DELLIVERING AID FOR TRADE

Geneva
September 2014
NOTE

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PREFACE FROM THE SECRETARY-GENERAL OF UNCTAD

Being in its seventh year of existence, we would like to celebrate the United Nations Inter-Agency Cluster on Trade and Productive Capacity.

We would recall that on 20 April 2007, a first interagency meeting was held at UNCTAD on the establishment of a thematic cluster on “trade and productive capacity”. It was thought that such a cluster could play an important role in ensuring that issues related to trade and productive sectors and their interface with the Millennium Development Goals were adequately taken into account in the “Delivering as one” and United Nations system-wide coherence process. At the regular session of the United Nations Chief Executives Board in October 2007, the Secretary-General and United Nations heads of agencies formally endorsed the establishment of the Inter-Agency Cluster on Trade and Productive Capacity. The Inter-Agency Cluster was then officially launched in April 2008 at the UNCTAD XII ministerial conference by the Secretary-General of the United Nations, Mr. Ban Ki-moon. Fifteen United Nations entities are now members of this innovative inter-agency mechanism.

The role that the Inter-Agency Cluster plays at the global level and in joint operations, currently carried out at the regional and national levels, is now unanimously recognized within the United Nations system.

At the global level, the Inter-Agency Cluster achieved major contributions in the context of the United Nations system when contributing to the formulation of new United Nations policies for development operations. The contribution of the Cluster regarding the inclusion of the non-resident agencies is particularly commendable.

Regarding operations at the regional and national levels, the Inter-Agency Cluster has made the right strategic choices in past years in increasing the role of trade and productive capacities issues in relevant One United Nations programmes and United Nations Development Assistance Frameworks. This has facilitated access to One United Nations funds and other “Delivering as one” funding mechanisms.

During the years, the Inter-Agency Cluster received positive reactions from Governments and United Nations Resident Coordinators worldwide that ask for the Cluster’s participation. The best practices created precedents with a “domino
effect” in countries involved in the formulation of their One United Nations programmes or United Nations Development Assistance Frameworks. For those countries, the Inter-Agency Cluster proved to be instrumental in formulating and coordinating a growing number of joint initiatives developed to avoid duplication, ensuring efficiency and, more importantly, adding value to the quality and impact of United Nations assistance on trade and trade related areas.

The Inter-Agency Cluster’s best practices in coordinating technical assistance have proven to be useful in enhancing impact at the country level through an integrated and coherent vision of assistance needs and better alignment with national priorities. The Cluster is showing concrete results in “Delivering as one” countries with an implementation record that is ranked highly in the monitoring and evaluation systems in place at the country level.

Looking forward, we would say that the United Nations Inter-Agency Cluster is a strategic instrument in the effective operationalization of system-wide coherence. By acting together when formulating, delivering and monitoring the impact of their assistance, United Nations entities can be better aligned with national development strategies.

The United Nations post-2015 development agenda should be the road map and driving force for further progress in the delivery of United Nations joint programmes of development assistance. The Inter-Agency Cluster has a promising role in implementing this agenda.

We wish the United Nations Inter-Agency Cluster on Trade and Productive Capacity a long life.

Mukhisa Kituyi
Secretary-General of UNCTAD
BACKGROUND

Further to a proposal made by the Secretary-General of UNCTAD at the UN System Chief Executives Board for Coordination (CEB) First Regular Session of April 2007, and as a result of consultations among UN agencies and entities involved in trade-related assistance, an informal meeting on the establishment of a CEB thematic cluster on “trade and productive capacity” was held at UNCTAD on 20 April 2007, with the participation of UNIDO, FAO, ITC. It was agreed that the establishment of an interagency thematic Cluster could play an important role in ensuring that the issues related to trade and productive sectors and their interface with the MDGs are adequately taken into account in the “Delivering as one” and UN-wide coherence process. The Cluster could also serve to strengthen the UN response to the “Aid for Trade” initiative. It was emphasized that the membership of the Cluster should be open and flexible.

At the CEB Second Regular Session of October 2007, the Chairman “noted that the Committee had agreed to recommend the approval of a CEB cluster on trade and productive capacity”.

A. MAIN GOALS

1. Terms of reference

1. Emphasize the linkages between trade, poverty reduction, human development and the MDG and, within this framework, the role of trade and productive sectors policies and operations in the overall UN analytical and normative work and development assistance, by enhancing and complementing the coordination role of the CEB (including the Executive Committee on Economic and Social Affairs (EC-ESA) and the United Nations Development Group (UNDG) and other interagency mechanisms;

2. Coordinate a multidimensional, coherent and efficient approach and delivery of programmes and operations related to trade and productive sectors;

3. Contribute to more policy coherence, interagency cooperation and integrated activities on trade and productive sectors within the UN System and in particular at the country level;

4. Contribute to complementarities between the assistance provided by all members of the Cluster including through the Enhanced Integrated Framework (EIF) and the Aid for Trade (AfT) initiative;
5. Contribute to the introduction of trade and productive sectors policy issues and operations, as appropriate in each case, in the “One UN Pilots” and in all UN-wide country level plans, particularly through joint missions and joint operations;

6. Exchange experiences and information among secretariats on policy, managerial and financial issues raised by the “Delivering as one” process and UN-wide coherence reform;

7. Prepare joint proposals and initiatives regarding programmes and development operations to be submitted to member States, donors, interagency bodies (CEB and UNDG) and Resident Coordinators, as appropriate;

8. Cooperate in the design and the delivery of training activities of Resident Coordinators and their staff, in coordination with the UNDG and the UN System Staff College, in view of raising awareness and understanding of the linkages between trade, poverty reduction, human development and the MDGs in specific trade and productive sectors policy issues and related assistance.

2. Members of the Cluster

The Cluster has an open-ended membership with a view to preserving flexibility and enhancing effectiveness of its joint initiatives, particularly joint missions and joint operations in a particular country.

Current members of the Cluster are: UNCTAD, UNIDO, FAO, ILO, UNCITRAL, ITC, WTO, UNDP, the five UN Regional Commissions, UNEP and UNOPS.

3. The majority of members of the Cluster are non-resident

The non-resident status is not, and should not be, an obstacle to the participation of the members of the Cluster in the UN Country Teams and in the UN country assistance plans, as appropriate in each case, in view of the role of trade and productive capacity assistance in the policy-making of developing countries. The role of UN Resident Coordinators is crucial in ensuring that the assistance provided by the members of the Cluster is taken into consideration in the UN-wide national assistance plans upon the requests of governments and according to the national development priorities.
4. What is the role of the Cluster’s assistance in integrating trade and productive capacity in national development strategies?

The members of the Cluster provide assistance in building the capacity in the areas of trade and productive policies, in particular in supply side capacity; export capacity; capacity to implement trade and trade-related rules; dispute settlement capacity; negotiating capacity; as well as in research and analysis.

Acknowledging the pivotal role of trade as an engine for sustained economic growth and human development, the assistance aims at enhancing the development impact of trade and trade-related national policies and productive activities, both quantitatively and qualitatively with a view to contributing towards achieving the Millennium Development Goal (MDGs). The operations provided by the members of the Cluster encompass all national trade and trade related policies, from the macroeconomic to the sectoral and microeconomic levels. Areas of assistance include global trade advocacy, trade policy development, legal and regulatory frameworks, supply capacity, compliance support infrastructure and services, trade promotion and capacity building, market and trade information, trade facilitation, trade infrastructure and trade related financial services (see annex 1). This multidimensional and multifaceted assistance aims at mainstreaming trade in the national development and poverty reduction strategies, in particular in the least developed countries (LDCs).

Trade and trade-related policies, activities, institutional and legal frameworks have direct implications on all the domestic aspects of development and on the achievement of the MDGs. The Cluster aims at highlighting that the insertion of developing countries in the international economy and trading system has wide and profound impact on all aspects of their social, economic, cultural life and development processes.

The Cluster emphasizes the need for greater focus on the ability of developing countries to derive development gains from the opportunities offered by the international trading system. It intends to raise the awareness at national level with regard to the development potential of trade policies and activities. One important objective to be achieved through greater interagency cooperation within the Cluster is the improvement of institutional and human capacity constraining the ability of many developing countries to undertake in-country trade policy formulation and prioritization, and building of trade infrastructure.
5. **How the Cluster’s assistance to trade and productive capacity can contribute to the UNDAF and “Delivering as one” processes?**

The United Nations Development Assistance Frameworks (UNDAFs) prepared prior to the UN system wide coherence reform neglected economic policies issues related to the external sector. The inclusion of the national economy in the international economic system lies at the core of all developing countries’ priorities. As a result the coordinated participation of the Cluster in the new UNDAF processes has already provided significant changes in this regard.

Integration of trade and productive issues in UNDAFs and One UN Programmes ensures coherence between the domestic and the international environment of the national development processes, strengthens synergies and linkages, multiplies effect and increases impact of the UN projects and programmes at the country level.

Enhanced inter-agency coherence through joint initiatives at the country level will not only ensure that economic and trade-related issues feature more prominently in the UNDAFs but will have an impact on the effectiveness of UN expertise and avoid duplication of efforts and, above all, enhance national capacity to formulate UN country assistance plans that include trade and productive capacity issues as essential components of national development strategies. The Cluster is providing new impetus to economic, trade and trade-related issues and ensuring that when formulating national development and poverty reduction strategies, national authorities take into account both domestic and external factors.

6. **What is the role of the Cluster in the Enhanced Integrated Framework (EIF) and how it is linked to the “Delivering as one”?**

Revamped in May 2007, the Enhanced Integrated Framework (EIF) is a multilateral trade capacity development initiative for Least Developed Countries (LDCs) currently supported by twenty three countries. In addition, the programme is supported by six core agencies, namely IMF, ITC, UNCTAD, UNDP, World Bank and WTO. In May 2009 UNIDO signed up as an Implementing Agency and was granted observer status to the EIF Board. Forty three countries are full beneficiaries of the programme. In addition, two more countries have applied to become beneficiaries.
The Enhanced Integrated Framework was launched in October 2008 when the Executive Secretariat was established. The Secretariat is supported by UNOPS who were selected as the Trust Fund Manager in June 2009. The Trust Fund was launched in December 2008. This facilitated the full operationalization of the programme that saw the first Tier1 approvals and disbursements in July 2009.

The programme’s main objective is to support institutional capacity development in beneficiary countries to mainstream trade, coordinate support provided by development partners to the trade agenda, and assist in the implementation of the LDCs’ national trade and development strategies as outlined in the National Development Plans or Poverty Reduction Strategy Papers (PRSPs).

Specific operating principles of the EIF are:

- The effective use of trade as a development tool by LDCs;
- LDC ownership of the in-country programme and projects funded by the EIF including the responsibility to identify their trade development priorities and manage their trade development activities with the support of the relevant national, regional and international bodies and donors;
- A partnership approach in accordance to the principles of the Paris Declaration of Aid Effectiveness (“Paris Declaration”) whereby donors and international agencies coordinate their response to the needs of LDCs, manage for results, ensure LDC leadership and accept mutual accountability.

In the One UN pilot countries that are LDCs, it is expected that the Enhanced Integrated Framework will provide a common platform for trade-related support provided by UN agencies thereby ensuring coherence, complementarities and synergies in UN-work at the country level.

Accordingly, the Cluster aims at ensuring an effective interface between the EIF and the country level operations related to trade and productive capacity, as appropriate in each case and according to the national needs and demands.

Therefore, when dealing with EIF countries, the activities included in the Joint Programmes are in conformity with the one proposed in the diagnostic trade integration study (DTIS). This approach is already operative in the “Delivering as one” United Nations pilots Cape Verde, Mozambique and Rwanda. There are currently being formulated in “Delivering as one” countries such as Bhutan, Comoros and Lesotho.
B. MAIN ACTIVITIES

The “Delivering as one” process and the ongoing reforms of the UN development operations provide new opportunities for more visibility, increased coherence and coordination among the UN entities that are involved in trade-related assistance. One of the highlights of the Cluster’s activities was the Special Session chaired by the UN Secretary-General Mr. Ban Ki-moon at Accra in the context of the UNCTAD XII Ministerial Conference, on April 20, 2008. The CEB Inter-Agency Cluster on Trade and Productive Capacity is now recognized as a very dynamic interagency mechanism dedicated to the coordination of trade development operations at the national and regional levels within the UN system.

On 20 April 2007, UNCTAD, UNIDO, FAO, ITC, WTO, UNDP and the five UN Regional Commissions established the Cluster. UNEP and UNOPS joined in 2008, ILO and UNCITRAL joined in 2010. The Cluster that was incorporated into the UN Chief Executives Board chaired by the Secretary-General of the UN in November 2007 makes a concrete and direct contribution to the UN system-wide coherence reform by:

- Coordinating its participation in the “Delivering as one” UN Pilots and countries involved in a new UNDAF process;
- Coordinating its participation, as appropriate, within United Nations Development Group (UNDG) machinery, in view of the formulation of new United Nations rules and standard mechanisms for development operations.

The following is a summary of the main initiatives undertaken by the CEB Cluster since its creation. It includes operations of the Cluster at the country level and at the level of the UN system.

PARTICIPATION OF THE UNITED NATIONS INTER-AGENCY CLUSTER IN THE DELIVERING AS ONE

The independent evaluation of the Delivering as One, published in 2012, ended the One UN Pilot Phase experienced in Albania, Cape Verde, Mozambique, Pakistan, Rwanda, Tanzania, Viet-Nam and Uruguay. With the positive assessment of the One UN Pilot phase, starting 2013, there is no more distinction between the eight One UN pilots and the countries having adopted a “Delivering as One” approach.

1 See annex 3.
The number of the “Delivering as One Countries” is in constant augmentation, up to cover most of the countries.

Under the common “Delivering as One” banner, below are the UN Inter-Agency Cluster operations carried out at the national and regional levels.

1. **Operations of the UN Inter-Agency Cluster at the national level**

In 2013, the UN Inter-Agency Cluster was involved in the design and implementation of joint programmes, to differing degrees in scope and configuration, at the national and regional levels.

(i) **Africa**: Cape Verde, Cameroun, Comoros, Lesotho, Madagascar, Mozambique, Rwanda, Sao Tome and Principe, Tanzania, Zambia;

(ii) **Arab States**: Egypt, Iraq and State of Palestine;

(iii) **Asia and the Pacific**: Afghanistan, Bhutan, the Lao People’s Democratic Republic, Myanmar, Nepal, Pakistan, Viet Nam;

(iv) **Europe and the Commonwealth of Independent States**: Albania, Azerbaijan, Belarus, Georgia, Kazakhstan, Republic of Moldova, Serbia, Ukraine and Uzbekistan;

(v) **Latin America and the Caribbean**: Ecuador, El Salvador, Panama, Uruguay.

2. **Operations of the UN Inter-Agency Cluster at the regional level.**

(i) **Africa**. The Inter-Agency Cluster is participating in the regional initiative on industry, trade and market access coordinated by UNIDO. The operations carried out within the UN Inter-Agency Cluster include the participation of UNCTAD, UN-ECA, UNIDO, UNDP, ILO and WTO.

(ii) **Arab States**. In 2012-2013, five agencies of the Inter-Agency Cluster, UNCTAD, UNDP, UNIDO, ILO and ITC, designed a regional project for the members of the League of the Arab States aiming at providing a platform for

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2 See UNDG Countries by theme Groups Africa, Arab States, Asia and the Pacific, Europe and CIS, Latin America and the Caribbean: See: http://www.undg.org

3 A table containing updated information on the operations of the UN Inter-Agency Cluster at the national and regional levels

4 Based on the information compiled by UNCTAD
targeted trade reforms, strengthening employment and competitiveness, trade promotion and regional trade integration. Officially endorsed by the Arab Economic and Social Development Summit, the project is expected to start operations in 2014.

(iii) **Europe and the Commonwealth of Independent States.** In 2013, the Inter-Agency Cluster participated in joint initiatives of the United Nations Special Programme for the Economies of Central Asia.

3. **Cluster briefing sessions at the United Nations system level**

**On 22 February 2012, the Cluster organized in Geneva a session called “Delivering Aid for Trade: The way forward”.**

The goal of the session, opened by the Secretary-General of UNCTAD, was to share, through different perspectives, how the Cluster is effectively contributing to delivering Aid for Trade within the overall framework of the United Nations initiative, “Delivering as one”. The session provided an opportunity for a number of United Nations Resident Coordinators to discuss with the Cluster and the Member States the best methods for using aid to enhance the trade and the productive abilities of developing countries and countries with economies in transition. The participants said that the best practices that had emerged from an empirical approach had been instrumental in the design and implementation of the coordinated joint projects and had paved the way to the effective delivery of Aid for Trade. The contribution to policy coherence provided by the Cluster was acknowledged in the interventions as well as the importance of country ownership and strong leadership from beneficiaries.

**A special session of the Cluster was held on 21 April 2012 at UNCTAD XIII, in Doha.**

The session was chaired by the Deputy Secretary-General of the United Nations, Ms. Asha-Rose Migiro, and was attended by high-level officials from 11 member agencies of the Cluster. The session was an opportunity to take stock of the work carried out since 2008 and to provide agency perspectives on the theme of the Conference.

**On November 2013, the Cluster organized in Geneva a Discussion Forum called “Why Trade Matters in Development Strategies”**

The UN Inter-Agency Cluster, with the participation of UNCTAD, FAO, ILO, ITC, UNDP and UNEP, organized a Discussion Forum on “Why Trade Matters in Development Strategies” in Geneva in November 2013. Apart from Geneva delegates, NGOs, academia and the private sector, the forum’s main target were
Government officials that had already participated in earlier regional workshops or courses organized within the framework of a Development Account project on Integrating the Trade Dimension in United Nations Development Assistance Frameworks, managed by UNCTAD.

4. **Cluster training courses**

At the regional level, the Cluster organized a workshop in Nepal from 24–27 April 2012. The workshop aimed at strengthening the capacity in formulating trade-related assistance plans and improving the inclusion of trade in new UNDAFs. The workshop was intended for government officials in charge of development strategies. All participating countries (Afghanistan, Bhutan, Fiji, Nepal, Samoa, Tajikistan and Timor-Leste) were starting a new UNDAF cycle in 2013. Agencies jointly delivering the workshop included UNCITRAL, UNEP, UNESCAP and UNCTAD.

In 2013, two regional workshops on the trade dimension in United Nations Development Assistance Frameworks were organized in Beirut (15–17 April 2013), and in La Antigua, Guatemala (20–23 May 2013). The Beirut workshop was carried out in cooperation with ESCWA, FAO and ILO. Government representatives from Egypt, Iraq, Jordan, Lebanon, Morocco, Oman, the State of Palestine, South Sudan, Sudan, Tunisia and Yemen attended. The workshop in La Antigua was jointly run by the Government of Guatemala, UNCTAD, ECLAC and ILO. Government representatives from Costa Rica, El Salvador, Guatemala, Nicaragua and Panama took part.

National sessions of these training workshops were also organized in 2011, 2012 and 2013.

Within the Cluster, UNCTAD and UNITAR developed an online course on the trade dimension in UNDAFs. In 2012, some 130 representatives of governments, non-governmental organizations, universities and related institutions signed up for the first course. Two more online courses, one in English and one in French were held in late 2013.

5. **Publications**

The first edition of the *Trade Capacity Building Resource Guide* was prepared by UNIDO in 2008, compiling the information on the assistance delivered by 22 UN entities. The 2010 edition (see Annex 1) of the Resource Guide included 25 UN
Agencies, five Regional Development Banks, as well as Aid for Trade profiles of 24 OECD DAC members, their trade related technical assistance providers and programmes. The 2013 edition of the Resource Guide can be downloaded from the UNIDO website (www.unido.org/tcbresourceguide2013).

_Aid for Trade and Human Development, A Guide to Conducting Aid for Trade Needs Assessment Exercises, United Nations, 2009:_ The Guide encompasses all the dimensions of trade and related assistance, how needs can be identified at the macro and micro levels, and how the operations can be envisaged within the national development priorities and the poverty reduction strategies.

_Cluster training materials._ Face-to-face training for regional and national workshops and online courses on mainstreaming trade in UNDAFs organized in cooperation with UNITAR.

_Concept note: Development of productive capacities and trade: the key to inclusive and sustainable development, 9 May 2011 (UNCTAD/TC/2011/1)._ Issued for the Fourth United Nations Conference on the Least Developed Countries held in Istanbul, Turkey, in May 2011. The concept note argues that, in order to achieve progress towards MDGs in LDCs, greater emphasis should be placed on supporting sustained and inclusive economic growth through the development of productive capacity.

_Joint statement by the Cluster at the General Assembly debate, October 2012._ In the context of the General Assembly debate, the Cluster delivered a statement providing QCPR with examples of best practices and its views on United Nations system-wide coherence. (See annex 4).
1. **Cooperation and coordination within the Cluster in setting norms and policies on United Nations system-wide operational activities**

The members of the Cluster increasingly exchange views and coordinate their positions in UNDG meetings and working groups. On several occasions, common positions were adopted in these UNDG bodies, in particular regarding the following points:

- The financial rules governing United Nations-wide MDTFs and Joint Programming Mechanisms;
- UNDAF Guidelines;
- The role of the United Nations Resident Coordinators and working relations within United Nations country teams;
- The UNDG Non-Resident Agencies (NRAs) action plan (coordinated by UNCTAD);
- The design of training and induction courses of United Nations Resident Coordinators organized by the Development Operations Coordination Office and the United Nations System Staff College; and
- Changes in management practices at the country level derived from the system-wide coherence reforms.

2. **Contribution to United Nations system-wide coherence**

Since its establishment in April 2007 and its official launch by the United Nations Secretary-General during UNCTAD XII in April 2008, the Cluster has been a dynamic instrument for ensuring the inclusion of trade and related matters in UNDAFs\(^5\) and contributing to United Nations system-wide coherence. It is a successful inter-agency mechanism employed to draw up joint programmes in the One United Nations pilots and in countries having adopted a “Delivering as one” approach.

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\(^5\) These contain the collective and strategic response of the United Nations country team to contribute to the development and the implementation of priorities within the countries’ national development plans, 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.
In June 2012, the Government of Albania hosted the fifth High-Level Intergovernmental Conference on “Delivering as one” to discuss the achievements, challenges and lessons learned so far. During the Conference, the member States said that the benefits of the implementation of the “Delivering as one” initiative were by far greater than any shortcomings, and that “there was no way back to do business with the UN as before”. Member States said that government ownership of United Nations assistance and alignment with national priorities had greatly improved since 2007. UNCTAD, which represented NRAs at the Conference, emphasized that the initiative had greatly facilitated the access of governments and United Nations Resident Coordinators to NRA expertise, in particular on policy aspects. UNCTAD noted that “Delivering as one” not only led to more coherence but to significantly increased quality of the joint operations, as they benefited from a wide range of expertise existing within the United Nations system.

On 21 December 2012, the General Assembly adopted a landmark resolution (A/Res/67/226) on the quadrennial comprehensive policy review (QCPR), which assesses the effectiveness, efficiency, coherence and impact of United Nations operational activities for development and establishes system-wide policy orientations for the development cooperation and country-level modalities of the United Nations system for the period 2013–2016. The resolution calls for a strengthened system-wide coherence and effectiveness at the country level, and recognizes the “Delivering as one” model for the first time. The United Nations development system is called upon to further strengthen joint programming processes and improve UNDAF as a strategic framework.

The Cluster was mentioned as an example of best practice in the report of the Secretary-General on the 2012 QCPR. The report notes that it provides new opportunities for cooperation on economic development as well as “greater access to the range of development expertise and resources in the UN system”. The message was reiterated during the General Assembly debate on United Nations system-wide coherence in October 2012. The development impact of the Cluster proved to be much wider and deeper than the impact achieved by the operations of agencies acting alone. The clustering approach, by being effective from the design to the monitoring and evaluation phases of UNDAFs at the country level or similar exercises at the regional level, proved to be a strategic instrument in the operationalization of system-wide coherence. This thematic approach, firmly anchored within the overall “Delivering as one” architecture, could be replicated and become a standard operating procedure, as it greatly eases the coordination between United Nations agencies, national partners, the United Nations Resident Coordinators system and donors.
3. **The new funding framework available at the country level**

The “Delivering as One” (DaO) is at the origin of a new funding framework to support joint programmes implemented through the United Nations Development Assistance Frameworks (UNDAFs) and similar inter-agency modalities organized at the country and regional levels.

Developed first in the One United Nations Pilots and increasingly adopted by all countries, the common United Nations budgetary framework has been reinforced in recent years as it lead to more effective resource mobilization at the national and regional levels with a transparent dialogue with the donors. In that framework, the Multi-Donors Trust Funds (MDTFs) and related “specific partner contributions” (SPCs) such as the standard “UN to UN Contribution Agreements” led by the United Nations Development Group (UNDG) provide flexible, coordinated and predictable funding to support the achievement of national and global priorities.

In the UN system, those DaO mechanisms play now a growing role by complementing the agencies individual resources.

**Complementary Resources: the catalytic role of the One UN Fund: the example of Tanzania**

It is worth to mention that in the context of the Delivering as One, the MDTFs and SPCs are complementary resources, in Tanzania, for instance the One UN Fund played a decisive “catalytic role” in the overall resource mobilization led by the United Nations Resident Coordinator at the country level to access more substantive resources through the UNDG UN to UN Contribution agreement. UNCTAD experience in 2013 confirmed one of the final remarks of the “Independent evaluation of Delivering as One” stating that the One UN Fund is an innovative mechanism for effective resource mobilization.

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6 United Nations General Assembly Independent evaluation of lessons learned from “Delivering as one”, Note by the Secretary-General A/66/859. 26 June 2012.
C. THE WAY FORWARD: VIEWS FROM THE CLUSTER PARTICIPATING AGENCIES

Since its establishment in April 2007 and its official launch by the United Nations Secretary-General during the twelfth session of the United Nations Conference on Trade and Development (UNCTAD XII) in April 2008, the UNCTAD led Inter-Agency Cluster on Trade and Productive Capacity\(^7\) has successfully pursued three main goals: (a) strengthening the role of trade and productive capacities in the integrated technical assistance delivered by the United Nations; (b) ensuring inter-agency coordination within “Delivering as one”; and (c) increasing the links between non-resident agencies and United Nations country offices.

On 12 November 2013, UNCTAD chaired the 16\(^{th}\) Meeting of the UN Inter-Agency Cluster on Trade and Productive Capacity. The Cluster being close to its seven years of existence, the meeting referred to its origins and “raison d’être”, it aimed at taking stock of the experiences achieved and at paving the way for the future. A “questionnaire” to seek feedback from all Cluster members on the role and the results of the Cluster’s contributions and activities, identification of best practices and suggestions for improvements was distributed during the meeting. All the agencies involved in the operations of the Cluster (from the field, regional and headquarters’ levels) replied to the questionnaire\(^8\).

From the responses received, the coordination tasks carried out by the Cluster were felt as extremely important; speaking with one voice, the impact of activities of the Cluster is deeper and more meaningful. The members are seeing the UN Inter-Agency Cluster as a recognized “label” within the UN system for effective inter-agency coordination. In the context of the UN system-wide coherence, it is felt that a comprehensive, coordinated approach which takes into account each agency’s area of expertise is in a position to offer more to each recipient state/region’s

\(^7\) Since 2007, the Cluster has been the inter-agency mechanism composed of resident and non-resident agencies of the United Nations system with mandates and expertise in the area of international trade and productive sectors. Coordinated by UNCTAD, it is currently composed of UNIDO, FAO, ILO, ITC, WTO, UNDP, the United Nations Commission on International Trade Law, the five regional commissions, UNEP and the United Nations Office for Project Services. See http://www.unctad.org/en/Pages/TC/TC_United-Nations-Inter-Agency-Cluster.aspx.

development agenda. All the members praised the role of UNCTAD Technical Cooperation Service in leading the Cluster as it orients the Cluster towards the right strategic choices in view of the United Nations overall Development Agenda. The members think that current setup of the Cluster is an advantage because it offers a flexible and performing platform for increased cooperation, coordination and coherence between independent UN bodies whose activities and expertise are already institutionalized.

The members mentioned that the potentialities of the Cluster's coordinated initiatives as compared to the limited impact of individual agencies' operations and positions are still underestimated and unexploited. It was felt that more can be achieved in terms of cohesion, leading to more impact and efficiency of the Cluster provided that:

- The complementarities among the agencies are clearly understood and shared by all agencies and stakeholders (donors and beneficiaries) in view of a holistic vision of trade and productive capacity development;

- There is no competition for funds, and donors and beneficiaries effectively support (and finance) the Cluster joint initiatives because of their value added;

- The global focal points of the Cluster, as well as national and regional heads of field offices, are effectively supported and guided by their respective Heads of Agencies in the Cluster's goals and initiatives; the political support at the highest level of each agency is crucial to enlarge the role of the Cluster.
COMPILATION OF THE RESPONSES PROVIDED BY THE AGENCIES TO A QUESTIONNAIRE ON THE ROLE AND IMPACT OF THE CLUSTER

Replies of the members of the Cluster:

Question 1: In the area of trade and productive capacity, the Cluster is an example of how inter-agency coordinated assistance can deliver more, in terms of efficiency and impact, than individual agency’s operations: do you agree with this statement, and what are the views of your agency in this regard?

The Cluster is a good tool for efficient inter-agency delivery: better defined and complementary activities, more holistic package to the country, more demand driven, less individual agency driven. (UNIDO)

Although FAO has not delivered significant activities through the Cluster, many activities have components which have been delivered with Cluster partners (for example, regional workshops/capacity development events related to trade agreements, assistance to the development of DTIS, advice to countries through/association with Resident Coordinators). Clearly, more can be delivered, and more efficiently, when there is coordination in activities. (FAO)

We totally agree. This is particularly true in the case of the trade sector, because of its articulation and complexity where only coordinated approaches can produce a meaningful contribution to beneficiaries. (ITC)

In addition to the main activities by each of the international organizations, there is certainly potential for complementarities in terms of delivering on trade capacity, in particular for the following situations: (i) when a country is not member of the WTO; or (ii) is in accession to the WTO; (iii) in some instances the involvement of the United Nations presence on the ground (particularly through the Resident Coordinators) to deliver some projects of trade capacity is often very useful; and (iv) when there is common alignment through processes such as the DTIS and EIF. (WTO)

UNDP agrees that the Cluster has the potential to enhance efficiency and impact in the delivery of assistance as compared to individual agency’s interventions. However, in practice, these gains are not being fully realized. A number of issues constrain the efficient delivery of coordinated assistance which are not necessarily exclusive to the CEB cluster for trade and productive capacity but may reflect
broaden United Nations systemic issues. These include: i) costly administrative procedures that make alternatives such as the engagement of consultancy outfits and independent experts seemingly preferable from the perspective of donors and beneficiaries; ii) time associated with coordination between agencies and with partners/constituencies (ambassadors in Geneva, partner ministries in programme countries, national country offices, etc.) at headquarters and country/regional levels; iii) risk of losing strategic focus of interventions as a trade-off for inclusiveness (of agencies) in particular initiatives; iv) multiplication of weakly integrated United Nations coordination attempts at all three levels – country, regional and global; v) lack of funding mechanisms to create incentives for cooperation and reduce the competition for funding among agencies; and vi) limited investment by members of the Cluster in the ‘secretariat’ support functions which limits the scope, nature and quality of services to be delivered. (UNDP)

From UNEP’s point of view, coherence between multiple United Nations agencies is extremely important: when the United Nations speaks with one voice, the impact of its activities can be both deeper and more meaningful. A comprehensive, coordinated approach which takes into account each agency’s area of expertise is in a position to offer more to each recipient state/region’s development agenda. UNEP, for its part, can provide guidance on environmental issues, facilitating dialogue and cooperation on the environmental pillar of sustainable development, particularly in light of the proximity of MDG stocktaking as well as planning for the future, post-2015 development agenda. (UNEP)

I agree to a certain extent. The Cluster offers the potential to design larger and ultimately more relevant interventions based on a package consisting of complementary technical expertise of cluster members. In practice, we are not yet fully exploiting this potential. The interventions I know are still too much the sum of individual interventions of Cluster members without fully exploiting synergies. Furthermore, we have to pay attention that we do not add up one bureaucratic layer to another. (ILO)

The UNCITRAL secretariat agrees with the statement. The coordination among so many different organizations is fruitful for the UNCITRAL secretariat, since, given its small size, it increases the opportunities to reach out to countries as well as to United Nations country teams, which are often unaware of the contribution to legal reform (in the commercial sector) UNCITRAL can provide. (UNCITRAL)

I do agree with the statement. However, based on experience, my observation has been that the regional commissions, at least in the case of ECA, we have not been as involved in the country level implementation of Cluster activities as we should have. (UNECA)
In the view of ECE, the Cluster contributes to ensuring effective interagency coordination on trade and related issues both at the global and country level. In particular, the Cluster promoted the adoption of common approaches in the framework of UNDG, which resulted in the integration of trade and economic development issues in UNDAF and One United Nations programmes. At the country level, the Cluster provides new opportunities for enhancing the impact of each agency’s work by ensuring greater access to a combined expertise of various agencies, as well as by strengthening coordination on the trade development issues between the members of the Cluster, United Nations Resident Coordinators, governments and donors. One of the areas for improvement is strengthening the involvement of the Cluster in interagency coordination on trade and related issues at the regional level, in particular through the Regional Coordination Mechanism (RCM) and the United Nations Development Group (UNDG). (UNECE)

ESCAP agrees with the above statement. However, there is much that needs to be done for an effective functioning of the Cluster. For an effective mechanism it is important that all the Cluster agencies share their activities on a regular basis with each other, well in advance, so that if another agency of Cluster wants to participate/ is organizing another event during the same time, they can consider working collectively and use each other’s resource persons and other resources. From a regional commission’s perspective, it would be important that the Global focal point develops a more systematic and robust information sharing mechanism, as this would provide the basis needed for possibly more concrete joint actions. Much of the benefits of the Cluster approach can be obtained if we can, through it, get a full and advance picture of “who will and is doing what, where and when”. One key organizational issue affecting the effectiveness of the Cluster is the overlapping scope of work of the various Cluster agencies, such that it is unclear who should take the lead on what part of a given project. For example, the global Cluster focal point (UNCTAD), having a broad mandate and scope of work on trade and investment, can potentially claim lead on any or all parts of any Cluster project that may be jointly developed; in turn making its role as impartial coordinator inherently extremely difficult. (UNESCAP)

ESCWA agrees that combining knowledge and expertise of various agencies provide for more ability of the agencies to provide comprehensive work taking into account the various issues and the interdependencies of issue such as trade with social issues, trade with environment, food security and trade liberalization, etc. To this we would like to emphasize that ESCWA must always be involved in activities related to the region. (UN-ESCWA)

We definitely agree with this statement from the UNOPS perspective. Given the broader scope of competencies brought together through various agencies, it becomes possible through Cluster kind of programs to tackle a wider range of
issues and provide a more coherent support to given sectors. Example: In Lao People’s Democratic Republic we are dealing with the tourism sector. We support stakeholders on food hygiene and safety issues (UNIDO), labor standard in the sector (ILO), backward linkages (ITC), environmental impact (UNIDO) and policy recommendations (UNCTAD). (UNOPS)

The development impact of the Cluster proved to be much wider and deeper than the impact achieved by the operations of agencies acting alone. The Cluster allowed the effective participation of UNCTAD in the United Nations Development Assistance Frameworks (UNDAFs) and similar exercises at the regional levels developed in the context of the United Nations system-wide coherence. For UNCTAD staff, the Cluster is felt as the most effective inter-agency coordination mechanism UNCTAD has been involved in as it makes One United Nations really work from an operational perspective, both at the project conceptualization and implementation levels. It also provides an opportunity to United Nations agencies covering complementary issues in their mandates to engage in focused projects, knowing that sister agencies will take care of the rest. Finally it is emphasized that the Cluster is providing UNCTAD with greater visibility and enhanced recognition of its role within the United Nations system. (UNCTAD)

**Question 2: Within the Cluster, the coordination has been established with a gradual process of “learning by doing”, and it has achieved different degrees of effectiveness and success. What are, in light of your experience, the Cluster’s operations or initiatives that show good or bad practices and what should be done to ensure constant improvements and consolidation of this inter-agency mechanism?**

The Cluster can be a powerful tool for advocacy at the conceptual level and therefore it should be used in a more regular/strategic way to promote the key role of trade and productive capacities for sustainable development, especially in the debate on the post-2015 agenda and the SDGs. Joint programming is a good initiative, but can be hampered if an agency does not have the specific funding to participate in a field trip. Ideally, a “fund” such as the EIF or other provision for programming would facilitate programming exercises. TCB Resource Guide was a good activity in support of the Cluster, creating more visibility on “who does what”. (UNIDO)

Joint missions and coordination at the planning stage to ensure that countries are negotiating with one entity appear to be an example of good practice. The extent to which this has, or needs to be, translated to resource mobilization and implementation is less clear. (FAO)
As correctly stated, the process has been learning by doing. As such it is difficult to identify the “worst” practices. Each phase of the process has been useful as far as ITC is concerned. To ensure its consolidation and effectiveness it would be important to find a way to involve donors so as to expose them to coherence building approaches in TRTA. (ITC)

We would have arguments along the lines of those developed above, where the complementarities to current activities and programs should be encouraged. (WTO)

In relation to good practices, the following could be mentioned: the joint approach by agencies in Cabo Verde in documenting and advocating along with the Government on the potential role of the creative economy sector for development and job creation has contributed to mobilize technical and financial resources for the sector from bilateral (European Union, Luxembourg) and multilateral donors (World Bank). In the United Republic of Tanzania, the United Nations-SECO project is a good example of the Cluster’s coordination. Efforts have been made to align the project with other on-going trade capacity development interventions such as the EIF “Capacity development for Mainstreaming Trade” project (Tier 1) being implemented by UNDP and the Government of the United Republic of Tanzania. The sharing of experiences, knowledge and proposals from agencies presented in a common platform for analysis by Government officials and donors, as done Myanmar was appreciated by partners. The joint resource mobilization efforts undertaken by the Cluster for the Aid for Trade Initiative for Arab States. On the weak side, the inability of Cluster agencies to mobilize their “own resources” for country activities is not well perceived by development partners and programme countries, and makes it more difficult to mobilize “additional” funding for Cluster activities. Ambitious programmes not matched by realistic resource mobilization possibilities generate concerns about the capacity of the Cluster to deliver on commitments. Similarly, in some instances, the lack of knowledge by the Cluster/agencies on ongoing initiatives by bilateral donors and Government on trade and productive capacity undermines its ability to articulate a response that best responds to the country context and is thus perceived as top-down by local partners. To enhance effectiveness, it is suggested to appoint for each Cluster’s specific intervention a lead agency, which will take overall responsibility for programming, reporting and financial issues, etc. on behalf of the Cluster. This will simplify administrative and coordination processes for partners. Such an approach has implications for the accountability framework of joint Cluster initiatives. (UNDP)

The positive impact of the Cluster’s efforts to offer coordinated assistance can be seen most clearly in the context of One United Nations programmes and the UNDAFs, which, in their turn, were created with a similar objective of ensuring
that, instead of a soloed approach to development assistance, United Nations agencies should provide support and guidance in a holistic manner, with the relevant activities of each agency complementing those of the rest. Maintaining close contacts between agency representatives forming part of the Cluster, participation in thematic events organized by each, and keeping each other up-to-date with the latest developments in each agency’s work in areas relevant to the Cluster’s activities, is essential. (UNEP)

The gradual process is good, but we need to make sure that we continuously improve. I think the cooperation model of a group of equals working on the basis of mutual consensus is not always the best fit as it implies very lengthy negotiations and a lack of accountability. We should rather test the consortium model with one agency as a clear lead. This might guarantee a quicker turnaround time, one face to the donor, and more accountability. (ILO)

Examples of what can be considered valuable initiatives: the initiatives aimed at raising awareness on the importance of trade and productive capacity in the context of development cooperation (e.g. the trade capacity building resource guide, the training module on trade and the UNDAF etc.). Improved coordination is suggested in lobbying the UNCTs in the context of the UNDAFs to raise funds for Cluster interventions at country level. (UNCITRAL)

I found the preparation of joint position (ideas) in the lead up to some of the sessions in New York or UNCTAD conferences as a best practice. The process through which the cluster achieved common message and examples is a best practice in the sense that it helped realize focused arguments and recommendations. (UNECA)

One of the objectives of the Cluster is to contribute to strengthening policy coherence, interagency cooperation and integrated activities on trade and economic development within the United Nations system, with a particular focus to the country level. During the 7 years of its operation, the Cluster has played an important role in ensuring that trade and productive capacity issues are integrated in the UNDAF and One United Nations programmes. This has contributed to improved institutional and human capacity for trade policy formulation and implementation in the UNDAF and One United Nations countries. However, the UNDAFs and One United Nations programmes are skewed towards social development. The Cluster could contribute to further strengthening the economic component of UNDAFs and One United Nations programmes, to ensure the inter-linkage between social, economic and environmental pillars of development. (UNECE)
Each Cluster member is also working in parallel as an individual organization due to their organizational work programme. Its work programmes are being formulated keeping in view its own objectives and that of its own set of members. It would be useful if at the initial stage of formulating the work programme, each agency could also include Cluster’s role. It is important to ensure that any and all actions/projects implemented under the name of the Cluster be developed in consultation and/or with the full knowledge of all Cluster members, in particular the regional commissions when the projects take place in their member countries. **(UNESCAP)**

ESCWA believe that better coordination mechanism is needed especially when it comes to project formulation and implementation and especially with regional commissions when work is related to a member country. A suggested mechanism could be a cyberplatform in which much coordination and dissemination of information can be done effectively along with binding commitment of proper consultation among all members regarding each new project. **(UN-ESCWA)**

So far and according to UNOPS experience, the coordination among cluster agencies is good. At an operational level, the role of “International Coordinator” that is managing cluster kind of intervention is critical. Its neutrality, being mainly recruited by UNOPS, seems to be a guaranty of the coherence of the interventions. It offers more efficient setup that the traditional “lead agency” mechanism in joint programmes. **(UNOPS)**

In the context of the United Nations coherence “Delivering as one”, UNCTAD greatly contributed to enhance the coordination of technical assistance at the national and regional levels in the area of trade and productive capacity. UNCTAD facilitated the coordination between the national partners (involving the capitals and permanent missions to the United Nations), the Cluster’s participating agencies (through the extensive use of videoconference/audio conference facilities to connect the diverse agencies’ field offices, regional offices, coordination offices and headquarters), the United Nations Resident Coordinators offices and donors (at the country level and capitals). When designing new UNDAFs, UNCTAD formulated and coordinated specific outcomes/outputs on economic growth to be carried on by the Cluster with a view to avoiding duplication, ensuring efficiency, and more importantly, adding value to the quality of United Nations assistance through diverse expertise that exists within the United Nations system. Focus should be given to country level sectoral projects, where existing inter-agency coordination mechanisms are often weak but where all stakeholders have to clearly win by putting in place better coordination. Such thematic approach, firmly anchored within the overall “Delivering as one” architecture should now be replicated and become standard operating procedures as they would greatly ease the coordination between the United Nations agencies, the national partners, the
United Nations Resident Coordinator system and the donors. A more holistic vision shared within the Cluster on the practices empirically developed over the years should aim at promoting their systematic replications to become “automatisms”. Guidelines could be developed within the Cluster to formalize such practices and orient the Staff members newly appointed in the different Cluster’s participating agencies and not yet familiar with the Cluster’s operations. (UNCTAD)

**Question 3:** What are your main agencies’ specific constraints to an expanded delivery through the Cluster (in terms of planning processes, delineation of accountabilities for delivery, resource mobilization etc.) and what would you expect from the Cluster to overcome such constraints?

Inter-agency coordination for technical cooperation should not only be applied for fund raising but should also be consistently reflected at the implementation stage; joining forces for the purpose of getting resources and then fragmenting again when it comes to spending them is bound to have a limited impact. Greater attention should be given to the adoption of a “variable geometry” approach; certain joint initiatives could be more effectively pursued without necessarily involving all the Cluster members – if local circumstances so require. (UNIDO)

In the past, FAO’s ad hoc nature of planning, and the absence of a results framework have made it difficult to know much in advance which activities are likely to take place in which countries. Compounding this difficulty has been a weak linkage between the planning of regular programme (assessed) resources and extra-budgetary resources. The introduction from January 2014 of a results framework should allow managers to have a much better idea of likely activities during a two year programme, and importantly, the ability to allocate resources exclusively to activities that contribute to agreed results. In the case of trade related work at FAO, output indicators are specified in terms of support to trade related agreements, and outcomes in terms of the alignment of trade policy to trade agreements, providing for a more focused set of activities at country, regional (with the regional economic commissions) and global levels. This process should facilitate the identification of focus countries of intervention and trade related activities, allowing easier identification of synergies with other cluster members. The Cluster could generate and make available information on their each agency’s results frameworks, country strategies and focus countries to facilitate coordination across the cluster members. (FAO)

Our main constraint would be related to the risk that implementation is delayed due to the additional steps. (ITC)
The decision to design and implement WTO trade capacity activities and programs is driven and decided upon by the Intergovernmental processes of the organization. Partnerships are widely encouraged and used. Those partnerships seek complementarities and are encouraged to avoid duplication. (WTO)

To expand the delivery of support activities to programme countries through the Cluster, the following can be mentioned: Structure each Cluster’s intervention around the lead of one agency which will take overall responsibility for programming, reporting and financial issues, etc. on behalf of the Cluster (see response to previous question). Undertake joint resource mobilization for Cluster initiatives, including for country UNDAFs. It may also imply the Cluster carefully ponders the scope of country interventions to better align to expectations regarding resource mobilization. Promote enhanced flexibility by Cluster’s agencies in the design and delivery of interventions to facilitate the implementation of integrated joint programmes – as opposed to a collection of individual agency activities. Invest in closer engagement of Cluster’s agencies with national partners to ensure sufficient inputs and support in programme design and implementation. This will contribute to more effective delivery of support. (UNDP)

It would be good to receive some clarification from authors of the questionnaire on this point (in terms of the specific agency constraints – this is slightly confusing). At the moment we can offer a more general remark. It would be good to have an opportunity to sit down with the other agencies for a meeting to further map out and clarify the general outline of the Cluster’s accountability, and planning structures, as well as to assess its overall capacity with a view to expand and increase it. With new agency representatives and partners joining the initiative, who might be unfamiliar with the work of the Cluster, its “terms of reference” should be made clearer. Another suggestion would be to strengthen the current page for the Cluster on the UNCTAD website with a more detailed overview of its activity and structure. (UNEP)

It is as with all partnerships, you try to compare the benefits of a cooperation (see answer to question 1) with the cost (transaction cost). We need to work on both fronts, increasing the benefits and reducing transaction cost. (ILO)

Ideally doing more through the Cluster would be good to us as long as the Cluster could help us to raise funds for projects/activities. Certainly it would also be relevant to ensure coordination with those streams of activities that are not implemented through the Cluster. (UNCITRAL)

I believe the fact that strategic plans and programme budgets are prepared without consultations between the agencies is one reason why delivery through the Cluster
faces challenge. In addition, the fact that individual agencies go out to mobilize for XB resources on their own is another reason why outcomes are not jointly owned. In that sense, it would be important for the cluster agencies to have a way of sharing their strategic plans and/or programme budgets. That way, it would be easier to identify potential areas where there are more than one agencies working on an issue – this would most likely lead to more joint implementation. *(UNECA)*

One of the key constraints to expanding ECE’s delivery through the Cluster is the lack of resources for technical assistance. To that end, the Cluster would be instrumental in exploring the possibilities for joint resource mobilization in support of joint projects, in particular from multi-donor trust funds established under the One United Nations programme. *(UNECE)*

**Question 4: Thanks to very frequent contacts and working relations, the cohesion and therefore the effectiveness of the Cluster’s focal points is much higher at Headquarters’ level (Geneva, Vienna, Rome) than at the regional or national levels for both resident and non-resident agencies. What are the views of the Cluster’s members in this regard? What could be done to enhance the effectiveness of the Cluster at the country level?**

HQ regular contacts are important for coordination and overall planning and should be maintained. There should be regular local meetings of cluster partners and with local counterparts. Phone conferences between field and HQs should be strengthened. *(UNIDO)*

Improving cohesion across all countries in which cluster members are active may be difficult, indeed inefficient. However, if “focus” countries in which a large number of agencies are likely to be active can be identified, efforts can be made to strengthen coordination and communication in these countries. Coordination could also be strengthened at the regional level, through those regional offices that are actively involved providing trade-related assistance and the regional economic commissions. *(FAO)*

We agree that, like other Geneva-based initiatives, effectiveness and visibility are higher in Geneva. To enhance effectiveness at the country level we would need to enhance the in-country network and make sure of its involvement in the different local decision making arrangements. *(ITC)*

Resident Coordinators of the United Nations have a key role to play. The WTO encourages further sensitization and training of these RCs to international trade issues. They can be a key component to delivering on some trade capacity projects.
Likewise, in LDCs the EIF National Steering Committees, NIUs and DTIS implementation modalities can be used to enhance coherence. (WTO)

While there have been improvements in making United Nations agencies “work” more jointly some challenges remain. More concretely, while progress has been made in the development of joint programme frameworks – e.g. UNDAFs and joint programmes as those promoted by the CEB Cluster – there has been less progress in terms of joint implementation. To enhance the effectiveness of the Cluster, it is proposed to: i) undertake joint resource mobilization for programmes; ii) define joint implementation structures (see response to question 2 above); iii) enhance the engagement of cluster agencies with national counterparts through regional representation and/or regular visits of qualified-middle rank staff in country; v) improve information exchange at the operational/project level. (UNDP)

In this regard, to improve the Cluster’s performance, it would be opportune to talk directly to decision-makers in each target country to identify areas where assistance is needed most. This can be done through the network of United Nations Country Teams, led by Resident Coordinators. It would also be helpful to organize a series of events where stakeholders could discuss and make informed decisions on priority issues and areas in each country’s development agenda. (UNEP)

I guess they look at it the same way as I do (see answer to question 3). (ILO)

Agreed, but no particular views on how involvement of regional/national focal points in the Cluster can be strengthened other than keeping them informed of Cluster meetings and initiatives and inviting them to participate (teleconferences, Skype etc.). (UNCITRAL)

I certainly agree that I do feel like the cluster is more cohesive among the agencies in HQs duty stations. Somehow, it comes out like the HQs agencies do the cluster coordination as their day job, while those at the country and regional levels see the Cluster activities as additional. As to how the cluster effectiveness at the regional level can be achieved, I thought the linking of the Cluster with the regional consultation mechanisms of the United Nations could do that. (UNECA)

As a non-resident agency, ECE has no representation at the country level. In our view, the Cluster members must improve communication and coordination between their Headquarters, regional/subregional and country offices to ensure that the Cluster members speak in one voice and act as one on trade-related issues. In addition, the Cluster could focus on developing joint projects/programmes in common areas of expertise and undertaking joint resource mobilization in support of joint activities. (UNECE)
The very purpose of having a global focal point for Cluster is to have effective coordination. Regional agencies, at times are more effective for coordinating purposes by virtue of their location advantage and therefore it is not universally true that the effectiveness is only at the HQ level. The nature of the work programme or activity drives (or should drive) which agency should play a major role and act as a hub. In case of Myanmar, ESCAP (at regional level) and UNDP, ITC, UNIDO and FAO at individual level have played important role – as they had pre-existing local and/or regional presence there. For example, ESCAP coordinated through its advance communication on organization of a Business Forum held in Myanmar in 2013 and also coordinated meeting with private sector as well as development partners to facilitate all willing Cluster agencies participation. (UNESCAP)

ESCWA believes that a better coordination and involvement can activate others and enhance their role. (UN-ESCWA)

This is true. It would be important in the future to raise awareness of regional and country offices of cluster agencies of the ongoing discussions taking place at HQ level. Also, cluster programs agreed at HQ level should be managed by the people initially involved in the design of the programmes. (UNOPS)

**Question 5: The Cluster does not have a “secretariat” like some other United Nations interagency mechanisms. UNCTAD, in view of its broad mandate on trade and development within the United Nations system, was requested by other agencies to steer the Cluster when it was established in 2007. UNCTAD facilitates the coordination by ensuring contacts, transparency, inclusiveness and exchanges of information, and providing the overall integrated vision that is at the core of the Cluster’s objectives. What are your agency’s views in this regard? Is this informal arrangement a positive or a negative aspect for the role and the impact of the Cluster?**

Good coordination role, good driver for joint activities, programming, certainly increasing coherence, cooperation and impact. Light structure is better than heavy/costly (?) secretariat, at the moment such informal coordination is enough. (UNIDO)

The informal nature of the arrangement may be appropriate given the widely different mandates, clients, modes of operation etc. of the Cluster members, given that transaction costs need to be kept to a minimum, but this informality may prevent the Cluster from upscaling activities (see question 6). (FAO)
The role that UNCTAD has played has been crucial for the success of the cluster. This has been done in a commendable manner and without creating formalisms and admin burdens over the other agencies. We would be absolutely favourable if the arrangement as such could continue also for the future. Actually we doubt that any other form of arrangements could fit the purpose better than the present one. (ITC) We would share the view of avoiding the creation of new structures but would encourage supporting current coordination work undertaken by UNCTAD. We would encourage wider use of information technology tools to enhance coordination. (WTO)

UNCTAD’s efforts to steer the Cluster are commendable. The informal character of the coordination arrangements makes them flexible and adaptable. On the other hand, the combination of informality and resources constraints has implications for the effectiveness of “services” that UNCTAD can provide to the Cluster. Moreover, accountability lines are unclear. In certain circumstances, for instance, it is not evident how Cluster decisions are made which creates confusion for partners and agencies at different levels. Moving forward it will be worth exploring options for sharing responsibilities among Cluster’s agencies and refocus the coordination role at the global level. More concretely, the “Cluster” can better leverage existing UN-wide structures and mechanisms for coordination avoiding a duplication of efforts. This is particularly relevant at the regional level, were regional commissions should play the leading role. The HQ coordination structures and the cluster global coordination arrangements should emphasize engagement with DOCO and other United Nations-wide structures meant to ensure that all United Nations specialized agencies and programmes – and particularly so the non-resident agencies, are able to participate in country-level programmes. The cluster HQ coordination efforts will ensure information sharing, inputs to United Nations system processes from agencies of the Cluster, etc. (UNDP)

This informal format of the Cluster is, in UNEP’s view, an advantage in this particular case. With no institutional constraints that inevitably arise in the work of mechanisms such as secretariats, but rather working in the format of a dialogue and information exchange between independent United Nations bodies whose activities and expertise are already institutionalized, the Cluster can achieve significant results. At the same time, the Cluster could benefit from strengthened and more frequent contacts. (UNEP)

The informal arrangement is good and should be continued. (ILO)

The UNCITRAL Secretariat is happy with the current arrangements and the way UNCTAD performs its role of coordinator of the Cluster. Keeping the structure informal makes things easier to discuss and faster to implement. Furthermore, formal arrangements that may imply financial contributions from the members of
the Cluster would not be sustainable for UNCITRAL. However, some concerns also for the current arrangement in the long run. What if UNCTAD’s priorities change and it is no longer willing to provide coordination? (UNCITRAL)

I think the informal arrangement is double-edged. If it is formalized, it is easy for the Cluster to be seen as an UNCTAD Cluster. If it remains informal, still other agencies might still abdicate their expected responsibilities. I am not sure whether having other big agencies taking responsibility to coordinate in different cycles might help. Say UNIDO or WTO or UNEP coming in and taking the coordination of the Cluster. This could be an idea, and might help entrench the original aspirations of the Cluster. (UNECA)

In our view, the existing mechanism of coordination within the Cluster proved to be effective in terms of its transparency, flexibility and inclusiveness. We believe that the current arrangement was adequate for ensuring effective interaction between the members of the Cluster during the initial phase. (UNECE)

Each agency has a different role and mandate to work. Cluster can effectively function as a coordinating body rather than forming a secretariat or another United Nations agency. The informal arrangement is positive as it does not infringe upon individual agencies own working mandate while at the same time provides enough flexibility to work together. Creating a secretariat would mean having another bureaucratic level which we must avoid. (UNESCAP)

ESCWA thinks it would be better to assign a secretariat for the Cluster given its size and big role. (UN-ESCWA)

UNCTAD is playing an active role in its coordination mandate and this is definitely been positive and will remain as far as the organization continues in this path. In the future it might be recommended to formalize this agreement and the inclusion of UNOPS as a “co-chair” of the Cluster could bring value because of the organization’s neutral role. (UNOPS)

**Question 6:** Fundraising is crucial for all the agencies of the Cluster, in spite of the important differences in their individual financial structure and in the volume of human and financial resources that each one of them allocates to the theme of trade and productive capacity, according to their mandates. How do you assess the current role of the Cluster on resource mobilization, and what concrete steps should be envisaged? How do you see the role of the Cluster in the competition among agencies for attracting donors’ funds?
The Cluster can be a good tool for joint fund raising for a systemic inter-agency programme. It offers an opportunity to overcome agency competition in same country. It also provides increased donor attractiveness through an inter-agency comprehensive service package to a country (larger, more expensive). (UNIDO)

In the past, funding has been discrete, with earmarked funding for certain activities. For the most part, agencies have been using their own resources to participate and contribute to this process. Unfortunately this has contributed to the Cluster being unable to scale up its work. For the Cluster to gain greater credibility and be able to meaningfully engage in country programming, resources are needed. The establishment of an MDTF with rotation of cluster members as lead agency (on an annual basis) for the management of such a fund, etc. could provide a mechanism for achieving this. Together with joint programmes at the country-level, there is a growing funding trend of thematic global MDTFs. As an example of this, FAO is having a very positive experience with the UN-REDD Programme (United Nations Collaborative Programme on Reducing Emissions from Deforestation and Forest Degradation). The Cluster should therefore consider such an option for resource mobilization. (FAO)

This is by far the most important area of attention for the cluster for the future. It is only by different forms of involvement of the donor in the Cluster that some of the issues raised may be hopefully solved. Some form of competition among agencies could be considered as healthy only if limited and does not end up to be rivalry. Full coherence can be generated by the cluster only if the local network is enhanced and the donors involved. (ITC)

We have no particular views of this particular issue. (WTO)

A comprehensive approach which addresses programming and resource mobilization of the Cluster interventions in tandem has the best chance of promoting effective delivery by the Cluster. Presenting a common front to donor partners inspires trust and shows unity of purpose to which a donor would be more attracted to be associated with. The Cluster coordination efforts at global level could focus on strategic resource mobilization services by undertaking research and exploring possible avenues for funding from IFI, new and small emerging donors with small administrative capacity to implement programmes, etc.; share information of United Nations-wide guidance in United Nations joint operations at country level and inform those discussions with inputs from the Cluster’s agencies, etc. Finally and closely related to resource mobilization efforts, the Cluster coordination efforts at global level should dedicate resources to document the results of the Cluster at country level in a more systemic way. (UNDP)
At the meeting in November 2013 it was agreed that resource mobilization mechanisms at the global, regional, and local level would be explored. This triple level format is a good example of a comprehensive approach to resource mobilization, identifying multiple funding options with a variety of partners. From experience, UNEP is aware of the benefits of EU assistance to development projects. Its reliable network of contacts with the DG DevCo in the European Commission can offer potential funding opportunities in the context of assistance to developing countries in the pan-European region and beyond. (UNEP)

I would expect the Cluster to focus on fundraising opportunities that are clearly additional to what the individual members can get (let’s face it, there is sometimes fierce competition among United Nations agencies and we as Cluster members would strongly dislike to be crowded out by the Cluster). SECO is a good example as the Swiss having a clear preference for the Cluster would not have gone for individual agencies. (ILO)

As mentioned in the reply to question 2, a more proactive role of the Cluster in coordinating fundraising (maybe for activities in the context of the UNDAFs) would be appreciated. This would also avoid, or at lists it would limit, competition among the agencies in attracting donors’ funds. (UNCITRAL)

As a regional commission, I never feel like there is competition for resources of donors. What I feel is lacking is sharing of information on programmes where each agency could contribute through its resources. Maybe one way this could be addressed, is to exploit comparative and competitive advantages of agencies and their locations. (UNECA)

In our view, the Cluster currently plays a limited role in resource mobilization. Strengthening its focus on joint resource mobilization at the global (through exploring the possibility of establishing a global thematic multi-partner trust fund on trade) and national (through the multi-partner trust funds under the One United Nations programmes) levels could be important for enhancing the role of the Cluster. (UNECE)

Identification of common work programme is a pre-condition for any such exercise. Cluster has a bigger advantage to get funding provided it works effectively. For this a detailed activity sheet need to be prepared before going o the donors. Most of the times, the donors are only given a broad overview of what Cluster intends to do and the steps to provide the details relating to goals, objectives, expected accomplishments are ignored. For effective funding the same professional approach needs to be taken which any individual agency carries to get the funding. Donors will not put money only due to the fact that a few United Nations agencies have joined hands to do a national/regional/global work
programme. A proper document must be prepared in order to get funding. (UNESCAP)

ESCWA believes that the fund raising issues is very crucial and needs to be better coordinated and competition should be avoided. This can be through the clear role and mandate of each agency in certain project and the assignment of certain agency to lead the fund-raising with the participation of other members, in a case by case basis. Additionally, ESCWA believes that an efficient evaluation and monitoring system of activities under the cluster should be implemented. (UN-ESCWA)

So far, funds mobilization of the cluster is rather weak. It is mainly due to the fact that member agencies still seem to struggle coming up with coherent and ambitious joint proposal. Facilitation by UNOPS in this regard could bring value, helping each single member to broaden its perspective by providing a broader scope of information and identifying articulation points between each agency’s core competencies. Also, the promotion of the Cluster as such should be conducted by a neutral partner (e.g. UNOPS) with full support from the other agencies to avoid potential conflict of interests and competition between agencies on given programs. (UNOPS)

UNCTAD would recommend to point out as principle that the “financing as one” matters as much as “Delivering as one”. The “Delivering as one” new funding framework including the multi-donors trust funds (MDTFs) and related mechanisms such as the standard United Nations Development Group (UNDG) “United Nations to United Nations contribution agreements” provide flexible, coordinated and predictable funding. The main lesson learned is that only the countries supported by a MDTF are operational; a dynamic is created which proved to be enough to effectively implement joint operations and engage a common fundraising exercise. Much of the fund-raising depends on the resource mobilization capacity of the United Nations Resident Coordinators, and especially on their capacity to also represent non-resident agencies as well. In that context, UNCTAD would ask for the systematic establishment of Cluster joint resource mobilization’ exercises to be developed in close coordination with the United Nations Resident Coordinators within the overall resource mobilization strategies decided at the country level. UNCTAD would also recommend the establishment of global thematic multi-partner trust funds (global MDTFs). This would allow the Cluster to propose a more integrated and systematic approach with enhanced coordination from the headquarters levels to the regional/field offices on operational themes clearly identified as Cluster’s initiatives because of the mandates and expertise resulting from the membership of the Cluster. (UNCTAD)
UNITED NATIONS INTER-AGENCY’S AGREED RELEVANT ACTIONS FOR THE MEDIUM TERM

1. Thematic issues.

On thematic issues, the Cluster agreed that more joint initiatives on themes such as “youth employment” and “value chains” should be developed by the Cluster with a more integrated and systematic approach for better coherence and visibility.

In view of the above, interagency “road maps” identifying priority actions and possible common positions should be prepared within the Cluster, involving the interested members.

2. Common resource mobilization.

On common resource mobilization, the Cluster agreed to propose initiatives in the forthcoming months along a “triple level format” which a comprehensive approach to resource mobilization because it identifies multiple funding options with a variety of partners:

- At the global level, the Cluster agreed to work in view of establishing a global thematic Multi-Partner Trust Fund (global MPTF) on trade and productive capacity. This would require, within the Cluster, a “task-team” composed of the Cluster's agencies members of the United Nations Development Group (UNDG) Fiduciary Management Oversight Group to start the procedures for the establishment of such Fund on the basis of the relevant UN standard rules.

- At the regional level, the Cluster agreed to set-up an agenda for the year 2014-2015 to develop joint Cluster’s resource mobilization to be led by the UN Regional Commissions and UNDP regional centres, in close cooperation with the United Nations Resident Coordinators in the regions, being responsible for the overall resource mobilization exercises in their respective countries.

- At the national levels, in particular in the Least Developed Countries, the UNDG standard “UN to UN contribution agreements” that UNCTAD successfully experienced in 2013 could be a new source of financing for the Cluster joint operations.
3. **Cluster’s communication**

Regarding the Cluster’s communication, there is a need to improve the United Nations Inter-Agency Cluster web-pages currently posted on the UNCTAD website with a more detailed overview of the UN Inter-Agency Cluster’s activities and structure. This information should be visible, through hyperlinks, in the websites of the agencies members of the Cluster.
D. THE MANDATES OF THE MEMBERS OF THE CLUSTER

The section below highlights Programmes specifically related to trade and productive capacity in the agencies members of the Cluster.

UNCTAD\(^9\)

UNCTAD is the focal point of the United Nations for the integrated treatment of trade and development and interrelated issues in the areas of finance, technology, investment and sustainable development, in concordance with United Nations General Assembly resolution 1995(XIX) of 30 December 1964 which established UNCTAD as an organ of the General Assembly. This mandate was reaffirmed at the UNCTAD XIII ministerial conference held in Doha in April 2012.

Since its inception, UNCTAD has offered a comprehensive and multidisciplinary perspective on the interface between trade and development, focusing on the international trading and financial system and its implications for developing countries. UNCTAD aims to ensure greater understanding of the interrelations between international processes and negotiations on trade and investment, and the development strategies and economic policies that countries put in place at the national level.

UNCTAD provides technical assistance based on the research activities carried out by its secretariat, and on the consensus that emerges from UNCTAD’s role as a policy forum that encompasses both developed and developing countries. All developing countries (particularly the least developed countries (LDCs)) and transition economies are beneficiaries of UNCTAD’s technical assistance operations, which are country-specific, regional or interregional. UNCTAD’s operations seek to:

- Enhance the human and institutional capacities of developing countries to strengthen their development policies and to create an institutional environment conducive to sustainable development;
- Help developing countries to better understand their economic problems and to find tailor-made solutions; and

Enable developing countries to become effective negotiators in the fields of international trade, finance and investment, and help them to implement the results of those negotiations.

UNCTAD’s technical assistance is delivered through 17 thematic clusters, which encompass the following areas of assistance:

1. Policy formulation and trade negotiation skills (services, market access, trade preferences);
2. Trade analysis capacities and information systems (analytical tools and databases, new and dynamic sectors, trade adjustment reviews, South–South trade);
3. Commodity sector development and poverty reduction (commodity policies and practices, trade standards and certification requirements, sustainable development in the extractive industries, marketing systems);
4. Competition policy and consumer protection (in institutional capacities on competition law and policy, formulation and enforcement of competition and consumer protection rules);
5. Trade, environment and development (food safety requirements and market access; the interface between trade, the environment and development; organic agriculture; sustainable resource management; the Biotrade initiative; the Biofuels programme; trade, development and investment opportunities in the climate change regime);
6. Foreign direct investment – trends and issues;
7. Investment policies (investment policy reviews, international investment agreements);
8. Investment facilitation (e-tools for business facilitation, I-guides and investment guides, corporate transparency, insurance, intellectual property);
9. Enterprise development;
10. Globalization and development strategies (economic analysis for improved economic governance);
11. Strengthening the debt management capacity of developing countries (the Debt Management and Financial Analysis System (DMFAS) programme);
12. Transport and trade facilitation (trade logistics, transport and trade facilitation policies and negotiations, and customs automation via the Automated System for Customs Data (Asycuda) programme);
13. ICT policies and applications for development (ICT measurement, e-commerce and law policies, development of ICT policies);
14. Cross-divisional training and capacity building (TrainForTrade, the Virtual Institute, the Port Training Programme);
15. Science, technology and innovation (technology transfer, South–South cooperation, policy reviews);
16. Productive capacities in landlocked developing countries, small island developing States, and structurally weak, vulnerable and small economies;
17. Strengthening support for trade mainstreaming into national development plans and/or Poverty Reduction Strategy Papers in LDCs in the context of the Enhanced Integrated Framework.

**UNIDO**

UNIDO is the UN agency responsible for the development of productive industrial capacities. Since more than 30 years, UNIDO provides technical assistance for the development of the productive sector, in particular the private small and medium enterprise sector. UNIDO’s technical assistance includes the development of the enabling institutional environment for the development of competitive supply capacities and their integration into production, supply and trade relations in a national, regional and international perspective, with a specific focus on agro-industry.

UNIDO’s technical assistance also includes the development of national and or regional quality infrastructure and services in order to enable countries a better implementation of multi-lateral trade rules, such as the TBT and SPS agreements.

UNIDO supports the development of quality infrastructure in the areas of standardization, product testing and metrology/calibration laboratories, inspection services, accreditation, systems and product certification, traceability, quality promotion, etc.). Within the development of quality infrastructure and services, UNIDO also offers a complete range of food safety related technical assistance (Development of legal and regulatory framework, Competent Authorities, compliance development along the supply chain).

UNIDO’s technical assistance programmes and projects support the Aid for Trade Initiative, and are strongly driven by private sector trade requirements. Within the Cluster UNIDO integrates its trade capacity building activities in joint inter-agency activities with other UN Agencies such as WTO, UNCTAD, FAO, ITC, UNDP, UNECE, UNECA, the World Bank,, as well as with other international technical agencies in the area of standards and conformity assessment such as ISO, ILAC, IAF, inter alia.

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10 http://www.unido.org
The Food and Agriculture Organization provides information and analysis on trade issues affecting agriculture, fisheries and forestry and assistance to member countries to build trade-related capacities.

FAO trade work dates back to well before the Uruguay Round of negotiations and addresses broader policy and market issues of relevance to agriculture, fisheries and forestry. FAO's approach is multidisciplinary in that it involves capacity building for trade, including analytical as well as operational field activities with a direct impact on supply-side and trade facilitation capacities. FAO has strengthened its programme of technical assistance aimed at enhancing the capacity of Member States - especially developing countries and economies in transition - to participate effectively in the trade negotiations and to derive maximum benefit from trade at the global and regional levels.

FAO’s programme of work on trade aims to:

- Provide analysis and neutral forums for debating the implications of negotiated agreements and trade reform at the global, regional and national level; Collate, analyse and disseminate data on global and regional market indicators;
- Ensure that trade and trade policies are conducive for overall economic development, agricultural development and food security;
- Promote, develop and reinforce policy and regulatory frameworks for food, agriculture, fisheries and forestry;
- Improve decision-making through the provision of information and analysis on trade policy and practices;
- Strengthen the supply-side capability of the agricultural sector, including fisheries and forestry, so that the sector is competitive and countries can take advantage of trade opportunities.

This assistance is intended to address member countries’ needs, particularly developing countries and countries in transition. The main beneficiaries are government and non-government entities in the agriculture, forestry and fisheries sectors.

11 http://www.fao.org
ITC

Mandate

Since 1964, the International Trade Centre has helped to enable small business export success in developing countries by providing trade development programmes to the private sector, trade support institutions and policymakers. ITC contributes to the growth of globally competitive companies and to their sustainability.

ITC works in partnership with the World Trade Organization (WTO) and the United Nations Conference on Trade and Development (UNCTAD), supporting their regulatory, research and policy mandates through trade-related technical assistance.

ITC overarching goal is to help developing and transition countries achieve sustainable development through exports and to deliver integrated solutions for “Export Impact for Good” in partnership with trade support institutions. Through Export Impact for Good, ITC puts trade to work for the MDGs, particularly in poverty alleviation, empowering women exporters, environmental standards in trade and post conflict trade development.

Mission

ITC enables small business export success in developing countries by providing, with partners, sustainable and inclusive trade development solutions to the private sector, trade support institutions and policymakers. Its three strategic objectives are:

- Strengthen the international competitiveness of enterprises through ITC training and support;
- Increase the capacity of trade support institutions to support businesses;
- Strengthen the integration of the business sector into the global economy through enhanced support to policymakers.

ITC can legitimately claim to be the “100% Aid for Trade” organization. The four pillars of Aid for Trade link directly to the three ITC strategic objectives. ITC has a strong comparative advantage in relation to the engagement of the private sector within the multilateral trading system of which WTO accession is one component.

12 http://www.intracen.org
Additionally, ITC contributes to the Aid for Trade agenda through support and advice for the Enhanced Integrated Framework (EIF) process.

Core Competencies

ITC technical assistance is delivered around its five key trade-related technical assistance competencies (“Business Lines”) namely:

- **Business & Trade Policy** - ITC supports the small and medium business sector to understand its role and to promote its interests in the formulation of national trade policies and in the negotiation of international trade agreements. It promotes business advocacy in the context of public-private sector dialogue and institutional consultation mechanisms;

- **Export Strategy** - ITC helps policymakers and governments, as well as enterprises, to formulate national and sector-specific export strategies. The process focuses on sustainable export growth and on mainstreaming trade into the broader development framework, including poverty alleviation, empowerment of women and environmental sustainability;

- **Strengthening Trade Support Institutions and the Business Environment** - ITC plays a critical role in helping policymakers and TSIs assist exporters to generate and develop sustainable business. ITC offers capacity building programmes, tools and methodologies and facilitates learning from good practices through benchmarking and networking. It also provides support for improving the trade environment through trade facilitation services, legal services and skills to have better access to finance;

- **Trade Intelligence** - ITC provides trade data, access to trade information, market analysis and expertise to enterprises, TSIs and governments to facilitate informed decision-making and increase the transparency of international markets;

- **Exporter Competitiveness** - ITC provides capacity building solutions for communities, SMEs, small producers and sectors, to make them export-ready and strengthen their competitiveness in international markets. It offers a suite of solutions along the whole enterprise and sector value chain. These are delivered through vocational training services, certified expert networks, customized business consulting and market exposure, with the overall aim of building skills, activating scale and removing obstacles to growth, thus ensuring long-term sustainability.
**WTO**

The WTO provides a forum for negotiating agreements aimed at reducing obstacles to international trade and ensuring a level playing field for all, thus contributing to economic growth and development. The WTO also provides a legal and institutional framework for the implementation and monitoring of these agreements, as well as for settling disputes arising from their interpretation and application. The current body of trade agreements comprising the WTO consists of 16 different multilateral agreements (to which all WTO members are parties) and two different plurilateral agreements (to which only some WTO members are parties).

Over the past 60 years, the WTO, which was established in 1995, and its predecessor organization the GATT have helped to create a strong and prosperous international trading system, thereby contributing to unprecedented global economic growth. The WTO currently has 153 members, of which 117 are developing countries or separate customs territories.

The Aid for Trade initiative was launched at the *Hong Kong Ministerial Conference in December 2005*. WTO's role in the Aid for Trade initiative is that of advocacy, analysis and debate, using its convening power and monitoring function to mobilize Aid-for-Trade financing, to highlight the needs of its Members and Observers, and to showcase effective implementation, including through regular reviews.

Aid for Trade is about assisting developing countries to increase exports of goods and services, to integrate into the multilateral trading system, and to benefit from liberalized trade and increased market access. Effective Aid for Trade will enhance growth prospects and reduce poverty in developing countries, as well as complement multilateral trade reforms and distribute the global benefits more equitably across and within developing countries.

The mandate and products of WTO's Technical Cooperation and Capacity Building consist in the following:

**Mandate**

Although WTO technical assistance (TA) existed from the GATT days, it took more prominence after the establishment of the WTO in 1995, mainly due to the increased scope of the mandate of the Organization, as well as the significant increase in developing country and LDC Members. Gradually, TA has now become firmly embedded in the work of the WTO.

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13 [http://www.wto.org/english/tratop_e/develop_e/teccop_e/tct_e.htm](http://www.wto.org/english/tratop_e/develop_e/teccop_e/tct_e.htm)
The current mandate of WTO TA has been laid down by the Doha Ministerial Declaration, which unequivocally stated that:

“Technical cooperation and capacity building are core elements of the development dimension of the multilateral trading system, and we welcome and endorse the New Strategy for WTO Technical Cooperation for Capacity Building, Growth and Integration”.

In pursuance of this, the Doha Declaration sets out the details of the mandate for TA as follows:

- Supporting domestic efforts for mainstreaming trade into national economic development plans and strategies for poverty reduction. The WTO Secretariat is required to do this in coordination with other relevant agencies;
- Ensuring that the delivery of WTO technical assistance assists developing, least-developed countries, and low-income countries in transition, to adjust to WTO rules and disciplines; and implement obligations and exercise the rights of membership, including drawing on the benefits of an open, rules-based multilateral trading system;
- According priority in TA delivery to small, vulnerable, and transition economies, as well as to Members and Observers without representation in Geneva;
- Significantly, Doha reaffirmed support for the work of the International Trade Centre (ITC), effectively making the private sector, a key constituency of ITC, an integral part of overall WTO TA;
- Members have emphasized the urgent necessity for the effective coordinated delivery of technical assistance with bilateral donors and other relevant international and regional intergovernmental institutions, within a coherent policy framework and timetable.

This mandate is made operational by the Annual TA Plans which have been consistently approved by Members. Effective from 2008, the TA Plan has now become bi-annual.

It is pertinent to mention that the WTO Secretariat is currently undertaking a review of its “mission statement” for TA. At the end of this review, proposals may be put forward to Members for a re-consideration of WTO’s mandate for TA.

Members have put emphasis on the need for technical assistance to benefit from secure and predictable funding. The result is the creation of the Doha Development Agenda Global Trust Fund (DDAGTF), which has provided an annual dedicated fund for TA.
The Products

The TA products are designed to ensure a feasible number of high quality activities, with expected durable effects. Each product comes with clearly identified objectives. In this way outcomes become measurable, making evaluation more meaningful. In defining the products, the approach that was adopted reflects the situation that each product targets a different need, and is based on different levels of knowledge of the participants.

At the moment the products are:

- General WTO-related TA and training;
- Specialized and advanced TA and training;
- Academic support for training and capacity building;
- Trainee programmes and internships;
- E-learning.

In addition to these products, which are essentially run by the WTO, there is the Enhanced Integrated Framework (EIF), which is a mechanism for identifying trade-related technical assistance to LDCs, implemented by six core agencies, namely WTO, ITC, UNCTAD, the World Bank, IMF and UNDP (see page 4).

The WTO also provides the Secretariat for the Standards and Trade Development Facility (STDF). The STDF is a joint initiative in capacity building and technical cooperation aiming at raising awareness on the importance of sanitary and phytosanitary (SPS) issues, increasing coordination in the provision of SPS-related assistance, and mobilizing resources to assist developing countries enhance their capacity to meet SPS standards.

UNDP

UNDP is the United Nations development network, connecting development partners to knowledge and resources in finding locally-owned solutions for building capacity, reducing poverty, promoting human development and achieving the MDGs. UNDP is present on the ground in over 160 countries and territories.

UNDP takes the view that international trade can play an important role in raising levels of human development and achieving sustainable poverty reduction. From this perspective, trade is a means to an end, not an end in itself. Properly harnessed, international trade can create opportunities for growth, poverty reduction and human development through for example:

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14 http://www.undp.org
• Expanding markets: exports allow an economy to overcome the constraints of its domestic market;
• Raising productivity: increased returns to scale in production resulting from access to international markets;
• Accelerated technological development: from increased exposure to new technologies and knowledge.

However, none of this is automatic or inevitable. Appropriate policies are also required across several fronts and sectors.

UNDP’s trade-related support has three main objectives:

• To help developing countries build capacity to compete internationally by overcoming supply side constraints, especially LDCs;
• To help developing countries build capacity to negotiate, interpret and implement trade agreements (multilateral, regional and bilateral) in a manner that prioritizes poverty reduction and human development;
• To help developing countries incorporate pro-poor, development-centered trade policies into national development strategies, including poverty reduction programmes.

UNDP also maintains an extensive private sector portfolio which seeks to foster inclusive markets and consists of two broad type of interventions: private sector development aimed at increasing the contribution of micro-, small and medium sized enterprises to economic growth and poverty reduction; and private sector engagement aimed at fostering partnerships with a range of companies from multinationals (northern and southern), to small and medium sized enterprises (SMEs), to enhance broad development objectives.

**UNEP**

The United Nations Environment Programme (UNEP) is the United Nations system designated entity for addressing environmental issues at the global and regional level. UNEP’s overall mandate is to provide leadership and encourage partnership in caring for the environment by inspiring, informing, and enabling nations and peoples to improve their quality of life without compromising that of future generations.

UNEP’s Governing Council requested UNEP in 2001 to “assist countries, particularly developing countries and countries with economies in transition, to enhance their capacities to develop and implement mutually supportive trade and

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15 http://www.unep.org
Located within UNEP’s Division of Technology, Industry and Economics, UNEP’s Economics and Trade Branch (UNEP-ETB) seeks to conserve the environment, reduce poverty, and promote sustainable development by enhancing the capacity of governments, businesses, and civil society to integrate environmental considerations into economic, trade, and financial policies and practices. UNEP also hosts a number of secretariats of Multilateral Environmental Agreements (MEAs) which cover linkages between trade and environment. The Convention on International Trade in Endangered Species of Wild Fauna and Flora (CITES) secretariat, for instance, undertakes capacity building activities in countries which are party to CITES.

UNEP-ETB has supported over 30 country projects that analyse the environmental, economic and social effects of trade liberalization and other trade-related policies in specific sectors, such as agriculture, fisheries, and forestry, with the goal of ensuring that trade liberalization supports national sustainable development objectives and poverty reduction strategies. Undertaken by national research institutions in collaboration with relevant government ministries, these country projects have strengthened countries’ capacities for assessing trade-related impacts, instituting participatory processes, enhancing inter-ministerial coordination and developing integrated policy design and implementation. Lessons learned and findings from the country projects have been compiled as follows:

- Sustainable Trade and Poverty Reduction: New Approaches to Integrated Policy Making at the National Level;
- Environmental Impacts of Trade Liberalization and Policies for the Sustainable Management of Natural Resources;
- Integrated Assessment of Trade Liberalization and Trade-related Policies;

Based on these projects, UNEP has produced a Reference Manual for the Integrated Assessment of Trade-related Policies and Integrated Assessment: Mainstreaming Sustainability into Policy Making – A Guidance Manual, which are tailored to the needs of policy-makers and practitioners in developing countries. Given the importance of the agricultural sector for poverty reduction and the environment in developing countries, UNEP has also developed a Handbook on Integrated Assessment of Trade-related Measures - The Agriculture Sector.

Trade and environment policies are often developed in relative isolation from one another due to a limited understanding of trade and environment linkages, insufficient coordination among policy-makers, and a lack of capacity to design...
integrated and mutually supportive policies. UNEP-ETB has been responding to this challenge by initiating a number of joint initiatives and activities with the WTO, UNCTAD, UN regional economic commissions, and MEA secretariats.

To further analyse the complex inter-relationships between agriculture, biological diversity, and trade liberalization, UNEP is currently implementing an Initiative on Integrated Assessment of Trade-Related Policies and Biodiversity in the Agriculture Sector. This initiative aims to identify and assess the impacts of agricultural trade policies on biodiversity, and build the capacity of African, Pacific and Caribbean (ACP) countries to develop policy recommendations that safeguard biological diversity, while maximizing sustainable development gains from trade liberalization in the agriculture sector.

Within the Cluster, UNEP-UNCTAD Capacity Building Task Force on Trade, Environment and Development (CBTF) is providing capacity building support to countries through a number of inter-related activities, including:

- Country projects, involving national experts and institutions, to enhance national capacities to develop mutually supportive trade, environment and development policies;
- Thematic research on major issues in the trade-environment-development domain and on practical approaches to address them in a sustainable way, bearing in mind the development priorities of countries;
- Policy dialogues to facilitate awareness-raising, consultations and the exchange of perspectives among experts, practitioners and negotiators at the national, regional and international levels;
- Training to enhance countries’ understanding of the relationship and complementarities between trade, environment and development;
- Networking and information exchange to provide technical and operational support at the national and regional levels and to widely disseminate the results of TCB activities.

Since its inception in 2000, UNEP-UNCTAD CBTF has provided capacity building support to over 1,000 policymakers and stakeholders from 32 countries. Beginning in 2004, the CBTF has focused its activities on building national capacity in WTO negotiations on Environmental Good and Services (EGS), MEA-WTO relationship, and promoting production and trade of organic products. In addition to capacity building seminars and workshops, 10 country projects have been completed including three, which focused on promoting production and trading opportunities for organic agriculture in Kenya, Tanzania and Uganda. One of the recent successes of the CBTF has been the assistance provided to the East African Organic Products Standard (EAOPS), which is the world’s second
regional organic standard after the European Union. The East African Community (EAC) adopted the EAOPS, which overrules all existing national standards in the five EAC countries. As a result of the collected evidence, research, advocacy and lobbying by the CBTF and its partners, organic products have been included in Uganda’s National Export Strategy 2008-2012. Tanzania has, for the first time, included a special reference to organic agriculture in its national agriculture policy, and Kenya has established a Desk for Organic Agriculture in the Ministry of Agriculture.

**ILO**

The International Labour Organization is the UN specialized agency devoted to advancing opportunities for women and men to obtain decent and productive work in conditions of freedom, equity, security, and human dignity. The ILO’s trade-related services promote an integrated approach to trade, employment and decent work – one that seeks to simultaneously enhance a country’s trade performance and create more, and better, jobs. The ILO seeks to enhance the capabilities of governments and the social partners to realize the opportunities for employment and income that may be created as a result of trade and to limit social adjustment costs. The ILO seeks to achieve this through actions at the international, regional and national levels.

At the international level, the ILO contributes to research and the development of analytical tools on the potential employment effects of trade policies and measures that maximize opportunities for employment and decent work from trade. The aim is to promote evidence-based dialogue between ILO’s constituents (i.e., governments, trade unions and employers’ organizations) on these topics. The ILO also engages with other international agencies to promote policy coherence between trade policies on the one hand and labour market policies on the other.

At the regional level, the ILO assists regional institutions in assessing the impact of trade integration on decent work, and to develop regional social policies on employment, skills development, the movement of people, labour standards, and other social goals.

At the national level, the ILO is involved in:

- Assessing the impact of trade policy on employment and working conditions and promoting coherence between trade, investment, labour-market, and education policies;\(^\text{17}\)

\(^{16}\) http://www.ilo.org

• Developing integrated sectoral strategies that seek to improve the export competitiveness of enterprises together with the number of jobs created and the conditions of work and employment;
• Promoting the integration of skills policies in sectoral strategies to support export growth, economic diversification, and creation of more and better jobs18;
• Supporting social dialogue between trade unions, employers’ organizations, and government to promote more effective and coherent trade and labour market policies;
• Facilitating labour market adjustment to trade reform or external shocks by providing assistance with the development of active labour-market policies, and adequate regulatory frameworks and institutions to provide social protection;
• Unlocking the potential of enterprises to create decent jobs by providing market information, facilitating cluster development and upgrading in value chains, improving workplace practices, and promoting a supportive business environment.

Through its training arm, the International Training Centre in Turin, the ILO provides training modules on the nexus between trade and labour markets. The training targets ILO’s constituents as well as trade negotiators and professionals from ministries of trade and regional economic organizations. The aim is to provide participants with conceptual and analytical tools to assess the employment effects of trade, enhance coherence between trade, labour market, and education policies, and anticipate the labour and skills demand resulting from trade.

**UNCITRAL**

The United Nations Commission on International Trade Law (UNCITRAL) was established by the General Assembly in 1966 (Resolution 2205(XXI) of 17 December 1966). In establishing the Commission, the General Assembly recognized that disparities in national laws governing international trade could create obstacles to the flow of trade. Such differences could result in legal uncertainty with increased cost of transactions or become a deterrent to the transaction itself, in particular for small and medium enterprises.

UNCITRAL’s aim is thus to remove or reduce legal obstacles to the flow of international trade and progressively modernize and harmonize trade laws. UNCITRAL gives effect to this mandate, inter alia, by preparing and promoting

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18 www.ilo.org/STED
19 http://www.uncitral.org
the use and adoption of legislative and non-legislative instruments in a number of
key areas of commercial law; by promoting ways and means of ensuring the
uniform interpretation and application of such texts and by coordinating the work
of organizations active in the field of trade law.

UNCITRAL work is conducted at three levels. The first level is UNCITRAL itself,
also referred to as the Commission, the decision making body, which holds an
annual plenary session alternatively in New York and Vienna. The second level is
the intergovernmental working groups, which to a large extent undertake the
development of the topics on UNCITRAL’s work programme. They meet once or
twice a year also alternating between New York and Vienna. The third level is the
secretariat, which assists UNCITRAL and the working groups in the preparation
and conduct of their work and is located in Vienna.

UNCITRAL comprises 60 member States elected by the General Assembly for a
term of six years. Every three years the terms of half of the members expire.
Membership is structured to ensure representation of the world’s various
geographic regions and principal economic and legal systems. In addition to States
members of UNCITRAL, the other United Nations Member States, as well as
international and regional organizations (governmental and non-governmental)
with expertise in the topics dealt with by UNCITRAL: are invited to attend
sessions of the Commission and of its working groups as observers.

Legal Texts: UNCITRAL develops different types of texts: these can be legislative
texts, such as conventions, model laws and legislative guides, or non-legislative
texts such as contractual rules that can be incorporated into commercial contracts
and legal guides. Thanks to the wide geographic and legal and economic
representation in the Commission, the texts offer solutions appropriate to the
different legal traditions and to countries at different stages of economic
development.

Technical Assistance: One of UNCITRAL’s priorities is the provision of technical
assistance. UNCITRAL carries out this part of its mandate through a variety of
activities that include briefing missions, seminars and conferences; law reform
assessments to assist national authorities to review existing legislation and assess
their need for law reform in the commercial field; assisting with the drafting of
national legislation to implement UNCITRAL texts; assisting international
development agencies to use UNCITRAL texts in their law reform activities and
projects; providing advice and assistance to international and other organizations,
such as professional associations, chambers of commerce and arbitration centres;
and organizing training activities for judiciaries and legal practitioners.
UNCITRAL also prepares teaching and information materials, which facilitate
interpretation of the texts and are used to support technical assistance. Technical
assistance considers both regional approaches, including in cooperation with regional economic integration organizations and international organizations, and assistance to individual States. In January 2012 an UNCITRAL Regional Centre for Asia and the Pacific was established in Incheon (Republic of Korea) to enhance international trade law and development in the Asia-Pacific region.

UNCITRAL provides technical assistance also through its Case Law on UNCITRAL Texts system (CLOUT) that collects and disseminates court decisions and arbitral awards relating to UNCITRAL legislative texts to help uniform interpretation of such texts. CLOUT is intended to provide information for use by judges, arbitrators, lawyers, parties to commercial transactions, academics. CLOUT is available in the six United Nations languages and can be accessed at no cost at http://www.uncitral.org/uncitral/en/case_law.html.

Achievements: Since it was established, UNCITRAL has completed major international texts on sale of goods, transport, dispute resolution, procurement and infrastructure development, international payments, electronic commerce and insolvency.

THE UN REGIONAL COMMISSIONS:

1. UNECA20

The United Nations Economic Commission for Africa (UNECA) was established by the Economic and Social Council (ECOSOC) of the United Nations (UN) in 1958 as one of the UN's five regional commissions. UNECA's mandate is to promote the economic and social development of African countries, foster intra-regional integration, and promote international cooperation for Africa's development. UNECA's dual role as a regional arm of the UN, and a part of the regional institutional landscape in Africa, positions it well to make unique contributions to Africa's development. Its strength derives from its role as the only UN agency mandated to operate at the regional and sub-regional levels to harness resources and bring them to bear on Africa's priorities.

UNECA's work programme focuses on achieving results in two related and mutually supportive areas: promoting regional integration in support of the African Union vision and priorities; and meeting Africa's special needs and emerging global challenges. UNECA's support to the implementation of African Union Charter’s regional integration agenda focuses on undertaking research and policy analysis on regional integration issues, strengthening capacity and providing

20 http://www.uneca.org

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technical assistance to institutions driving the regional integration agenda, including strengthening and supporting the Regional Economic Communities (RECs), and working on a range of trans-boundary initiatives and activities in sectors vital to the regional integration agenda.

UNECA recognizes the importance of focusing attention on Africa's special needs, particularly within the context of achieving the Millennium Development Goals (MDGs). In this regard, UNECA places emphasis on supporting efforts to eradicate poverty, placing African countries on the path of growth and sustainable development, reversing the marginalization of Africa in the globalization process, and accelerating the empowerment of women.

In the area of Regional Integration, Infrastructure and Trade Division (RITD), UNECA focuses on issues relating to macroeconomic analysis, including monitoring of macroeconomic trends and macro-micro linkages. It also deals with international trade, developments in international trade negotiations, infrastructure, finance and financial sector policies, debt, aid, investment, and industrial policies. The UNECA undertakes analysis in order to make recommendations aimed at helping Africa benefit from globalization through trade; conducts research and outreach activities aimed at ensuring best practice in trade policy development and integration in countries' development strategies; undertakes research and dissemination activities on international and bilateral trade negotiations, with a view to identifying how Africa could improve its development prospects via the international trading system; and analyses how global trade reforms are likely to influence Africa's economic growth and development. Furthermore, UNECA’s work in this area has also focused on research on analysing how global trade reforms are likely to affect Africa's economic growth and development prospects and this has included: analysis of the Doha Round negotiations positions on African economies, especially in the development of agriculture and NAMA modalities; the Economic Partnership Agreements negotiations and their adjustment challenges; and optimization of benefits from trade reforms through the Aid-for-Trade initiative. Besides research on trade issues and organizing meetings for advocacy purposes, the UNECA undertakes technical missions for advisory services to African countries.

The UNECA set up the African Trade Policy Centre (ATPC) in May 2003 with the financial support of the Government of Canada, through its Canada Fund for Africa. The primary objective of the Centre is to strengthen the human, institutional and policy capacity of African governments to formulate and implement sound trade policies and participate more effectively in international trade negotiations. Specific activities of ATPC include: conducting trade research; disseminating trade-related information; providing training on trade issues; providing advisory services; building African consensus on trade issues; and creating partnerships on African trade issues. The ATPC's niche is to assist the
articulation of Africa-wide perspectives and positions on trade issues. The Centre takes both a national and regional perspective and provides flexibility in responding to the needs of African countries, including a rapid response to technical needs arising from on-going trade negotiations.

To effectively leverage its TRTA programmes, UNECA has sub-Regional Organizations (SROs) based in the 5 sub-regional of Eastern Africa, Southern Africa, North Africa, West Africa and Central Africa. The SROs are the natural interface between UNECA headquarters; Member States and RECs. Informed by demands of African Member States and RECs, SROs lead in shaping UNECA’s agenda and implementation at subregional level and operate as subregional hubs for knowledge and management networking.

In addition, UNECA created UNECA Interregional Advisory Services offices in Geneva in 2003 to better serve the African Group in WTO negotiations. The office gives technical support to the African WTO Geneva Group as a demand driven response to requests by the African Group and individual African Member States. For many of the African countries coping and managing a very broad agenda of the WTO has been a formidable challenge. Despite the technical assistance provided to the African countries by a number of countries and organizations, their effective participation in multilateral trade negotiations still remains a critical challenge because although the negotiating agenda in the WTO has expanded, most African countries have not expanded their missions and have found their capacities and numbers inadequate to deal with these expanded agenda and complex issues. It is therefore critical for UNECA and other organizations such as UNCTAD to continue to enhance the capacity of the WTO Geneva Africa Group in these negotiations.

All in all, UNECA has, *inter alia* and not limited to, a number of divisions such as ICT, Science and Technology for Development, Food Security and Sustainable Development, African Centre for Gender and Development and NEPAD, Industrial Development and Finance Division all working towards human, social and economic development of Africa.

2. **UNECE**

The UN Economic Commission for Europe (UNECE) promotes cooperation among its 56 member countries as a way to foster development and economic growth in the region, which includes a wide variety of countries ranging from Georgia, Republic of Moldova and Tajikistan to France, Germany and Italy, the Russian Federation and the United States.

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21 http://www.unece.org
The UNECE provides a forum for discussion and a platform for the negotiation of international legal instruments in a number of areas including trade, transport, statistics, sustainable energy and the environment. With a history of more than 60 years of work on international norms, standards, and recommendations in the field of trade, many of these UNECE instruments are recognized as having global relevance and application.

While participation in the development of UNECE norms and standards, as well as their use, is global, UNECE’s technical assistance is mainly directed to the low- and middle-income countries in southeast and eastern Europe, the Caucasus, and Central Asia. At the same time, UNECE supports other countries outside the region and other international organizations that use its standards, through guidelines, tools and advice. The UNECE undertakes work in a number of trade areas including trade facilitation, regulatory cooperation, electronic business standards, supply capacity, transport and transport infrastructure.

One of the UNECE’s best known areas of trade work is trade facilitation and electronic business where it is recognized as a focal point within the UN system. The vision of the responsible intergovernmental body, the UN Centre for Trade Facilitation and e-Business (UN/CEFACT), is “Simple, Transparent and Effective Processes for Global Commerce”.

One of its more well-known recommendations is on Single Windows for export and import information submission (UNECE Rec. 33). Currently, UNECE, in collaboration with the other Regional Commissions, is working on the preparation of a roadmap for further developing the Single Window concept and permitting greater collaboration between these facilities in a regional and global context. The roadmap will explore requirements for an integrated Single Window approach working across Trade, Maritime and Port Community Systems along the entire supply chain.

UNECE’s work in the field of trade facilitation and electronic business aims at developing national competitiveness and participation in global markets. It helps countries develop the knowledge and institutions required for facilitating national and international trade transactions. To support this work UNECE also develops standards, recommendations and guidelines for the simplification and harmonization of processes, procedures and information flows. Specifically, UNECE undertakes advisory services and conducts workshops to:

- Support and build capacity in national trade facilitation bodies;
- Encourage the simplification and harmonization of trade procedures and data at the national level, including the establishment and operation of national single windows for export and import clearance;
- Develop national/regional trade facilitation strategies in the context of current WTO obligations and WTO negotiations on trade facilitation;
- Promote paperless trade transactions, including electronic alternatives to key paper documents in the international supply chain.

In late 2012, the UNECE published the Trade Facilitation Implementation Guide (TFIG) which is an online tool to help countries simplify their trade procedures. It provides policy makers and implementers with easy access to the whole range of instruments and measures for trade facilitation. It suggests reform paths for addressing key issues such as how to reduce delays at the border, how to simplify trade documents, and how to set up a Single Window for import and export procedures. The Guide also covers the ongoing negotiations for a trade facilitation agreement at the WTO. The Guide is available free of charge in English and Russian (and soon French) on the Internet at http://tfig.unece.org.

UNECE is currently training policy makers and implementers in various regions of the world on how to use the Guide to advance their trade facilitation reform efforts and capacity building programmes. These workshops are almost always conducted in partnership with other international and regional trade facilitation advocates such as the other UN regional commissions, UNDP, UNCTAD, and the WCO.

UNECE also actively supports Aid-for-Trade (AfT). Since 2008, it has been engaged in supporting the AfT Roadmap for SPECA Initiative, which targets members of the United Nations Special Programme for the Economies of Central Asia (SPECA). This Initiative works to harness national and regional trade-development efforts in order to achieve the following immediate and long-term priorities:

- Developing national supply-side capacity, including productive capacity and institutional frameworks;
- Harnessing cross-border cooperation;
- Facilitating the beneficial integration of SPECA countries into the multilateral trading system.

The aim is to attain greater regional and global integration, ensure continuous coordination of AfT activities, and create synergies between national and regional trade-development efforts.

22 SPECA is jointly supported by UNECE and the United Nations Economic and Social Commission for Asia and the Pacific (UN ESCAP). Its members are: Afghanistan, Azerbaijan, Kazakhstan, Kyrgyzstan, Tajikistan, Turkmenistan and Uzbekistan
23 As defined under the Baku’ Ministerial Declaration adopted at the end of the Baku AfT Roadmap for SPECA Ministerial Conference, held in Baku, Azerbaijan on 1-2 December 2010
UNECE also carries out demand-driven national trade needs assessment studies, using an in-house evaluation methodology that is tailored to capture behind and at-the-border regulatory and procedural barriers to trade in goods. The findings and recommendations emerging from these studies are intended to serve as a basis for: (a) discussions among member States during the UNECE Committee on Trade’s annual sessions; (b) decisions by the national governments concerned and their development partners on follow-up interventions; and (c) decisions by member States on the Committee’s programme of work.24

Other important areas of UNECE’s work in the field of trade and productive capacity include the following, each of these areas having associated capacity building activities:

- Transport and border crossing facilitation, especially as regards the application of the TIR Convention, and the development of Trans-European and Euro-Asian transport links (in collaboration with UNESCAP);
- The development of agricultural quality standards that are used in many countries, including the European Union where they apply to over 90% of all fresh fruit and vegetable trade;
- Regulatory cooperation, including the launching of regional initiatives aimed at facilitating trade by harmonizing the regulatory requirements for selected products or services;
- Assistance to countries in designing and implementing national conformity assessment schemes that are the least restrictive to trade that is possible, while also ensuring both domestic consumer safety and a necessary international level of confidence in national tests for exported products;
- Identification and sharing of best practice in the area of Public Private Partnerships, where a guidebook on good governance as well as additional implementation tools have been developed;
- Strengthening the development of national frameworks in support of innovation-based productive capacity and economic growth.

24 Up-to-date information on the UNECE trade needs assessment studies is available at: http://www.unece.org/tradewelcome/trademeetings/committee-on-trade/committee-session.html
3. **ECLAC**

The UN Economic Commission for Latin America and the Caribbean (ECLAC) is the regional Economic Commission of the United Nations for Latin America and the Caribbean. The 33 countries of Latin America and the Caribbean are member States of ECLAC together with several North American, Asian and European nations that have historical, economic and cultural ties with the region, reaching a total of 44 member States. Nine non-independent territories in the Caribbean are associate members of the Commission. ECLAC fulfils an important advisory and consensus-building role in the region and as such contributes to the economic and social development of Latin America and the Caribbean. Building upon the general framework which focuses on enhancing productive transformation while strengthening at the same time social cohesion in open economies, the Programme of Work of the ECLAC System for 2008-2009 identifies six priority areas for the region, including *Improvement of the region’s position in the international economy* and *Increasing the region’s productive potential.*

Under its general programme of work in the field of trade and development ECLAC carries out a subprogramme on Linkages with the Global Economy, Integration and Regional Cooperation intended to support the member States in strengthening their systemic competitiveness to achieve a more proactive and efficient global integration. Special attention is given to supporting regional cooperation and integration as vehicles for the enhancement of international competitiveness and trade diversification. To achieve these goals, the ECLAC’s Division of International Trade and Integration is assisting the member countries with the following tasks:

- Assessment of the key analytical and policy issues associated with multilateral trade negotiations and the negotiation and implementation/administration of trade agreements at all levels and monitoring of compliance;
- Assessment of economic and social impacts of trade policy, including poverty reduction, and evaluation of existing trade agreements;
- Follow-up of the major national debates on the modalities, operations and principal decisions of sub-regional integration schemes and analysis of their economic and social impact, including poverty;
- Analysis on the impact that bilateral FTAs may have on the dynamics of regional integration and policy proposals;
- Studies on economic and trade relations of the region with Asia Pacific with special emphasis on technical assistance directed towards governments and business organizations;

25 http://www.eclac.org
• Identification, implementation and monitoring of Aid for Trade (AfT) initiatives including trade facilitation measures, with appropriate technical assistance and proactive policy proposals directed towards Member States and the business community in this area;
• Analysis and technical assistance on human and institutional capacity building on innovation and technological progress for trade diversification and greater international competitiveness not only in manufactures exports but also in natural resource-based sectors;
• Analysis on links between trade and sustainable development.

ECLAC is currently executing several joint projects on the above-mentioned areas with agencies such as the German Agency for Technical Cooperation (GTZ), the Andean Development Corporation, the Inter-American Development Bank (IDB), the World Bank and the Andean Development Corporation (CAF) as well as regional integration organizations such as the Latin American Free Trade Association (ALADI), MERCOSUR, the Andean Community, the Central American Common Market (CACM) and the Caribbean Community (CARICOM).

The following projects carried out during 2008-2009 are worthy of highlighting in the area of international trade and integration: i) “Public-Private Partnerships (PPP) for Innovation and Export Development” carried out jointly with the Leadership Program for Governance and Development – Prolider funded by AECI, SEGIB and the OAS, with 15 publications and 8 activities between workshops and seminars, ii) “Poverty, Trade policy and complementary policies (AECI)” with 6 regional meetings and 8 documents waiting for publication and iii) “Making Globalization Sustainable and improving equitable access to global markets: Fair trade and trade agreements (GTZ) - Component 3: Improving access to global markets”.

Within the Cluster, in the last two years, ECLAC has intensified joint activities with WTO, especially in the area of trade negotiation/administration. The subprogramme also maintains close collaboration with UNCTAD, other Regional Commissions of the United Nations, the UNDP, the Latin American Economic System (SELA), and the Ibero-American Secretariat. Moreover, ECLAC also has put online, with the support of the WTO, an Integrated Database of Trade Disputes for Latin America and the Caribbean which comprises all the trade disputes concerning Latin America and Caribbean countries at the WTO and other regional and subregional bodies as well as updated, maintained and expanded a database on external trade at the global level and in the countries of the region: Interactive Graphic System for International Trade Data (SIGCI), with data originating in the UN Statistical Division COMTRADE database. It is also worth to call attention to the participation of ECLAC on the Regional Course on Key Issues on the International Economic Agenda for Latin America and the Caribbean, organized by the UNCTAD in Medellin, Colombia, with the support of the Ministry of Foreign Affairs of Colombia in September, 2009.
4. **UNESCAP**\(^\text{26}\)

The UN Economic and Social Commission for Asia and the Pacific (ESCAP) is the regional development arm of the United Nations for the Asia-Pacific region. With 62 Members and Associate Members, 58 of which are in the region, ESCAP is the most geographically extensive of the United Nations five regional commissions. It is also the largest United Nations body serving the Asia-Pacific region. Established in 1947, with headquarters in Bangkok, Thailand, ESCAP focuses on those issues that are most effectively addressed through regional cooperation.

ESCAP has had a long-standing subprogramme in trade and investment. The three core functions of the programme are normative work, analytical work, and technical cooperation. Within the Cluster, in the area of trade policy, ESCAP and WTO have implemented a joint technical assistance programme since 1999 comprising of trade policy courses and specific courses on WTO topics and topics related to the Doha Development Agenda negotiations. ESCAP also routinely organizes regional high-level multi-stakeholder policy dialogues also associated with WTO ministerial conferences. While most of ESCAP’s activities are at the regional level, national level work is also undertaken at the request of countries through the provision of advisory services in trade and investment and, recently, in the area of WTO accession and implementation of agreement (e.g., through an EC-funded projects in Bhutan and Nepal). ESCAP is the secretariat of the Asia-Pacific Trade Agreement (APTA), the oldest regional trade agreement in Asia, and promotes APTA as a mechanism for regional trade and economic integration and South-South cooperation. ESCAP established the Asia-Pacific Trade and Investment Agreements Database (APTIAD) which serves as a starting point for a comparative analysis of regional trade agreements in the region and the design of common frameworks towards their consolidation. ESCAP is also the secretariat of the Asia Pacific Research and Training Network on Trade (ARTNeT) which seeks to build research and training of institutions in the area of trade and trade policies and brings researchers and policy makers together to ensure that research is policy oriented and meets the needs of policy makers.

In the area of trade facilitation and efficiency, ESCAP seeks to increase the capacity of member countries to implement trade facilitation measures based on innovative methods and techniques, ICT applications and better regional cooperation. To achieve this objective, ESCAP organizes information and knowledge-sharing activities; undertakes analytical work and technical assistance activities to promote the adoption of international conventions, standards and best practices with the view to simplify and harmonize trade procedures and documents. The current projects focus on landlocked and transit developing countries.

\(^{26}\) http://www.unescap.org
including those in Central Asia. In order to provide a regional platform to share knowledge and practice to facilitate the implementation of Single Window (SW) and paperless trade in the region, within the Cluster, ESCAP and UNECE created jointly the United Nations Network of Experts for Paperless Trade in Asia Pacific (UNNExT) for practitioners and policy makers. The UNNExT develops trade facilitation tools and undertakes capacity building activities to support the implementation of international standards and solutions for aligned trade documents and data, Single Window and Electronic Data Interchange (EDI). ESCAP’s Trade Information Service (TIS), which became operational in 1980, continues to promote trade and investment in the region through the dissemination of relevant information and knowledge.

To increase the contribution of the private sector to inclusive and sustainable development, ESCAP promotes the development of regional supply chains and the development of SMEs through research and analysis and various capacity building programmes. Through these programmes ESCAP helps build capacities of countries to benefit from gains in global and regional market access. ESCAP also seeks to stimulate business to produce and trade in a sustainable manner by promoting more effective implementation of the principles of the Global Compact in the region. It promotes public-private dialogue through the Asia-Pacific Business Forum (APBF). Two of ESCAP’s regional institutions, the United Nations Asian and Pacific Centre for Agricultural Engineering and Machinery (UNAPCAEM) and the Asian and Pacific Centre for Transfer of Technology (APCTT), contribute to these goals through technology transfer both for industries as well as in relation to ensuring food security and sustainable agriculture.

5. **ESCWA**

The mission of the UN Economic and Social Commission for Western Asia (ESCWA) is to promote economic and social development in the West Asia region by fostering cooperation and integration among its 14 member countries. The internationally agreed development goals, including the Millennium Development Goals (MDGs) provide the overarching framework for ESCWA’s work. In terms of economic integration and regional trade, ESCWA works to strengthen and build the capacity of member countries to design and implement sound economic policies and strategies for sustainable economic growth, poverty alleviation as well as regional integration in a globalizing world. ESCWA promotes the sustainable utilization of regional natural and human resources, integration of national markets, and facilitation of intraregional cross-boundary flows of goods, services, investment and people. ESCWA’s work programme pursues the objective by promoting economic and social integration among its member countries at the

http://www.escwa.un.org

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27 http://www.escwa.un.org
subregional and regional levels and fostering solidarity in the international political arena and global economy.

ESCWA’s work programme on transport and trade facilitation is implemented through the development of an Integrated Transport System in the Arab Mashreq (ITSAM). This includes the implementation and monitoring of UN conventions on the international road, rail and maritime transport in the region, as well as the transport and trade facilitation (TTF) mechanisms and recommendations promoted within ITSAM. Special attention is given to the continued establishment and activation of, as well as the regional coordination among National Transport and Trade Facilitation Committees (NTTFC).

In this regard, ESCWA assists its member Countries to build their capacity in (i) trans-boundary flows of goods and services; (ii) Negotiation and accession skills for the World Trade Organization (WTO) and other trade agreements; (iii) Implementation of the Monterrey Consensus that emanated from the Financing for Development Conference; and (iv) Managing the opportunities and challenges posed by globalization.

ESCWA aims to facilitate trans-boundary flows of goods, services, persons and capital to foster regional integration and promote economic development. ESCWA’s normative, analytical and operational activities assist member countries in addressing the evolving trends of the new regional and global trading systems, and place special emphasis on the Greater Arab Free Trade Area (GAFTA), the World Trade Organization (WTO), South-South cooperation, the elimination of non-tariff trade barriers and the introduction of trade facilitation measures, in particular through the application of information and communications technologies and the single window requirements that aim at accelerating and simplifying information flows among traders and Governments in order to bring meaningful gains to all parties involved in cross-border trade.

ESCWA assists member countries in improving export performance and enhancing regional integration through encouraging domestic as well as foreign investments. ESCWA’s technical assistance focuses on improving the capacity of member countries through policy advice and capacity building activities. It provides advisory services, implements technical cooperation projects and organizes workshops as well as training courses targeted to the needs of individual countries and to the needs of the region as a whole. Emphasis is placed on strengthening the negotiation skills of member States in respect of the WTO negotiation process, continuing to increase their understanding of the opportunities and challenges presented by WTO as well as regional integration agreements, defining obstacles and barriers to participation in the multilateral trading system and organizing awareness drives on the role of the Arab free-trade areas and other bilateral
agreements. Support is provided in enhancing regional development by analysing existing credit and investment policies and formulating specific recommendations for the improvement of existing investment laws, regulations and incentives in order to increase significantly the attractiveness of member countries to domestic and foreign investors, with particular emphasis on interregional capital flows and the return of capital invested outside the region.

Among others, tools adopted by ESCWA to fulfil its mandate include:

- Transport and Trade Facilitation through the development and implementation of the various components of an Integrated Transport System in the Arab Mashreq (ITSAM);
- Within ITSAM, implementing and monitoring international UN conventions in the ESCWA region, the including the Agreement on International Roads in the Arab Mashreq, Agreement on International Railways in the Arab Mashreq and the Memorandum of Understanding on maritime transport cooperation in the Arab Mashreq;
- Convening annual Intergovernmental Group Meeting of the Committee on Transport that discusses and approves all aspects of ITSAM;
- Conducting ministerial and expert group coordination meetings, such as Arab Ministerial meetings on the preparation for the WTO Ministerial Conferences, and follow up on the results of such WTO conferences;
- Seminars and training/capacity building workshops on relevant topics such as transport and trade facilitation, agricultural trade, WTO negotiations, trade in non-agricultural goods, trade in services, and on intellectual property rights;
- Analytical and normative reports, such as the “Annual Review of Developments in Globalization and Regional Integration in the Countries of the ESCWA Region” and “Movement of Natural Persons in the ESCWA Region”, Aid for Trade and South-South Cooperation;
- Establishment of the “Technical Committee on Liberalization of Foreign Trade and Economic Globalization in the countries of the ESCWA region”;
- Responding to member country requests for technical assistance and advisory services on multilateral trade issues and negotiations;
- Responding to member country requests for technical assistance and advisory services on transport and trade facilitation, mainly the establishment/activation of NTTFCs;
- Maintenance and regular updating of ESCWA’s trade and transport facilitation related website in Arabic on regional integration and responding to globalization;
- Networking and knowledge-sharing, as well as field projects, such as the development account, “Interregional partnership for promoting trade as an
engine for growth through knowledge management and ICT”, where the five regional commissions are actively involved;

- Joint projects with UN regional commissions on capacity building through developing interregional land and land-sea transport linkages;
- Cooperation with other UN agencies and entities, such as the “Joint Project on the Accession of the Syrian Arab Republic to the WTO”, in collaboration with UNDP and UNCTAD and other regional organizations, such as League of Arab States and Arab Labour Organization Cooperation with the League of Arab States, World Bank, European Commission, Islamic Development Bank and other regional and/or international organization, on transport and trade facilitation issues.

**UNOPS**

UNOPS provides project management, procurement and other support services to United Nations agencies, international financial institutions, governments and non-governmental organizations. Established as part of the United Nations Development Programme in 1974, UNOPS became an independent, self-financing organization in 1995.

With some 1,000 core staff and tens of thousands of consultants around the world, global headquarters in Copenhagen, Denmark and a decentralized network of five regional offices and over 20 operations and project centres, UNOPS oversees activities in more than 50 project countries.

UNOPS operates according to the principles and values of the United Nations. It has non-profit status and is exempted from tax and custom duties.

But UNOPS receives no core funding from the United Nations, relying instead on the quality of its services to generate income. Operating in a competitive global market, UNOPS applies leading private sector business practices. As a result, clients enjoy the benefit of UNOPS efficiency, flexibility and value-for-money. UNOPS always ensures that project ownership rests with its clients.

**Services**: UNOPS customizes its services to individual client needs, offering everything from one-time stand-alone solutions to long-term project management. Core services include:

- Project management;
- Procurement;

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28 [http://www.unops.org]
Experience: UNOPS is a proven service provider with more than 30 years’ experience implementing large-scale, complex efforts throughout the world. UNOPS often works in post-disaster and peace building settings, developing countries and economies in transition.

In recognition of its specialized expertise, Secretary-General Kofi Annan designated UNOPS as the lead United Nations entity for complex infrastructure projects in peacekeeping settings.

UNOPS also has considerable capacity and experience in other sectors including education, environment, gender, governance, health, humanitarian relief and recovery, justice and reconciliation, poverty mitigation, and security and disarmament.

UNOPS role in the Cluster as EIF Trust Fund Manager

The Trust Fund Manager (TFM) is the financial facility of the Enhanced Integrated Framework (EIF), which has been established to “enhance the capacity of the Least Development Countries (LDCs) to integrate into the multilateral trading system in order to reduce poverty and benefit from increased market access”. UNOPS was appointed by the EIF Board in May 2008 as the TFM of the EIF following a competitive bidding exercise.

The EIF/TFM funding takes place through two project modalities:

Tier 1 is aimed at providing resources for institutional capacity building and mainstreaming activities (i.e. building the human resource capacity of the National Implementation Arrangements (NIA); providing operational support to the National Implementation Units (NIUs); preparing and/or formulating the LDC’s Diagnostic Trade Integrated Studies (DTIS); facilitating and supporting trade mainstreaming actions such as workshops and studies. Since the inception of the TFM operations in October 2008 up to mid-May 2010, the EIF Board has approved 22 Tier 1 projects benefiting 20 LDCs in Africa and Asia. The prospect for LDC funding during 2010 is promising since around 15 new Tier 1 projects are in the pipeline in benefit of the same number of LDCs including a group of LDCs in the South Pacific Region (Oceania).

Tier 2 is aimed at facilitating the implementation of the projects identified in the DTIS and its action matrix by providing funding to activities such as small priority projects, project development activities, feasibility studies and seed projects. Tier 2 projects should leverage resources and contribute to the overall coherence of Trade Related Technical Assistance (TRTA). As a result of the approved Tier 2 guidelines in March
2010, the EIF project portfolio and TFM funding are expected to grow. Projections for funding approval during 2010 are still under construction for EIF Board consideration.

A primary aim of the Cluster is to organize the supply side of the UN technical assistance following the strategic purpose of “Delivering as one”, while a primary aim of the EIF/TFM is to help organize the demand side of the development cooperation process in the LDCs by supporting the creation of national capacities for change and fostering country ownership. The interface between the supply side (Cluster) and the demand side (LDCs) is very important and should happen through the balanced process of identification, formulation and implementation of Tier 1 and Tier 2 projects addressing both Trade-Related Technical Assistance matters and Financial and Fiduciary aspects.
E. ANNEXES
ANNEX 1.

Trade Capacity Building Inter-Agency Resource Guide

Overview and Main Categories

Introduction

UN organizations have expertise and experience, and can offer assistance in many of the specific areas where countries want to build up their trade capacity. However, precisely because there are many organizations offering assistance by means of a wide diversity of specialized services, the authorities in developing countries and UN Country Teams can find it difficult to know exactly what is available from which agencies, and hard to comprehend how to combine such services to form a holistic support package.

This Inter-Agency Resource Guide has been developed to address this challenge and to make it easier for developing countries and local UN Country Teams to draw on the wealth of UN-wide expertise, in particular when designing technical assistance programmes for trade capacity building. The Guide is also intended to facilitate collaboration between UN agencies. This Overview starts with a brief reference to the contribution that trade can make to development. It then describes the context of the increasing availability of “aid for trade”, coinciding with a UN-wide effort for more coherence in the delivery of technical assistance. This chapter also provides a systemic view of areas where UN agencies can support developing countries. For each of these areas, highlights and examples of UN System services and assistance are presented. More exhaustive, detailed information on the various services that are available from the UN is then given in the later sections of the publication.

The importance of trade for development

Trade has been recognized as a central element in development strategies since the 1950s, although different economic theories have emphasized different roles for it. Trade not only reflects increased demand, but also new types of demand that have stimulated specialization and encouraged technological change. With trade growing at about twice the rate of global production in the last 50 years, specialization and technological change have developed still further. It is generally accepted that international trade is beneficial for economic growth and development. It enables countries to exploit their ‘comparative advantage’ and use

their resources in the productive activities that provide the highest returns. Access to new and larger markets for these products can lead to higher incomes, more jobs, and better standards of living. In the 1980s and 1990s, changes in policy reinforced the importance of trade for development, and policies have been directed specifically at improving the trading opportunities for developing countries, through special and differential treatment, preferences to encourage their exports, and special regimes for some commodities. The Multilateral Trading System has become more responsive to developing country interests, with reforms to trade rules concerning agriculture, and textiles and clothing, and greater efforts to prevent discrimination against developing country exports. Since the year 2000, new measures offering trade concessions to Least Developed Countries (LDCs) have been implemented. These measures have allowed some countries to rapidly increase their exports and use these as a tool for development. However, the increasing liberalization of all trade, both at multilateral level and in regional arrangements, is reducing the beneficial impact of these preferences. For many developing countries, providing opportunities and incentives has not been enough to stimulate an increase in trade. In LDCs, in particular, the productive supply capacity or export base is narrow, and relies strongly on commodities. Exporters trying to export new products and penetrate new markets often lack access to legal and commercial information services and to the technical support needed to develop and produce their products and then to reach the markets. Many countries lack supporting infrastructure, both physical infrastructure, such as transport and communications, and institutional infrastructure, such as bodies to implement international trade rules or to offer efficient financial services. Often countries find it difficult to develop a national strategy to support trade development.

**The need for ‘aid for trade’ to complement trade opportunities**

In the last five years, the fact that some countries have been unable to take advantage of apparently good opportunities and incentives to trade, and concerns about the diminishing impact of preferences as trade negotiations continue, have led both developing countries and donors to recognize the need for more aid to help countries to take advantage of trade opportunities. Trade-related aid comes in a wide variety of forms. Many programmes target specific obstacles that are inhibiting countries’ ability to respond to trade opportunities. Others offer assistance for all the stages of a trade response, from recognition of the importance of trade, through to market information, regulation, infrastructure, credit, and specific needs to develop productive capacities.

Recent initiatives, such as Aid for Trade, or the significant pledges made to support the Enhanced Integrated Framework for trade-related technical assistance to LDCs (EIF), have provided a boost for more trade-related technical assistance. At the same time, UN-wide efforts for more coherence in the service delivery by the
various UN organizations have also reached out to the area of trade-related assistance. Developing countries, donors, and UN agencies, are increasingly striving for more systemic packages of services which aim to combine the expertise of different agencies to provide technical assistance with a problem/solution approach. Some of these programmes have already been completed, while others are still continuing.

More and more pilot countries within the ‘One UN’ coherence exercise are now including trade-related capacity building in their programmes. This increased availability of ‘aid for trade’ is a welcome change, but it also brings challenges and risks for countries trying to use it effectively. The large number of donors and service providing agencies, both bilateral and multilateral, can make it difficult to design a coordinated inter-agency trade development programme. At the same time, the size of such programmes is growing as available funding increases. A country which faces many problems in trading may find it difficult to identify which are the most urgently needed support services. If it has little experience in trading, it may find it difficult to identify which of the possible suggested measures will be most effective and which agencies can deliver them.

The contribution of the UN System

Trade is usually driven by the economic interests of producers, buyers, and the final consumers. But governments and regional markets are also involved in determining which products, and with which specifications, are bought. Various intermediary agents facilitate the transactions. Development partners, including the UN, can provide facilitating support at some of the critical points linking the producer with the buyer or client, thereby making trade more likely to happen. This support ranges from general advocacy and policy support, to the strengthening of the institutional enabling environment, to direct match-making support. The diverse range of expertise and services available within the UN System can make it difficult for developing countries to know which agency to approach for which service. Countries, UN Country Teams, and indeed the agencies themselves, will benefit from a directory of available services. This directory also signals areas where there is less help available, and thus indicates where agencies or other development partners could consider designing new programmes or services. In some cases, where services are, or should be, closely complementary, increased information about who provides what service may facilitate coordination or joint programmes among agencies.

Some key areas where the UN System provides support to local trade capacity building efforts include:
1. **Global advocacy for trade as a tool for development:** The global advocacy category covers UN agency services that are designed to promote the use of trade as a development tool and to encourage support for developing countries’ efforts to improve their trade capacity building. This includes analysis and dissemination of trade-related information, promoting the understanding of the relationship between trade and development, and supporting policies. Some agencies provide information on and support for the interactions between their more specialized interests and trade.

2. **Trade policy development, including competition policies:** Agencies’ assistance to trade policy development is generally provided in four areas: design and implementation of trade policy; specific developing country issues in trade (such as commodity exports and preferences); support in trade negotiations; and assistance to strengthen the intersections between trade policies and other policies.

3. **Design and implementation of legal and regulatory frameworks that facilitate WTO accession, and allow for the implementation of WTO agreements:** Assistance under this category includes helping countries to bring their own regulations into conformity with international rules, and more generally, support to improve their legal institutions, including training of officials to deal with such rules. A number of the agencies specialize, rather than trying to provide expertise on the legal rules in all sectors. For several, the aim is to balance international obligations with other national or international interests.

4. **Supply capacity development, including the improvement of the business environment and the investment climate, the provision of business services and access to financing, and private sector development in general:** In line with the trade focus of this Guide, support activities to develop supply capacity are considered those that aim to increase the availability of goods and services for export. There is no easy distinction between this, and building capacity to produce more generally, say for local consumption, but this distinction is becoming less pertinent due to open borders and increased competition in local markets from imported products. Some agencies therefore no longer make this distinction in their work.

5. **Compliance infrastructure and support services, in particular from standards, creditation and certification bodies, testing and calibration laboratories, inspection services:** The assistance in this category is closely related to that under the Legal and Regulatory Framework category, but places more emphasis on building the institutions in developing countries to implement such legal frameworks. It is an area where the specialized agencies again have the main role.
6. **Trade promotion by the development of export promotion strategies, and the strengthening of trade promotion institutions:** Included in this category are both direct support to exporters, and building institutions in-country which will provide such support. It is different from many of the other categories because of an almost entirely private sector focus.

7. **Market and trade intelligence structures and services:** Market Information and Trade Information services are different in their focus and methods. Market information is provided at the sub-sector and product level, while trade information focuses on aggregate level and includes data and trends in trade flows and policies affecting trade. Market information is usually targeted at producers, exporters, and traders. Trade information is, broadly speaking, intended to be used by policy-makers for analysing trends and setting trade policy.

8. **Import and export mechanisms and processes by the streamlining of customs procedures, and border and transport management:** This category covers the development, harmonization, and implementation of rules and procedures that govern how goods cross borders.

9. **Physical trade-related infrastructure such as ports, rail transport, roads, cool chains, and harbours:** This category covers the development, harmonization, and implementation of rules and procedures that govern how goods cross borders.

10. **Trade and export financing, international payments and other trade-related financing:** Trade finance is one of the areas where exporters from developing countries are most disadvantaged compared to those from developed countries, because selling at a distance to purchasers who are not directly known within the country requires special skills, schemes, and risk assessment from banks. Only when exports reach a sufficiently high level is it profitable for banks in a country to acquire these skills. On the other hand, exports, in particular of SMEs, are hampered by the difficulty in accessing export finance. So, both the cost and the availability of appropriate finance are problems. Some agencies offer support to build national capacity, while others try to fill the gap until this can be done.

Twenty-one different agencies have participated in the development of this Resource Guide and provided descriptions of their services. For some agencies, such as the WTO, UNCTAD or ITC, trade-related activities are at the core of their work; for other agencies, trade development and trade-related technical assistance may not be spelt out as central to their mandate, but in their area of specialization they offer services that are important to support the development of trade capacity.
The following table identifies the areas of intervention where each of the 21 UN agencies provides services.

<table>
<thead>
<tr>
<th>MAIN CATEGORIES</th>
<th>Refers (not limited) to:</th>
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<tbody>
<tr>
<td><strong>1. - Global Advocacy</strong></td>
<td>Services aimed to increase consciousness on trade and its impact on development:</td>
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<td></td>
<td>o Millennium Development Goals</td>
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<td></td>
<td>o PRPS</td>
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<tr>
<td></td>
<td>o Mainstreaming of trade issues into development</td>
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<td><strong>2. - Trade Policy Development</strong></td>
<td>Services aimed to assist the development of policies regarding trade</td>
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<td>o Trade Policy</td>
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<td></td>
<td>o Competition policy</td>
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<td></td>
<td>o Country studies and diagnostics (e.g. DTIS)</td>
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<td><strong>3. - Legal and Regulatory Framework</strong></td>
<td>Service on issues related to the Multi-lateral trading system:</td>
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<td></td>
<td>o WTO accession facilitation</td>
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<td>o Trade agreements</td>
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<td>o Trade Diplomacy</td>
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<td>o Dispute resolution</td>
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<td>o Good regulatory practice</td>
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<td></td>
<td>o Awareness &amp; negotiation</td>
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<td></td>
<td>o WTO agreements (on TBT, SPS, etc.)</td>
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<td><strong>4. - Supply Capacity</strong></td>
<td>Services aimed to enhance competitiveness of the supply capacity base:</td>
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<td>o Development of process capacities</td>
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<td>o Productive capabilities</td>
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<td>o Production infrastructure</td>
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<td>o Product design</td>
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<td>o Quality management and infrastructure</td>
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<td>o Labelling and packaging</td>
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<td>o Business Networking</td>
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<td>o Value chain integration</td>
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<td>o Technology upgrade</td>
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<td>o Cluster development</td>
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<tr>
<td><strong>5. - Compliance Support Infrastructures and Services</strong></td>
<td>Services targeting conformity and compliance:</td>
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<td></td>
<td>o Framework for conformity system</td>
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<td></td>
<td>o Good practices (GAP, GMP, HACCP)</td>
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<td></td>
<td>o TBT, SPS compliance</td>
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<td></td>
<td>o Standards and technical regulations compliance</td>
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<tr>
<td></td>
<td>o National/regional standardization</td>
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<td></td>
<td>o Testing &amp; metrology</td>
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<td><strong>6. - Trade Promotion Capacity building</strong></td>
<td>Services promoting trade and exports:</td>
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<tr>
<td></td>
<td>o Enhancing trade support institutions operations</td>
</tr>
<tr>
<td></td>
<td>o (Chamber of commerce, export promotion bodies, etc.)</td>
</tr>
<tr>
<td></td>
<td>o Export strategy development and implementation</td>
</tr>
</tbody>
</table>
### 7. - Market and Trade Information

- Services related to market analysis and information:
  - Market information
  - Trade information
  - Cross country studies
  - Export competitiveness analysis
  - E-commerce
  - Export competences

### 8. - Trade Facilitation

- Services aimed to alleviate import and export procedures:
  - Customs upgrading (valuation, procedures and mechanisms)
  - Custom clearance and harmonization
  - Border management and performance monitoring systems
  - Pre-shipment
  - Trade procedures
  - Tariffs and market access barriers
  - Rules of origin
  - Aligned Trade Documents
  - Electronic standards/EDI
  - Paperless trade
  - Single window environment
  - Tariff negotiations
  - Tariff development and reforms
  - TRAINS
  - Logistics and transport services: regulations and competitiveness

### 9. - Physical Trade Infrastructure

- Services related to transport and transportation issues:
  - Road & rail infrastructure
  - Air Transport and Airport Operations
  - Maritime Transport and Port Operations
  - Port/harbour operations & efficiency
  - Multimodal transport
  - Handling procedures
  - Transport security/Dangerous goods
  - Pre-shipment inspection
  - Cargo tracking systems
  - Transport Vehicle standards
  - Landlocked countries access
  - Transit facilitation and logistics
  - Transit guarantee systems
  - ICT infrastructure for trade logistics
  - Warehousing
  - Cool chain
  - Transport & Communications policy

### 10. - Trade Related Financial Services

- Services aimed to facilitate financial aid to trade:
  - Trade Finance Access
  - Export financing
  - Financial transactions (sell and buy)
  - International payments
ANNEX 2.

Aid for Trade and Human Development,
A Guide To Conducting Aid For Trade Needs Assessment Exercises

2009

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Executive summary

This guide is designed to help policy makers, trade officials and researchers conduct needs assessment studies on trade and human development under the Aid for Trade (AfT) initiative conceived at the 2005 World Trade Organization (WTO) Ministerial Conference in Hong Kong.

The AfT initiative is one of the most important development-related outcomes in recent years. The declaration in Hong Kong stated that AfT should help developing countries build supply-side capacity and trade-related infrastructure to help them benefit from trade agreements and, more broadly, to enhance the contribution of trade to development. The AfT initiative recognizes that existing trade negotiations need to be complemented by stronger domestic policy and international cooperation. Least Developed Countries (LDCs) already receive assistance under the Enhanced Integrated Framework for Trade Related Technical Assistance to LDCs, and this guide can be used to inform and update the Diagnostic Trade Integration Studies under the Enhanced Integrated Framework. As with LDCs, many developing and middle-income countries also continue to face problems with productive capacity: they generally have access to other markets but cannot produce in sufficient quality or quantity. This can be because infrastructure is weak, markets are isolated or distant, and bureaucracy is onerous or international rules too complex. According to estimates of the Organization for Economic Cooperation and Development (OECD), Official Development Assistance (ODA) commitments in the aid categories associated with the definition of AfT accounted for $21 billion on average between 2002 and 2005. Assuming that donors meet commitments to scale up aid up to $130 billion in 2010, ODA in the categories most closely associated with AfT could increase by $8.5 billion.

The trade needs assessment reports resulting from using this guide are intended to make trade and development policies more integrated with each other and thus conducive to human development. The needs assessments will result in concrete and actionable recommendations aimed at mainstreaming trade in national development strategies. The regional dimension, however, remains crucial. Maximizing coordination between regional economic communities and individual member countries will help ensure agreement on which projects are ready for support and what their implementation time-frame should be. Typically, an AfT needs assessment contains chapters on the macroeconomic and business environment; trade and investment policy; trade facilitation; and various sectors of the economy and the analysis of the impact of specific trade measures on human development. The guide does not suggest trade policy advice or provide regional and country analysis, but presents tools and methods for looking at trade policies from a human development point of view. Finally, the AfT needs assessments
should not make AfT conditional on trade liberalization. Rather, the primary intention is to use AfT for the development of trade, using whatever means are appropriate.

**Trade and human development**

Poverty is traditionally defined as a lack of income or ability to consume. Yet, the human development approach goes beyond income and consumption. Human development is about expanding the ability of people to make choices that improve their lives. Whilst consumption and income are important, human development has been defined as ‘human flourishing in its fullest sense — in matters public and private, economic and social, and political and spiritual’ — and, according to Nobel prize-winner Amartya Sen, as “a process of enlarging people’s choices and freedom”. Since women have the most to gain from human development, gender must form an intimate part of the needs assessments and should not be included just as a subheading or standalone section. The Millennium Development Goals (MDGs), of which 3 and 5 deal with gender equity and maternal health, are necessarily linked with the concept of human development and trade. Even if the MDGs do not necessarily reflect all aspects of human development, they comprise the most comprehensive set of human development goals and targets so far adopted.

The gains from trade are numerous, and extend beyond the immediate commercial benefits. Trade and investment can contribute to human development by helping to raise productivity, employment and economic growth. Trade and investment can also increase the variety and quality of goods available to consumers, and help lower the likelihood of political conflicts between countries. Yet, the links between human development and trade are complex and not always easy to discern. They depend partly on country-specific circumstances. To what extent does poverty exist, and what type? What kind of trade reform is involved? What kind of natural endowments does the country have? Many developing countries suffer from widespread rural poverty, although some do not; many are members of the WTO, although not all; most countries are involved in regional trade agreements; and several are rich in natural resources, while some have none. These variations between countries underline the requirement for the needs assessment exercises to be nationally-owned and driven.

Trade and underlying trade policies are redistributive in their nature, meaning that they impact different population groups in different ways. Therefore, trade liberalization may imply a net welfare transfer from one economic sector or group to another. Policy changes and trade agreements are, nonetheless, only one of the factors behind a country’s trade performance and their implementation might be not sufficient to boost trade, exports and growth. Trade policy should be addressed
together with other aspects of industrial policy and the macroeconomic setting. Country-specific factor endowments, the business climate and comparative advantages can be at least as important in the current global trading environment.

Despite the variations between countries and the challenges of linking trade policy and human development, it is possible to identify a number of standard links between human development and trade. The economic growth that may come with trade expansion is likely to enhance the rate of human development but not if it is accompanied by environmental degradation, poorer health care and weakened security. The relationships between trade, economic growth and human development are not automatic, and indeed it is possible to experience economic growth (accompanied by a significant level of trade) without any impact on human development. This guide looks at trade and human development from multiple perspectives, including gender and environmental considerations. This entails the identification of existing patterns in the economy, market opportunities to increase people’s well-being, and the risks arising from globalization that people should be prepared to face.

Successfully using trade to maximize the rate of human development depends on the coherence of national and international policies. Government policy, including trade policy, has a crucial role to play. This guide is not a blueprint and does not cover the relationship between trade and human development in a comprehensive or exhaustive manner. Rather, it aims to enable countries to systematically analyse their capacity constraints, identify their needs in the current international trading context and express them in a document embodying a credible and actionable programme that enables them to benefit fully from AfT.

**Trade needs assessments**

The most important goal of the needs assessment studies is to identify a set of policy recommendations and technical assistance needs aimed at improving the contribution of trade to human development and poverty reduction. This set of recommendations should:

- Help overcome the identified constraints;
- Meet the costs of adjusting to current or anticipated trade agreements;
- Tackle institutional and infrastructure capacity limitations;
- Suggest action plans to remove bottlenecks and seize opportunities.

In order to derive these recommendations, the needs assessment studies should analyse the existing and potential impact of trade on human development. The use of participation techniques and public consultations has had an increasingly
beneficial impact on policy-making. Participation brings political, legal and social benefits and can reduce the risks of strong opposition and unrest. Trade policy is no different. The analysis should include the perspectives of key stakeholders in government, the private sector, academia and civil society. Thus, the main objectives of the analysis are the following:

- Review current investment and trade policies and their linkages with economic growth and human development;
- Assess the country’s business environment and investment climate;
- Analyse selected existing (ex-post) trade policies and agreements — bilateral, regional, and WTO — and those under negotiation (ex ante) for economic growth, employment, equity and poverty, policy space and public sector capacity implications;
- Review economic and export performance as well as any specific constraints that the country’s exports face in international markets;
- Analyse key economic sectors for expansion of output, productivity, exports, employment and sustainability;
- Consider the impact of the above on poverty, inequality, social exclusion and regional disparities, as well as on policies to address these and related development challenges.

This is not a checklist but provides an indication as to the content of the needs assessment exercises. Each country needs assessment will differ depending on its specific circumstances. The guide also proposes that the AfT study establishes a matrix of specific policy recommendations and institutional reforms, outlining ways in which trade might contribute more to economic growth, human development and poverty reduction.

The second chapter briefly describes how trade can be mainstreamed into government policies. The third chapter describes the link between trade and human development from a theoretical perspective, examining the relationship between trade and such factors as gender, environment and poverty. The bulk of this guide, beginning with chapter four, offers practical guidance on undertaking AfT needs assessments. Concepts such as trade mainstreaming and ownership should be central in any approach to this exercise.

While the human development perspective should be reflected throughout the AfT study, practical and operational recommendations should be established on a sector-by-sector basis. Quantitative and qualitative tools and methods to address these issues are presented in chapter 8 (sector assessments — including SWOT, value chain analysis) and 9 (trade policy impact assessment — HDIA, PSIA, CGE, the gravity model).
ANNEX 3.

Statement of the Secretary-General of the United Nations

Mr. Ban Ki-moon

LAUNCHING OF THE CEB INTER-AGENCY CLUSTER ON TRADE AND PRODUCTIVE CAPACITY

UNCTAD XII, Accra, 20 April 2008

Distinguished Delegates,
Distinguished Heads and Representatives of the agencies of the Cluster,
Ladies and gentlemen,

I welcome the launching of this interagency cluster on trade and productive capacity, and commend the efforts of the UN system organizations towards its establishment. I consider this an important contribution to system-wide coherence. It will add concrete and operational strength to the “development pillar” of the UN system.

Building competitive productive capacity is crucial to the use of trade as an engine of development, as well as to the success of the development process. UN must play its full role in this regard. Trade and productive capacity building should, therefore, constitute a pivotal component of the UN country assistance plans.

I am pleased that the Cluster aims at translating into coherent field operations the linkages between trade, poverty reduction, and human development, with a view to helping countries achieve the internationally agreed development goals, including the MDGs.

Trade-related assistance has played, until now, a marginal role within the UN country assistance plans. I encourage the cluster to play a pro-active role in coherently beefing up trade and trade-related technical cooperation activities for the benefit of developing countries, especially for Africa, least developed countries, and other countries with special developmental needs.

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The operational flexibility of the cluster should allow all parts of the UN system to play their respective roles effectively. I am pleased that UNCTAD is coordinating this interagency mechanism, thanks to its central trade and development mandate within the UN system.

We will continue to rely on the member States, especially the donor countries, for the financial support to our development operations. I would also like to call for greater coherence in the financing of UN development operations. The One UN funds are a welcome step in this regard, but much more needs to be done.

There should also be greater coherence in aid, trade, debt, investment and technology policies to better support productive capacity building. In this regard, would like to invite donors to work towards a more balanced sectoral allocation of development assistance.

I wish this Cluster full success.
ANNEX 4.

Joint Statement by the United Nations Inter-Agency Cluster on Trade and Productive Capacity, General Assembly, 15 October 2012

QUADRIENNIAL COMPREHENSIVE POLICY REVIEW

The United Nations Inter-agency Cluster on Trade and Productive Capacity was officially launched in April 2008, at UNCTAD XII, by the Secretary-General of the United Nations. The members of the Cluster include UNCTAD, UNIDO, FAO, ITC, WTO, UNDP, UNEP, ILO, UNCITRAL, UNECA, UNECE, UNECLAC, UNESCAP, ESCWA, and UNOPS. This is a unique UN-wide effort to coordinate the trade-related development contributions of different entities to the global agendas of Aid for Trade, the Millennium Development Goals and the upcoming Sustainable Development Goals and post-2015 development agenda. The Cluster has greatly contributed to system-wide coherence by providing coordinated technical assistance at the national and regional levels in the area of international trade and productive capacity.

UNCTAD facilitates coordination between these UN entities with a view to avoiding duplication, ensuring efficiency, and more importantly, adding value to the quality of the UN assistance through the diverse expertise that exists within the UN system.

The joint programmes of the Cluster can address the complex needs of several sectors of developing countries’ economies. Various modalities of assistance, particularly policy advice, can be delivered at the micro and macro levels as requested by national authorities and in the context of UN Development Assistance Frameworks (UNDAFs).

Examples of the operations coordinated by the Cluster include actions linking trade to employment policy, food security concerns and trade negotiations, environmental goals and industrial policies, support to the export enterprises to improve their international competitiveness and facilitate access to markets and investment promotion policies, and many other issues of concern. Regional agendas are fully taken into account thanks to the participation, within the Cluster, of the UN Regional Commissions. Cooperation with other international organizations, financial institutions and bilateral donors is always welcome as required in each country and as agreed with national authorities.

We believe that the development impact of the Cluster at the field level is wider and deeper than the impact achieved by the operations of agencies acting alone.
As a contribution to the General Assembly debate on the QCPR, and in light of the results achieved by this interagency mechanism in terms of coordination and coherence, the UN entities that are members of the Cluster would like to emphasize that:

- A thematic inter-agency mechanism such as the Cluster is a strategic instrument in the effective operationalization of system-wide coherence;
- By acting together when formulating, delivering and monitoring the impact of their assistance, the UN entities can be better aligned with national development strategies;
- The Post-2015 Development Agenda should be the road map and the driving force for further progress in the delivery of UN joint programmes of development assistance;
- Donors’ support to joint programmes such as those of the Cluster, in particular through the Multi-Donor Trust Funds, is critical to ensure sustainable, predictable and timely assistance from UN agencies to achieve higher levels of efficiency and coherence in the delivery of trade-related assistance.
United Nations Inter-Agency Cluster on Trade and Productive Capacity

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