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Agenda items 6(a) and 9

**DRAFT REPORT OF THE TRADE AND DEVELOPMENT BOARD ON ITS
FORTY-SEVENTH SESSION**

Rapporteur: Ms. Uchanya Wichayachakorn (Thailand)

Speakers:

Chairperson of the Working Party (36th
session)
Spokesperson for the Group 77 and China
(Islamic Republic of Iran)
France (on behalf of the European Union)
Norway
China
United States of America
Spokesperson for the Latin American and
Caribbean Group (Jamaica)

Bangladesh (on behalf of the least
developed countries)
Switzerland
Romania
Group D (Croatia)
Uganda
Nepal
Head of Resources Management Service
Japan
Germany

Note for delegations

This draft report is a provisional text circulated for clearance by delegations.

Requests for amendments to statements of individual delegations should be
communicated by **Wednesday, 25 October 2000 at the latest** to:

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REVIEW OF TECHNICAL COOPERATION ACTIVITIES OF UNCTAD

Agenda item 6(a)

1. For its consideration of this item, the Board had before it the following documentation:

Overview of technical cooperation activities (TD/B/47/2 and Add. 1 and 2);

Indicative Plan of UNCTAD's technical cooperation programmes for 2001 (TD/B/47/8);

Review of technical cooperation activities of UNCTAD and their financing - draft decision (TD/B/47/L.1);

Review of the financial sustainability of certain technical cooperation programmes and activities, pursuant to paragraph 164(vii) of the UNCTAD X Plan of Action, in order to ensure sufficient funding - draft decision (TD/B/47/L.2);

Implementation of paragraph 166 of UNCTAD X Plan of Action - draft decision (TD/B/47/L.3);

Evaluation of technical cooperation programmes - draft decision (TD/B/47/L.4).

2. The **Chairperson of the Working Party on the Medium-term Plan and the Programme Budget at its thirty-sixth session** reported on the deliberations of the Working Party, which had culminated in the adoption of draft decisions TD/B/47/L.1-5; draft decision TD/B/47/L.5 would be discussed under agenda item 9, "Other business". He recommended the adoption of the draft decisions by the Board.

3. The **spokesperson for the Group of 77 and China (Islamic Republic of Iran)** said that the increase in the technical cooperation expenditures of UNCTAD, which had reached their highest-ever level in 1999, was a reflection of the importance that was attached to the technical cooperation activities of the organization. Such activities assisted developing

countries in their development efforts, in developing their local capacity and in integrating into the global economy and the international trading system. His Group also noted with satisfaction the increased share of LDCs in total delivery of technical cooperation of UNCTAD and the contributions made to the LDC Trust Fund. It regretted, however, the decline in UNCTAD trust fund contributions and urged donors to increase their contributions, so that the momentum gained could be maintained and so that UNCTAD could continue to provide high-quality technical assistance.

4. The success of the Working Party's session was reflected in the five draft decisions which it had approved and which laid the basis for the implementation of the mandate given by UNCTAD X on technical-cooperation-related issues. The decisions were aimed at enhancing the delivery and effectiveness of UNCTAD's technical cooperation services, contributing to the process of capacity building in developing countries, and strengthening the process of integration of UNCTAD's technical cooperation activities with its analytical and deliberative work. He also expressed satisfaction with the results of the evaluation process in UNCTAD. His Group called for the adoption of the draft decisions by the Board and the early implementation of their recommendations.

5. The representative of **France**, speaking on behalf of the **European Union**, said that the European Union considered technical cooperation to be at the centre of the operational activities of UNCTAD and thus encouraged all member States with the necessary financial means, and in particular developed countries, to contribute to those UNCTAD activities which were financed through extrabudgetary resources. The requirements and needs of developing countries, in particular the least developed countries, and countries with economies in transition were so great and diverse that a positive response and adequate financial assistance were required. The European Union, both at the level of the Union and at the bilateral level, had always made financial contributions to the technical cooperation programmes of UNCTAD. He noted that expenditures on technical cooperation had increased in 1999 as compared with 1998, and expenditures in favour of least developed countries had increased in both nominal and relative terms. Finally, he highlighted the objectives of the five draft decisions agreed at the thirty-sixth session of the Working Party and called upon the Board to adopt them.

6. The representative of **Norway** said that his country had provided substantial financial contributions to UNCTAD's technical cooperation activities and looked forward to continued cooperation in that respect. UNCTAD's technical cooperation activities should be based on its mandate and its field of competence, and it should address the needs of developing countries and the issues raised in the intergovernmental machinery. An important recommendation of the UNCTAD X Plan of Action was contained in its paragraph 166, relating to strengthening UNCTAD's existing capacity building programmes. It was time to implement that paragraph and to agree on the role and composition of the Advisory Group envisaged therein.

7. He commended the secretariat for the preparation of the annual Indicative Plan. However, he favoured clustering activities and formulating umbrella projects as a step forward towards a programme-oriented approach which could enhance internal coordination, as well as coordination among donors.

8. He underlined the importance of capacity building for LDCs; cooperation in this respect should be provided through coordinated, well targeted technical assistance with a view to the LDCs' integration into the world economy. His country remained concerned, however, that contributions to the LDC Trust Fund had declined, and it would be important to mobilize potential new donors. Referring to the importance of inter-agency cooperation and coordination, he thought that the Integrated Framework and JITAP represented important partnerships among agencies. Closer cooperation and coordination of activities with ITC and WTO and other relevant agencies were essential to avoid duplication and secure synergies. Continuation and strengthening of work on evaluation procedures could enhance UNCTAD's credibility as a development partner.

9. The representative of **China** commended the secretariat for the quality of its documentation. Technical cooperation was an important function of UNCTAD, and the Plan of Action adopted by UNCTAD X had made specific recommendations in that regard which needed to be implemented. He noted with satisfaction an increase of 16 per cent in the delivery of activities in 1999, while expressing concern over the decrease in trust fund

contributions. Fluctuations in resources would in the long run undermine the capacity of UNCTAD to deliver its technical cooperation activities, and he called upon donors to increase their support. Referring to paragraph 166 of the Plan of Action, he asked the secretariat to ensure its full and rapid implementation. Finally, he stressed the excellent relationship between China and the UNCTAD secretariat which enabled his country to benefit from UNCTAD's technical cooperation and also to host a number of activities in the area of technical cooperation to the benefit of developing countries in the region.

10. The representative of the **United States of America** said that the focus of UNCTAD's technical cooperation on LDCs should continue to increase. He expressed concern at the inclusion of 32 additional requests for the establishment or strengthening of Trade Points in the Indicative Plan for 2001, which he believed was inconsistent with the decision on the future of the Trade Point Strategy.

11. The **spokesperson for the Latin American and Caribbean Group (Jamaica)** reiterated the views of his Group to the effect that the technical cooperation of UNCTAD was a crucial area of activity and needed continuous attention. His Group remained concerned at the long-term effects of the low and declining share of its region in the overall technical cooperation activities of UNCTAD. The need of his Group for improved technical cooperation services from UNCTAD was increasing over time, in particular in the areas of development of a positive agenda for trade negotiations, promotion of sustainable trade and development in the field of biological resources, capacity building for trade negotiations, capacity building in the area of services infrastructure through such programmes as ASYCUDA, DMFAS and EMPRETEC, and Trade Points. Finally, referring to the draft decisions remitted by the Working Party to the Board, he expressed the hope that they could contribute to reversing the declining share of the countries of his Group in the overall technical cooperation activities of UNCTAD.

12. The representative of **Bangladesh**, speaking on behalf of the **least developed countries**, reaffirmed the importance of UNCTAD's technical cooperation and stressed that activities should be demand-driven and based on recipient needs and should ultimately aim at self-sustainability. Programmes should focus on capacity-building and training of trainers.

He further stressed a number of priority sectors of particular interest to the least developed countries such as those linked to information technology. He finally expressed regret at the inability of the Integrated Framework for Trade-related Technical Assistance in favour of LDCs to start any meaningful activity since its launch.

13. The representative of **Switzerland** congratulated the secretariat for the quality of its documentation. The UNCTAD X Plan of Action reflected a common vision of UNCTAD, and he stressed the importance of the implementation of paragraph 171 of the Plan of Action, which would also contribute to improved delivery of technical assistance. While recognizing the importance of an early implementation of paragraph 166, he said that other mandates included in the Plan of Action needed equal attention, in particular those included in paragraph 164 (viii) related to the financial sustainability of certain technical cooperation programmes and paragraph 107 (iv) on good governance.

14. The representative of **Romania** said that UNCTAD's technical cooperation was extremely valuable to his country. Romania was benefiting greatly from UNCTAD's support, and he expressed full satisfaction with the way the secretariat was implementing its technical cooperation activities, in particular those related to debt relief and TRAINFORTRADE, which corresponded to concrete needs in his country. He expressed gratitude to donors for their support for those activities.

15. The spokesperson for **Group D (Croatia)** stressed the particular importance of the decision to be adopted by the Board in relation to the implementation of paragraph 166 of the Bangkok Plan of Action (TD/B/47/L.3).

16. The representative of **Uganda** said that his Government attached great importance to UNCTAD's technical cooperation. He expressed concern at the decline in overall trust fund contributions in 1999, which could affect the delivery of future activities. He further noted that the bulk of trust fund contributions came from a few donor countries and called for contributions from as many different donors as possible to ensure better planning and predictability of resources. In particular he would welcome multi-year commitments on the donor side. The LDC Trust Fund had surpassed its target but its replenishment was not

assured and multi-year commitments would greatly facilitate programme planning. Resources at the country level were particularly needed for country-level preparation for the Third United Nations Conference on LDCs. With reference to the Integrated Framework for Trade-related Technical Assistance for the LDCs, he noted with satisfaction the recommendation of the heads of the six core participating agencies to establish a Trust Fund. He called upon donors' support in that respect and to the need to focus on ways to make the proposal operational.

17. The representative of **Nepal** associated himself with the views expressed by the spokesperson for the Group of 77 and China, Bangladesh and Uganda. He expressed gratitude to the UNCTAD secretariat for its technical cooperation and noted with satisfaction the increase in the share in favour of LDCs. UNCTAD's technical assistance should be demand-driven and sustainable. It should in particular address issues related to the multilateral trading system and support capacity-building activities in favour of universities and academic institutions.

18. The **Head of the Resources Management Service** said that the secretariat had already started implementation of the draft decisions approved by the Working Party, in particular with respect to the review of UNCTAD's technical cooperation activities and their financing (TD/B/47/L.1). This entailed in particular the revision and reissuance of the Indicative Plan for 2001 in the light of comments made at the Working Party in an effort to cluster activities around well-defined programmes with a view to enhancing coordination within the secretariat and strengthening the links between technical cooperation activities and research, as well as increasing coordination among donors. The process of consultations with beneficiaries and donors would also be put in place, as recommended in the draft decision. Finally, the secretariat would work towards the standardization of project documents, following UNDP format, and progress reports. The secretariat took note of the comments on issues raised in relation to the Trade Point Programme and to the implementation of the Integrated Framework.

Action by the Trade and Development Board

19. At its 916th plenary meeting, on 11 October 2000, the Trade and Development Board adopted draft decisions TD/B/47/L.1-4.

OTHER BUSINESS

(Agenda item 9)

Financing of experts from developing countries and economies in transition when participating in UNCTAD meetings

20. For its consideration of this item, the Board had before it the following documentation:

Financing of experts from developing countries and economies in transition when participating in UNCTAD meetings - draft decision (TD/B/47/L.5).

21. The **spokesperson for the Group of 77 and China (Islamic Republic of Iran)** reiterated the importance attached by his Group to the question of the financing of experts in UNCTAD expert meetings and the need for funding in that respect. The participation of experts from developing countries enhanced the complementarity between technical cooperation and analytical and deliberative work and helped in integrating these activities, as called for by UNCTAD X.

22. The representative of the **United States of America** said that, for the financing of experts participating in UNCTAD's meetings, extrabudgetary sources must be found to support this particular activity.

23. The representative of **Japan** said that, although his country regarded the participation of experts from developing countries and countries with economies in transition as important, it was only in a spirit of compromise that it had agreed to the last sentence in paragraph 4 of draft decision TD/B/47/L.5 relating to the programme budget. Since 1996, Japan had made known the difficulties it had with regard to financing such an activity from regular budget resources, and it therefore urged the secretariat to seek other sources of financing urgently.

24. The representative of **Germany** said that the question of financing the participation of experts from developing countries in UNCTAD expert meetings should be approached in the wider context of the United Nations and not simply within UNCTAD.

25. The spokesperson for **Group D (Croatia)** underlined the importance of the decision on this issue.

26. The **Head of the Resources Management Service** said that the secretariat took note of the comments and suggestions made on this issue and the need to find sources of funding other than the regular budget to finance this activity.

Action by the Trade and Development Board

27. At its 916th plenary meeting, on 11 October 2000, the Trade and Development Board adopted draft decision TD/B/47/L.5.