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**DRAFT REPORT OF THE TRADE AND DEVELOPMENT BOARD ON ITS
FIFTIETH SESSION**

Held at the Palais des Nations
from 6 to 17 October 2003

Rapporteur: Mr. François Leger (France)

Speakers:

Cuba for the Chairperson of the Working Party	Russian Federation
Thailand for the G77 and China	Islamic Republic of Iran
Mexico for GRULAC	China
Oman for the Asian Group and China	Venezuela
Zimbabwe for the African Group	Nepal
Benin for the LDCs	Colombia
Italy for the EU	Indonesia
Ecuador	Switzerland
	Norway

Note for delegations

This draft report is a provisional text circulated for clearance by delegations.
Requests for amendments to statements by individual delegations should be communicated by
Tuesday, 21 October 2003 at the latest, to:
UNCTAD Editorial Section, Room E.8108, Fax No. 907 0056, Tel. No. 907 5656/1066.

TECHNICAL COOPERATION ACTIVITIES

(Agenda item 6)

(a) Review of technical cooperation activities of UNCTAD (report of the Working Party on its forty-first session)

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

"Review of technical cooperation activities of UNCTAD" (TD/B/50/2 and Add.1 and 2);

"Capacity development" (TD/B/50/9);

"Report of the Working Party on the Medium-term Plan and the Programme Budget on its forty-first session" (TD/B/50/12)

"Review of technical cooperation activities of UNCTAD: Draft decision" (TD/B/50/L.4 and Add.1);

2. The representative of **Cuba**, speaking on behalf of the **Chairperson of the Working Party on the Medium-term Plan and the Programme Budget** at its forty-first session, introduced the report of the Working Party.

Action by the Board

3. At its 949th plenary meeting, on 10 October 2003, The Board adopted the draft decision contained in document TD/B/50/L.4 and Add.1, containing the Technical Cooperation Strategy of UNCTAD. The Board also took note of the report of the Working Party on its forty-first session, as contained in document TD/B/50/12, and endorsed the agreed conclusions of the Working Party on "In-depth evaluation of the technical assistance programme on trade, environment and development" and the "Progress report on the implementation of the second phase of UNCTAD's website".

Statements

4. The Representative of **Thailand**, speaking on behalf of the **Group of 77 and China**, said that the Group welcomed the adoption of the new technical cooperation strategy for UNCTAD, since it made UNCTAD's technical cooperation activities more attractive and enhanced their effectiveness and coherence. Since UNCTAD's mandate encompassed many interrelated subjects, its technical cooperation programmes should be crosscutting and multi-thematic and look beyond trade negotiations. The group valued the complementarities between UNCTAD's development perspective and the objectives of other organizations and national and regional institutions involved in trade-related technical assistance. UNCTAD could work in beneficiary countries in coherence with such institutions and in conjunction with development partners, at the international and national levels, by providing flexible programme designs that fitted in with the varying needs of beneficiaries. She welcomed the

increase in bilateral and multilateral contributions to UNCTAD's trust fund and hoped that new resources would be forthcoming to address in particular the needs of LDCs and African countries.

5. The representative of **Mexico**, speaking on behalf of the **Latin American and Caribbean Group** expressed the hope that UNCTAD XI would provide impetus for UNCTAD's technical cooperation activities, since they were meant to disseminate the organization's thinking and maximize its impact. In the Latin American and Caribbean region, where there was an outstanding tradition of research and formulation of development policies, UNCTAD operations could play a key role in supporting Governments, academics and productive sectors. The region required more training and institutional support in areas such as trade and poverty, financing for development, technology transfer and investment, trade in services, regionalism and multilateralism, and the impact of globalization. The recent increase in the share of countries in his Group in total expenditures on UNCTAD technical cooperation activities was a welcome development, and he hoped that it signalled a new positive trend. The Group recommended the implementation of the new technical cooperation strategy, which was based on the concept of capacity development. UNCTAD assistance should be designed according to thematic priorities matching those of member States, taking into account their different development needs and reflecting the regional diversities.

6. The representative of **Oman**, speaking on behalf of the **Asian Group and China**, said that the agreement on a new Strategy for UNCTAD's technical cooperation was a major achievement. The implementation of this new strategy, with its focus on capacity building, would enhance the delivery of UNCTAD's operational activities in favour of all beneficiary countries. It was only through capacity development that the short-term and long-term impact and sustainability of assistance could be ensured. In the implementation of programmes, full use should be made of national expertise and institutions of developing countries rather than expatriate expertise. Such an approach could also enhance technical and economic cooperation among developing countries. She welcomed the increase in her Group's share in total delivery of UNCTAD's technical cooperation. However, the Group was concerned at the decline in overall delivery in 2002, as well as the declining share of LDCs in total expenditures. She thank development partners for their support for UNCTAD's technical cooperation, and hoped that the debates generated by UNCTAD XI would provide inputs for future operational activities of UNCTAD.

7. The representative of **Zimbabwe**, speaking on behalf of the **African Group**, welcomed the fact that the focus of UNCTAD's technical cooperation activities was human and institutional capacity development in beneficiary countries and that the new strategy placed even more emphasis on those long-term goals. The development of endogenous capacity for the formulation, implementation and evaluation of trade and development policies rooted in national economic realities was at the core of the African group's concerns. In order to ensure the ownership and long-term impact and sustainability of programmes, it was primordial that expertise available in developing countries be utilized more frequently. The effective implementation of the strategy would depend on the availability of predictable extrabudgetary resources, and in that connection his Group urged development partners to

further increase their contributions to UNCTAD's trust funds. Multi-year contributions provided the necessary stability and predictability. The Group expressed concern over the declining share of Africa in the overall delivery of UNCTAD's technical cooperation and hoped that every effort would be made to remedy the situation. The Group was also concerned by the sharp decline in UNCTAD's technical cooperation in favour of LDCs, and it called upon development partners and the secretariat to intensify efforts in favour of the LDCs, particularly in support of the implementation of the Brussels Programme of Action.

8. The representative of **Benin**, speaking on behalf of the **least developed countries**, said that UNCTAD technical cooperation activities contributed to the effective integration of developing countries into the multilateral trading system. He stressed the importance of JITAP, which should be strengthened and expanded, and of programmes such as TrainForTrade, DMFAS, Commercial Diplomacy, investment promotion, and commodity diversification, all of which made an essential contribution to the implementation of the Brussels Plan of Action in favour of LDCs. He noted with concern the decline in expenditures in favour of LDCs in 2002 and appealed to donors to increase their support for activities in favour of LDCs. He welcomed the technical cooperation strategy and hoped that, in its future activities in favour of LDCs, UNCTAD would continue to focus on ways to allow these countries to make better use of their status and examine why they remained among the poorest and most vulnerable countries.

9. The representative of **Italy**, speaking on behalf of the **European Union and the acceding countries (Cyprus, Czech Republic, Estonia, Hungary, Latvia, Lithuania, Malta, Poland, Slovakia and Slovenia)**, as well as the associated countries (Bulgaria, Romania and Turkey), welcomed the adoption of the Technical Cooperation Strategy. Technical cooperation should be demand-driven and confined to areas where UNCTAD had a clear comparative advantage. He noted with concern the decline in 2002 in the share of LDCs and Africa in the total expenditures for technical assistance and requested the secretariat to take appropriate measures to remedy the situation. Analytical work and capacity development were linked, and the Doha Development Agenda included a commitment, reiterated in Monterrey and Johannesburg, to strengthen trade-related capacity building in order to support developing countries in their efforts to integrate into the world trading system. A large number of small projects put a heavy strain on UNCTAD's resources, and having fewer but larger high-priority projects would improve operational effectiveness. The secretariat should benefit from a clearer division of labour with other international organizations involved in trade-related technical assistance, such as WTO and the regional commissions, in particular in the implementation of the Integrated Framework. He stressed the importance of the evaluation process and the need to fully implement the resulting recommendations. The issue of the predictability of funds could not be independent from the elaboration and the implementation of a vision and a strategy that allowed for larger and long-term commitments. The new strategy would only add value if implemented fully and uniformly throughout the secretariat. The coherence of the delivery of operations with the strategy should be subject to constant scrutiny, and he requested the secretariat to report on the strategy's implementation at UNCTAD XI.

10. The representative of **Ecuador** expressed support for the new Technical Cooperation Strategy, since it placed emphasis on the productive capacity of developing countries. Ecuador had been a beneficiary of UNCTAD assistance and hoped that donors would continue to contribute, particularly for programmes of interest for her country such as BIOTRADE, FORINVEST, EMPRETEC and the Global Programme on Trade, Globalization and Sustainable Human Development.

11. The representative of the **Russian Federation** welcomed the adoption of the Technical Cooperation Strategy of UNCTAD. He expressed concern at the decline in overall technical cooperation expenditures in 2002, as well as the decline in the share of the African region in overall delivery, and he underlined the need to set priorities and to ensure the universality of UNCTAD's technical cooperation, particularly bearing in mind the preparatory process for UNCTAD XI. He noted with satisfaction the decision to pursue an integrated approach to the delivery of technical cooperation, both at the UNCTAD level and in its dealings with other United Nations agencies. As well as the efforts pursued with regard to ensuring the financial sustainability of certain technical cooperation programmes. He urged the secretariat to continue to extend technical assistance to WTO-acceding countries, and to give attention to integration processes and their impact on development and growth, in line with General Assembly resolution 57/247. Finally he thanked the secretariat for the technical cooperation being provided to the Russian Federation in connection with its accession to WTO.

12. The representative of the **Islamic Republic of Iran** said that UNCTAD technical cooperation should be general in nature and inclusive and it should give priority to all trade dimensions of the Millennium Goals. It should be provided in connection with important decisions taken by the WTO that had consequences for developing countries. Training activities should continue to be strengthened, with better utilization of national capacities, and each developing country should seek to develop adequate trade policy strategies, in accordance with their different needs. UNCTAD should prepare a special programme for WTO-acceding countries, and donors were invited to support such a programme. Welcoming UNCTAD-OPEC cooperation on analysing the impact of globalization on oil- and gas-exporting countries, he suggested that greater use be made of expertise in these countries to enhance monitoring and evaluation. He noted with satisfaction the increase in resources in 2002 and called upon donors to continue to provide sustainable and predictable resources. Some programmes like the BIOTRADE initiative had only limited geographical coverage, and the secretariat should extend them to all interested countries. The Technical Cooperation Strategy included positive elements, but activities included in the strategy should not be regarded as changing the overall mandate of the organization. Greater coherence in delivery, improved outreach and adequate follow-up would greatly improve the efficiency of UNCTAD technical cooperation.

13. The representative of **China** said that technical cooperation activities were an important part of UNCTAD's mandate and over the years had played a positive role in enhancing the capacity and promoting the economic and trade development of developing countries. His delegation called upon the international community to make a joint effort for

effective implementation of technical cooperation activities contained in the UNCTAD X Plan of Action and to make new contributions to ensure effective work on technical cooperation activities at UNCTAD XI. The success of technical cooperation activities depended on the availability of financial resources, and yearly fluctuations in the level of funding adversely affected the formulation and implementation of technical cooperation programmes. He expressed concern over the decreased level of expenditures in UNCTAD's operational activities in 2002, and he called upon all major donor countries to continue to increase their support. Measures needed to be taken to increase the predictability of financial resources. He hoped that partnership with other institutions would be strengthened further.

14. The representative of **Venezuela** said that the main objective of UNCTAD technical cooperation should be to assist the developing countries in obtaining benefits from their integration into the world economy. Cooperation should be based on the priorities set by member States. The diversification and development of national productive sectors, human resources development and institution building should be the main priorities, and work should be based on long-term programmes involving more interdivisional activities. The needs of the Latin American region had to be taken into account.

15. The representative of **Nepal** said that UNCTAD technical cooperation services played an important role in assisting the development efforts of beneficiary countries and in particular the least developed countries. His delegation favoured multi-year funding mechanisms for UNCTAD's technical cooperation activities, and in particular those that benefited LDCs. The contraction of expenditures on UNCTAD's operational activities in 2002 was a matter for concern, and he called for a reversal of the situation. Expanded and enhanced coordination of activities among agencies providing trade-related technical assistance could further enhance the effectiveness of service delivery.

16. The representative of **Colombia** highlighted the importance of UNCTAD's technical cooperation for both donor and beneficiary countries. It was crucial to enhance the capacity of developing countries' government officials to formulate and implement development plans. Support for the trade activities of developing countries had to be realized in an integrated fashion, by fostering the participation of all local stakeholders. Her country was particularly interested in the continuation of the training activities undertaken under paragraph 166 of the Bangkok Plan of Action. Other areas of special interest for Colombia were support for small and medium-size enterprises, BIOTRADE , information and communication technology, foreign direct investment, and trade in services, particularly those related to the movement of persons.

17. The representative of **Indonesia** stressed the importance of UNCTAD technical assistance for the integration of developing countries into the global economy. He noted with satisfaction the increase in contributions to trust funds in 2002. Regular and predictable resources were crucial for the effective implementation of UNCTAD' technical cooperation programmes. The promotion of beneficiary ownership of projects was also a key factor, as were coherence in delivery and direct links with the national development context. UNCTAD should refrain from engaging in short-term projects that had limited impact on the capacity building of developing countries. He welcomed the new strategy and hoped that it would

provide a more focused, country-driven approach to activities with a greater impact on capacity development. The future of technical cooperation activities should be guided by the outcome of UNCTAD XI and directed at helping developing countries to gain benefits from the international trading system and trade negotiations. Activities in the areas of investment, technology, enterprise development, trade facilitation and trade support services should be deepened and broadened and directed at addressing supply-side constraints, as well as building up the productive capacity and competitiveness of developing countries. Finally, the effectiveness of UNCTAD's technical cooperation would depend on the ownership of recipient countries, coupled with an enabling global environment.

18. The representative of **Switzerland** stressed the importance of UNCTAD's technical cooperation. He noted with satisfaction the increase in the level of bilateral contributions from donors and welcomed the adoption of a new Technical Cooperation Strategy, particularly its emphasis on tailoring projects to the needs of beneficiaries and on capacity development. The Strategy would also provide synergies within the secretariat and among the various types of activities and ensure a better field presence. It stressed the importance of performance indicators and the need to continue to integrate analytical work with technical cooperation activities. UNCTAD had an important role to play in the implementation of the Doha Agenda and in helping to reach consensus in a number of difficult areas of particular importance to developing countries. UNCTAD should continue to play an important role in the areas of competition and trade facilitation based on its clear comparative advantage. Finally, he underlined the excellent work undertaken in the BIOTRADE Programme, to which his Government provided support.

19. The representative of **Norway** said he associated himself with the points made by the representative of Switzerland.
