



United Nations Conference on Trade and Development

Distr.: General
27 June 2011

Original: English

Trade and Development Board

Working Party on the Strategic Framework and the Programme Budget

Fifty-ninth session

Geneva, 5–7 September 2011

Item 3 of the provisional agenda

Review of the technical cooperation activities of UNCTAD and their financing

Report by the Secretary-General of UNCTAD

Executive summary

Overall expenditures for UNCTAD's technical cooperation activities slightly increased to \$39.2 million in 2010. Contribution to trust funds amounted to \$30.7 million, an increase of about 3 per cent over the previous year. Contributions by developing countries accounted for 31 per cent of total contribution to trust funds, about the same as in 2009. Expenditures on interregional projects accounted for 46.5 per cent of total delivery, while expenditures on country projects accounted for 39 per cent of total delivery. Total delivery in support of the least developed countries (LDCs) decreased to 34 per cent as opposed to 41 per cent in the previous year. The Automated System for Customs Data (ASYCUDA) continued to be UNCTAD's largest technical assistance activity, followed by the Debt Management and Financial Analysis System (DMFAS). These two programmes account for 47 per cent of UNCTAD's total technical cooperation delivery. Actions in support of implementation of the Accra Accord and the decisions of the Trade and Development Board continued with a view to enhancing the impact of UNCTAD's operational activities. Activities in support of system-wide coherence continued to increase. In 2010, UNCTAD received about \$0.9 million from funding mechanisms (multi-donor trust funds (MDTFs) and One United Nations Funds) at the country level. UNCTAD continued its coordination of the United Nations Chief Executives Board (CEB) Inter-agency Cluster on Trade and Productive Capacity. The Cluster is now active in 28 countries, including the One United Nations Pilots and countries having adopted the Delivering as One approach when formulating new United Nations Development Assistance Frameworks (UNDAFs) by implementing Joint Programmes.

Introduction

1. This report has been prepared to facilitate the Trade and Development Board's annual policy review of the technical cooperation activities of UNCTAD in 2010.

2. The report will also be submitted to the Working Party on the Strategic Framework and the Programme Budget for its review of UNCTAD technical cooperation activities, in accordance with, *inter alia*, paragraph 220 of the Accra Accord and with Trade and Development Board decisions 495 (LV) of September 2008, 498 (LVI) of September 2009 and 504 (LVII) of September 2010. Paragraph 220 of the Accra Accord and Board decisions mentioned above all recommend that a more structured interaction be carried out between the secretariat, potential beneficiaries and donors, within the framework of the Working Party, which is the main mechanism for consultations among member States on all issues regarding technical cooperation. The Working Party performs these tasks also in accordance with its agreed new terms of reference, which state that it "will review UNCTAD technical assistance, with a view, *inter alia*, to improving its effectiveness, enhancing transparency, sharing successful experiences and encouraging outreach towards potential recipients".

3. The scope and focus of UNCTAD's technical cooperation activities in 2010 continued to be marked by the two-track approach put in place since 2005 in response to the system-wide reform of the United Nations. On the one end, the provision of technical assistance services has continued in its traditional way; on the other, UNCTAD provides support services at the country level within the framework of the United Nations reform and the "One United Nations" approach. Despite its non-resident agency status, efforts to participate in this process have been successful thanks to the role of UNCTAD in advocating at the United Nations Development Group (UNDG) level the need to effectively include non-resident agencies in the United Nations assistance plans at the country level. This report also contains information on the Delivering as One activities implemented in 2010. Through 2010, UNCTAD continued its leadership of the CEB Inter-agency Cluster on Trade and Productive Capacity and put great efforts in ensuring that trade and productive capacity issues be given adequate importance in UNDAFs at the country level. Particular efforts were aimed at ensuring coherence of joint programmes on trade-related technical cooperation delivered by the Cluster at the country level, in view of maximizing the effectiveness of United Nations expertise in this area and benefit from the multi-donor trust funds put in place in a number of countries where the Cluster is active.

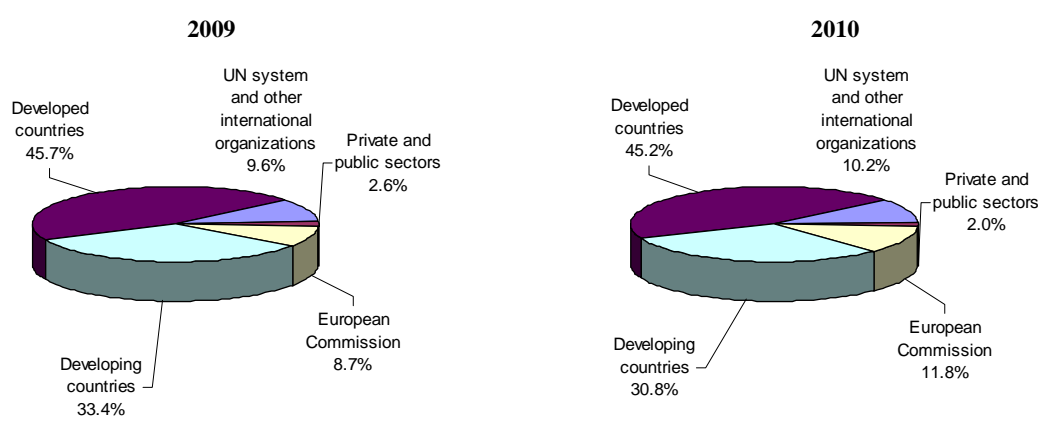
I. Sources of funding for UNCTAD technical cooperation

4. As in the past, UNCTAD technical cooperation activities continued to be financed from three main sources: trust funds, the United Nations Development Programme (UNDP), and the United Nations programme budget. In addition, and for the third consecutive year, UNCTAD was able to access funds from the One United Nations Pilot Funds and from other Delivering as One Initiatives.

A. Trust fund contributions

5. Trust fund contributions are provided on a voluntary basis by individual governments, multilateral donors, non-governmental organizations, the enterprise sector and foundations (see chart 1). More than 100 bilateral donors and a number of multilateral and other organizations contribute to UNCTAD trust funds. In 2010, contributions to trust funds amounted to \$30.7 million, reflecting in nominal terms an increase of about 3 per cent compared with the previous year. This increase took place in spite of the financial

Chart 1. Origin of trust fund contributions, 2009–2010
(percentages of the total contribution)



crisis that has affected the official development assistance budgets of a majority of donors in 2010 and taking into account the continued decrease of the United States dollar against the euro (an average 10 per cent depreciation over 2010).

6. In 2010, contributions from developed countries, amounting to \$13.9 million, slightly increased as compared to 2009. Developed countries are an important source of financing of UNCTAD trust funds, accounting for 45.2 per cent of such contributions in 2010. The 15 developed countries that contributed most to UNCTAD trust funds in the four-year period 2007–2010, by order of accumulated contributions were: Norway, the United Kingdom, Switzerland, Sweden, Spain, Finland, Germany, Netherlands, the United States of America, France, Ireland, Luxembourg, Canada, Austria and Italy. Contributions of the top donors are mainly directed towards interregional projects in support of debt management, capacity-building on international investment agreements, world investment series, competition policies, World Trade Organization (WTO) negotiations and trade policy formulation, the LDC Trust Fund, ASYCUDA regional and national projects, the Virtual Institute, the TrainForTrade Programme and ICT Policies for Development.

7. Contributions from developing countries to UNCTAD trust funds slightly decreased, from about \$10 million in 2009 to \$9.5 million in 2010. These contributions accounted for 30.8 per cent of total contributions to trust funds. Almost all developing countries' contributions are allocated to activities in their own countries, financed from loans or grants of international financial institutions, mainly in support of the implementation of ASYCUDA and DMFAS programmes. When considering this figure, it is important to keep in mind that the average amount of ASYCUDA and DMFAS projects is higher than that of other projects implemented by UNCTAD and that these two programmes together account for more than 45 per cent of total expenditures of UNCTAD technical cooperation per year.

8. Among the multilateral donors, the European Commission continued to be the single largest contributor to UNCTAD operational activities. After the sharp decrease experienced in 2009, contributions from the European Commission increased in 2010 to \$3.6 million, accounting for almost 12 per cent of total contributions to trust funds. The contributions from the European Commission in 2010 were in support of a TrainForTrade project in Angola, two ASYCUDA regional projects in Central Africa and in the Caribbean, an

ASYCUDA project in Palestine and a multi-agency project on Agricultural Commodity in support of the African, Caribbean and Pacific Group of Countries (ACP).

B. Expenditures

9. Overall expenditures from all four sources of funding slightly increased, from \$38.8 million in 2009 to \$39.2 million in 2010. Trust fund contributions continue to be the major source of financing for UNCTAD technical cooperation, accounting in 2010 for 91.2 per cent of total expenditures for UNCTAD's operational activities (see table 1 and chart 2).

C. The United Nations Regular Programme of Technical Cooperation and the Development Account

10. Programme budget resources for technical cooperation activities are provided under the United Nations Regular Programme of Technical Cooperation and under the Development Account (DA) – section 22 and 34 respectively of the United Nations Programme Budget.

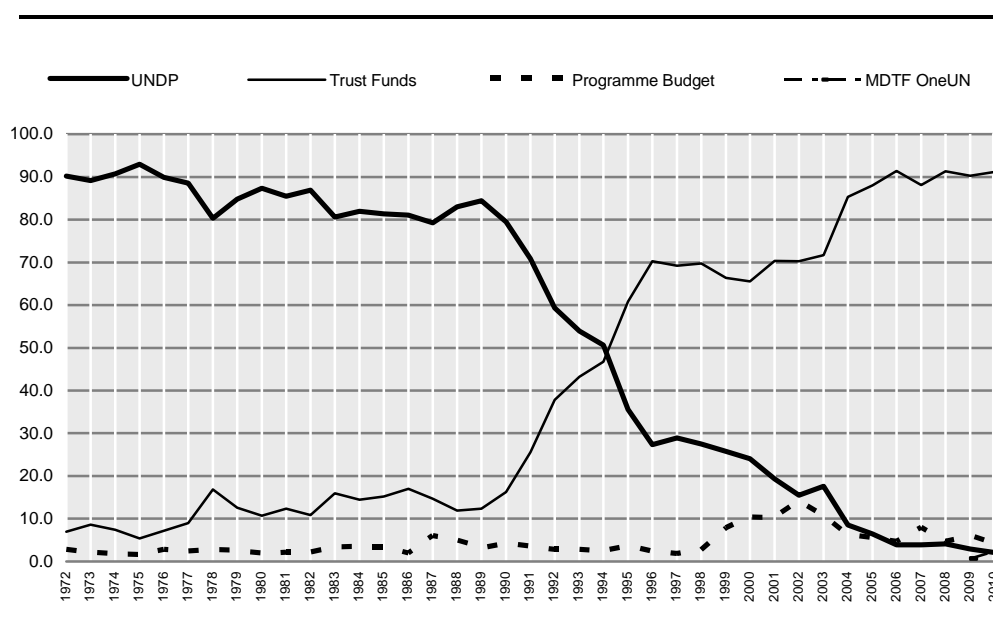
11. The DA has, since it was established by the General Assembly 11 years ago, become an increasingly important programme for funding capacity development projects in the United Nations secretariat. Ten entities of the United Nations Secretariat are implementing the projects. They include DESA, the five regional commissions, UNCTAD, UNEP, UN-Habitat and UNODC. The DA provides Secretariat programmes in the economic and social fields with needed additional resources for initiatives at a time when the availability of traditional extra budgetary resources has substantially decreased.

12. Projects are executed under “tranches” that last about three to four years each. Seventh tranche projects are currently under implementation. Proposals have been submitted for the eighth tranche. The DA funding envelope has been gradually increasing, with the \$23.6 million for the eighth tranche being almost double the initial level of funding when the account was established. In addition, residual balances from previous tranches are regularly redistributed as additional allocations. This was the case recently when the United Nations General Assembly decided to appropriate \$12.5 million for the account in the context of the 2010/11 budget. UNCTAD has been successful in managing to access about 18 per cent of the total resources allocated under each tranche.

Table 1. UNCTAD's total expenditures on technical cooperation and source of funds, 2007-2010
(in millions of dollars and percentages)

	2007	2008	2009	2010		
				Amount	Percentage of total	Change over previous year (percentage)
Trust Funds	27.8	34.9	35.0	35.8	91.2	2.7
UNDP	1.2	1.6	1.1	0.8	2.1	-26.9
MDTF and OneUN	-	-	0.3	0.9	2.4	236.5
Regular budget and development account	2.5	1.8	2.4	1.7	4.3	-28.5
Total	31.5	38.3	38.8	39.2	100	

**Chart 2. Trends in mobilization of UNCTAD's technical cooperation,
by source of funds, 1972-2010**
(as a percentage of total project expenditures)



13. The framework for managing the Development Account is regulated by General Assembly resolutions which keep the implementation of the projects under review and request the Secretary-General to submit annual reports to the General Assembly.

14. The process of approval of projects is innovative for the regular budget of the organization. Proposals compete with each other for compliance with the criteria established by the General Assembly and for efficiency in achieving proposed accomplishments. A Steering Group of the Economic Committee on Economic and Social Affairs (EC-ESA) plays a collective role in the selection process and in monitoring performance. In 2010, total UNCTAD expenditures on technical cooperation from the regular programme budget amounted to \$1.7 million, accounting for 4.3 per cent of overall expenditures. The 2010 figure reflects a decrease of 28.5 per cent over the previous year. This decrease is due mainly to the fact that the five UNCTAD projects under the sixth tranche entered their completion phase and are expected in principle to be ending by December 2011 while projects under the seventh tranche only started in the second half of 2010.

15. The five UNCTAD projects approved under the seventh tranche of the Development Account (biennium 2010–2011) for a total budget of about \$3 million started in the second half of 2010 or early in January 2011 for a period of implementation of three years. These projects are in the areas of competition policies, trade in services, mainstreaming of gender in trade policy, debt management and the inclusion of trade in the UNDAFs. This last project is being implemented by UNCTAD in collaboration with other agencies members of the Cluster on Trade and Productive Capacity.

16. During 2010, UNCTAD received funding from additional allocations under the seventh tranche. Under the additional allocation of \$12.5 million, UNCTAD accessed a total of \$2.1 million for 5 projects in the areas of (a) negotiations on trade facilitation; (b) support for policy oriented analysis at developing countries universities; (c) BioTrade

Table 2. UNCTAD trust fund contributions, 2007–2010^a
(in thousands of dollars)

	2007	2008	2009	2010
Developed countries' contributions ^b	21 273	15 659	13 658	13 883
Developing and transition countries ^c	7 656	8 580	9 967	9 453
European Commission	5 330	5 179	2 596	3 628
UN system and other international organizations ^d	1 913	3 644	2 856	3 150
Private and public sectors	678	781	781	624
Total	36 851	33 844	29 858	30 739

^a Exclusive of third-party cost-sharing contributions through UNDP.

^b Exclusive of contributions to the Associate Expert Programme.

^c A major part is self-sustained for activities in their own countries, financed from proceeds of loans or grants from international financial institutions.

^d For details see table 9 of the statistical annex (TD/B/WP/232/Add.2).

strategies; (d) strengthening of market access opportunities for LDCs; and (e) inclusion of trade in the UNDAFs. Under the additional allocation of \$4 million, UNCTAD accessed a total of \$0.7 million for 2 projects on (a) developing a global monitoring system in national investment policies and (b) enhanced capacities for landlocked developing countries to attract FDI for their productive capacities. The above-mentioned seven projects are all set to start in 2011.

17. Eight UNCTAD projects proposals for implementation under the eighth tranche of the Development Account (biennium 2012–2013) have been approved by the Steering Committee of the Development Account for submission to the General Assembly. Their total budget amounts to \$5 million. Implementation of these projects will start in 2012.

18. In addition to the Development Account, the Regular Programme of Technical Cooperation includes resources of section 22 that are provided by advisory services and training. Expenditures under this section of the budget decreased by about 40 per cent in 2010, mainly due to reduced expenditures for advisory services. The training component of these resources was mainly used to finance training activities that were being conducted on key international economic issues in support of paragraph 166 of the UNCTAD–X Plan of Action. In this context, in 2010, two regional training courses were organized: one in Baku, (Azerbaijan) for economies in transition (19 July–6 August); and one in Beirut (Lebanon) for Western Asia (18 October–5 November). In addition, six short courses on topical international economic issues were organized for the benefit of the staff of permanent missions in Geneva.

D. UNDP funded projects

19. Expenditures on UNDP-financed projects in 2010 accounted for 2.1 per cent of total delivery and amounted to approximately \$0.8 million, a decrease of 27 per cent over the previous year. These expenditures were mostly in support of implementation of an ASYCUDA country project in Afghanistan and in support of a DMFAS country project in Bangladesh.

20. As a result of the signature of a Memorandum of Understanding (MOU) between UNCTAD and UNDP in March 2009, the two agencies have strengthened their

Table 3. Project expenditures by cluster, 2010
(in thousands of dollars)

Cluster	Trust funds	UNDP	MDTF and OneUN	Programme budget and Development Account	Total	
					Amount	%
Cluster 1						
Capacity building on trade negotiations and commercial diplomacy	2 520	-	-	217	2 737	7.0
Cluster 2						
Trade analysis capacities and information systems.....	246	45	-	97	387	1.0
Cluster 3						
Commodity sector development and poverty reduction.....	1 140	-	-	-	1 140	2.9
Cluster 4						
Competition policy and consumer protection	1 205	-	-	27	1 231	3.1
Cluster 5						
Trade, environment and development.....	983	-	-	-	983	2.5
Cluster 6						
FDI trends and issues.....	359	-	-	110	470	1.2
Cluster 7						
Investment policies	2 091	-	-	-	2 091	5.3
Cluster 8						
Investment facilitation	763	23	-	-	785	2.0
Cluster 9						
Enterprise development	1 179	-	393	244	1 816	4.6
Cluster 10						
Globalization and development strategies	700	-	-	53	753	1.9
Cluster 11						
Strengthening the debt management capacity of developing countries.....	4 664	74	-	-	4 738	12.1
Cluster 12						
Transport and trade facilitation.....	14 754	303	-	-	15 058	38.4
Cluster 13						
ICT policies and applications for development.....	264	57	-	-	321	0.8
Cluster 14						
Cross-divisional training and capacity building.....	2 415	-	-	-	2 415	6.2
Cluster 15						
Science, technology and innovation	225	-2	-	134	356	0.9
Cluster 16						
Productive capacities in LLDCS, SIDS and structurally weak, vulnerable and small economies.....	862	-	-	30	892	2.3
Cluster 17						
Strengthening support for trade mainstreaming into national development plans and/or PRSPs in LDCs in the context of the EIF	364	314	-	-	678	1.7
Cluster 18						
Executive direction and management and support services	1 036	-	537	776	2 348	6.0
Grand total	35 768	813	930	1 687	39 198	100.0

collaboration. A Road Map of Joint Work UNDP–UNCTAD 2010–2012 was prepared on the basis of the MOU signed in 2009. The Road Map compiles the coordinated activities at the global and regional levels that UNCTAD and UNDP will undertake in the thematic areas mentioned in the Memorandum of Understanding. The “map” is a working document that will be adjusted as new initiatives are emerging. One of the main issues is the role of productive capacities development processes: UNDP and UNCTAD in cooperation with the agencies of the Cluster, work together to raise awareness on this issue.

21. Another aspect of UNDP–UNCTAD joint work regards coordination on LDC matters with specific reference to the Enhanced Integrated Framework (EIF): complementarities between the analytical work of UNCTAD and UNDP on LDCs development issues and policies will be emphasized. Other areas where joint actions and deliverables are envisaged include (a) trade issues and trade-related assistance; (b) gender and trade; (c) small and medium-sized enterprises (SMEs) and private sector development policies; (d) commodities; (e) trade, environment and biodiversity; and (f) development finance. Cooperation will also be strengthened on cross-cutting issues such as South–South cooperation and dissemination of UNCTAD expertise, flagship reports and publications. On this latter issue, the main goal is to improve the outreach of UNCTAD key policy messages through increasing contacts with UNDP field offices.

22. The United Nations CEB Inter-agency Cluster on Trade and Productive Capacity plays a growing role in the working relations between UNDP and UNCTAD, providing many opportunities for joining efforts and taking advantage of the UNDP presence at the field level.

E. Multi-donor trust funds and One United Nations funds

23. New funding mechanisms (described in last year’s report (TD/B/WP/222, paragraphs 44–52), specifically designed for inter-agency operations are available at the country level to fund joint programmes (JP). In 2010, UNCTAD received funds as follows: UNCTAD implements within the United Nations CEB Inter-agency Cluster on Trade and Productive Capacity a Joint programme (JP) with UNDP, UNIDO, ITC, ILO and ESCA, aimed at assisting Bhutan in formulating policy framework for private sector development. This JP, implemented according to the Delivering as One approach (DaO) is supported by a multi-donor trust fund (MDTF) entitled “Bhutan United Nations Country Fund”. In 2010, UNCTAD received from the Fund an allocation of \$20,000 for activities in the areas of competition policy and investment promotion.

24. In the One United Nations Pilot Cape Verde, UNCTAD is leading the JP “Integration of Cape Verde into the world economy”. Operations are carried out within the United Nations CEB Inter-agency Cluster on Trade and Productive Capacity. Activities are supported by a MDTF entitled “Cape Verde Transition Fund”. In 2010, UNCTAD received from the Fund an allocation of \$130,000 for activities in the areas of WTO post-accession (with ITC and FAO), SMEs development (with ITC) and investment promotion (with UNIDO).

25. In the One United Nations Pilot Mozambique, UNCTAD is participating in the JP “Building Capacities for effective Trade Policy Formulation and Management”. The JP is carried out within the United Nations CEB Inter-agency Cluster on Trade and Productive Capacity with the participation of UNDP, UNIDO, ITC, ILO and FAO. In 2010, UNCTAD received an allocation of \$120,000 from the MDTF “One United Nations Fund Mozambique Fund”. UNCTAD activities, carried out in coordination with the Enhanced Integrated Framework (EIF), consisted in strengthening trade policy management and trade policy harmonisation.

26. In Panama, UNCTAD is participating in the JP “Improved distribution of the incomes by supporting actions for increasing the work incomes”, implemented according to the DaO approach. The JP, carried out within the United Nations CEB Inter-agency Cluster in coordination with UNDP, UNIDO AND FAO, is supported by the MDTF MDG Achievement Fund (MDTF-MDG-F). In 2010, UNCTAD received an allocation of \$291,500.00 from this fund for activities in the area of enterprise development.

27. In the One United Nations Pilot Rwanda, UNCTAD is participating, in the JP “Institutional capacities to improve business environment strengthened” carried out within the United Nations Inter-agency Cluster in cooperation with UNIDO. The country is supported by the MDTF “One United Nations Fund Rwanda”. In 2010, UNCTAD received \$120,000 from this fund for activities in the areas of competition and investment promotion.

28. In the One United Nations Pilot Viet Nam, UNCTAD is participating, in the JP “Green production and trade to increase income and employment opportunities for the rural poor” carried out within the United Nations Inter-agency Cluster agencies with FAO, ILO, ITC and UNIDO. The JP is supported by the MDTF MDG-F. In 2010, UNCTAD received \$200,090 from this Fund for activities in the area of enterprise development.

F. Financing of associate experts

29. In addition, some donors support UNCTAD’s Associate Expert Programme, which functions under the Associate Expert Programme of the United Nations. In 2010, France, Germany, Italy and Norway contributed to six associate expert posts. Spain also financed the post of an expert to work in the Technical Cooperation Service on issues related to the One United Nations reform.

II. Allocation of technical cooperation resources

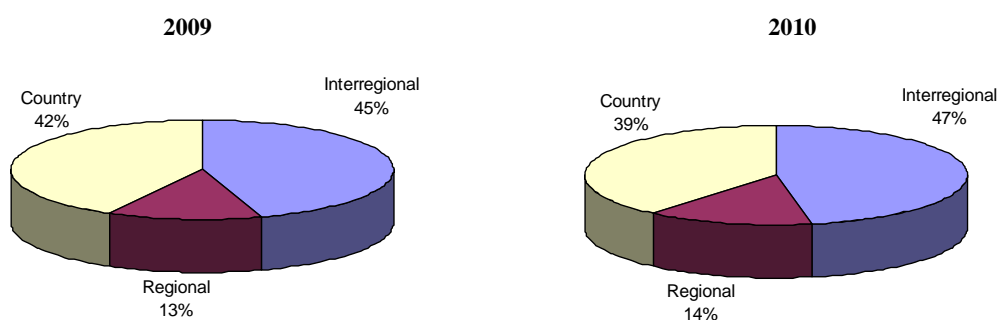
A. Structure of technical cooperation projects

30. UNCTAD technical cooperation projects continue to be provided on the basis of interregional, regional and country projects and programmes (see charts 3 and 4).

1. Interregional projects

31. Interregional projects are thematic projects from whose activities all developing countries can benefit. In 2010, expenditures under these projects amounted to \$18.2 million, accounting for 46.5 per cent of total expenditures. In 2010, there were 81 active interregional projects (excluding associate experts and development account projects). However, it is worth noting that of these 81 projects only 24 had expenditures of more than \$200,000. Trust funds are the major source of financing for interregional projects and in 2010 they accounted for 92 per cent of total expenditures under these projects. The remaining 8 per cent was financed by the United Nations regular programme budget.

Chart 3. Technical cooperation expenditures, by type of project, 2009-2010
(as a percentage of total project expenditures)



2. Regional projects

32. In 2010, expenditures on regional projects amounted to \$5.7 million, an increase of almost \$1 million over the previous year figure and accounting for 14 per cent of total expenditures. Major regional projects under implementation in 2010 included two subregional ASYCUDA projects in Africa, two additional ASYCUDA projects and one competition law and policy project for Latin America and the Caribbean region, and one ASYCUDA support project for the Pacific in Asia.

3. Country projects

33. In terms of volume, country projects are the second major form of UNCTAD technical cooperation. In 2010, total expenditures on country projects amounted to \$15.3 million, a decrease of \$1 million compared to the previous year. Country projects accounted for 39 per cent of total delivery in 2010. Most country projects are either self-financed or financed by resources made available to UNCTAD under the bilateral aid programmes of certain donors. All UNDP financed projects are country projects. By the same token, all MDTF and One United Nations-financed projects are country projects. The majority of expenditures of country projects implemented by UNCTAD relate to customs modernization and reform (ASYCUDA) and to debt management (DMFAS).

34. Expenditures on country projects in 2010 increased by \$1 million in Africa but decreased in both Asia and the Pacific and in Latin America and the Caribbean regions, and remained stable in Europe. The increased expenditures in Africa were due to increased expenditures on ASYCUDA World projects in the Libyan Arab Jamahiriya and in Liberia increased expenditures in the framework of the One United Nations/Delivering as One in Cape Verde and sustained expenditures on the TrainForTrade project in Angola and the ASYCUDA project in Namibia. Country expenditures decreased in Asia and the Pacific by about \$1 million, mainly due to a significant reduction in ASYCUDA projects in Cambodia, Jordan, Lebanon and Nepal which are now completed. There has also been a decrease of about \$1 million in country expenditures in the Latin American and the Caribbean region, mainly due to significant reductions in some ASYCUDA projects in the region, such as in Puerto Rico, Saint Vincent and the Grenadines, Belize and Haiti, as well as in the DMFAS project in Argentina. Most of these projects are almost completed.

B. Thematic and geographical distribution

35. UNCTAD technical cooperation is grouped into 17 thematic clusters (see tables 3 and 4). Half of UNCTAD technical cooperation activities are undertaken under two thematic clusters, namely cluster 12 and cluster 11. Activities undertaken under cluster 12 (transport and trade facilitation) amounted to \$15 million and accounted for 38 per cent of total delivery. Projects under this cluster provide technical assistance in the fields of trade logistics and of customs automation (through the ASYCUDA Programme, which is the largest UNCTAD technical cooperation programme, accounting for 35 per cent of total expenditures). The second largest programme is undertaken under cluster 11, and includes assistance in the field of debt management (through the DMFAS Programme), which accounts for 12 per cent of total delivery. Each of the remaining 15 thematic clusters accounts for between 1 and 6 per cent of total delivery. Trust funds supporting cross-divisional activities and participation of experts and civil society to UNCTAD's work have been grouped under cluster 18.

Box 1.**The interface between national, regional and interregional projects:
the case of UNCTAD work on competition policy, COMPAL and AFRICOMP**

National, regional, interregional and global programmes are defined as programmes designed to assist individual or groups of countries on national, subregional, regional, interregional or global basis. This categorization enables UNCTAD to provide assistance at the request of individual or group of countries and create synergy between different levels of interventions.

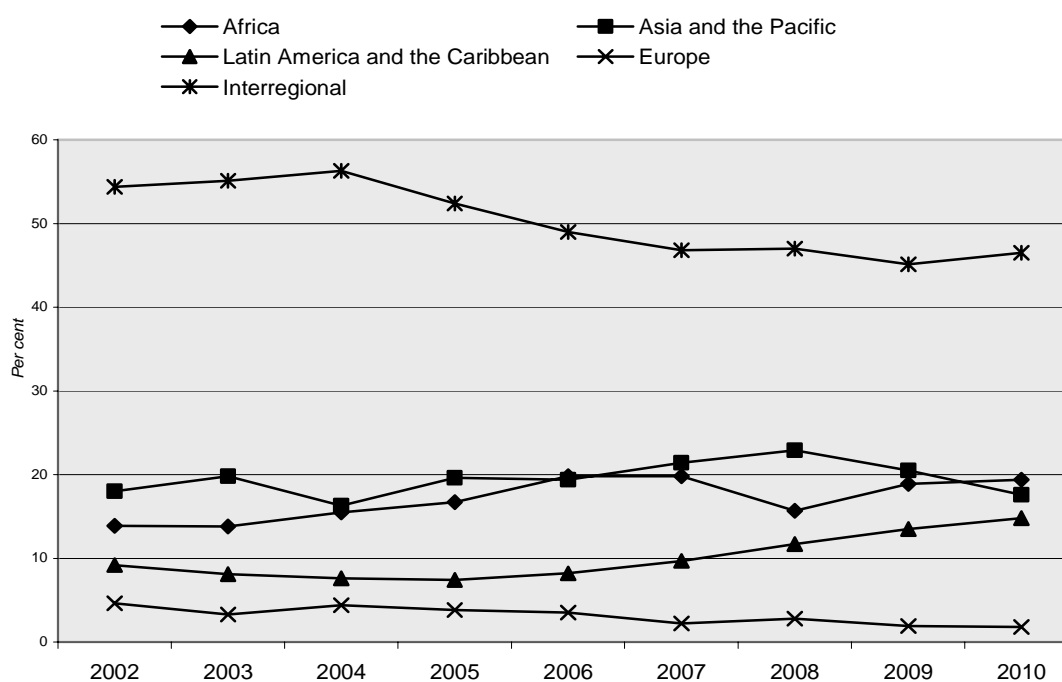
The main objectives of the COMPAL and AFRICOMP projects are to (a) facilitate access to the best available skills and techniques for handling competition cases and to evaluate impact of competition policy on development; (b) support institutional and leadership development in a manner responsive to the unique circumstances and needs of each country or region; (c) identify best practices, experiences and technologies on implementing competition law and policy; (d) identify innovative cooperation mechanisms for addressing cross boarder anti-competitive practices and facilitate key partnerships at the national and, subregional and regional levels; and (e) establish region-wide knowledge and learning mechanism to raise awareness, engage stakeholders, inform decision-makers, and promote exchange and cooperation between competition agencies.

Supporting both national projects and regional and/or interregional technical work under the same programme will yield more coherent and sustainable impacts across regions and continents than could be achieved through national projects alone. It is important that the country projects are not developed and implemented in isolation from one another. Although such projects can be effective in their own right, they can be even more effective if developed with the latest and best information from across regions and the world.

36. Projects implemented under cluster 1 accounted for 7 per cent of total delivery; they are in support of (a) enhanced trade negotiations and trade policy formulation capacities, (b) accession to WTO; (c) trade in services for development; and (d) market access, the Generalized System of Preferences, and other trade laws including the Global System of Trade Preferences among developing countries. It is to be noted that one single country project on “Strategies and preparedness for trade and globalization in India”, financed by the United Kingdom, accounted for nearly 50 per cent of expenditures under cluster 1. Projects delivered under clusters 7 and 8 on investment policies and investment facilitation account for 7 per cent of total expenditures. Projects delivered under cluster 4 on cross-divisional training and capacity-building also account for 7 per cent of total expenditures. The rest of UNCTAD technical cooperation activities – representing 29 per cent of total expenditures – are spread among the remaining clusters, each of which accounts for less than 5 per cent of total delivery.

37. Country projects in Africa (accounting for a total of \$7.6 million) increased; Africa’s share in total delivery of UNCTAD technical cooperation was 19.3 per cent, as compared to 18.9 per cent in 2009. Expenditures in Asia and the Pacific, accounting for \$6.9 million, decreased by approximately 15 per cent; the share of the region in the total delivery of UNCTAD technical cooperation was 17.6 per cent as compared to 20.5 per cent in 2009. Expenditures in Latin America and the Caribbean, accounting for \$5.8 million, slightly increased as compared to 2009; the share of the region in total delivery of UNCTAD technical cooperation was 14.9 per cent as compared to 13.5 per cent in 2009. With respect to Europe, five national projects with total expenditures of \$690.000 were under

Chart 4. Technical cooperation expenditure, by region, 2002-2010
(as a percentage of total yearly expenditure)



implementation an amount similar to that of the previous year. These included in particular ASYCUDA projects in Georgia and Gibraltar.

38. The data on geographical distribution should be read in conjunction with the information that has been provided in section A above, in particular the comments made on regional and country projects. It is important to note that only expenditures on regional and country projects are taken into account for the calculation of regional shares. That is to say, only country-level and regional-level deliveries – accounting for about 53 per cent of total delivery-shape regional shares – as opposed to overall expenditures that also include interregional activities. In addition, when interpreting regional shares, one has to be aware that most country projects are either self-financed or financed through resources that are made available by donors in the context of their bilateral aid programmes or through multi-donors trust funds.

39. UNCTAD continues to assign priority to LDCs. In 2010, technical cooperation in support of LDCs amounted to \$13.3 million, a decrease of about 3 million over the previous year. Expenditures decreased for both country and interregional projects. As a result, in 2010, delivery in support to LDCs amounted to 34 per cent of total delivery. This was due partly to the fluctuation of the dollar and in 2010 the expenditures of many ASYCUDA and DMFAS operations in LDCs decreased because of the conclusion of previous phases of these project and the launching of new operations with updated technologies. The decrease was registered in 10 LDCs regarding DMFAS county projects, 13 regarding ASYCUDA and 6 in other operations.

III. Structure and functioning

A. Follow-up to intergovernmental decisions

40. UNCTAD technical cooperation continues to revolve around policy advice and human and institutional capacity-building. In accordance with paragraphs 178 and 217 of the Accra Accord and with paragraph 11 Trade and Development Board decision 504 (LVII) of September 2010, efforts continued to ensure coherence between the three pillars of UNCTAD work.

An example:

The IIA work programme illustrates how synergies among the three pillars of UNCTAD work for development.

The programme monitors trends and identifies and analyses emerging issues in international investment rulemaking from a development and systemic perspective. It also provides up-to-date and comprehensive information on the international investment agreement (IIA) system. Two series of publications on Issues in IIAs and on International Investment Policies for Development are prepared. They are complemented by the IIA Issues Notes, which are analytical papers on specific topics of relevance to policy analysis work in the area. These outputs help investment stakeholders make better use of IIAs for attracting and benefiting from foreign investment.

On the basis of this in-depth analysis of the issues at stake, UNCTAD provides demand-driven technical assistance to build the capacity of beneficiary developing countries to negotiate and implement investment treaties that are effective in fostering responsible investment. In 2010, the programme delivered intensive regional training courses on the negotiation of IIAs, and on the management of investor-State dispute settlement (and hybrids between the two) to over 300 beneficiaries. UNCTAD also provided targeted ad hoc technical assistance on all matters related to the negotiation and implementation of IIAs, including with regard to the management of investor-State dispute settlement cases. This field work allows the secretariat to collect empirical evidence and obtain feedback from practitioners on policy implications and therefore, is in turn beneficial to UNCTAD's research and policy analysis in this area.

The IIAs work programme provides a forum for consensus-building on issues related to IIAs and their development dimension. It services UNCTAD's Commission on Investment and its relevant expert meetings, follows IIAs related meetings in other forums, and provides an interactive international online network for the IIAs community. In 2010, as part of its consensus-building activities, UNCTAD organized the IIAs Conference during the World Investment Forum. The conference brought together 223 IIA practitioners from 80 countries. It concluded with the launch of the G15 Law Schools pilot project, establishing the foundations of an academic network in the area of IIA Law. The conference therefore provided a unique opportunity to strengthen the research and policy analysis of the IIA programme – another illustration of the existing synergies among the three pillars of UNCTAD's work.

41. Rationalization of the activities carried out within each of the thematic clusters and consolidation of projects under thematic trust funds continued through 2010. Efforts aimed at reducing the fragmentation of UNCTAD technical cooperation and the dispersion of

Table 4. Technical cooperation expenditure, by region and by cluster, 2007-2010
(in thousands of dollars)

	2007	2008	2009	2010	
	Amount	Amount	Amount	Amount	%
Total	31 501	38 283	38 789	39 198	100.0
By region:					
Africa	6 249	5 997	7 349	7 551	19.3
Asia and the Pacific	6 748	8 774	7 959	6 895	17.6
Latin America and the Caribbean	3 056	4 480	5 250	5 851	14.9
Europe	701	1 056	728	690	1.8
Interregional	14 747	17 976	17 504	18 212	46.5
By cluster:					
Capacity building on trade negotiations and commercial diplomacy		4 552	3 357	2 737	7.0
Trade analysis capacities and information systems.....		461	323	387	1.0
Commodity sector development and poverty reduction.....		1 472	1 328	1 140	2.9
Competition policy and consumer protection		750	875	1 231	3.1
Trade, environment and development.....		944	901	983	2.5
FDI trends and issues.....		542	416	470	1.2
Investment policies		3 143	2 454	2 091	5.3
Investment facilitation		590	1 701	785	2.0
Enterprise development		415	848	1 816	4.6
Globalization and development strategies		173	426	753	1.9
Strengthening the debt management capacity of developing countries.....		5 714	5 025	4 738	12.1
Transport and trade facilitation.....		13 473	14 675	15 058	38.4
ICT policies and applications for development.....		382	411	321	0.8
Cross-divisional training and capacity building.....		2 271	2 530	2 415	6.2
Science, technology and innovation.....		252	265	356	0.9
Productive capacities in LLDCs, SIDS and structurally weak, vulnerable and small economies (SWVSES).....		1 167	710	892	2.3
Strengthening support for trade mainstreaming into national development plans and/or PRSPs in LDCs in the context of the EIF.....		336	313	678	1.7
Executive direction and management and support services		1 644	2 231	2 348	6.0
<i>Of which: LDCs</i>	<i>13 072</i>	<i>15 699</i>	<i>16 140</i>	<i>13 277</i>	<i>34</i>

operational trust funds. The secretariat managed to financially close 39 projects in 2010, 17 of which were interregional and 3 regional projects.¹ However, 35 new projects were started in 2010, of which only 10 were regional and interregional projects; the rest were country projects. From the start, country operations implemented by the DMFAS and ASYCUDA programmes were excluded from the clustering process. Only interregional and regional trust funds funded by bilateral donors are concerned by the clustering process. In terms of figures, this represents a total of 82 interregional projects and 22 regional projects with expenditures in 2010. UNDP-funded projects, development account and projects financed by MDTFs and One United Nations funds are not part of the clustering process as they are governed by different financial and administrative rules than trust funds projects.

¹ A project is financially closed when all the programmed project activities have been completed and there is no outstanding obligations (commitment) in the project accounts.

Box 2.**Some key figures on UNCTAD technical cooperation (number)**

	2009	2010
• Projects with expenditures*	255	248
• Multi-donor projects with more than five donors	20	20
• New projects started with a budget of less than \$200,000	11	13
• Interregional projects and programmes	101	82
• Regional projects and programmes	27	26
• Country-specific projects	128	113
• Country-specific projects for least developed countries only	56	51
• New trust fund projects started	37	37
• Projects financially closed	37	40
• Countries that made contributions	88	82
• Self-financed projects	65	59
• Projects financed by UNDP	18	14
• Projects financed solely by the European Community	10	6
• Financial reports sent to donors **	458	511
• Regional and interregional projects by cluster: 2009 – 1: 12; 2: 6; 3: 8; 4: 3; 5: 11; 6: 2; 7: 17; 8: 3; 9: 2; 10: 3; 11: 2; 12: 14; 13: 3; 14: 9; 15: 3; 16: 2; 17: 2; 18: 11;	113	
• Regional and interregional projects by cluster: 2010 – 1: 9; 2: 7; 3: 7; 4: 2; 5: 9; 6: 2; 7: 10; 8: 5; 9: 4; 10: 5; 11: 5; 12: 15; 13: 2; 14: 8; 15: 3; 16: 2; 17: 4; 18: 6;		105
• Total extrabudgetary contributions received.....	\$29,858,738	\$30,738,733
• Total extrabudgetary contributions from the top 10 bilateral donors.....	\$13,156,520	\$13,811,479
• Asycuda resources as a percentage of total expenditures	32%	38%
• DMFAS resources as a percentage of total expenditures.....	13%	12%

* Not all operational projects have expenditures in a given year.

** For multi-donor trust funds, each donor receives an individual report.

Note: Projects listed in this box had expenditures. They also include projects that are operationally terminated but are not yet financially closed.

42. The Project Review Committee (PRC)² continued to perform its central role as the internal mechanism to ensure coherence and interdivisional cooperation on technical cooperation-related issues. Its terms of reference were approved internally in 2008. The Committee meets as necessary to discuss issues relative to the management of technical cooperation, including fund-raising, distribution of funds and approval of new projects proposals. Divisional focal points members of the PRC and the technical cooperation service (TCS) communicate almost on a daily basis.

43. The 17 thematic clusters document, circulated as an informal working document of the Working Party, is frequently updated by the divisions responsible for the respective

² The UNCTAD Project Review Committee is the interdivisional mechanism for making collegial decisions on UNCTAD technical assistance operations and fund-raising. Its terms of reference were approved internally in 2008. The goals and scope of the Committee are: sharing and reporting of information, analysing UNCTAD technical cooperation programmes, improving and streamlining procedures, supporting resource mobilization efforts, ensuring overall coherence, and enhancing the role of UNCTAD at the country level.

clusters to reflect the mandates of the secretariat and ongoing and proposed activities in response to requests received from beneficiaries. The document includes proposals to merge interregional and regional projects into multi-donor and multi-year trust funds. The objective is to continue reducing the number of trust funds, consolidate activities, simplify and streamline the structure of UNCTAD technical cooperation. Information regarding new and closed projects in 2010 is provided in table 10 in document TD/B/WP/232/Add.2.

44. The secretariat is committed to continue its efforts towards the reduction of fragmentation and counts on the support of donors' governments in this regard. Closure, reimbursement or transfer of residual amounts to other activities can only take place if the secretariat receives authorization and clear instructions from the donors. Without these, only limited progress will be achieved.

45. Further to paragraph 9 of Trade and Development Board decision 504 (LVII) of September 2010 and with a view to identify in a transparent manner the needs of beneficiaries and guide donors in their decisions regarding the allocation of their contributions, the secretariat compiled an indicative list of formal requests received in 2010–2011 for UNCTAD assistance, which is circulated as an informal working document of the Working Party.

46. In response to last year's request from the Trade and Development Board, paragraph 12 of decision 504 (LVII) the functionality of the Project Portal (www.unctad.info/en/TC/?mode=AllProjects) has been enhanced to clearly show the list of all development partners that are funding multi-donor trust funds. The improved portal provides online access to comprehensive information on all UNCTAD technical assistance projects and the facility to select information by project, donor, geographical coverage and thematic cluster. As part of its continuing effort to improve the visibility of its technical assistance work and ensure the availability of related information to all stakeholders, the secretariat is ensuring the full integration of technical assistance information in the development of the new UNCTAD website.

47. UNCTAD has contributed since its launch in October 2010 to the new WTO "Global Trade-Related Technical Assistance Database (GTAD)",³ which was developed with the objective of being the portal for sharing of information between partner agencies on the future execution of TRTA and CB activities. The GTAD is an interactive tool, which takes into account national and regional projects, as well as training courses of a global nature. The GTAD is forward-looking and the period of coverage starts in January 2010. The database includes a search engine, which enables the extraction of information through different parameters, such as beneficiary country or by one of the 20 trade categories, etc.

B. Contribution to United Nations system-wide coherence

48. In 2010, UNCTAD continued to strengthen its role in the United Nations reform process, fully complying with the General Assembly Resolutions on operational activities for development and in consonance with UNCTAD–XII and subsequent Trade and Development Board decisions. UNCTAD's participation in the "Delivering as One" process was facilitated through several initiatives. These included (a) the continuation of UNCTAD's role as coordinator of the United Nations–Chief Executives Board Inter-agency Cluster on Trade and Productive Capacity;⁴ (b) UNCTAD's active participation in

³ <http://gtad.wto.org/>.

⁴ The United Nations–Chief Executives Board Inter-agency Cluster on Trade and Productive Capacity is an inter-agency mechanism composed of resident and non-resident agencies from the United Nations system with mandates and expertise in the area of international trade and productive sectors.

the United Nations Development Group (UNDG), in particular with respect to the advocacy of trade-related assistance in the United Nations development assistance frameworks (UNDAFs);⁵ and (c) UNCTAD's leading role within the UNDG on all matters pertaining to the participation of non-resident agencies in United Nations country plans.

49. Since its establishment in April 2007 and its official launch by the United Nations Secretary-General during UNCTAD–XII in April 2008, the United Nations CEB Inter-Agency Cluster on Trade and Productive Capacity is a dynamic instrument for ensuring the inclusion of trade and related matters in the United Nations assistance operations and contributing to United Nations system-wide coherence. It is a successful inter-agency mechanism to elaborate joint programmes in the One United Nations Pilots and in countries having adopted the Delivering as One approach.

1. UNCTAD and United Nations Inter-agency Cluster increased participation at the country level

(a) *Participation in the One United Nations Pilots*

50. As already mentioned above under section I.E, UNCTAD and the United Nations Cluster are involved in the One United Nations pilots. At the time of the preparation of this report (June 2011), joint programmes (JP)⁶ were being implemented and/or designed by the Cluster as follows:

(a) In **Albania**, the Cluster is participating in the formulation of a JP in the framework of the new UNDAF cycle starting 2012;

(b) In **Cape Verde**, The Cluster is implementing a JP on the graduation and integration of Cape Verde into the world economy. UNCTAD is leading the programme with cooperation of FAO, ITC, UNDP and UNIDO. The Cluster is participating in the formulation of a new JP in the framework of the UNDAF cycle starting 2012;

(c) In **Mozambique**, the Cluster is implementing a JP on "Building Capacities for effective Trade Policy Formulation and Management" (UNDP, FAO, ITC, UNCTAD, and UNIDO) which activities are coordinated with the EIF process. The Cluster is participating in the formulation of a new JP in the framework of the UNDAF cycle starting 2012;

(d) In **Pakistan**, because of the country's current priorities focusing on conflict and humanitarian issues, the Cluster's assistance has been postponed;

(e) In **Rwanda**, the Cluster is continuing the implementation (started in 2008) of the activities on competition, investment and industrial policies (UNCTAD, UNIDO). In the context of the UNDAF Mid-Term Review, the Cluster is providing new assistance on

Coordinated by UNCTAD, it is currently composed of UNIDO, FAO, ILO, ITC, WTO, UNDP, UNCITRAL, the five Regional Commissions, UNEP and UNOPS. See: <http://www.unsystemceb.org> / <http://www.unctad.org>.

⁵ The UNDAFs contain the collective and strategic response of the United Nations country team to contribute to the development and the implementation of priorities within the national development plan, developed through an inclusive approach, covering the entire range of analytical, normative, technical and operational activities of the United Nations system, and including resident and non-resident agencies, funds, and programmes.

⁶ A table containing updated information on United Nations–Chief Executives Board Inter-agency Cluster on Trade and Productive Capacity operations at the country level will be circulated to the Working Party during its meeting.

regional integration through a JP carried out by UNECA, UNDP, UNCTAD and ITC. Coordination is ensured with the EIF process;

(f) In the **United Republic of Tanzania**, the Cluster is participating in the formulation of the new UNDAF-One United Nations Programme cycle starting in 2011. The assistance which is proposed in coordination with the EIF is included under Outcome 1 of the UNDAF 2011–2015 “Economic Growth and Economic Governance” with the intervention of UNDP, ILO, UNCTAD, UNIDO and ITC;

(g) In **Viet Nam**, the Cluster is participating in the One United Nations Joint Programme entitled “Green production and trade to increase income and employment opportunities for the rural poor” supported by the MDG-F. FAO, ILO, ITC, UNCTAD and UNIDO participate in the programme; and

(h) In **Uruguay**, the Cluster is participating in a JP carried out within the UNDAF 2011–2015, “Sustainable development through integration into the international trading system, diversified production and increased investment”. The Cluster’s intervention consists in UNCTAD, UNDP, UNIDO, ITC, FAO and UNEP.

51. The Cluster also plays an important role in ensuring the interface and coordination between the Enhanced Integrated Framework (EIF) for LDCs and the One United Nations Programmes.

(b) *Participation in Delivering as One countries preparing their new UNDAFs*

52. In addition to the One United Nations Pilot Countries, the number of countries having adopted the Delivering as One approach when formulating new UNDAFs, based on the 2009 revised guidelines for the United Nations country teams on preparing common country assessments, is increasing. Many United Nations Resident Coordinators are requesting the Cluster’s assistance to address government priorities on trade-related and productive capacity issues at the country level.

53. The Cluster initiated the design and implementation of JP with different intensity and configuration in economies (as of July 2010) such as:

- (a) **Africa:** Comoros, Lesotho, Madagascar, Mali and Sao Tome and Principe;
- (b) **Arab economies:** Occupied Palestinian Territories and the Syrian Arab Republic;
- (c) **Asia and Pacific:** Afghanistan, Bhutan and the Lao People’s Democratic Republic;
- (d) **Europe and the Commonwealth of Independent States:** Azerbaijan, Belarus, Georgia, Serbia and Ukraine; and
- (e) **Latin America and the Caribbean:** Ecuador, Haiti and Panama.

(c) *The Enhanced Integrated Framework*

54. When dealing with EIF countries, the activities included in the Joint Programmes are in conformity with those proposed in the Diagnostic Trade Integration Studies (DTIS). This is the case in the Delivering as One United Nations pilots Cape Verde, Mozambique, and Rwanda but also in other LDCs such as Bhutan, Comoros, Lao People’s Democratic Republic, Lesotho and Haiti.

55. Regarding the funding aspects, the resources potentially accessible from the EIF Tier 1 and Tier 2 would be complemented by the MDTFs. Because EIF funds were not yet operational in 2010, in the case of Mozambique, Cape Verde and Rwanda, the MDTFs financed the activities proposed in the DTIS.

Box 3.**Participation of UNCTAD and the United Nations CEB Inter-agency Cluster on Trade and Productive Capacity* in the Delivering as One process****The case of Haiti**

Based on priorities identified by Haiti, UNCTAD coordinated in 2010 the preparation of a concept paper encompassing a programme of assistance on economic recovery and governance prepared by the three agencies of the Cluster – ITC, UNCTAD and UNIDO. The inter-agency portfolio of proposals, for a total amount of \$8,480,900 over three years, includes the following areas: (a) external debt; (b) strengthening export capacity in the coffee sector; (c) attraction of foreign investments in the border zone; (d) e-regulations; and (f) industrial standards. The proposals will be fully coordinated with the forthcoming EIF process.

Further to consultations with the Government of Haiti in October and November 2010, the JP was revised and finalized for submission to the Haiti Recovery Fund, where only United Nations inter-agency programmes can be submitted. Next steps include (a) contacts with the new Haitian authorities in view of their confirmation of this portfolio of proposals, and (b) the availability of at least part of the resources needed before submitting the portfolio to the Haiti Recovery Fund.

Regarding the proposal on attraction of foreign investments in the border zone, consultations are ongoing with the authorities of the Dominican Republic.

The case of Lesotho

The Cluster coordinates the assistance that its members are providing in Lesotho. In 2010, UNCTAD, together with UNDP, ILO and ITC, participated in the Joint Programme on Economic Growth in Lesotho, which aims at making a concerted effort to strengthen existing businesses, especially at the small- and medium-scale level, as well as providing skills training to entrepreneurs in the four target districts. This JP is being financed through the Lesotho One United Nations Fund. Additional funds are expected to be available in 2011.

Furthermore, it is expected that, through the EIF mechanism, funds will become available to finance trade-related technical assistance for economic development. Again, the Cluster will continue playing an important role in this context.

Lastly, it is worth noting that three Cluster agencies (ITC, UNCTAD and UNECA) will participate in an UNCTAD-led pilot workshop on “Integrating the Trade Dimension in the United Nations Development Assistance Framework”, to be held in Maseru, Lesotho, in May 2011. Other such workshops, either national or regional in nature, are to be held in a number of other countries in the future.

*For more information on the Cluster, please visit:

<http://www.unctad.org/Templates/StartPage.asp?intItemID=4793&lang=1>.

2. Organization and participation of the Cluster at the United Nations system level

56. Country event: With the aim of raising awareness about the role of the Delivering as One approach and the role of the Cluster in delivering Aid for Trade, UNCTAD organized in Geneva a special session dedicated to the delivery of Aid For Trade in Belarus on 28 April 2010. The Minister of Economy, the Deputy Minister of Foreign Affairs and the United Nations Resident Coordinator in Belarus participated in the event.

3. Support to the United Nations Resident Coordinators and United Nations Country Teams in operational issues related to trade and productive sectors

57. The Cluster organized or participated in learning events for United Nations Resident Coordinators and economic advisors in view of facilitating the inclusion of trade and productive capacity issues in the UNDAFs:

(a) Four Cluster Agencies, namely UNECE, UNDP, UNIDO and UNCTAD, participated in the meeting for the region Europe and the Commonwealth of Independent States, organized in Geneva on 29 June 2010; and

(b) A special session of the Cluster for 20 new United Nations Resident Coordinators was organized in Geneva on 18 March 2010, in the context of the induction programme prepared by DOCO.

IV. Conclusions

58. In 2010, the secretariat continued to approach technical cooperation-related issues at the internal and external levels in the spirit of the United Nations system-wide reform:

(a) Follow-up actions in response to Accra Accord and Trade and Development Board decisions regarding the structure and functioning of UNCTAD technical cooperation continued. Efforts towards consolidation of activities under thematic clusters continued as well as actions to enhance coherence and transparency and strengthen internal management. The overall goal is to increase the impact and sustainability of projects' activities. Delivery of activities continued at a sustained pace with a view to respond to the increased number of requests from beneficiaries in all areas pertaining to UNCTAD's mandate.

(b) Activities at the level of the United Nations were mainly undertaken through the United Nations CEB Inter-agency Cluster on Trade and Productive Capacity, which UNCTAD continued to lead. Through 2010, the Cluster consolidated its role as one of the most dynamic inter-agency mechanisms within the United Nations system. With 16 members, the Cluster was able to participate actively in the preparatory phases of a number of UNDAFs at the country level and formulate and deliver joint programmes and activities within the framework of the Delivering as One.

59. With respect to the process of consolidation of projects and thematic trust funds, an increasing number of donors are confirming their support to the clustering of projects into thematic multi-year and multi-donor trust funds. The continued active participation of donors in this process, in particular regarding the cumbersome administrative requirements linked to the closure of trust funds and the transfer of unspent funds, will facilitate and expedite the process which remains slow.

60. UNCTAD's technical cooperation responds to the varying needs of its beneficiary countries and regions, in accordance with their national development priorities. There is no "one size fits all" approach to the trade-related assistance delivered by UNCTAD which is tailor-made to beneficiaries' needs and requirements. Services provided aim at enhancing the human and institutional capacity of developing countries in managing their economies as they relate to trade and development. The role that is played by UNCTAD technical cooperation in addressing and promoting national economic governance should be assessed against the backdrop of the contribution that it makes in providing (a) policy advice and assistance in all areas of its work; (b) programmes and projects for the creation and/or upgrade of institutions supportive to an enabling environment for economic development; and (c) training programmes carried out in the context of implementing capacity-development projects to manage the institutions set up to implement policies and enforce laws.

61. Looking at the external level, more and more countries are adopting the Delivering as One approach. This represents a major challenge not only for the 15 agency members of the Cluster on Trade and Productive Capacity, but also for donors and beneficiaries. All the parties involved in trade-related assistance are obliged to ensure greater coherence and coordination among themselves. Agencies must not only coordinate their participation in the Delivering as One United Nations pilots and in countries involved in a new UNDAF process but also their participation within the United Nations Development Group (UNDG), in view of the formulation of new United Nations rules and standard mechanisms for development operations. Beneficiaries must ensure that their national priorities are fully reflected in the UNDAF processes designed and launched in their countries to allow the Cluster to respond effectively to their needs. Finally, donors, through their contributions to multi-year, multi-donor thematic clusters and the new multi-donors trust fund (MDTF) mechanisms at the country level, provide UNCTAD and other agencies the flexibility and capacity to propose activities with corresponding funds and therefore fully participate in the joint programming efforts in this context. Donors are therefore invited to provide adequate resources to the above-mentioned financing mechanisms in view of ensuring a smooth and coherent implementation of the reform of the United Nations development operations.
