



UNITED NATIONS CONFERENCE ON TRADE AND DEVELOPMENT

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Commission on Science and Technology for Development (CSTD)

"It is the knowledge and 'connectedness' of a nation that matter", said Jose Maria Figueres, former president of Costa Rica and chairman of the UN task force on information and communication technologies (ICT). Speaking at the opening of the sixth session of the CSTD, which met in Geneva on 5-9 May, Mr. Figueres emphasized the need for each developing country to adopt a roadmap for development that integrates science and technology.

Other topics discussed at the meeting included technology transfer, ICT diffusion and capacity-building. Among the recommendations were the compilation of technology indicators including the developing countries' informal sector, and the role of foreign direct investment in transferring technology and developing national ICT.

The focus of the Commission's work in 2003-2004 will be to "promote the application of science and technology to meet the Millennium Development Goals". This will entail looking at the risks and benefits of new technologies, strengthening support mechanisms and capacity-building and improving scientific networking and strategic partnerships.

Established in 1992 as the coordinator of science and technology within the UN, the Commission provides guidelines and helps countries develop and implement common policies. Since July 1993, the UNCTAD secretariat has been responsible for servicing the Commission. As of this year, the Commission will meet annually.

(For more information on the Commission and its activities, see the [CSTD website](#).)

UNCTAD strategy session in New York

Top UNCTAD officials held a day-long retreat in New York to discuss key economic problems with ambassadors and senior UN staff members. The meeting was also an opportunity to foster greater interaction between UNCTAD's Geneva headquarters and New York, where major debates on economic and social issues take place.

The topics covered ranged from international trade negotiations to progress towards the Millennium Development Goals and ways to revive stagnating economic growth and world trade.

The outcome of the 10 May retreat will serve as input into the agenda of UNCTAD XI, the organization's quadrennial policy and planning meeting, to take place in Brazil in June 2004.



UNCTAD'S DEBT MANAGEMENT AND FINANCIAL ANALYSIS PROGRAMME (DMFAS)

With over 20 years experience, DMFAS is the world's major provider of technical assistance and advisory services in debt management. As of May, 61 countries, including 86 institutions, are members of DMFAS. The outstanding public and publicly guaranteed long-term debt (LDOD) of these countries represents 42% of the total LDOD of developing countries and economies in transition - a total of \$580 billion managed by DMFAS.

For more information, see the [DMFAS website](#).

Interview with Mr. Philippe STRAATMAN Chief, DMFAS



UNCTAD: *DMFAS is now installed in 60 countries. How do you account for the success of the programme?*

PS: In 1982, the idea was to create a software programme that would make a country's debt management easier. Since then, we have carried out a thorough assessment of the needs of those countries requesting assistance and helped them to implement the system. In many cases government structures have been adapted to deal better with public and publicly guaranteed debt.

I have been with DMFAS for 15 years but I am not the only one! I don't see how we could have run a successful software development programme for more than 20 years if we had not had a couple of senior system analysts and financial experts, who know all the ropes and have improved the software over the years.

UNCTAD: *Who uses DMFAS and what does it do?*

PS: DMFAS is installed in the ministries of finance and central banks of middle-income and low-income countries. Many factors contribute to a project's success. A lot depends on the structure and staffing of the institution in which it is installed. One major problem, for instance, is the low debt management capacity of some of the ministries of finance, especially in low-income countries where our training and advisory activities are more intense.

Despite its sophistication, the system is fairly straightforward to use: it records every loan agreement and every transaction that falls within that agreement. By loan agreement I mean debt instruments that fall into the category of publicly and privately guaranteed debts of a medium- to long-term nature. Once all the loans are recorded, the system produces amortization tables, statistical reporting on the database and many types of reports. We also have a specialized software package for debt analysis, which is a module provided jointly by the World Bank and UNCTAD. It allows countries to use this debt data in balance-of-payment scenarios and in debt sustainability analysis exercises.



UNCTAD: What support does UNCTAD provide once the system has been installed?

PS: Every installation of the DMFAS software is done within the framework of a country project, which is drawn up by UNCTAD, the government and the donor, if there is one. The project document defines UNCTAD's support during the implementation period. It normally includes training and counselling on how to set up and use the database. We also provide hotline support from Geneva, even after a project is closed.

We offer other types of assistance as well. For instance, we give advice and training on debt management issues in general, not only at the technical level, but also at the administrative, legal and institutional levels. We organize workshops and seminars on debt management and every two years we hold an interregional debt management conference. The last conference was attended by more than 180 delegates from over 70 countries. In many ways the programme serves as the main international focal point for discussion and exchange of experiences in debt management in developing countries and economies in transition.

UNCTAD: There has been a lot of talk about introducing a cost-sharing scheme...

PS. This is one of the major new developments. DMFAS is not a regular budget programme of the United Nations and relies heavily on donor support. Our main donors include the Netherlands, Norway and Sweden. Of the 23 people currently working in DMFAS in Geneva, only six are regular budget staff. The programme's financial sustainability has been a major issue over the last five to six years.

UNCTAD and the beneficiary countries created the DMFAS Advisory Group. It is composed of the major stakeholders (client countries, donors and UNCTAD) and meets once a year to discuss issues related to the programme. It is this group that advised us to implement a cost-sharing mechanism, which implies a direct financial contribution from all those institutions using the system. We call it a maintenance fee. New countries that want to implement the DMFAS programme will make a one-time financial contribution in the form of a licence fee. I am not saying that everything is being commercialized but we do believe it is a good thing that countries show their commitment and invest financially as well - according to their income, of course.

In parallel, we have established a DMFASTrust Fund 2002-2005 with bilateral donors to ensure that we have a fully funded programme for the next three to four years. Hopefully, cost-sharing will not remain just a principle and most DMFAS countries will contribute. As a matter of fact, a few of them have already started to do so.

The Monterrey Consensus

The consensus adopted by the International Conference on Financing for Development, held in Monterrey (Mexico) in March 2002 states that:

- sustainable debt financing is important to attract public and private investment
- debtors **and** creditors are responsible for preventing and resolving unsustainable debt situations
- technical assistance for external debt management and debt tracking should be strengthened

(See the UN Financing for Development website at: <http://www.un.org/esa/ffd>)



TECHNICAL ASSISTANCE



UNCTAD and WTO step up technical assistance partnership

A legal framework for technical assistance cooperation was signed by UNCTAD and the World Trade Organization (WTO) on 16 April. "UNCTAD has always been our best ally in assisting developing countries' efforts to seize opportunities arising from the multilateral trading system," said Dr. Supachai Panitchpakdi, Director-General of WTO. "This new legal framework will identify more clearly our fields of cooperation and will facilitate our joint activities."

Increased WTO/UNCTAD cooperation will optimize the organizations' technical cooperation resources.

180 port operators to be trained in 2003

Over the next six months, nine African countries (Angola, Benin, Cameroon, Cape Verde, Gabon, Guinea, Senegal, Togo and Tunisia) will deliver the UNCTAD TrainForTrade port training course. The instructors, recruited locally, were trained by UNCTAD experts. A total of 180 port operators will be trained in 2003.

This train-the-trainers approach limits costs and multiplies the outreach of training activities.

For more information, see the TrainForTrade website:

<http://www.unctad.org/trainfortrade>

First training course on legal aspects of e-commerce

The inaugural session of the training course on the legal aspects of e-commerce was held in Cambodia on 7-11 April. Sixteen government officials and professionals were trained at a crucial time when the Cambodian Government was drafting its e-commerce legislation.



LOOKING AHEAD.....

June meetings:

25-27 June: Expert Meeting on Effectiveness of FDI Policy Measures (DITE)

23-27 June: Sixth Meeting of Governmental Experts from Landlocked and Transit Developing Countries and Representatives of Donor Countries and Financial and Development Institutions

July meetings:

2-4 July: Intergovernmental Group of Experts on Competition Law and Policy (fifth session)

9-11 July: Expert Meeting on Definitions and Dimensions of Environmental Goods and Services in Trade and Development

16-18 July: Expert Meeting on Policies and Programmes for Technology Development and Mastery, Including the Role of FDI

For more information visit UNCTAD's website:

<http://www.unctad.org>

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