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Agenda item 8(c)

**DRAFT REPORT OF THE TRADE AND DEVELOPMENT BOARD ON ITS FIFTY-
FIRST SESSION**

Held at the Palais des Nations
from 4 to 15 October 2004

Rapporteur: Mr. Patrick Krappie (South Africa)

Speakers:

India	Belarus
Brazil for G77 & China	Venezuela
Russian Federation	Bhutan
Peru for the Latin American and Caribbean Group	China
Netherlands for the European Union	Switzerland
Colombia	Cuba
	Officer-in-charge of UNCTAD

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, 19 October 2004** at the latest, to:

UNCTAD Editorial Section, Room E.8108, Fax No. 917 0056, Tel. No. 917 5656

**REVIEW OF THE TECHNICAL COOPERATION ACTIVITIES OF UNCTAD
(REPORT OF THE WORKING PARTY ON ITS FORTY-THIRD SESSION)**

(Agenda item 8(a))

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

“Review of technical cooperation activities of UNCTAD” (TD/B/WP/172);

“Annex I – Review of activities undertaken in 2003” (TD/B/WP/172/Add.1) (English only);

“Annex II – Statistical tables” (TD/B/WP/172/Add.2) (English only);

“Review of the technical cooperation activities of UNCTAD and their financing: Draft decision” (TD/B/51/L.2).

2. The representative of **India**, speaking in her capacity as **Vice-Chairperson-cum-Rapporteur of the Working Party on the Medium-term Plan and the Programme Budget** at its forty-third session, introduced the draft decision contained in document TD/B/51/L.2.

Action by the Board

3. At its 961st plenary meeting, on 14 October 2004, the Board adopted draft decision TD/B/51/L.2. (For the decision as adopted, see ...)

Statements

4. The representative of **Brazil**, speaking on behalf of the **Group of 77 and China**, said that it was important to take the necessary measures for the full implementation of the outcomes of UNCTAD XI. He reiterated the position of his Group with regard to the priority areas of technical cooperation activities of UNCTAD, as stated at the forty-third session of the Working Party. Three main parameters should guide the secretariat's work: firstly, the predictability and sustainability of UNCTAD's extrabudgetary resources should be improved, and in that connection efforts should be made to reduce the dispersion of technical cooperation activities; secondly, the secretariat should maximize the impact of its work by emphasizing thematic, inter-regional and interdivisional approaches; finally, special attention should continue to be given to least developed, landlocked and small island developing countries.

5. The representative of the **Russian Federation** stressed the importance of technical cooperation in the work of the organization. He reiterated the concept of the universality of UNCTAD, by which all countries should benefit from its technical cooperation services. He welcomed the progress made in the implementation of the new technical cooperation strategy adopted in 2003. He noted with appreciation the assistance provided by UNCTAD to WTO acceding countries, including his own. He emphasized the importance given in the strategy to the concept of capacity building and noted in this regard the usefulness of the new initiatives

related to the Virtual Institute, e-tourism and electronic commerce. Finally, he stressed the importance of close cooperation between UNCTAD and other international bodies.

6. The representative of **Peru**, speaking on behalf of the **Latin American and Caribbean Group**, said the work carried out by UNCTAD in the area of technical cooperation was closely linked to its research, analytical and consensus building work. The effectiveness of technical cooperation depended on sustainable and predictable financial resources and a fair distribution among beneficiaries according to their needs. He stressed four main priorities in the implementation of technical cooperation, namely: conformity with UNCTAD XI mandates; implementation of the new strategy; a sound financial resource structure; and fair geographical distribution. In conformity with the conceptual framework defined at UNCTAD XI, the priority areas of his Group were new and dynamic sectors, creative industries, BIOTRADE, GSTP, South-South trade, competitiveness of SMEs, trade and services, new financial mechanisms, and capacity building for trade and investment negotiations. In conformity with the new strategy, priority should be given to building endogenous capacity in developing countries, strengthening predictable resources, creating public-private partnerships and ensuring greater coherence in thematic priorities. He commended the launching of the Virtual Institute and activities related to the enhancement of institutional and human capacity building, in particular the training of trade negotiators. The starting point of technical cooperation should be demand-driven.

7. He thanked donors for the 26 per cent increase in contributions in 2003. However, resources were still lacking with respect to financing the participation of experts from developing countries in UNCTAD expert meetings. He noted with concern the continued decline in resources from UNDP, the small share of resources from the UN regular budget, and the excessive reliance on bilateral trust fund resources, which were voluntary and earmarked. The greatest comparative advantage of UNCTAD lay in its systemic vision of trade, investment and related areas. The thematic orientation of technical cooperation work should be strengthened, with particular emphasis on those areas specifically included in the São Paulo Consensus and the Bangkok Plan of Action. The lack of coherence and the short-term approach that characterized a number of activities had to be reversed, as it was in contradiction with the new strategy. The conclusions presented by the secretariat in document TD/WP/172 deserved appropriate action by the Board. He stressed the importance of activities carried out in the framework of paragraph 166 of the Bangkok Plan of Action, and expressed concern at the lack of resources for those activities. Finally, he expressed concern at the unequal geographical distribution of resources and at the marginalization of his region due to the continued decrease in the resources attributed to it. He called on donors to increase resources earmarked for projects in Latin America and the Caribbean.

8. The representative of the **Netherlands**, speaking on behalf of the **European Union**, said that technical cooperation should be demand-driven, prioritized and focused on the needs of developing countries, in particular, least developed countries. The share of expenditures in Africa and least developed countries was declining, and she urged the secretariat to correct this trend. Technical cooperation activities should be focused on areas where UNCTAD had proven experience and comparative advantage, and increased attention should be paid to the linkages between analytical work and capacity development. The Doha development agenda included a commitment to strengthen trade-related capacity building to support developing

countries' integration into the world trading system. Together with the WTO and other agencies providing trade-related technical cooperation, UNCTAD should focus on designing a coherent policy framework to contribute to the fulfillment of that commitment. UNCTAD should benefit from enhanced cooperation and partnership and a clearer division of labour with agencies providing trade-related technical cooperation, including WTO. The field presence of a number of such agencies could greatly benefit UNCTAD in the implementation of its activities.

9. The representative of **Colombia** stressed the importance for developing countries of activities carried out by UNCTAD in support of SMEs, in the areas of BIOTRADE and competition policies, and in the framework of paragraph 166 of the Bangkok Plan of Action. He reiterated his strong support for the new technical cooperation strategy and expressed concern over the declining share of expenditures in the Latin American and Caribbean region. Of particular concern was the lack of resources to finance the participation of experts from developing countries in UNCTAD expert meetings, which were of utmost importance for developing countries. He called on the secretariat to analyse the possibility of reallocating funds from other areas of activity to ensure the participation of experts from developing countries in expert meetings, pending a long-term solution. Finally he thanked donors for their continued support for the technical cooperation activities of UNCTAD.

10. The representative of **Belarus** said that his delegation understood and supported the focus on Africa and the least developed countries in UNCTAD's technical cooperation. However, that focus should not be at the expense of other countries and regions, including economies in transition. He stressed the importance of finding a solution to the difficulties associated with financing the participation of experts from developing countries and countries with economies in transition in UNCTAD expert meetings. He called on the secretariat to enhance its research and analytical work with respect to economies in transition. The technical cooperation programmes related to WTO accession were of particular importance, and his country was also interested in benefiting from an Investment Policy Review.

11. The representative of **Venezuela** said that technical cooperation was one of the main objectives of UNCTAD. Technical cooperation activities must be adapted to the mandates adopted at UNCTAD XI and to the new technical cooperation strategy. Among the mandates set out in the São Paulo Consensus, the link between trade, development and environment, as well as the international instrument on climate change, reflected the dynamics of the global agenda and its implications for developing countries. The Doha Ministerial Declaration and the July Package of the WTO also had to be taken into account. The current financial structure of UNCTAD's technical cooperation resources led to imbalances regarding the sources, management and utilization of technical cooperation funds. This situation needed to be corrected, and in that regard there was a need for better coordination between the Geneva and New York missions for the purposes of addressing the imbalances in the sources of funding for UNCTAD technical cooperation. Another important imbalance related to the continuous decline in the resources allocated to Latin America and the Caribbean.

12. The efficiency and impact of UNCTAD's technical cooperation had to be measured from the point of view of the endogenous capacity generated. The extent to which assistance matched the demand and development policies of beneficiaries was another important

evaluation criterion. Venezuela attached a great importance to UNCTAD activities geared towards the creation of the national capacities required to address the complex interface between trade, development and environment. It welcomed the progress made in implementing the Biotrade programme in Venezuela, and requested assistance regarding the clarification and implementation of paragraph 51 of the Doha Ministerial Declaration.

13. The representative of **Bhutan** said that his country was currently benefiting greatly from UNCTAD's technical cooperation in the areas of WTO accession, competition policies and investment. He thanked donors for their continued support and requested them to increase their contributions, in particular in support of least developed countries.

14. The representative of **China** said that technical cooperation was one of the three main pillars of UNCTAD's work. Technical cooperation could not be conducted without sufficient resources, and in that regard he thanked donors for their support and hoped that they would continue to provide long-term, sustainable and predictable financial resources. In formulating technical cooperation projects, a geographically balanced approach should be ensured. Priority should be given to projects that concerned many developing countries, and in particular to regional and subregional projects, with a view to increasing efficiency and the rational use of resources.

15. The representative of **Switzerland** stressed the importance of the technical cooperation activities of UNCTAD, as evidenced by the support given by his country to a number of programmes. There was a need for enhanced cooperation between the different Divisions of the UNCTAD secretariat. He noted with satisfaction the substantial increase in contributions to UNCTAD trust funds by developing countries, which reflected the value of UNCTAD technical cooperation. He encouraged the secretariat to continue to report on progress in the implementation of the new strategy. He understood the difficulties encountered by the secretariat in identifying valid performance indicators, but given the existing research capacity within the secretariat, he was confident that it could establish certain indicators of achievements that could be useful in the area of trade and development. He noted the major improvement in the customization of UNCTAD technical cooperation, for example in the areas of competition policies and BIOTRADE, where local partners played a fundamental role. The lack of an UNCTAD field presence should be discussed further. Finally, on the question of the distribution of overheads, he suggested that consultations take place with a view to modifying current practice.

16. The representative of **Cuba** emphasized the need for a thematic approach that would help reduce the fragmentation and dispersion that could be seen in the current implementation of UNCTAD technical cooperation. Effective delivery of technical cooperation depended on the availability of sustainable and predictable financial resources.

17. The representative of **Venezuela** endorsed the points made by the representative of Switzerland on the question of overheads and indicators of achievement.

18. The **Officer-in-charge of UNCTAD** provided clarification on the question of overheads.