nations Millennium Declaration to create an environment, at the national and global levels alike, that is conducive to development and to the elimination of poverty, inter alia, through good governance within each country, as well as good governance at the international level and transparency in the financial, monetary and trading systems;

3. Also underlines the utmost importance of implementing the commitment in the United Nations Millennium Declaration to an open, equitable, rule-based, predictable and non-discriminatory multilateral trading and financial system;

4. Stresses the special importance of creating an enabling international economic environment through strong cooperative efforts by all countries and institutions to promote equitable economic development in a world economy that benefits all people, and, in this context, invites developed countries, in particular major industrialized countries, whose policies have significant impact on most economies, to adopt and to pursue policies that promote international financial stability and facilitate financial flows for development, and requests the Secretary-General, in collaboration with the United Nations Development Programme, to provide information to the General Assembly at its fifty-sixth session on the analysis it has undertaken of international financial stability as a global public good;

5. Also stresses the special importance of creating an enabling domestic environment through, inter alia, the rule of law, capacity-building, including institutional capacity-building, and the implementation of appropriate economic and social policies, so that domestic and international resources may be effectively mobilized and used for development;

6. Reiterates the urgent need to accelerate the growth and development prospects of the least developed countries, which remain the poorest and most vulnerable of the international community, and calls upon development partners, in particular industrialized countries, to facilitate the financing of their development, inter alia, through public and private financial flows, increased official development assistance, strengthened debt relief, the adoption of a policy of duty- and quota-free access for essentially all of their exports and enhanced balance-of-payments support, and in this context welcomes the holding at Brussels in May 2001 of the Third United Nations Conference on the Least Developed Countries;

7. Recognizes the stability of the international financial system as an important global public good and a necessary condition for positive financial flows for development, and, in this context, calls upon all countries, including major industrialized countries, whose policies have significant impact on most economies, to adopt and to pursue policies that promote international financial stability and facilitate financial flows for development, and requests the Secretary-General, in collaboration with the United Nations Development Programme, to provide information to the General Assembly at its fifty-sixth session on the analysis it has undertaken of international financial stability as a global public good;

8. Emphasizes, in this regard, the need to continue national, regional and international efforts to promote international financial stability and, to this end, to improve surveillance, early warning, prevention and response capabilities for dealing with the emergence and spread of financial crises in a timely manner, taking a comprehensive and long-term perspective while remaining responsive to the challenges of development and the protection of the most vulnerable countries and social groups;

9. Stresses the importance of strong domestic institutions to promote financial stability for the achievement of growth and development, inter alia, through sound macroeconomic policies and policies aimed at strengthening the regulatory systems of the financial and banking sectors, including considering arrangements in destination and source countries to reduce the risks of excessive international financial volatility and measures to ensure orderly, gradual and well-sequence capital-account liberalization processes, and invites in this connection all relevant international institutions to continue to provide, upon the request of concerned countries, policy advice and technical assistance so as to strengthen their capacity in the above-mentioned areas;

10. Emphasizes the importance of deepening the convergence of the efforts of all international institutions able to contribute to the strengthening of an international financial architecture responsive to the priorities of growth and development, especially in developing countries, and to the promotion of economic and social equity;

11. Reiterates the need for broadening and strengthening the participation of developing countries in the international economic decision-making process;

12. Emphasizes the importance of the improved participation of developing countries in the work of the international institutions dealing with the reform of the international financial architecture, in particular the International Monetary Fund, as well as in relevant norm-setting processes;

13. Expresses the need for multilateral surveillance by the International Monetary Fund and regional and subregional institutions of all countries in a symmetrical manner;

14. Emphasizes that the international financial institutions, in providing policy advice and supporting adjustment programmes, should ensure that they are sensitive to the specific circumstances and implementing capacities of concerned countries and to the special...
needs of developing countries and should work towards the best possible outcomes in terms of growth and development, inter alia, through gender-sensitive employment and poverty eradication policies and strategies, and stresses the importance of national ownership of programmes supported by the Bretton Woods institutions for their sustained implementation;

15. Encourages the continuing efforts undertaken by the Bretton Woods institutions, the regional development banks and the International Labour Organization to help Governments to address the social consequences of crisis, and welcomes, in this regard, the commitments made by the General Assembly at its twenty-fourth special session on the implementation of the outcome of the World Summit for Social Development, to ensure that, when structural adjustment programmes are agreed to, they include social development goals, in particular those of eradicating poverty, promoting full and productive employment and enhancing social integration;

16. Emphasizes that the international financial institutions should, when invited by national Governments, provide assistance and advice, as appropriate, to the countries in their efforts to promote development and reduce poverty through national programmes, including, where relevant, nationally owned and developed poverty reduction strategy papers that integrate macroeconomic, structural and social policies;

17. Underlines the continuing importance of providing the international institutions, in particular the International Monetary Fund, with adequate resources to provide emergency financing in a timely and accessible manner to countries affected by financial crises, and notes the regional and subregional efforts to facilitate emergency financing in time of crisis;

18. Welcomes the progress made in developing early warning capacities to address in a timely manner the threat of financial crisis, and in this regard encourages the International Monetary Fund and other relevant international and regional institutions to continue their efforts to contribute to this process;

19. Calls upon the international community, in particular the World Bank and the regional development banks, and other relevant international and regional institutions, including the regional commissions, working with the private sector, to support the promotion of long-term private financial flows, especially foreign direct investments, inter alia, through enhanced technical cooperation, to all developing countries as well as economies in transition, in particular the least developed countries and other developing countries with special difficulties in attracting private financial flows, including those in Africa, as well as the small island developing countries, and, in this context, requests the United Nations Conference on Trade and Development to provide information to the General Assembly at its fifty-sixth session on the work it has undertaken on this matter;

20. Reiterates its invitation to the International Monetary Fund to facilitate the dialogue among relevant actors to consider the possibility of establishing regulatory frameworks for short-term capital flows and trade in currencies;

21. Emphasizes that it is important for sovereign risk assessments made by private sector agencies to be based on objective and transparent parameters;

22. Reaffirms the need to consider appropriate frameworks for the involvement of the private sector in the prevention and resolution of financial crises, including the need to implement and further refine the framework laid down by the International Monetary and Financial Committee at its meeting held on 16 April 2000, and underlines the importance of an equitable distribution of the cost of adjustments between the public and private sectors and among debtors, creditors and investors, concerning, inter alia, highly leveraged operations, as well as the consideration, in exceptional cases, of debt standstill arrangements;

23. Emphasizes the important supportive role that stronger regional and subregional financial institutions and arrangements can play in the reform of the international financial system and the enhancement of financing for development;

24. Encourages the deepening of the dialogue between the Economic and Social Council and the Bretton Woods institutions, and in this regard recommends that at their next high-level meeting they consider the modalities needed to consolidate further a broader global agenda for a strengthened and stable international financial system that is responsive to the priorities of growth and development, in particular of developing countries, and to the promotion of economic and social equity in the global economy;

25. Requests the Secretary-General to make the present resolution available to the Preparatory Committee for the High-level International Intergovernmental Event on Financing for Development, at its second substantive session, as an input for its work on the systemic issues contained in its preliminary substantive agenda;

26. Also requests the Secretary-General, in close cooperation with all relevant entities of the United Nations, including the United Nations Conference on Trade and Development and the regional commissions, within their respective mandates, and in consultation with the Bretton Woods institutions, and taking into account the progress made at the high-level international intergovernmental event on financing for development, to report to the General Assembly at its fifty-sixth session on the implementation of the present resolution under a sub-item entitled "International financial system and development", with an analysis of the current trend in global financial flows, including net transfer of resources between developed and developing countries, and recommendations to consolidate further a broader global agenda for a strengthened and stable international financial system that is responsive to the priorities of growth and development, in particular of developing countries, and to the promotion of economic and social equity in the global economy;

27. Requests the President of the General Assembly to present this resolution to the Board of Executive Directors of the World Bank and the Executive Board of the International Monetary Fund, before their joint annual spring meeting, in order to bring it to their attention as an input to their discussions on the matters addressed herein.

Debt problems of developing countries

In response to General Assembly resolution 54/202 [YUN 1999, p. 896], the Secretary-General
submitted a September report on recent developments in the debt situation of developing countries [A/55/422]. He stated that an analysis of key debt indicators showed that external debt and debt-servicing problems were most severe and persistent in HIPCs, the target group of the HIPC Initiative. However, debt restructuring problems lingered in a number of other developing countries and countries in transition and they remained exposed to adverse developments in commodity prices, interest rates, exchange rates and private capital flows. Moreover, the debt-servicing capacity of some countries continued to be affected by war and natural disasters.

Discussing international debt problems and strategies, the Secretary-General stated that the total outstanding debt of developing countries and countries in transition showed little change in 1999. Their total debt at the end of the year was estimated at $2,554 billion, a slight increase over the end-1998 level. Long-term debt increased by $40 billion, while short-term debt fell slightly and represented 16 per cent of the total. The debt-service ratio remained broadly unchanged at about 18-19 per cent. The ratio of total outstanding debt to exports fell to 137 per cent; and that of debt to gross national product (GNP) decreased to below 42 per cent. Short-term debt corresponded to 53 per cent of the stock of foreign exchange reserves as compared with 59 per cent at the end of 1998. The distribution of debt among different regions remained the same as in 1998: East and South Asia, 33 per cent; Latin America, 31 per cent; Europe and Central Asia, 19 per cent; sub-Saharan Africa, 9 per cent; and the Middle East and North Africa, 8 per cent. Latin America had the highest ratio of debt service to exports, at about 35 per cent, while the highest debt-to-exports ratio, 225 per cent, was recorded by sub-Saharan Africa.

The report noted that by the end of 1999, little assistance had been delivered under the HIPC Initiative, which suffered from problems of underfunding, excessive conditionality, restrictions over eligibility, inadequate debt relief and cumbersome procedures. The HIPCs' total outstanding external debt increased by some $4.5 billion in 1999 to a level of $219 billion, and the ratio of debt to exports amounted to 389 per cent, more than twice that for developing countries as a whole and considerably above that of sub-Saharan Africa (including the region's HIPCs). There were 41 countries on the list of HIPCs—33 were in sub-Saharan Africa and 30 were classified as LDCs. Following the G-7 Cologne summit in June 1999 [YUN 1999, p. 896], deeper and broader relief was expected to be achieved through a lowering of debt sustainability targets, resulting in an increased number of countries becoming eligible for HIPC assistance. A main innovation under the enhanced HIPC framework was the explicit link to poverty reduction. Up to the end of July 2000, nine countries had reached their decision points under the enhanced scheme: Bolivia, Mauritania and Uganda were declared eligible for additional relief in February, Mozambique and the United Republic of Tanzania followed in April, Senegal in June and Benin, Burkina Faso and Honduras in July. Also, in May, Sao Tome and Principe negotiated its first Paris Club (a group of creditor countries) agreement, a flow rescheduling in support of the country's new Poverty Reduction and Growth Facility arrangement with IMF. An important development in late 1999 and early 2000 was the commitment by an increasing number of creditor countries to grant even deeper debt relief. In April, G-7 finance ministers and central bank governors committed themselves to increasing debt reduction to 100 per cent of non-ODA claims treated within the Paris Club framework, a commitment reaffirmed by G-7 leaders at their Okinawa (Japan) summit in July. However, the G-8 meeting (Okinawa, 21-23 July) [A/55/257-S/2000/766] did not advance any major new debt initiative similar to the 1999 Cologne initiative [YUN 1999, p. 896]. The leaders did agree to push forward the HIPC Initiative to ensure that as many countries as possible reached their decision points. As of July, only a small number of countries were well advanced in the HIPC process, while others had not met the requirements for entering the process. The countries concerned were almost all LDCs suffering from civil conflict or severe governance problems, and were among the most indebted HIPCs.

As to non-HIPC debtors, the report noted that 18 LDCs were not included in the HIPC category and that some of them were considered severely or moderately indebted according to the World Bank classification. A number of special measures were devised for LDCs, such as the reliance mainly on grants in the provision of financing to them, and most donor countries also extended ODA debt cancellation to LDCs. However, their external debt burden had continued to grow over time.

The report also analysed conditions in markets for commercial debt; debt restructuring agreements; financial crises and debt in emerging markets; and issues in commercial debt workouts.

The Secretary-General concluded that, in order to remove the debt overhang of the world's poorest nations, an independent panel of experts not influenced by creditor interests should be established to assess debt sustainability, eligibility
for debt reduction, the amount of debt reduction needed, conditionality and financing for HIPC and other debt-distressed low- and middle-income countries. There should also be a commitment on the part of creditors to implement any recommendation of that panel regarding the writing-off of unpayable debt. Moreover, HIPCs and other countries covered by the panel's recommendations should benefit from new aid resources in grant form or on highly concessional and other terms in order to avoid the renewed build-up of an unsustainable debt burden. There should also be an immediate suspension of the debt-service payments of all HIPCs, and that suspension should also be extended to non-HIPC countries declared eligible for debt relief by the proposed panel. Reform of the international strategy regarding the official debt of poor countries should also address the problems of debt-distressed low-income countries not eligible for the special treatment accorded to HIPCs. Further, it was necessary to recognize that countries seriously affected by war and natural disasters and facing problems of reconstruction and recovery required debt relief and urgent assistance regardless of their longer-term prospects and debt profiles. For commercial debt, establishing orderly and equitable work-out procedures with explicit responsibilities of creditors and debtors and well-defined roles for public and private sectors remained the most important step. Given the volatility of private capital flows and the increased frequency of liquidity problems in emerging markets, provision of international liquidity, as well as temporary standstills, should constitute an essential component of an effective international financial architecture.

**GENERAL ASSEMBLY ACTION**

On 20 December [meeting 87], the General Assembly, on the recommendation of the Second Committee [A/55/579/Add.3], adopted resolution 55/184 without vote [agenda item 92 (c)].

**Enhancing international cooperation towards a durable solution to the external debt problem of developing countries**

The General Assembly,

Recalling its resolutions 51/164 of 16 December 1996, 52/185 of 18 December 1997, 53/175 of 15 December 1998 and 54/202 of 22 December 1999 on enhancing international cooperation towards a durable solution to the external debt problems of developing countries,

Taking note of the report of the Secretary-General on recent developments in the debt situation of developing countries,

Recalling the United Nations Millennium Declaration adopted by the heads of State and Government on 8 September 2000,

Noting with concern the continuing debt and debt-servicing problems of heavily indebted developing countries as constituting an element that adversely affects their development efforts and economic growth, and stressing the importance of alleviating once and for all, where applicable, their onerous debt and debt-service burden with the aim of attaining a sustainable level of debt and debt service,

Noting with great concern the continuing high debt burden borne by most African countries and the least developed countries, as exacerbated, inter alia, by the declining trend in commodity prices, and noting that the financial crisis has aggravated the debt-service burdens of many developing countries, including low- and middle-income countries, in particular in the context of meeting their international debt and debt-servicing obligations in a timely fashion despite serious external and domestic financial constraints,

Reaffirming the need to consider further measures, as appropriate, for dealing with the external debt and debt-servicing problems of developing countries in an effective, equitable and development-oriented manner, in order to help them to exit from the rescheduling process and unsustainable debt burdens, and welcoming the efforts already made in this regard,

Welcoming and emphasizing the importance of the efforts of debtor countries to pursue, despite the great social cost often involved, economic reforms and structural adjustment programmes that are aimed at achieving stability, raising domestic savings and investment, attaining competitiveness to take advantage of market access opportunities where available, reducing inflation, improving economic efficiency and addressing the social aspects of development, including the eradication of poverty and the development of social safety nets for the vulnerable and poorer strata of their populations, and encouraging them to continue in these efforts,

Recognizing that close attention should be paid to the impact of economic reforms on the poor and, in this context, that the country-owned poverty reduction strategy papers linked to the Heavily Indebted Poor Countries Initiative should contribute to poverty reduction,

Stressing the need for continuing global economic growth, equitable distribution of the opportunities and benefits of globalization and a continuing supportive international economic environment with regard to, inter alia, terms of trade, commodity prices, improved market access, trade practices, access to technology, exchange rates and international interest rates, and noting the continued need for resources for sustained economic growth and sustainable development of the developing countries, in accordance with the relevant General Assembly resolutions and the results of recent United Nations conferences,

Noting that mechanisms such as debt rescheduling and debt conversions alone are not sufficient to resolve all of the problems relating to long-term debt sustainability, and, in this connection, stressing the continuing need for sound macroeconomic policies as well as the need for full, swift and effective implementation of initiatives that will further assist developing countries, in particular the poorest and most heavily indebted countries, especially in Africa, in their efforts to improve...
their debt situation, in view of their continued very high levels of total debt stock and debt-service burdens,

Welcoming the enhanced Heavily Indebted Poor Countries Initiative, launched by the Group of Seven major industrialized countries at their meeting held at Cologne, Germany, from 18 to 20 June 1999, and the decisions on the enhanced initiative taken by the International Monetary Fund and the World Bank in October 1999 that are designed to provide deeper, broader and faster relief,

Welcoming also the actions taken by creditor countries within the framework of the Paris Club and by some creditor countries through the cancellation of bilateral debts, and urging all creditor countries to participate in efforts to remedy the external debt and debt-servicing problems of developing countries,

Welcoming further the adoption by the Executive Boards of the International Monetary Fund and the World Bank of a number of measures to speed up the implementation of the enhanced Heavily Indebted Poor Countries Initiative, including greater flexibility on track record with a focus on policy implementation, as well as the emphasis that the decision point may be reached and that debt relief may be provided before the finalization of full poverty reduction strategy papers, as long as interim poverty reduction strategy papers are agreed, and noting with appreciation their approval of proposals to streamline preliminary heavily indebted poor countries documents,

Recognizing that the full implementation of the enhanced Heavily Indebted Poor Countries Initiative will require substantial financial resources, and, in this regard, stressing the need for fair, equitable and transparent burden-sharing among the international public creditor community and other donor countries, and also stressing the need to fund adequately the Heavily Indebted Poor Countries Trust Fund and the Poverty Reduction and Growth Facility/Heavily Indebted Poor Countries Trust Fund, and, in this regard, welcoming the contributions and pledges made by donors to the trust funds,

Noting with concern that some highly indebted middle-income developing countries are facing serious difficulties in meeting their external debt-servicing obligations owing, inter alia, to liquidity constraints,

Stressing that the effective management of the debt of developing countries, including middle-income countries, is an important factor, among others, in their sustained economic growth and in the smooth functioning of the world economy,

Stressing also the importance of a sound enabling environment for effective debt management,

1. Recognizes that effective, equitable, development-oriented and durable solutions to the external debt and debt-service burdens of developing countries can contribute substantially to the strengthening of the global economy and to the efforts of developing countries to achieve sustained economic growth and sustainable development, in accordance with the relevant General Assembly resolutions and the results of recent global conferences;

2. Reaffirms the need, as expressed in the United Nations Millennium Declaration, for the international community to deal comprehensively and effectively with the debt problems of low- and middle-income developing countries, through various national and international measures designed to make their debt sustainable in the long term;

3. Calls for the full, speedy and effective implementation of the enhanced Heavily Indebted Poor Countries Initiative, and, in this regard, stresses the need for the donor community to provide the additional resources necessary to fulfill the future financial requirements of the Initiative, hence welcomes the agreement that financing for heavily indebted poor countries should be reviewed analytically and separately from International Development Association replenishment requirements but back to back with meetings for the thirteenth replenishment of the Association, and calls upon all donors to participate fully in this process;

4. Calls upon the heavily indebted poor countries to take, as soon as possible, the policy measures necessary to become eligible for the enhanced Heavily Indebted Poor Countries Initiative and to reach the decision point;

5. Reiterates its call upon industrialized countries, as expressed in the United Nations Millennium Declaration in the context of addressing the special needs of the least developed countries, to agree to cancel all bilateral official debts of the heavily indebted poor countries in return for their making demonstrable commitments to poverty reduction;

6. Stresses the importance of continuing to implement the enhanced Heavily Indebted Poor Countries Initiative flexibly, noting the provision of significant interim debt relief between the decision and completion points and taking due account of the policy performance of the countries concerned in a transparent manner and with the full involvement of the debtor countries, including for the setting of the floating completion point, and in this regard stresses the importance of country-owned poverty reduction strategy papers;

7. Also stresses the importance of continued flexibility with regard to the eligibility criteria for the enhanced Heavily Indebted Poor Countries Initiative, in particular for countries in post-conflict situations;

8. Notes that it is important for the International Monetary Fund and the World Bank to continue their efforts to strengthen the transparency and integrity of debt sustainability analysis, and also notes the importance of cooperation with debtor countries in order to obtain relevant information;

9. Welcomes the framework for strengthening the link between debt relief and poverty eradication, and stresses the need for its continued flexible implementation, recognizing that, while the poverty reduction strategy papers should be in place by the decision point, on a transitional basis the decision point could be reached with agreement on an interim poverty reduction strategy paper, but that in all cases demonstrable progress in implementing a poverty reduction strategy would be required by the completion point;

10. Emphasizes that poverty reduction programmes are linked to the implementation of the enhanced Heavily Indebted Poor Countries Initiative must be country-driven and in accordance with the priorities and programmes of countries eligible under the Initiative, and stresses the importance of a participatory process that involves civil society in this regard;

11. Welcomes the decision of those countries that have cancelled bilateral official debt, and urges credi-
tor countries that have not done so to consider the full cancellation and equivalent relief of the bilateral official debts of countries eligible under the Heavily Indebted Poor Countries Initiative and, as appropriate, action to address the needs of post-conflict countries, in particular those with protracted arrearages, developing countries affected by serious natural disasters and poor countries with very low social and human development indicators, including the possibility of debt-relief measures, and stresses the importance of building coalitions with civil society organizations and non-governmental organizations in all countries to ensure in the shortest possible time the implementation of pronouncements of debt forgiveness;

12. Notes that the multilateral debt-relief funds can have a positive impact in assisting Governments in safeguarding or increasing expenditures on priority social sectors, and encourages donors and other countries in a position to do so to continue their efforts in this regard in the context of the enhanced Heavily Indebted Poor Countries Initiative;

13. Emphasizes the need to secure adequate funding for an overall financing plan for the enhanced Heavily Indebted Poor Countries Initiative, including in particular the Heavily Indebted Poor Countries Trust Fund and the Poverty Reduction and Growth Facility/Heavily Indebted Poor Countries Trust Fund in the context of fair, equitable and transparent burden-sharing;

14. Stresses the principle that funding of any debt relief should not affect adversely the support for other development activities in favour of developing countries, including the level of funding for United Nations funds and programmes; welcomes, in this regard, the decision of the Joint Ministerial Committee of the Boards of Governors of the World Bank and the International Monetary Fund on the Transfer of Real Resources to Developing Countries that financing of debt relief should not compromise the financing made available through concessional windows such as the International Development Association; and expresses its appreciation to those developed countries that have reached, gone beyond or recently made commitments towards reaching the agreed target for official development assistance of 0.7 per cent of their gross national product, and at the same time calls upon other developed countries to meet the target for official development assistance as soon as possible;

15. Expresses its appreciation for the action taken by creditor countries of the Paris Club with regard to the debts of developing countries that are affected by natural disasters, and, in this regard, reiterates the need for relief promises to be fulfilled within the shortest possible time frame in order to free the requisite resources for national reconstruction efforts;

16. Encourages the international creditor community to consider appropriate measures for countries with a very high level of debt overhang, including, in particular, the poorest African countries, in order to make an appropriate and consistent contribution to the common objective of debt sustainability;

17. Recognizes the difficulties of highly indebted middle-income developing countries and other highly indebted middle-income countries in meeting their external debt and debt-servicing obligations, and notes the serious situation in some of them in the context, inter alia, of significant liquidity constraints, which may require debt treatment, including, as appropriate, debt-reduction measures;

18. Calls for concerted national and international action to address effectively the debt problems of middle-income developing countries with a view to resolving their potential long-term debt-sustainability problems through various debt-treatment measures, including, as appropriate, existing orderly mechanisms for debt reduction, and encourages all creditors, both public and private, and debtor countries to utilize to the fullest extent possible, where appropriate, the mechanisms for debt reduction;

19. Recognizes the need for countries, even when experiencing a debt problem, to continue to work with creditors in order to facilitate continued access to international capital markets, and, in the event that extraordinary circumstances preclude a country from temporarily meeting its debt-servicing commitments, urges creditors and Governments to work together in a transparent and timely fashion towards an orderly and equitable resolution of the repayment problem, including consideration of temporary debt standstill arrangements in exceptional cases;

20. Notes the importance of an orderly, gradual and well-sequenced liberalization of capital accounts to strengthen the ability of countries to sustain its consequences so as to mitigate the adverse impact of the volatility of short-term capital flows;

21. Stresses that debt relief should contribute to development objectives, including poverty reduction, and in this regard urges countries to direct those resources freed through debt relief, in particular through debt cancellation and reduction, towards these objectives;

22. Notes that debt relief alone will not lead to poverty reduction and economic growth, and, in this regard, emphasizes the need for an enabling environment, including sound economic management as well as an efficient, transparent and accountable public service and administration, and stresses the need to mobilize financial resources from all sources, in addition to debt-relief measures and continued concessional financial assistance, in particular to the least developed countries, in order to support their efforts for achieving economic growth and sustainable development;

23. Underlines the absolute importance of implementing the resolve expressed in the United Nations Millennium Declaration to create an environment, at the national and global levels alike, that is conducive to development and to the elimination of poverty, inter alia, through good governance within each country as well as good governance at the international level and transparency in the financial, monetary and trading systems;

24. Stresses the need to strengthen the institutional capacity of developing countries in debt management, calls upon the international community to support the efforts made towards this end, and, in this regard, stresses the importance of initiatives such as the Debt Management and Financial Analysis System and the debt-management capacity-building programme;

25. Notes the importance of providing adequate resources for debt-relief measures in the light of the difficulties that many developing countries, especially...
those in Africa and the least developed countries, are facing with respect to mobilizing both domestic and external resources for their development, and, in accordance with the United Nations Millennium Declaration, calls for special measures to address the challenges of poverty eradication and sustainable development in Africa, including debt cancellation;

26. Stresses the importance for developing countries to continue their efforts to promote a favourable environment for attracting foreign investment, thereby promoting economic growth and sustainable development, so as to favour their exit from debt and debt-servicing problems, and also stresses the need for the international community to promote a conducive external environment through, inter alia, improved market access, efforts aimed at the stabilization of exchange rates and the effective stewardship of interest rates, increased resource flows, access to international financial markets, flow of financial resources and improved access to technology for developing countries;

27. Calls upon the international community, including the United Nations system, and invites the Bretton Woods institutions, as well as the private sector, to take appropriate measures and actions for the implementation of the commitments, agreements and decisions of the major United Nations conferences and summits on development organized since the beginning of the 1990s, as well as of the results of review processes, in particular those related to the question of the external debt problem of developing countries;

28. Requests the Secretary-General to report to the General Assembly at its fifty-sixth session on the implementation of the present resolution and to include in that report a comprehensive and substantive analysis of the external debt and debt-servicing problems of developing countries, including, inter alia, those resulting from global financial instability.

Financing for development

High-level intergovernmental event (2002)

Throughout 2000, meetings took place in preparation for the high-level intergovernmental event on financing for development. In December, the General Assembly decided that the event, originally planned for 2001, should be held in the first quarter of 2002 (resolution 55/213).

At its organizational session (see p. 916), the Preparatory Committee for the High-level International Intergovernmental Event on Financing for Development, in accordance with Assembly resolution 54/196 [YUN 1999, p. 900], undertook consultations with a number of stakeholders on the modalities of their participation in the preparations for the event and in the event itself. However, not all aspects of the consultation process could be covered within the time frame specified. In June, the Assembly considered the report of the Bureau of the Preparatory Committee on those modalities [A/AC.257/6].

GENERAL ASSEMBLY ACTION

On 15 June [meeting 98], the General Assembly adopted resolution 54/279 without vote [agenda item 97 (a)]. The draft [A/54/L.82] was recommended by the Preparatory Committee for the High-level International Intergovernmental Event on Financing for Development [A/55/28].

Preparations for the substantive preparatory process and the high-level international intergovernmental event on financing for development

The General Assembly

1. Welcomes the report of the Bureau of the Preparatory Committee for the high-level international intergovernmental event on financing for development on modalities of the participation of all relevant stakeholders in the substantive preparatory process and the high-level intergovernmental event on financing for development;

2. Approves:
   (a) The proposals contained in paragraph 7 of the report regarding modalities of the participation of the World Bank, and requests the Bureau to seek clarification on paragraph 7 (c) thereof, taking into account the views expressed in the Preparatory Committee;
   (b) The recommendations regarding the participation of the Bretton Woods institutions and the World Trade Organization in the work of the Preparatory Committee, as contained in paragraph 10 of the report;
   (c) The recommendations regarding the participation of intergovernmental organizations, the specialized agencies, the funds and programmes of the United Nations and other relevant official or quasi-official organizations, as contained in paragraph 13 of the report;
   (d) Paragraph 11 of the report regarding the holding of regional consultative meetings during the second half of 2000 on substantive matters before the Preparatory Committee;
   (e) The recommendations regarding the participation of non-governmental organizations and the business sector, as contained in paragraphs 14 to 19 of the report, and requests the Bureau to submit to the Preparatory Committee for its approval the applications for accreditation of those non-governmental organizations which do not already have consultative status with the Economic and Social Council;

3. Requests the Bureau, in connection with the modalities proposed by the World Bank, to convey to the Bank the desire of the Preparatory Committee that the Bank participate actively in the Preparatory Committee, to reinforce the impact of the cooperation envisaged under the proposed modalities;

4. Also requests the Bureau to continue consultations intensively with the institutional stakeholders indicated in paragraph 11 (e) (i) of General Assembly resolution 54/196 of 22 December 1999 on modalities of their participation and to report to the Preparatory Committee as soon as possible with proposals and recommendations thereon, as well as possible proposals and recommendations for additional modalities of the participation of the private sector;

5. Further requests the Bureau to make proposals and recommendations to the Preparatory Committee at its resumed organizational session on subparagraphs (a), (b), (c) and (g) of paragraph 11 of resolution 54/196,
taking into account discussions in the Preparatory Committee;

6. Requests the Bureau to make arrangements for open-ended informal consultations on subparagraph (d) of paragraph 11 of resolution 54/196 before the convening of the first substantive session, taking into account paragraph 3 of the resolution and the elements indicated in the report of the Ad Hoc Open-ended Working Group of the General Assembly on Financing for Development;

7. Requests the Secretary-General to assist in the implementation of the recommendations contained in the report of the Bureau, as approved by the Preparatory Committee and in the present resolution, and to continue to provide all needed support to the Preparatory Committee and to the Bureau, including arrangements to facilitate the travel of Bureau members to take part in consultations with the major institutional stakeholders;

8. Reiterates its decision that the first substantive session of the Preparatory Committee should be held beginning on 15 May 2000, at United Nations Headquarters;

9. Decides that the Preparatory Committee should hold its second substantive session, of two weeks' duration, in the first quarter of 2001 and its third substantive session, of two weeks' duration, in the second quarter of 2001, at Headquarters;

10. Also decides that the Preparatory Committee should suspend its resumed organizational session and reconvene it at the earliest possible date in order to complete its work.

Preparatory Committee. In accordance with General Assembly resolution 54/196 [YUN 1999, p. 900], the Preparatory Committee for the High-level International Intergovernmental Event on Financing for Development held its organizational and resumed organizational sessions in New York on 10 and 25 February, 27, 28 and 31 March and 30 May [A/55/28]. It had before it a number of documents dealing with the modalities of the participation of all relevant stakeholders in both the substantive preparatory process and the high-level intergovernmental event on financing for development [A/AC.257/1, A/AC.257/6] and with procedural matters [A/AC.257/4, A/AC.257/5, A/AC.257/8, VAC.257/9].

In addition to recommending to the General Assembly the adoption of a draft resolution on the preparations for the substantive preparatory process and the high-level international intergovernmental event on financing for development, the Preparatory Committee adopted a decision by which it referred all outstanding issues to its first substantive session.

The Preparatory Committee held its first session in New York on 31 May and 2 June and resumed on 30 October and 16, 20 and 27 November [A/55/28]. The Committee had before it the list of NGOs recommended by its Bureau for accreditation [A/AC.257/10& Add.1]. It recommended to the General Assembly for adoption a draft resolution on further preparations for the substantive preparatory process and the high-level international intergovernmental event on financing for development. It brought to the Assembly's attention a decision on the same subject [dec.1/1], by which it adopted the preliminary agenda for the financing-for-development process, covering: mobilizing domestic financial resources for development; mobilizing international resources for development; mobilizing international cooperation for development; FDI and other private flows; trade; increasing international financial cooperation for development through, inter alia, ODA; debt; and addressing systemic issues: enhancing the coherence and consistency of the international monetary, financial and trading systems in support of development. The Preparatory Committee also adopted decisions on accreditation of NGOs [dec. 1/2]; accreditation of additional NGOs [dec. 1/3]; and extension of the accreditation of NGOs [dec. 1/4].

Other preparatory meetings. In preparation for the high-level international intergovernmental event, five regional consultative meetings on financing for development took place: Asia and the Pacific (Jakarta, Indonesia, 2-5 August) [A/AC.257/13]; Latin America and the Caribbean (Bogota, Colombia, 9-10 November) [A/AC.257/17]; Africa (Addis Ababa, Ethiopia, 15-17 November) [A/AC.257/14]; Western Asia (Beirut, Lebanon, 23-24 November) [A/AC.257/16]; and Europe (Geneva, 6-7 December) [A/AC.257/15].

In accordance with resolution 54/279 (see above), the Preparatory Committee held two sets of hearings, one with civil society organizations (New York, 6-7 November) [A/AC.257/18] and the other with the business community (New York, 11-12 December) [A/AC.257/19].

Report of Secretary-General. On 24 August, the Secretary-General submitted a report on high-level international intergovernmental consideration of financing for development [A/55/315]. The report, which complemented the report of the Preparatory Committee [A/55/28], focused on secretariat activities, specifically the status of secretariat cooperation with relevant stakeholders; preparation of the regional consultations; preparations for the hearings with civil society and the business community; and arrangements for secretariat support for the preparatory process, including the establishment of an extra-budgetary trust fund.

General Assembly action. On 20 December [meeting 87], the General Assembly, on the recommendation of the Second Committee [A/55/588], adopted resolution 55/213 without vote [agenda item 101].
Preparations for the substantive preparatory process and the high-level international intergovernmental event

The General Assembly,

Taking note with appreciation of the report of the Preparatory Committee for the High-level International Intergovernmental Event on Financing for Development on its organizational and first sessions;

Welcoming the continuing progress made in the consultations with the major institutional stakeholders with regard to their involvement in the process of financing for development,

Encouraging Governments and all other relevant stakeholders to consider taking concrete initiatives in support of the financing for development preparatory process and the high-level international intergovernmental event, within the framework of its substantive agenda,

Welcoming the regional consultative meetings being held to provide the regional input to the financing for development process, and encouraging the deepening of regional efforts in support of the financing for development preparatory process and the high-level international intergovernmental event, within the framework of its substantive agenda,

Also welcoming the hearings held with civil society to support the financing for development process, looking forward to the contribution of the forthcoming hearings with the private sector, and encouraging the deepening of those efforts in support of the financing for development preparatory process and the high-level international intergovernmental event, within the framework of its substantive agenda,

Expressing its appreciation to Governments for the support they have provided to the trust fund for extra-budgetary contributions for the financing for development process,

1. Decides that the high-level international intergovernmental event should be scheduled for the first quarter of 2002, at a date to be agreed upon, and extends its invitation to interested countries to consider hosting or confirming existing offers to host the high-level international intergovernmental event;

2. Also decides that the Preparatory Committee should hold a final session from 14 to 25 January 2002, on the understanding that the second session will be held from 12 to 23 February 2001 and the third session from 30 April to 11 May 2001;

3. Requests the Secretary-General to address a letter to all Governments further sensitizing them to the high profile and high level of participation that the substantive preparatory process and the high-level international intergovernmental event on financing for development deserve.

On the same day, by decision 55/446, the Assembly took note of the Secretary-General's report on the high-level international intergovernmental consideration of financing for development.

Resource requirements

In March [A/54/7/Add.113] and again in May [A/54/7/Add.14], the Advisory Committee on Administrative and Budgetary Questions (ACABQ) considered two notes of the Secretary-General [A/C.5/54/50 & A/C.5/54/58] regarding the review of the resource requirements for the high-level international intergovernmental event on financing for development and the Third United Nations Conference on LDCs (LDC-III) (see p. 808).

On 7 April, by resolution 54/258 A, the General Assembly requested the Secretary-General to explore ways of providing the resource requirements for the two meetings and to report to the Assembly at the second part of its resumed fifty-fourth session. On 15 June, the Assembly welcomed the establishment of a Trust Fund for the Preparatory Committee for the High-level International Intergovernmental Event on Financing for Development (resolution 54/258 B).

Investment, technology and related financial issues


Subsidiary bodies. In accordance with the UNCTAD X Plan of Action [TD/386], two expert meetings took place in 2000. The Expert Meeting on Home Country Measures (Geneva, 8-10 November) [TD/B/COM.2/27] discussed national experiences and best practices in six broad categories of major types of existing home country measures used by both developed and developing countries to promote outward FDI, including transfer of technology. It had before it an UNCTAD secretariat note on the subject [TD/B/COM.2/EM.8/2]. Experts noted that home countries, including the private sector, should encourage FDI flows, particularly to and between developing countries, and especially to LDCs.

The Expert Meeting on Mergers and Acquisitions: Policies Aimed at Maximizing the Positive and Minimizing the Possible Negative Impact of International Investment (Geneva, 19-21 June) [TD/B/COM.2/26] discussed trends, motivations and performance of mergers and acquisitions and their impact on host-country development policy considerations and identified issues for further research. It had before it an UNCTAD secretariat note on the subject [TD/B/COM.2/EM.7/2 & Corr.1].

International standards of accounting and reporting

The Intergovernmental Working Group of Experts on International Standards of Accounting and Reporting (ISAR) held its seventeenth session in Geneva from 3 to 5 July [TD/B/COM.2/25]. It
had before it an UNCTAD report on accounting by SMEs [TD/B/COM.2/ISAR/9]. In its agreed conclusions, the Group stressed the importance of SMEs to economic growth and development in both developed and developing countries. However, it noted that existing international and some national accounting and reporting requirements were intended primarily for large, listed companies, and identified obstacles that SMEs faced in maintaining financial records and accounts. ISAR agreed that each country should define different categories of SMEs in a manner appropriate to its needs and recommended that ad hoc expert consultations be held to consider an accounting and reporting framework appropriate for SMEs.

**Taxation**

On 6 June [E/2000/96], the Chairman of the Ad Hoc Group of Experts on International Co-operation in Tax Matters brought to the attention of the Economic and Social Council that the Steering Committee of the Group of Experts had met in New York from 12 to 14 April. Following the Group’s adoption of the revised text of the United Nations Model Double Taxation Convention between Developed and Developing Countries at its ninth meeting [YUN 1999, p. 903], the Steering Committee had reviewed and consolidated editorial comments and suggestions elicited by the Secretary-General from members of the Group of Experts on the text of the Model Convention and concurred on its definitive text. The Group of Experts had noted that the Secretary-General therefore intended to publish the revised Model Convention.

**ECONOMIC AND SOCIAL COUNCIL ACTION**

On 27 July, the Economic and Social Council, on the recommendation of the Ad Hoc Group of Experts on International Cooperation in Tax Matters [E/1999/84 & Corr.1], adopted decision 2000/232 without vote [agenda item 13 (g)].

**Recommendations made by the Ad Hoc Group of Experts on International Cooperation in Tax Matters at its ninth meeting**

At its 42nd plenary meeting, on 27 July 2000, the Economic and Social Council endorsed the following recommendations made by the Ad Hoc Group of Experts on International Cooperation in Tax Matters at its ninth meeting:

1. The Ad Hoc Group of Experts on International Cooperation in Tax Matters recommends that the Secretariat publish as soon as possible the United Nations Model Double Taxation Convention between Developed and Developing Countries. The Group of Experts also decides to keep the United Nations Model Double Taxation Convention under a biennial revision process.

2. The Group of Experts has suggested the following items for its review during its forthcoming meetings:
   (a) Transfer pricing:
       (i) Advance pricing agreements;
   (ii) Arbitration as a means of dispute resolution;
   (b) Innovative financial instruments;
   (c) Tax implications of electronic commerce, including the scope of the permanent establishment concept;
   (d) Exchange of information;
   (e) Mutual assistance in collection of tax debts;
   (f) Pensions;
   (g) Alternative dispute resolution procedure;
   (h) Tracking changes in the Model Tax Convention on Income and on Capital of the Organisation for Economic Cooperation and Development;
   (i) Examining the revisions of regional model conventions.

3. On the basis of the decision of the Group of Experts, the Council may wish to take note of the revised United Nations Model Double Taxation Convention between Developed and Developing Countries, and to approve the holding of the tenth meeting of the Group of Experts in the first half of 2001.

By decision 2000/300 of 28 July, the Council took note of the Secretary-General’s report on the ninth meeting of the Ad Hoc Group of Experts on International Cooperation in Tax Matters [YUN 1999, p. 904], taking into account the corrigendum to the report [E/1999/84/Corr.1] and the following text that was to be inserted after the word “Thereafter” in the third line of the corrigendum: "taking fully into account the fact that some Member States expressed the desire that the report should be as accurate as possible".

**Transport**

**Maritime transport**

The Review of Maritime Transport 2000 [Sales No. E.00.II.D.34] stated that world seaborne trade recorded its fourteenth consecutive annual increase in 1999, reaching a record high of 5.23 billion tons. Annual growth, however, declined at a rate of 1.3 per cent, the lowest since 1987. Preliminary data available indicated that global maritime trade growth in 2000 was expected to be 2 per cent. Total maritime activities measured in ton-miles in global trade decreased to the minimal level of 21,480 billion ton-miles in 1999, compared to 21,492 billion ton-miles in 1998.

The world merchant fleet expanded to 799 million deadweight tons (dwt) at the end of 1999, representing a 1.3 per cent increase over 1998. The relatively low rate of fleet expansion reflected the balance between new-building de-
liveries of 40.5 million dwt, and tonnage broken up and lost of 30.7 million dwt, leaving a net gain of 9.8 million dwt. The developing countries' share of tonnage registered in major open-registry countries had increased slowly, reaching about one third in 1999. On the other hand, the developed market-economy countries' share had pursued a downward trend, representing about two thirds of the total tonnage registered in the major open-registry countries.

**Transport of dangerous goods**


**UNCTAD institutional and organizational questions**

**UNCTAD programme**

In 2000, TDB—the executive body of UNCTAD—held four sessions, all in Geneva: the second part of the twenty-third executive session (27 January), the twenty-fourth (24 March and 12 May) and the twenty-fifth (22 September) executive sessions, and the forty-seventh regular session (9-20 October) [A/55/15]. In January, the Board took note of the pre-Conference text for UNCTAD X as submitted by the Preparatory Committee of the Whole and requested the President of the Board to transmit it to the Conference (see p. 892). In March and May, the Board discussed follow-up to the outcome of UNCTAD X; the outcome of the thirty-fifth session of the Working Party on the Medium-term Plan and the Programme Budget (see p. 922); the agenda items of the three TDB Commissions; and implementation of paragraph 166 of the Bangkok Plan of Action on the strengthening of UNCTAD's capacity-building programme. In September, TDB considered UNCTAD's contribution to the implementation of the United Nations New Agenda for the Development of Africa in the 1990s (NADAF)—UNCTAD's activities in favour of Africa (see p. 874); preparations for the forty-seventh session of TDB; the establishment of an Advisory Body on strengthening the capacity-building programme; and the report of the Joint Advisory Group on ITC on its thirty-third session (see p. 900).

In October, the Board discussed interdependence and global economic issues from a trade and development perspective: crisis and recovery in emerging markets (see p. 899). It adopted agreed conclusions on progress in implementing the Programme of Action for LDCs for the 1990s [agreed conclusions 459(XLVII)] (see p. 808); and on UNCTAD's contribution to the implementation of NADAF: capital flows and growth in Africa [460(XLVII)] (see p. 874). The Board adopted six decisions (see below): on technical cooperation activities of UNCTAD and their financing [dec. 461(XLVII)]; on financial sustainability of certain technical cooperation programmes and activities, pursuant to paragraph 164 (viii) of the UNCTAD X Plan of Action, in order to ensure sufficient funding [462(XLVII)]; on implementation of paragraph 166 of the UNCTAD X Plan of Action [463(XLVII)]; on the evaluation of technical cooperation programmes [464(XLVII)]; on financing of experts from developing countries and economies in transition when participating in UNCTAD meetings [465(XLVII)]; and on the establishment of an Advisory Body in accordance with paragraph 166 of the Bangkok Plan of Action [466(XLVII)]. It also took note of several reports and was informed of the outcome of the Fourth United Nations Conference to Review All Aspects of the Set of Multilaterally Agreed Equitable Principles and Rules for the Control of Restrictive Business Practices (see p. 901). The Board's one-day high-level segment (16 October) was devoted to regional integration and the global economy [TD/B/47/12].

By **decision** 55/438 of 20 December, the General Assembly took note of TDB's report on its twenty-third, twenty-fourth and twenty-fifth executive sessions and on its forty-seventh session.
Technical cooperation activities

In a July report [TD/B/47/2 & Add.1.2], the UNCTAD Secretary-General gave an overview of technical cooperation activities in 1999, when UNCTAD's expenditures amounted to $25.4 million, an increase of some 16.5 per cent over the previous year. Of that amount, $16.9 million was from trust fund contributions, $6.5 million was financed by UNDP, and $2 million was from the regular programme of technical cooperation.

By region, approximately $5.3 million went to Africa, $4.6 million to Asia and the Pacific, $2.3 million to Europe, and $1.1 million to Latin America and the Caribbean. Some $12 million went to the interregional programme. The LDCs' share of technical cooperation expenditures in 1999 amounted to 40 per cent, up from 37.6 per cent in 1998.

By programme, the Division for Services Infrastructure for Development and Trade Efficiency accounted for 42 per cent of total expenditure. The Divisions on International Trade in Goods and Services, and Commodities, on Globalization and Development Strategies, and on Investment, Technology and Enterprise Development represented respectively 11.4, 13.9 and 15.5 per cent of total expenditure. The balance (17.2 per cent) was represented by the Office of the Special Coordinator for Least Developed, Landlocked and Island Developing Countries (3.7 per cent) and by activities reported for the secretariat as a whole (13.5 per cent).

As requested in the UNCTAD X Plan of Action [TD/386], the UNCTAD secretariat, in an August note [TD/B/47/8], submitted the indicative plan of technical cooperation programmes for 2001, including information on: ongoing projects that were expected to continue in 2001; projects proposed by the secretariat to implement the mandate of UNCTAD X as well as mandates given to UNCTAD by the General Assembly; and projects proposed as a result of specific requests received from beneficiaries. All projects included in the plan placed particular emphasis on capacity-building, in accordance with paragraph 166 of the Plan of Action.

In an October decision [A/55/15 (dec. 461XLVII)], TDB requested the secretariat, in consultation with member States, to ensure a better relative balance in the share of technical cooperation activities of the various regions, and urged it to make maximum use of capacities from developing countries, including local and regional expertise; developing countries were encouraged to provide names of experts to the secretariat. The Board called on the secretariat to consider, in consultation with donors and beneficiaries, clustering activities and formulating umbrella projects to enhance international coordination and cooperation among donors, to create economies of scale and support cooperation among developing countries at the subregional, regional and interregional levels. TDB expressed its appreciation for the secretariat's indicative plan for UNCTAD's technical cooperation for 2001, and for reissuance of that document in the light of the comments made by the Working Party on the Medium-term Plan and the Programme Budget at its thirty-sixth session (see p. 922).

Evaluations

In July, an independent evaluation team submitted an evaluation of the UNCTAD EMPRETEC programme [TD/B/WP/129], which provided developing countries with training in entrepreneurship. The programme's activities involved the delivery of seminars, the provision of advisory services and the development of national and international networks serving the needs of entrepreneurs. As at December 1999, EMPRETEC was fully active in 12 countries, with preliminary activities being initiated in 7 others. The evaluation stated that the training component of the programme needed adaptation, and made a number of recommendations to improve the programme's effectiveness in two broad areas: enhancing the substantive and operational sustainability of national programmes and promoting international networking.

A July progress report on implementation of the three-year Trade Point Programme strategy [TD/B/WP/128], approved in 1999 [YUN 1999, p. 911], stated that capacity development activities were hampered by the lack of extrabudgetary funding. Nevertheless, progress was achieved in empowering Trade Points and reducing their dependence on UNCTAD resources through regional cooperation and the strengthening of Trade Point forums. The report noted that the Global Trade Point Network (GTPNet) web site was renovated and its services enhanced. Options were presented for a suitable non-profit organization to manage the Electronic Trading Opportunities (ETO) system, and activities to be undertaken in line with the strategy were proposed.

With regard to implementation of the recommendations of the 1999 in-depth evaluation of the technical cooperation activities on competition law and policy [TD/B/WP/119 & Add.1], an August UNCTAD secretariat report [TD/B/WP/ISO] stated that a strategy had been developed that focused on: activities that were sustainable and could make an impact; alternative sources and ways of mobilizing human and financial re-
sources; and the development of networking among high-level institutions in each country.

In an October decision on the evaluation of technical cooperation programmes [dec. 464 (XLVI)], TDB agreed with the recommendations contained in the evaluation of the EMPRETEC programme and urged the UNCTAD Secretary-General to implement them and report to the Working Party on the Medium-term Plan and the Programme Budget in 2001. It invited the secretariat to enhance the geographical coverage of EMPRETEC and to strengthen its cooperation with other organizations and entities dealing with entrepreneurship. The Board took note of the progress report on implementing the recommendations of the evaluation of the programme of technical cooperation activities on competition law and policy and invited the secretariat to continue the implementation. It also took note of the progress report on implementation of the Trade Point Programme strategy and requested the secretariat to proceed with the implementation in the time frame agreed. It encouraged donor countries to make available extrabudgetary resources for capacity-building projects aiming to achieve that objective, and requested the secretariat to report to the Working Party in 2001 on progress made. TDB also decided that an in-depth evaluation of the TRAINMAR (Training human resources in maritime management) programme should be considered by the Working Party in 2001.

Funding

In an October decision on the review of the financial sustainability of certain technical cooperation programmes and activities, pursuant to paragraph 164 (viii) of the UNCTAD X Plan of Action, in order to ensure sufficient funding [dec. 462(XLVII)], TDB recommended that the UNCTAD Secretary-General establish advisory groups for the Automated System for Customs Data (ASYCUDA), the Debt Management and Financial Analysis System (DMFAS) and the Advance Cargo Information System (ACIS) programmes, consider the establishment of a DMFAS trust fund in order to ensure the financial sustainability of the central operation of the DMFAS programme as well as the different options and modalities for such a trust fund, and report to the Working Party in 2001.

Training courses

A September note on strengthening UNCTAD’s capacity-building programmes and activities [TD/B/WP/133] discussed implementation of paragraph 166 of the UNCTADX Plan of Action, which called for a strengthening of UNCTAD’s capacity-building activities, particularly through regular training courses on key trade and development issues, so as to better enable developing countries and interested countries with economies in transition to meet global economic and trade challenges. The note outlined activities designed to strengthen and deepen UNCTAD’s capacity-building programmes.

In an October decision [dec. 463(XLVII)], TDB invited the UNCTAD Secretary-General to seek the necessary resources to prepare and deliver three training courses in 2001 by exploring a variety of funding arrangements, including the UN programme budget, voluntary contributions and a combination thereof. It reiterated the importance of an early and full implementation of paragraph 166 of the Plan of Action, and urged the UNCTAD Secretary-General to take all necessary measures to that end in the context of the preparation of the programme budget for 2002-2003.

In another October decision [dec. 466(XLVII)], TDB decided to review the arrangements for the implementation of the regular training courses provided for in paragraph 166 of the Plan of Action at its next regular (2001) session. It also decided to establish an Advisory Body to advise the UNCTAD Secretary-General on regular training, in accordance with paragraph 166. The draft terms of reference of the Advisory Body were annexed to the decision.

Participation of developing country experts in UNCTAD meetings

In a 17 August note on financing of experts from developing countries and economies in transition when participating in UNCTAD meetings [TD/B/WP/131], the UNCTAD secretariat stated that, at the time of reporting, two expert meetings had been held in 2000, in which 29 experts from developing countries participated: 11 from Africa, 8 from Asia and the Pacific and 10 from Latin America, of which 10 were from LDCs.

The unspent balance carried over to 2000 for the financing of experts’ participation amounted to $587,712. The total cost of the participation of the experts in the two meetings was estimated at $102,421. The secretariat estimated that there would remain a balance at end-2000 of about $93,000 against the original provision established by the General Assembly in resolution 53/3 [YUN1998, p. 912].

In an October decision [A/55/15 (dec. 465(XLVII))], TDB invited the UNCTAD Secretary-General to seek the necessary resources to finance the participation of experts from developing countries and economies in transition in UNCTAD expert meetings foreseen for 2001, including in the con-
text of preparing the programme budget for 2002-2003.

**Medium-term plan and programme budget**

The UNCTAD Working Party on the Medium-term Plan and the Programme Budget held two sessions in 2000, both in Geneva.

At its thirty-fifth session (13 and 20-21 March, 17-19 April) [TD/B/47/3], the Working Party reviewed the draft UNCTAD section of the UN medium-term plan for the period 2002-2005 and adopted a decision in which it recommended to TDB the adoption of the text of the medium-term plan, as amended by the Working Party, for transmission to the appropriate authorities at United Nations Headquarters. It also recommended that TDB consider the proposal that the UNCTAD secretariat undertake an evaluation of its activities in accordance with the indicators of achievement set forth in the plan, and present it to member States for discussion. At its twenty-fourth executive session in March [TD/B/EX (24)/3], TDB endorsed the Working Party's decision, thereby adopting the draft medium-term plan, and agreed to consider the proposal on evaluation approved by the Working Party.

The Working Party also reviewed the UNCTAD programme of work for 2000-2001, which was revised in the light of the UNCTAD X outcome. In agreed conclusions, it concurred with the revised programme of work, to be forwarded to TDB for its endorsement. The Working Party requested that the UNCTAD Secretary-General submit detailed costed proposals on the implementation of paragraph 166 of the UNCTAD X Plan of Action for consideration at the thirty-sixth session of the Working Party, as well as proposals for an Advisory Body to be established by TDB (see p. 921). At its twenty-fourth executive session in May [TD/B/EX (24)/3], TDB endorsed the Working Party's decision, thereby adopting the draft medium-term plan, and agreed to consider the proposal on evaluation approved by the Working Party.

At its thirty-sixth session (11-15 September) [TD/B/47/9], the Working Party considered progress reports on the implementation of a number of technical cooperation activities (see p. 920): the Trade Point Programme strategy [TD/B/ WP/128]; the UNCTAD EMPRETEC programme [TD/B/WP/ 129]; technical cooperation activities on competition law and policy [TD/B/WP/130]; and UNCTAD’s capacity-building programmes and activities [TD/B/WP/133]. Other reports before TDB (see above) were: a review of UNCTAD’s technical cooperation activities and their financing [TD/B/ 47/2 & Add.1,2]; a note on financing of experts from developing countries and economies in transition when participating in UNCTAD meetings [TD/B/WP/131]; and the indicative plan of UNCTAD’s technical cooperation for 2001 [TD/B/ 47/8]. The Working Party recommended five draft decisions on technical cooperation programmes for adoption by TDB. TDB adopted those decisions in October (see above).

**OIOS investigations**

On 7 April, by resolution 54/257 on reports of the Office of Internal Oversight Services (OIOS), the General Assembly took note of the following OIOS reports that concerned UNCTAD: the investigation into allegations of theft of funds by an UNCTAD staff member (see p. 1318); the investigation into allegations concerning an electronic commerce project at UNCTAD [YUN 1999, p. 911]; and the review of the programme and administrative practices of the ITC secretariat [YUN 1997, p. 1400], and the comments of the Joint Inspection Unit thereon [YUN 1998, p. 1259], reaffirming that the merging of UNCTAD and ITC had not been approved by the pertinent legislative bodies.

By decision 54/462 B of 15 June, the Assembly deferred until its fifty-fifth session consideration of the note by the Secretary-General transmitting the OIOS report on allegations of theft of funds by an UNCTAD staff member.